

WINSTON RESOURCES INC.

For Immediate Release

January 23, 2020

WINSTON RESOURCES ANNOUNCES PROPOSED REVERSE TAKEOVER
TRANSACTION WITH VEGASTE

Winston Resources Inc. (“**Winston**” or the “**Company**”) (CSE: **WRW**; FSE: **WNT**) is pleased to announce that it has entered into a letter of intent dated January 22, 2020 (the “**LOI**”), which sets out the basic terms and conditions for the acquisition by the Company of all of the issued and outstanding common shares in the capital of Vegaste Technologies Corp. including its wholly owned subsidiaries (including PlantX Life, Inc. d/b/a “PlantX”) (“**Vegaste**”) in exchange for common shares in the capital of the Company (the “**Acquisition**”). The Acquisition is expected to be structured as a reverse takeover and will constitute a “fundamental change” for the Company pursuant to the rules and policies of the Canadian Securities Exchange (the “**Exchange**”). The Acquisition is an arm’s length transaction. Upon successful completion of the Acquisition, the Company will continue the business of Vegaste as further detailed below.

About Vegaste

Vegaste is an online source for high-quality plant-based food and beverages, distributing products throughout North America. Vegaste also intends to create a vibrant online community with a collaborative forum and blog to help like minded consumers connect with each other. Vegaste will also partner with well-known chefs to create unique dishes and will curate a list of approved vegan restaurants as well as local and regional food delivery services. As a one-stop shop for fans of plant-based products, customers can come to Vegaste to learn about the benefits of a plant-based diet, peruse recipes, and order products from the marketplace.

As of the date hereof, no meaningful financial information has been prepared by Vegaste. Vegaste will prepare audited financial statements in the near future and the Company will provide a summary of significant financial information in due course.

Proposed Acquisition

The Company and Vegaste have entered into the LOI, which sets out certain terms and conditions pursuant to which the proposed Acquisition will be completed. The transaction terms outlined in the LOI are subject to the parties successfully entering into a definitive agreement (the “**Definitive Agreement**”) in respect of the Acquisition on or before February 28, 2020 or such other date as the Company and Vegaste may mutually agree.

The LOI also contemplates other material conditions precedent to the closing of the Acquisition (the “**Closing**”), including the completion of a concurrent financing to raise aggregate gross proceeds of at least CDN\$1,500,000 (the “**Concurrent Financing**”), customary due diligence, compliance with all applicable regulatory requirements and receipt of all necessary regulatory, corporate, third-party, board and shareholder approvals being obtained, including the approval of the Exchange. There can be no assurance that the Acquisition will be completed as proposed, or at all.

It is anticipated that the Closing will involve, among other things, the following steps, which may be amended if the parties mutually agree that such form would better satisfy their objective (including but not limited to, tax efficiency to the parties):

- Prior to the closing of the proposed Acquisition, the Company will consolidate its share capital on a ten (10) old shares for one (1) new share basis (the “**Winston Shares**”);
- the shareholders of Vegaste will receive post-consolidation Winston Shares in exchange for their common shares in the capital of Vegaste (the “**Vegaste Shares**”) on the basis of two and two-thirds (2.6667) Winston Shares for each Vegaste Share, for up to a total of 60,000,000 Winston Shares;
- completion of the Concurrent Financing of Winston Shares which is currently expected to be offered at a price of CDN\$0.25 per Winston Share, or such other price determined in the context of the market;
- receipt of all director, shareholder and regulatory approvals relating to the Acquisition and the Concurrent Financing, including, without limitation, the approval of the Exchange; and
- each of the parties shall have executed, delivered and performed their respective covenants as outlined in the Definitive Agreement, and all representations and warranties of each party contained in the Definitive Agreement shall be true and correct at the time of Closing.

Certain of the Winston Shares issuable pursuant to the Acquisition may be subject to the escrow requirements of the Exchange and to hold periods as required by applicable securities laws.

The Company may pay a finder’s fee in connection with the Acquisition up to the maximum permitted under the policies of the Exchange.

The Resulting Issuer – Summary of Proposed Directors

It is currently anticipated that all of the current officers and directors of the Company will resign from their respective positions with the Company. Following the Closing, the board of directors of the Company is expected to consist of four directors, three of which will be nominees of Vegaste. Further details concerning the management and directors of the Company will be provided in a comprehensive press release when the parties enter into the Definitive Agreement and in the disclosure document to be prepared and filed in respect of the Acquisition.

Trading in Winston Shares

Trading in the Company’s shares has been halted in compliance with the policies of the Exchange. Trading in the Company’s shares will remain halted pending the review of the proposed Acquisition by the Exchange and satisfaction of the conditions of the Exchange for resumption of trading. It is likely that trading in the shares of the Company will not resume prior to Closing.

Disclosure and Caution

Further details about the proposed Acquisition, the Concurrent Financing and the resulting issuer will be provided in a comprehensive press release when the parties enter into the Definitive Agreement and in the disclosure document to be prepared and filed in respect of the Acquisition. Investors are cautioned that, except as disclosed in the disclosure document, any information released or received with respect to the Acquisition may not be accurate or complete and should not be relied upon.

All information provided in this press release relating to Vegaste has been provided by management of Vegaste and has not been independently verified by management of the Company.

As the date of this press release, the Company has not completed a Definitive Agreement with Vegaste and readers are cautioned that there can be no assurances that a Definitive Agreement will be executed, or that the Acquisition will be completed.

None of the securities to be issued pursuant to the proposed Acquisition have been or will be registered under the United States Securities Act of 1933, as amended, or any state securities laws, and any securities issued pursuant to the proposed Acquisition are anticipated to be issued in reliance upon available exemptions from such registration requirements. This press release does not constitute an offer to sell or the solicitation of an offer to buy any securities.

ON BEHALF OF THE BOARD OF DIRECTORS

“Quinn Field-Dyde”

Quinn Field-Dyde, Chief Executive Officer

For additional information, please contact:

Winston Resources Inc.
Quinn Field-Dyde, CEO
Phone: 604-283-1722

The CSE does not accept responsibility for the adequacy or accuracy of this release.

Cautionary Statement Regarding “Forward-Looking” Information

This release includes certain statements that may be deemed "forward-looking statements". All statements in this release, other than statements of historical facts, that address events or developments that the Company expects to occur, are forward-looking statements. Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by the words "expects", "plans", "anticipates", "believes", "intends", "estimates", "projects", "potential" and similar expressions, or that events or conditions "will", "would", "may", "could" or "should" occur. In particular, this release contains forward-looking information relating to the intention of the parties to complete the Transaction, the related transactions and the business of the Company. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results may differ materially from those in the forward-looking statements. Factors that could cause the actual results to differ materially from those in forward-looking statements include regulatory actions, market prices, and continued availability of capital and financing, and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements. Forward-looking statements are based on the beliefs, estimates and opinions of the Company's management on the date the statements are made. Except as required by applicable securities laws, the Company undertakes no obligation to update these forward-looking statements in the event that management's beliefs, estimates or opinions, or other factors, should change.