



Sunniva Inc. receives all temporary state licenses in California and provides update on Cathedral City construction progress

VANCOUVER, April 12, 2018 /CNW/ -

Sunniva Inc. ("**Sunniva**" or the "**Company**") (**CSE:SNN**) (**OTCQX:SNNVF**) is pleased to announce that its US subsidiaries have recently received all the necessary State of California temporary licenses (the "**Licenses**") for phase one and two for its purpose built state-of-the-art greenhouse cultivation facilities in Cathedral City, California (the "**Sunniva California Campus**").

At this time, the State of California has only issued temporary licenses while they develop permanent regulations. The Company will apply, with all other license holders in the State of California, for annual state licenses within the next four months.

The Licenses will permit Sunniva to cultivate and process top quality medical and adult-use cannabis and cannabis products while accommodating other licensed cultivation businesses already selected who will leverage the services and infrastructure that the Sunniva California Campus provides. Those tenant cultivators ("**Tenants**") not only gain access to world class cultivation infrastructure, but also to Sunniva's genetics, management and consulting services, distribution network, processing and manufacturing capabilities, brand partnerships and retail relationships. Sunniva's Tenant relationships will have minimal impact to Sunniva's revenue and bottom line as it provides turn-key services to these third-party cultivation businesses.

Sunniva's US subsidiaries hold eight 10,000 sq. ft. cultivation licenses, two manufacturing licenses, one 22,000 sq. ft. cultivation license, one 22,000 sq. ft. nursery license, and one 10,000 sq. ft. nursery license. Sunniva will additionally lease seven 22,000 sq. ft. cultivation bays to these selected licensed Tenants. All of Sunniva's annual state license applications will be completed and submitted per the state's regulatory mandate within 120 days following receipt of the temporary Licenses.

"This is a very significant milestone for Sunniva's operations in California. An important aspect of the licensing process has been completed and now our focus is on completing construction on time and entering into supply contracts with distribution partners, leading brands and creating Sunniva branded products for the California marketplace," said Dr. Anthony Holler, CEO, Sunniva.

Sunniva would also like to provide the following update on the Sunniva California Campus construction progress:

1. Rough Grading - 100% complete
2. Steel Erection, Greenhouse Glass and Glazing- 100% complete
3. Blackout Screening Install - 60% complete
4. Fire Suppression Equipment- 60% complete
5. Header House Roof Panels - 30% complete
6. Utility Work - 10% complete

It is anticipated that plant propagating materials will be onboarded late Q3, 2018 in the Sunniva California Campus. For a complete video of the March construction progress, please visit us at www.sunniva.com or click the direct link below:

[Sunniva Campus – Cathedral City – March Construction Update](#)



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. As the facility is not yet under construction, revenue and costs are not known, therefore, profitability cannot be assured.

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 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 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. 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 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 application for annual state licenses, 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 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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