



## **SUNNIVA INC. CLOSES \$23.0 MILLION BOUGHT DEAL PUBLIC OFFERING AND PROVIDES OPERATIONAL UPDATE**

*NOT FOR DISTRIBUTION TO UNITED STATES NEWS WIRE SERVICES OR FOR DISSEMINATION IN THE UNITED STATES.*

**VANCOUVER, BC, October 12, 2018 – Sunniva Inc. (“Sunniva” or the “Company”)**(CSE: SNN) (OTCQX: SNNVF) is pleased to announce that it has completed its bought deal public offering (the “Offering”) for aggregate gross proceeds of \$23,029,900 (All figures are in Canadian dollars unless otherwise stated). A total of 4,370,000 units (the “Units”) of the Company were sold pursuant to the Offering, including 570,000 Units issued as a result of the full exercise of the Underwriters’ over-allotment option, at a price of \$5.27 per Unit. The Offering was conducted by a syndicate of underwriters co-led by Beacon Securities Limited and Canaccord Genuity Corp. and including Haywood Securities Inc.

Each Unit consists of one common share (a “Common Share”) in the capital of the Company and one-half (1/2) of one Common Share purchase warrant (each whole warrant, a “Warrant”) of the Company. Each Warrant entitles the holder thereof to acquire one Common Share at an exercise price of \$6.85 per Common Share for a period of 24 months from the closing of the Offering.

The Company intends to use the majority of the net proceeds of the Offering to fund ongoing development at the Sunniva Canada Campus greenhouse facility in Okanagan Falls, British Columbia and the Sunniva California Campus greenhouse facility in Cathedral City, California. It is intended that the remaining net proceeds of the Offering will be used by the Company for working capital purposes of a nature typical for a company engaged in the cultivation and sale of marijuana and related products.

The Units issued under the Offering were offered by way of a short form prospectus dated October 4, 2018 (the “Prospectus”) filed in the provinces of British Columbia, Alberta and Ontario and were offered in the United States to Qualified Institutional Buyers pursuant to exemptions from the registration requirements under rule 144A of the *United States Securities Act of 1933*, as amended, in a manner that does not require the Units to be registered in the United States. This press release does not constitute an offer to sell or the solicitation of an offer to buy securities in the United States, nor in any other jurisdiction.

## Operational Update

Significant progress has been made towards the completion of construction of the Sunniva California Campus, a 489,000 square foot purpose built greenhouse cultivation facility in Cathedral City, California and early stage construction continues at the 759,000 square foot Sunniva Canada Campus facility in Okanagan Falls, British Columbia.

In California, Sunniva is now at the point of advancing its business model, moving quickly up the value chain leveraging our cultivation and extraction assets and launching Sunniva brands across all major product categories including pre-rolls, vaporizers and filled cartridges, flower, concentrates, and beverages, while aggressively pursuing distribution and retail dispensary expansion

In Canada, Sunniva has retained Canaccord Genuity Corp., who has commenced a formal process to review all strategic alternatives which may include a sale of, an investment in, or a joint venture for some or all of the Company's Canadian assets with the intention to spin out the Company's Canadian assets into a separate Canadian entity and apply to list its shares on the Toronto Stock Exchange and the NASDAQ Stock Market.

Milestones and objectives that the Company is targeting over the next 12 months include:

<b>Activity Update</b>	<b>Current Status</b>
Commence operations of the Sunniva California Campus	First harvest from Phase 1 (50,000 kg plus 10,000 kg in associated trim per year) is anticipated in Q1 2019
Launch Sunniva house of brands for multiple product categories in California	Anticipated commencing Q4 2018
Pursue vertical integration through distribution and retail acquisitions in California	Flagship onsite dispensary expected Q1 2019 Corporate development opportunities ongoing
Commence operations of the Sunniva Canada Campus	Grading of the site is complete. Foundation work on Phase 1 has commenced and is approximately 90% complete  Phase 1 (50,000 kg plus 10,000 kg in associated trim per year) is anticipated to commence operations with the first harvest in Q3 2019

Please see the updated Corporate Presentation and Fact Sheet at [www.Sunniva.com/Investors/](http://www.Sunniva.com/Investors/)

## **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. Our ability to leverage our large-scale, purpose-built cGMP designed greenhouses, 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 strategically positioned cultivation and extraction facilities, Sunniva intends to launch a suite of branded products in various product categories including flower, pre-rolls, beverages, vape cartridges, extracts while beginning to pursue upstream opportunities including distribution and retail expansion. Sunniva's management and board of directors have a proven track record for creating significant shareholder value both in the healthcare and biotech industries.

For more information please visit: [www.sunniva.com](http://www.sunniva.com).

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.

## **Forward Looking Statements**

*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 relating the use of proceeds of the Offering, future estimates, plans, programs, forecasts, projections, objectives, assumptions, expectations or beliefs of future performance, statements regarding the terms, conditions, timing and completion of strategic initiatives; statements regarding the use of proceeds from the Offering; stock exchange listings; unlocking of value; Sunniva's plans regarding strategic alternatives involving some or all of Sunniva's Canadian assets; Sunniva's projected milestones and objectives over the next 12 months, Sunniva's plan to cultivate, produce, manufacture and distribute a broad range of solutions focused on patients' and customers' 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 Prospectus and Sunniva's continuous disclosure documents available on [www.sedar.com](http://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.*

**Company Contact:**

Dr. Anthony Holler

Chairman and Chief Executive Officer

**Investor Contact:**

Phil Carlson / Erika Kay

KCSA Strategic Communications

Phone: (212) 896-1233

Email: pcarlson@kcsa.com / ekay@kcsa.com

**Media Contact:**

Katelyn Tumino

KCSA Strategic Communications

Phone: (212) 896-1252

Email: ktumino@kcsa.com