



Stake Announces Acquisition of Cloud Mountain Inc. and Organic Kitchen Inc.

TORONTO--June 18, 2002--Stake Technology Ltd. (Stake) (Nasdaq:STKL)(TSX:SOY) today announced it has reached agreement to acquire certain assets and the business of Cloud Mountain Inc. and Organic Kitchen Inc. These two companies based in Toronto form an integrated unit which sources, blends and supplies proprietary organic feeds to organic poultry producers. The companies then partner with organic processors who package chicken and turkey products to mass marketers under their private label or the Organic Kitchen brand(TM).

These companies are the only major supplier of organic chicken in Canada, a market which is expanding rapidly with the growth in the natural and organic food industry. The company is currently growing 50,000 chickens every 8 weeks and intends to expand that by a multiple over the next year. The company also intends to add to the organic meat product lines in response to growing consumer demand.

Under the terms of the acquisition agreement, Stake purchased these assets for cash and 10% of pretax profits through December 2005.

The acquisition of Cloud Mountain Inc. and Organic Kitchen Inc. continues the strategy of creating a major Canadian organic food company with targeted sales of \$100.0 million in Canada.

mu, the organic dairy product line, which was launched in April, was the first step in the process and it is intended that both product lines will be launched across Canada.

¶ Stake Technology Ltd. is an owner/operator of high-growth ethical businesses, focused on environmental responsibility and the health and well being of its communities. For the last four consecutive years, Stake was included in Profit magazine's 'Profit 100' list of the 100 fastest growing companies in Canada. Currently, the company has three business units: the SunRich Food Group, which specializes in identity-preserved (IP) grain products and natural food ingredients; from seed to packaged product and is the single largest supplier of soy milk concentrate in the U.S.; the Environmental Industrial Group; a producer, distributor, and recycler of industrial materials; and the Steam Explosion Technology Group who market clean pulping technologies. Each of these business units has proprietary products and services that give it a solid competitive advantage in its sector.

For further information, please contact:

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Note: This news release may contain forward-looking information.

Actual future results may differ materially. The risks, uncertainties, and other factors that could influence actual results are described in the Company's Annual Report to shareholders and in SEC reports.

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