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Sunniva Inc. Secures Extraction Contract for its Sun-Oil Facility in California

VANCOUVER, B.C., June 08, 2018 (GLOBE NEWSWIRE) -- via NetworkWire - 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 CP Logistics, LLC (the "**Sun-Oil Facility**") has secured an extraction contract with Farmacy Phactory, a leading California cannabis brand. Under the terms of the agreements, the Sun-Oil Facility will provide them with high quality, ultra-purified manufactured distilled oil products including specialized flavored distilled oil formulations to be utilized within vaporization cartridges. The agreement is for a 12-month term that may be renewed for an additional 12 months at the request of Farmacy Phactory at the expiry of the initial term. Sunniva, via ownership of its wholly-owned subsidiary Full-Scale Distributors, LLC, and through its brand, Vapor Connoisseur, will also provide them with specialized vaporization hardware and accessories.

"This is a significant milestone as it establishes Sunniva as a trusted manufacturer of clean, high quality extracted products and reliable hardware to support the vibrant California extraction market place. The operational Sun-Oil Facility, located one mile from the Sunniva California Campus in Cathedral City, will produce over 600,000 filled vaporization cartridges a month at capacity, and we intend to execute additional white label contracts with other leading brands. The Sun-Oil Facility is licensed for both volatile and non-volatile extraction enabling Sunniva to produce all forms of extracted products," said Dr. Anthony Holler, CEO, Sunniva.

"We are pleased to partner with Sunniva to access their manufacturing and product expertise. This agreement is a validation of their large-scale extraction operations and we are excited to bring new products to the California marketplace," said Mark Greene, President, Farmacy Phactory.

Farmacy Phactory's expertise is growing exotic strains high in terpenes exclusively for extracts. This strategic relationship with Sunniva allows both companies to showcase their expertise to provide high-end cannabis extract products.

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 current Good Manufacturing Practice ("**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

About Farmacy Phactory

Farmacy Phactory (Greene Bros., Inc.) is a family-run farm in the heart of Mendocino County which utilizes organic practices and traditional techniques, along with cutting-edge technology, to cultivate high-end boutique cannabis. Farmacy Phactory's ability to select top-tier genetics and to cultivate them to their fullest potential have allowed them to stand out and develop relationships with exclusive strains for top brands, such as Julian Marley's JuJu Royal™.

Neither 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 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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