



Sunniva Inc. Announces \$12.5 Million Bought Deal Public Offering

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VANCOUVER, March 6, 2018 /CNW/ - Sunniva Inc. ("**Sunniva**" or the "**Company**"), (**CSE:SNN**) (**OTCQX:SNNVF**) is pleased to announce that it has entered into an agreement with Beacon Securities Limited ("**Beacon**") and Canaccord Genuity Corp. (together with Beacon, the "**Co-Lead Underwriters**"), on behalf of a syndicate of underwriters (together with the Co-Lead Underwriters, the "**Underwriters**"), to purchase, on a bought deal basis, 1,283,000 units (the "**Units**") in the capital of the Company at a price of \$9.75 per Unit (the "**Offering Price**") for aggregate gross proceeds to the Company of \$12,509,250 (the "**Offering**"). (All figures are in Canadian dollars unless otherwise stated).

Each Unit shall consist of one common share (a "**Common Share**") in the capital of the Company and one-half (1/2) of one common share purchase warrant (each whole warrant, a "**Warrant**") of the Company. Each whole Warrant shall entitle the holder thereof to acquire one Common Share at an exercise price per Common Share of \$12.50 for a period of 24 months from the Closing Date (as defined below).

The closing of the Offering is expected to occur on or about March 27, 2018 (the "**Closing Date**") and is subject to the completion of formal documentation and receipt of regulatory approval, including the approval of the Canadian Securities Exchange. The net proceeds from the Offering will be used for working capital and general corporate purposes.

The Company has granted the Underwriters an option (the "**Over-Allotment Option**"), exercisable, in whole or in part, by Beacon, on behalf of the Underwriters, giving notice to the Company at any time and from time to time up to 30 days following the Closing Date, to purchase, or to find substituted purchasers for, up to an additional number of Units equal to 15% of the number of Units sold pursuant to the Offering at the Offering Price to cover over-allotments, if any, and for market stabilization purposes.

The Units to be issued under the Offering will be offered by way of a short form prospectus to be filed in the provinces of British Columbia, Alberta and Ontario (and such other provinces as agreed between the Company and the Underwriters) and may be offered in the United States to Qualified Institutional Buyers pursuant to exemptions from the registration requirements under rule 144A of the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), in a manner that does not require the Units to be registered in the United States. The Units may be also sold in such other jurisdictions as the Company and Beacon may agree. This press release does not constitute an offer to sell or the solicitation of an offer to buy securities in the United States, nor in any other jurisdiction.

About Sunniva Inc.

Sunniva, through its subsidiaries, is a vertically integrated medical 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 current good manufacturing practices ("**cGMP**") 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:

Sunniva Medical Inc. ("SMI") – SMI is a late stage *Access to Cannabis for Medical Purposes Regulations ("ACMPR")* applicant in final review and is building the Sunniva Canada Campus, 700,000 square feet of purpose-built cGMP compliant greenhouse facilities to be located in British Columbia. The total Campus is expected to produce over 100,000 kg of premium medical cannabis a year and over 25,000 kg of trim used for extraction. The facility will produce pesticide free products and will convert trim to extracted products such as cannabis oil. The oil will be used for drug delivery formats such as capsules, dissolvable strips, vaporization cartridges, tinctures and creams. Sunniva anticipates to break ground in early 2018.

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 designed to comply with current good manufacturing practices ("**cGMP**"). Phase 1 is designed to be 325,000-square feet producing in excess of 60,000 kg of premium cannabis a year. The total campus is expected to produce over 100,000 kg of premium medical cannabis a year after Phases 1 and 2 are complete. At this facility, it is estimated 30% of all product will be used for higher margin extracted products and will be produced free from the pesticides commonly used within today's industry.

Natural Health Services Ltd. ("NHS") – NHS owns and operates a network of 8 medical clinics in Canada specializing in medical cannabis under ACMPR. 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 129,000 active medical documents outstanding and 93,000 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 large supply from both Sunniva Campuses.

For more information please visit: www.sunniva.com

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.

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 relating to the timing for the completion of the Offering and the use of proceeds therefrom 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 of production 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 Sunniva's final prospectus dated November 16, 2017 (the "**Prospectus**"). Readers are encouraged to review the section titled "Risk Factors" in the Prospectus and other disclosure documents 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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