

**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**

March 1, 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 March 4, 2019, and a copy is filed on the Company’s SEDAR profile at [www.sedar.com](http://www.sedar.com).

**4. Summary of Material Change**

On March 4, 2019, the Company announced that it has closed the second tranche of the Company’s non-brokered offering (the “**Financing**”) of convertible debentures (“**Convertible Debentures**”) for an additional CAD\$3,288,125, bringing total gross proceeds raised by the Financing to CAD\$18,330,180.

**5.1 Full Description of Material Change**

On March 4, 2019, the Company announced that it has closed the second tranche of the Financing of Convertible Debentures for an additional CAD\$3,288,125 million, bringing total gross proceeds raised by the Financing to CAD\$18,330,180. As previously disclosed, the Financing provides additional working capital for Sunniva to meet higher than anticipated near term sales demand for its branded cannabis product in California and for general corporate purposes.

A finder’s fee of 5% was paid to certain investment advisors for introducing certain purchasers of Convertible Debentures 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

In connection with the Financing, an aggregate of CAD\$27,500 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**”):

<b>Insider</b>	<b>Position</b>	<b>Convertible Debentures Acquired</b>
Dr. Mark Kimmins	Interim President of Natural Health Services Ltd., a subsidiary of the Company	\$25,000
Ellipsis Holdings Ltd.	Associated entity of the General Counsel and Corporate Secretary of the Company	\$2,500

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, February 12, 2019 and March 1, 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 in respect of 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**

March 11, 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.*