

June 15, 2020



Sunniva Inc. Announces Reversal Of Transaction Agreement For Previously Acquired Cannabis Licences And Ceasing Of Operations Of Its Distribution And Extraction Facilities In California

VANCOUVER, BC, June 15, 2020 /CNW/ -- Sunniva Inc. ("Sunniva", the "Company", "we", or "our") (CSE:SNN, OTCQB:SNNVF) announces that effective June 12, 2020, its wholly-owned subsidiary, CP Logistics, LLC ("CPL") has agreed to a reversal of transaction agreement (the "Reversal Transaction") with respect to the April 29, 2019 Membership Interest Purchase Agreement whereby CPL acquired an 80% membership interest in each of 420 Distribution, LLC ("420") and Coachella Distillation, LLC ("Coachella") (collectively, the "Companies") from Group Two Investments, LLC ("Group Two") and assumed two subleases (the "Subleases") at the commercial property in Coachella, CA (the "Distribution Facility"). Pursuant to the Reversal Transaction, CPL has ceased operations at the Distribution Facility and will relinquish the 80% membership interests acquired from each of 420 and Coachella and have the original purchase price returned. The total consideration for the Companies was not material. The Subleases will revert back to Group Two and CPL will have its name removed from the provisional distribution license and the provisional type "P" manufacturing license with the California Bureau of Cannabis Control and the California Department of Public Health (collectively the "Licenses"), respectively.



Sunniva will have no ongoing obligations to Group Two or the Companies.

In addition, Sunniva announces that as part of the previously stated cost saving measures being taken through the reduction of its business activities in California it will be ceasing operations of its extraction facility in Cathedral City (the "Extraction Facility") as soon as practical.

Sunniva has or will be evaluating opportunities to divest of certain pieces of packaging and extraction equipment from the Distribution Facility and the Extraction Facility.

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 or information 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 operations, the intention to close operations at the Extraction Facility as soon as practical, the removal of CPL's name from the Licenses, the expectation of no ongoing obligations to Group Two or the Companies and the evaluation of opportunities to divest of certain pieces of packaging and extraction equipment, are "forward-looking information or statements". Forward-looking information or statements can be identified by the use of words such as "plans", "planned", "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 Sunniva's continuous disclosure documents available on www.sedar.com and risks and uncertainties arising from the adverse impact of the COVID-19 (novel coronavirus) pandemic on the business, operations, personnel and results of Sunniva. 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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