



SUNNIVA INC. CLOSES PREVIOUSLY ANNOUNCED OKANAGAN FALLS PROPERTY PURCHASE

VANCOUVER, BC – June 18, 2018 - Sunniva Inc. ("**Sunniva**" or the "**Company**") (CSE:**SNN**) (OTCQX:**SNNVF**), a North American provider of cannabis products and services, is pleased to announce that its wholly-owned subsidiary, Sunniva Medical Inc. ("**SMI**"), has closed its previously announced purchase of the 126-acre industrial zoned property in Okanagan Falls, BC, the site of the Sunniva Canada Campus (the "**Campus**"). The total consideration for the purchase was \$7 million which was paid through a combination of \$3.5 million in cash and the balance through a vendor take back mortgage financing ("**VTBMF**"). The VTBMF is for a one-year term with an interest rate of 5% per annum.

The Campus is designed to be a 740,000 sq. ft. state-of-the-art greenhouse and current Good Manufacturing Practice ("**cGMP**") compliant.



Sunniva is also pleased to announce the Regional District of Okanagan-Similkameen has issued the required development permits to SMI for the construction of the facility. Site grading is near completion, with the next phase of foundation work commencing this week. Live streaming and monthly time lapsed video will also be available by visiting the Sunniva [website](#).

The Campus is designed to deploy custom, automation assembly line cultivation processes at scale. By harnessing one of most abundant resources—the sun—while utilizing dynamic and adaptive microclimatic controls to provide precise growing conditions.

About Sunniva Inc.

Sunniva, through its subsidiaries, is a vertically integrated cannabis company operating in the world's two largest cannabis markets – Canada and California – where we are committed to delivering safe, high-quality products and services at scale. Our vision is to become the lowest cost, highest quality cannabis producer in the markets we serve by building large scale purpose-built cGMP designed greenhouses, offering better quality assurance with cannabis products free from pesticides, providing better patient and doctor access to cannabis education and

sourcing better therapeutic delivery devices. Sunniva's management and board of directors have a proven track record for creating significant shareholder value both in the healthcare and biotech industries.

Sunniva operates through its wholly owned subsidiaries:

CP Logistics, LLC ("CPL") – Through CPL, Sunniva has commenced construction of the Sunniva California Campus, state-of-the-art, purpose-built greenhouse facilities in Cathedral City, California. The Sunniva California Campus is planned in two phases and has been cGMP designed. Phase 1 is designed to be 325,000-square feet and Phase 2 will be 164,000 square feet. At this facility, it is estimated 30% of all product will be used for higher margin extracted products and all products will be produced free from the pesticides commonly used within today's industry. As the facility is not complete, revenue and costs are not known, therefore, profitability cannot be assured.

Sunniva Medical Inc. ("SMI") – SMI is building the Sunniva Canada Campus, 740,000 square feet of purpose-built cGMP designed greenhouse facilities in British Columbia. The facility will produce pesticide free products and will convert trim to extracted products such as cannabis oil. The oil can be used for drug delivery formats such as capsules, dissolvable strips, vaporization cartridges, tinctures and creams. As the facility is not complete, revenue and costs are not known, therefore, profitability cannot be assured.

Natural Health Services Ltd. ("NHS") – NHS owns and operates a network of 7 clinics in Canada specializing in medical cannabis under the *Access to Cannabis for Medical Purposes Regulations*. NHS connects patients with safe and effective medical cannabis products through Licensed Producers ("LPs"). NHS has in-house physicians and nurse practitioners specializing in the endocannabinoid system providing expert consultation, education, and recommendations for patients. NHS' proprietary technology infrastructure assists physicians, patients and LPs to comply with the rules of Health Canada. NHS has more than 150,000 active medical documents outstanding and 95,000 active patients.

Full-Scale Distributors, LLC ("FSD") – FSD, through its brand, Vapor Connoisseur, is a provider of custom, private-label vaporizers and accessories. FSD currently serves the needs of over 80 brands in the North American marketplace. Vapor Connoisseur is recognized for its high quality and innovative vaporization devices. Products are tailored to client needs, ensuring both safety and reliability and FSD will continue to provide these services in coordination with the supply from both Sunniva Campuses.

For more information please visit: www.sunniva.com

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This press release contains forward-looking statements within the meaning of applicable securities laws. 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 plan to cultivate, produce and distribute a broad range of solutions focused on patients' needs and Sunniva's plans, timing and estimates for its facilities, 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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