



CP LOGISTICS, LLC FILES MOTION TO COMPEL ARBITRATION IN DISPUTE WITH SUNNIVA PRODUCTION CAMPUS, LLC AND ANNOUNCES THE RESIGNATION OF A BOARD MEMBER

VANCOUVER, BC – January 14, 2020 - Sunniva Inc. (“Sunniva” or the “Company”) (CSE:SNN) (OTCQB:SNNVF), announces that its wholly owned subsidiary, CP Logistics, LLC (“CPL”), has filed a Motion to Compel Arbitration (“Motion”) in California Superior Court for the County of Los Angeles (the “Court”), seeking to compel Sunniva Production Campus, LLC (“SPCL”) to arbitrate its claim that CPL breached the payment terms of an Amended and Restated Promissory Note dated August 11, 2019 (the “Note”) and to stay the Court action SPCL commenced on December 11, 2019 with respect to the Note. Through the filing of the Motion, CPL has asked the Court to restrain SPCL from attempting to avoid the Arbitration process. The hearing on the Motion is currently set for May 28, 2020.

The Company also is continuing to assert its rights under the build to suit lease agreement dated October 20, 2017, (the “Lease”) with SPCL for the construction of the Sunniva California Campus in Cathedral City, California. On December 23, 2019, the Company submitted a Demand for Arbitration and Notice of Claims with JAMS, the world’s largest private alternative dispute resolution provider, to initiate the arbitration process pursuant to the dispute resolution provisions of the Lease agreement for the property located at 69375 Ramon Road, Cathedral City, California. SPCL is an independent entity related to Barker Pacific Group, Inc.

In addition, Todd Patrick, a board director, has resigned from the Sunniva Board of Directors effective January 13, 2020.

"On behalf of our board of directors, I thank Todd for his service and contributions to Sunniva and wish him well in all his future endeavors," stated Dr. Anthony Holler, Chairman & CEO of Sunniva Inc.

For more information about the Company please visit: www.sunniva.com.

The Canadian Securities Exchange does not accept responsibility for the adequacy or accuracy of this release.

Cautionary Note Regarding Forward-Looking Information or Statements

This press release contains forward-looking information or statements. All statements that are or information which is 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 CPL’s filing of a Motion to Compel Arbitration and the uncertainty regarding the future outcome of the Arbitration process, are “forward-looking information or statements”. Forward-looking information or 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. With respect to forward-looking information and statements contained herein, Sunniva has made numerous assumptions including, among other things, assumptions about general business and economic conditions. Such forward-looking statements are based on assumptions and 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 information or 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 information or 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 information or 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 information or statements. Sunniva assumes no obligation to update any forward-looking information or statements, 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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