

Sunniva Inc. Update

VANCOUVER, BC – June 12, 2023 - Sunniva Inc. (“Sunniva”, the “Company”) (CSE:SNN) (OTC Pink Sheets: SNNVF) provides the following corporate update.

Sunniva and its subsidiaries, including CP Logistics, LLC (“CPL”), have no material assets and ceased all operations as a result of the loss of the arbitration described below. The Board and management of Sunniva believe that there is no realistic path that would allow Sunniva or any of its subsidiaries to re-establish operations.

CPL was engaged in an arbitration commenced by CPL against Bobs LLC (“Bobs”) regarding CPL’s rights to the Cathedral City Glasshouse. As announced in September, 2022, CPL lost the arbitration and its leasehold interests in the Glasshouse and subsequently entered into a settlement agreement with Bobs under which CPL transferred a cannabis license to Bobs in lieu of the monetary damages awarded to Bobs. CPL and Bobs also agreed that the transfer settled all obligations in full and agreed not to pursue additional legal action including appeals against the other party and their affiliates.

Also as previously announced, through the course of the arbitration, CPL raised funds, principally to finance CPL’s ongoing expenses of the arbitration. Capital raises included private placements of secured debt. The principal security for the debt was any monetary or other award obtained by CPL under the arbitration as CPL held no significant asset other than its rights to the Glasshouse.

As a result of losing the arbitration on September 22, 2022, CPL’s outstanding obligations, including obligations to those such as its debtholders, advisors and trade creditors, far exceed its assets. As of that date, CPL had no significant assets, CPL discontinued all business operations and there was no expectation that such operations would ever resume.

While CPL intends to take whatever action it can, to dispute some of its outstanding obligations and past expenses, given its lack of resources such efforts will necessarily be constrained. No assurance can be given of any significant reduction in CPL’s obligations or any recovery of expenses.