



SUNNIVA RECEIVES CONFIRMATION OF READINESS FROM HEALTH CANADA

VANCOUVER, BC – May 29, 2018 - Sunniva Inc. ("**Sunniva**" or the "**Company**") (CSE:SNN)(OTCQX:SNNVF), a North American provider of cannabis products and services, is pleased to announce a major milestone with the receipt from Health Canada of the Confirmation of Readiness ("**COR**") for a License under the Access to Cannabis for Medical Purposes Regulations ("**ACMPR**") for the Company's wholly owned subsidiary, Sunniva Medical Inc. ("**SMI**"). This represents acceptance of our detailed application with the next step being an inspection upon site readiness in order to commence cultivation.

The license and the expected completion of the Sunniva Canada Campus will position the Company as a significant supplier to the rapidly growing Canadian cannabis market. Sunniva previously announced a take or pay supply agreement with Canopy Growth Corporation ("**Canopy**"). Under the terms of the initial two-year agreement, which includes the distribution of Sunniva branded products, Canopy will purchase approximately 45% of Sunniva's annual production capacity; representing 45,000 kgs of dried cannabis annually, commencing Q1 2019 or shortly thereafter. The agreement is subject to SMI receiving its license from Health Canada and completing the Sunniva Canada Campus.



Rendering of The Sunniva Canada Campus

The Company is also pleased to announce that SMI has received development approval from the Regional District of Okanagan-Similkameen for construction of the Sunniva Canada Campus, which commenced at the beginning of May, on its previously announced purchased 126-acre site in Okanagan Falls, British Columbia. Sunniva is currently finalizing the financing via bank and subordinate debt for the planned state-of-the-art 740,000 sq. ft. facility, designed to meet current Good Manufacturing Practice ("**cGMP**") standards.

The Company is now focused on building the facility according to the design submitted. . Sunniva is leveraging its experience from their flagship greenhouse facility in California, which is already 5 months into the construction cycle. In order to confirm readiness, SMI will be required to submit information including documentation, photos, and videos of the Sunniva Canada Campus presenting evidence of all physical security measures in order to receive a cultivation license from Health Canada.

Sunniva has chosen the following vendors in respect to the Sunniva Canada Campus project:

- **Certhon Projects B.V.** – supplier of the greenhouse superstructure, electrical, irrigation systems, lighting system and heating, cooling and CO² systems.
- **EllisDon Corporation** – engineering, construction manager and general contractor.
- **MQN Architects** – architect consultant.
- **Urban Systems Ltd.** – civil and landscape engineers.

“We are pleased to deliver on another key corporate milestone for the Company as we have made an excellent start to 2018 with significant progress on multiple fronts, executing on our strategy, and working toward our goal of creating one of the most efficient, low-cost growing operations to serve the Canadian and California cannabis market,” said Dr. Anthony Holler, CEO, Sunniva. It is our intention to forward sell an additional 30% of our production capacity in Canada”.

About Sunniva Inc.

Sunniva, through its subsidiaries, is a vertically integrated cannabis company operating in the world’s two largest cannabis markets – Canada and California – where we are committed to delivering safe, high-quality products and services at scale. Our vision is to become the lowest cost, highest quality cannabis producer in the markets we serve by building large scale purpose-built current cGMP designed greenhouses, offering better quality assurance with cannabis products free from pesticides, providing better patient and doctor access to cannabis education and sourcing better therapeutic delivery devices. Sunniva’s management and board of directors have a proven track record for creating significant shareholder value both in the healthcare and biotech industries.

Sunniva operates through its wholly owned subsidiaries:

Sunniva Medical Inc. ("SMI") – SMI is building the Sunniva Canada Campus, 740,000 square feet of purpose-built cGMP designed greenhouse facilities in British Columbia. The facility will produce pesticide free products and will convert trim to extracted products such as cannabis oil. The oil can be used for drug delivery formats such as capsules, dissolvable strips, vaporization cartridges, tinctures and creams. As the facility is not complete, revenue and costs are not known, therefore, profitability cannot be assured.

CP Logistics, LLC ("CPL") – Through CPL, Sunniva has commenced construction of the Sunniva California Campus, state-of-the-art, purpose-built greenhouse facilities in Cathedral City, California. The Sunniva California Campus is planned in two phases and has been cGMP designed. Phase 1 is designed to be 325,000-square feet and Phase 2 will be 164,000 square feet. At this facility, it is estimated 30% of all product will be used for higher margin extracted products and all products will be produced free from the pesticides commonly used within today’s industry. As the facility is not complete, revenue and costs are not known, therefore, profitability cannot be assured.

Natural Health Services Ltd. ("NHS") – NHS owns and operates a network of 7 clinics in Canada specializing in medical cannabis under ACMPR. NHS connects patients with safe and effective medical cannabis products through LPs. NHS has in-house physicians and nurse practitioners specializing in the endocannabinoid system providing expert consultation, education, and recommendations for patients. NHS’ proprietary technology infrastructure assists physicians, patients and LPs to comply with the rules of Health Canada. NHS has more than 150,000 active medical documents outstanding and 95,000 active patients.

Full-Scale Distributors, LLC ("FSD") – FSD, through its brand, Vapor Connoisseur, is a provider of custom, private-label vaporizers and accessories. FSD currently serves the needs of over 80 brands in the North American marketplace. Vapor Connoisseur is recognized for its high quality and innovative vaporization devices. Products are tailored to client needs, ensuring both safety and reliability and FSD will continue to provide these services in coordination with the large supply from both Sunniva Campuses.

For the latest videos and photos of the Sunniva Canada Campus and further information regarding the Company please visit: www.sunniva.com

Neither 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.

This press release contains forward-looking statements within the meaning of applicable securities laws. All statements that are not historical facts, including without limitation, statements regarding future estimates, plans, programs, forecasts, projections, objectives, assumptions, expectations or beliefs of future performance, statements regarding Sunniva's plan to cultivate, produce and distribute a broad range of solutions focused on patients' needs and Sunniva's plans, timing and estimates for its facilities, are "forward-looking statements." Forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "estimates", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results, events or developments to be materially different from any future results, events or developments expressed or implied by such forward-looking statements. Such risks and uncertainties include, among others, the risk factors included in the Sunniva's continuous disclosure documents available on www.sedar.com. These factors should be considered carefully and readers are cautioned not to place undue reliance on such forward-looking statements. Although Sunniva has attempted to identify important risk factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other risk factors that cause actions, events or results to differ from those anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in forward-looking statements. Sunniva assumes no obligation to update any forward-looking statement, even if new information becomes available as a result of future events, new information or for any other reason except as required by law.

Contact Information:

Dr. Anthony Holler
Chairman and Chief Executive Officer

Investor Relations Contact:

George Jurcic
Manager, Investor Relations
587-430-0680
ir@sunniva.com