

FORM 51-102F3

MATERIAL CHANGE REPORT

1. Name and Address of Company

Sunniva Inc. (“**Sunniva**” or the “**Company**”)
1200 Waterfront Centre
200 Burrard Street, PO Box 48600
Vancouver, British Columbia
V7X 1T2

2. Date of Material Change

February 12, 2019.

3. News Release

The news releases announcing the material change described in this material change report were disseminated through the services of CISION (Canada News Wire) on February 13, 2019, and a copy is filed on the Company’s SEDAR profile at www.sedar.com.

4. Summary of Material Change

On February 13, 2019, the Company announced the completion of a non-brokered offering (the “**Financing**”) of convertible debentures (“**Convertible Debentures**”). The originally announced \$10 million Financing was over-subscribed with gross proceeds received of CAD\$15,042,055.

5.1 Full Description of Material Change

On February 13, 2019, the Company announced the completion of a non-brokered Financing of Convertible Debentures. The originally announced \$10 million Financing was over-subscribed with gross proceeds received of CAD\$15,042,055. This Financing provides additional working capital to enable Sunniva to meet the higher than anticipated near term sales demand for Sunniva branded cannabis products in California and for general corporate purposes. The Financing included two insiders of the Company subscribing, directly or indirectly, for a total of CAD\$2.3 million which demonstrates management and insiders’ commitment to the Company.

The Convertible Debentures under the Financing were issued under 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

Beacon Securities Limited provided advisory services in conjunction with the Financing. In addition, a finder's fee of 5% was paid to certain investment advisors for introducing certain purchasers of Convertible Debentures to the Company.

In connection with the Financing, an aggregate of CAD\$2,337,355 Convertible Debentures were acquired by "interested parties" and their "related parties" and "associated entities" (all as defined in Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* ("MI 61-101")) of the Company as set out below (the "**Interested Subscribers**"):

| Insider | Position | Convertible Debentures Acquired |
|-----------------|---|--|
| Kevin Wilkerson | President, Chief Executive Officer and Director of Sun CA Holdings, Inc., a subsidiary of the Company | \$1,332,423 |
| Barbara Holler | Associated entity of the Chief Executive Officer and director of the Company | \$1,004,932 |

The acquisitions of Convertible Debentures by the Interested Subscribers constituted "related party transactions" within the meaning of MI 61-101. The Company relied on exemptions from the formal valuation and minority shareholder approval requirements of MI 61-101, as the fair market value of the participation in the Financing by the Interested Subscribers did not exceed 25% of the Company's market capitalization.

Resolutions of the board of directors were passed on January 22 and February 12, 2019 approving the Financing. No materially contrary view or abstention was expressed or made by any director in connection with the above resolutions, other than Dr. Anthony F. Holler, a director of the Company who abstained from the approval due to his interest in the Financing.

5.2 Disclosure for Restructuring Transaction

Not applicable.

6. Reliance on subsection 7.1(2) of National Instrument 51-102

Not applicable.

7. Omitted Information

No significant facts have been omitted from this report.

8. Executive Officer

Benjamin Rootman
General Counsel and Corporate Secretary
(587) 430-0846

9. Date of Report

February 21, 2019.

Cautionary Statement regarding Forward-Looking Statements and other Cautionary Notes

This material change report 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 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 material change report. 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.