



## **SUNNIVA TO ACQUIRE NORTHERN CALIFORNIA LICENSED CULTIVATION AND GENETICS FACILITY**

**VANCOUVER, BC – October 17, 2018** – Sunniva Inc. (“**Sunniva**” or the “**Company**”) (**CSE:SNN**) (**OTCQX:SNNVF**), a North American provider of cannabis products and services, is pleased to announce they have signed a non-arms length binding letter of intent dated October 16, 2018 with the Oakland Vision Project (“**Vision**”) to acquire all the issued and outstanding equity interests of the companies that comprise Vision (the “**LOI**”). Vision is co-owned by Vinayak Shastry, Sunniva’s President of US Operations. Vision operates a licensed cultivation facility located in Irvine, California (the “**Vision Facility**”). Completion of the acquisition remains subject to a number of conditions including, among other things: the negotiation and execution of a definitive agreement between Sunniva and Vision, completion of due diligence and receipt of regulatory approvals, including approval of the Canadian Securities Exchange (“**CSE**”).

The Vision Facility is lead by a seasoned group of cultivation professionals who have experience in both small and large-scale operations. The cultivation team is currently producing some of the highest quality pesticide free cannabis flower in California. The acquisition will provide Sunniva with:

- A proven cannabis cultivation team to manage Sunniva’s production operations in California
- Proof of concept of Sunniva’s strategy focussed on full vertical integration across the entire value chain, from seed to sale
- Current production capacity of ~1,600 lbs per year with development plans to scale production to ~8,000 lbs per year in 2019, with an estimated capital investment of \$1.5 million and estimated production costs below \$1.00 per gram
- Clean clones for onboarding into the Sunniva California Campus
- Library of more than 20 proven genetic strains with on-site genetics lab for the development of future strains
- Premium flower and trim to launch high end Sunniva branded product lines

“This acquisition will deliver full vertical integration in California that strategically enhances the value of the Sunniva brand. Production from this facility will allow Sunniva to launch its first premium-quality craft flower brand with the assurance of large-scale production from this facility and the large-scale 325,000 sqft purpose-built, high technology Sunniva California Campus greenhouse. The key to brand success in California will be the ability to produce high-quality pesticide-free products at a large-scale. This acquisition and our state-of-the-art cultivation and extraction facility positions us as a market leader in California.” commented Leith Pedersen, President of Sunniva.

“Sunniva has recently assembled a preeminent in-house marketing team who are developing a house of brands that will include high end extracts, flower, pre-rolls, vaporizer and vape cartridges along with a future beverage line. We are excited to immediately show proof of concept with this

strategic acquisition demonstrating vertical integration from seed to sale and we anticipate the initial Sunniva house of brands to be launched commencing January 2019.”

Total transaction consideration will be USD \$1 million through the issue of common shares of Sunniva Inc. (“Shares”) upon closing and up to an additional USD \$2 million through the issue of Shares based on the achievement of certain operational milestones by the end of 2019. The Company is not assuming any long-term debt of Vision as part of the transaction and there are no finder’s fees payable. The number of Shares issued will be based on a price per Share of \$5.24, which is the volume weighted average trading price of the Shares on the CSE for the five (5) trading days prior to execution of the LOI.

### **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 our strategically positioned cultivation and extraction facilities, we are launching Sunniva branded products in various product categories including flower, pre-rolls, beverages, vape cartridges, extracts as well as aggressively pursuing upstream vertical 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.

### **About the Oakland Vision Project.**

The Oakland Vision Project (Oakland Vision Project Leasing, LLC, Oakland Vision Project, Inc. and Vision Alchemy, LLC) have been in business since 2015 producing high-grade cannabis flower in California. Lead by a well-established cultivation team which has developed proprietary IP and standard operating cultivation procedures in order to maximize production yields while ensuring costs below \$1.00 per gram. The Vision team have extensive knowledge, understanding and expertise operating a vertically integrated cannabis facility in California.

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.

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 with respect to the conditions of completing the acquisition, including negotiating and executing the definitive agreement, regulatory approvals, and future production estimates, timing and costs from the Vision Facility. 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. Forward-looking statements are based on the opinions and estimates of management at the date the statements are made and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. 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.

**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