

## 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

August 28, 2019.

#### 3. News Release

The news release announcing the material change described in this material change report was disseminated through the services of CISION (Canada News Wire) on August 28, 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 August 28, 2019 (the “**Closing Date**”), the Company announced 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.

#### 5.1 Full Description of Material Change

On August 28, 2019, the Company announced the Offering and the First Tranche Closing. Each Unit consists of Promissory Notes and 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 were issued under 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: The Warrants shall be exercisable for a period of two years immediately following the Closing Date.

In connection with the Offering, USD\$500,000 (approximately CAD \$666,500) worth of Units were acquired by an individual deemed to be a “related party” (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 “**Related Subscriber**”):

<b>Insider</b>	<b>Position</b>	<b>Units Acquired</b>
Michael Barker	Director of the Company	500,000

The acquisitions of Units by the Related Subscriber constituted a “related party transaction” 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 Offering by the Related Subscriber did not exceed 25% of the Company’s market capitalization.

Resolutions of the board of directors were passed on August 26, 2019, approving the Offering. No materially contrary view or abstention was expressed or made by any director in connection with the above resolutions, other than Michael Barker, a director of the Company who abstained from the approval due to his interest in the Offering.

#### **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**

David Lyle  
Chief Financial Officer  
(587) 430-0688

**9. Date of Report**

September 5, 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 Offering, and the anticipated secondary closing date. 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.*