



SUNNIVA SECURES ADDITIONAL USD \$5.0 MILLION IN PURCHASE ORDERS FOR SUNNIVA BRANDED CANNABIS PRODUCTS AND ANNOUNCES \$10 MILLION FINANCING TO SUPPORT NEAR TERM GROWTH

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VANCOUVER, BC – January 22, 2019 - Sunniva Inc. (“Sunniva”, the “Company”, “we”, “our” or “us”) (CSE:**SNN**) (OTCQB:**SNNVF**), a North American provider of cannabis products and services, is pleased to announce a CAD \$10.0 million non-brokered offering (the “Financing”) of convertible debentures (“Convertible Debentures”) to provide additional working capital in response to higher than anticipated near-term demand for Sunniva branded cannabis products which includes an additional USD \$5.0 million in retail dispensary purchase orders.

Including the initial USD \$2.4 million cannabis purchase contracts which were announced on January 4, 2019, Sunniva now has secured a total of USD \$7.6 million of near-term future sales contracts for Sunniva branded cannabis products in California. Sales commenced in January 2019, and these initial contracts are to be completed in the first four months of 2019. The contracts include purchases of the following Sunniva branded product lines:

- **Ultra-pure distillate products:** 1.0 ml, 0.5 ml and 0.33 ml filled vape cartridges, live resin vape cartridges and disposables pens
- **Premium concentrates:** live resin extracts, shatters, and waxes
- **Premium Flower**

In advance of large-scale production at the Company’s greenhouse in Cathedral City, California, the Financing will be used to enable Sunniva to continue to secure additional clean biomass for the Company’s extraction facility, to obtain clean flower from strategic relationships and for general corporate purposes. Purchased flower is currently being packaged utilizing our large-scale automated packaging machines, branded and then sold to our retail clients, allowing Sunniva to capture significant margin in the flower category.

“Now that we have strengthened our position as a true vertically integrated cannabis company in California with our in-house distribution company and a growing retail network, we are recognizing significant demand for our Sunniva branded products, which is driving our company to a new level of growth. We are now revenue generating in California from sales of our branded products. Our focus is to continue to secure monthly purchase orders for our brands throughout the year with licensed California retailers as we continue to ramp up all our production capabilities. The Financing will enable us to run at full speed as we accelerate our growth throughout 2019,” stated Kevin Wilkerson, Chief Operating Officer of Sunniva’s California operations.

The Convertible Debentures issued under the Financing will have the following terms:

- **Term:** 24 months; maturity date of February 15, 2021
- **Interest Rate:** 10% (paid annually)
- **Conversion Rights:** Convertible into common shares of Sunniva at any time within the Term at the Conversion Price at the sole discretion of the holder
- **Conversion Price:** CAD \$5.27 per common share

Certain members of Sunniva’s senior management team are participating, collectively, for approximately 25% of the total Financing. Closing of the Financing is subject to the approval of the Canadian Securities Exchange and is expected to occur on or about February 8th, 2019.

The Convertible Debentures offered have not been registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements. This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Convertible Debentures in the United States or in any other jurisdiction in which such offer, solicitation or sale would be unlawful.

Neither the Canadian Securities Exchange nor its Regulation Services Provider (as that term is defined in the policies of the Canadian Securities Exchange) accepts responsibility for the adequacy or accuracy of this release.

About Sunniva Inc.

Sunniva, through its subsidiaries, is a vertically integrated cannabis company operating in the world's two largest cannabis markets – California and Canada. Our ability to leverage our large-scale, purpose-built cGMP designed greenhouse, offering better quality assurance with cannabis products free from pesticides, uniquely positions Sunniva as a leading supplier of safe, high quality products at scale. Through our strategically positioned cultivation and extraction facilities in California, we are launching Sunniva branded products in various product categories including flower, pre-rolls, vape cartridges, and premium concentrates. Our compliant distribution in California will ensure the placement of Sunniva branded products at licenced dispensaries throughout the state. We continue to pursue other upstream vertical opportunities. Sunniva's management and board of directors have a proven track record for creating significant shareholder value both in the healthcare and biotech industries.

This news release includes statements containing certain "forward-looking information" within the meaning of applicable securities law ("forward-looking statements"), including, but not limited to, statements relating to the Company's acceleration of growth in California and pursuit of upstream vertical opportunities, the sale of products and production from Sunniva's extraction facility, the completion of the Company's cannabis purchase contracts, the anticipated production and revenue from the extraction facility, the conditions for and timing of closing of the Financing and the use of proceeds from the Financing. Forward-looking statements are frequently characterized by words such as "plan", "continue", "expect", "project", "intend", "believe", "anticipate", "estimate", "may", "will", "potential", "proposed" and other similar words, or statements that certain events or conditions "may" or "will" occur. These statements are only predictions. Various assumptions were used in drawing the conclusions or making the projections contained in the forward-looking statements throughout this news release. The Company is under no obligation, and expressly disclaims any intention or obligation, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as expressly required by applicable law.

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