



SUNNIVA ANNOUNCES USD \$7,500,000 DEBT FINANCING

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VANCOUVER, BC – August 28, 2019 - Sunniva Inc. (“Sunniva”, the “Company”, “we”, “our” or “us”) (CSE:SNN) (OTCQB:SNNVF), a North American provider of cannabis products and services, is announcing a non-brokered private placement (the “Offering”) of USD \$7,500,000 (approximately CAD\$10,000,000) for a total of 7,500,000 units of the Company (“Units”) and an initial first tranche closing of USD \$1,500,000 (approximately CAD \$2,000,000) for a total of 1,500,000 Units (the “First Tranche Closing”). Each Unit consists of a principal amount of promissory notes of the Company (“Promissory Notes”) and common share purchase warrants of the Company (“Warrants”). A director of the Company participated in the First Tranche Closing subscribing directly for USD \$500,000 (approximately CAD \$666,500) for a total of 500,000 Units.

Sunniva has signed commitments from certain investors who participated in the First Tranche Closing for an additional investment of USD \$6,000,000 for a total of 6,000,000 Units. A secondary closing of the Offering is expected to close on or prior to September 30, 2019. Proceeds of the Offering will be used to pay capital costs obligations at the Sunniva California Campus and for general corporate purposes.

The Units issued under the Offering have the following terms:

Promissory Notes

- Maturity: 18 months from the closing date.
- Interest Rate: 10% (annual rate).

Warrants

- Number of Warrants: 1.11 Warrants per Unit (each Warrant entitles the holder to acquire one common share of the Company at the Warrant Exercise Price).
- Warrant Exercise Price: USD \$0.90 (CAD \$1.20) per Warrant.
- Warrant Term: 24 months from closing.

The Promissory Notes and Warrants have not been registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements. This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Promissory Notes or Warrants in the United States or in any other jurisdiction in which such offer, solicitation or sale would be unlawful.

For more information please visit: www.sunniva.com.

To be added to the Sunniva email distribution list please register at www.sunniva.com/email-alerts.

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.



About Sunniva, Inc.

Sunniva, through its subsidiaries, is building a vertically integrated cannabis company operating in two of the world's largest legal cannabis markets – California and Canada. In Canada, Sunniva's wholly owned subsidiary Natural Health Services Ltd. operates medical cannabis clinics that provide educational and clinical services to patients. In California, Sunniva is focused on creating sustainable premium cannabis brands supported by our large-scale, purpose-built cGMP designed greenhouse, extraction facility and our in-house marketing and distribution businesses. We offer a steadfast commitment to safety and quality assurance providing cannabis products free from pesticides, which positions Sunniva in California as a leading provider of safe, high quality, reproducible products at scale.

Forward Looking Statements

This press release contains forward-looking statements within the meaning of applicable securities laws, including, but not limited to, statements relating to the Company's use of proceeds from the Offering and participation in, and anticipate timing for closing of, the second tranche of the Offering. 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 operations and growth opportunities and use of proceeds of the Offering 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.

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