

July 8, 2021



Sunniva Announces Arbitration and Financial Update

VANCOUVER, BC, July 8, 2021 /CNW/ - Sunniva Inc. ("Sunniva", the "Company") (CSE: SNN) (OTC Pink Sheets: SNNVF) announces an update on arbitration in Southern California as well as current information on the Company's financial state.

The Company's wholly owned subsidiary, CP Logistics, LLC ("**CPL**"), continues to be engaged in arbitration with the current owner and landlord of the California glasshouse, Bobs LLC in regards to CPL's rights as tenant under an October 20, 2017 Conditional Build to Suite Lease and a March 2018 Subordinated Non-Disturbance and Attornment Agreement. The arbitration is being administered by JAMS Arbitration (the "**Tribunal**"). On July 2, 2021, the parties held a Preliminary Conference Call with the Tribunal. The parties agreed upon a schedule for the initial document exchange in accordance with Rule 17 of the JAMS Construction Arbitration Rules. A second Preliminary Conference Call has been set for August 13, 2021, with the goal of setting dates for a hearing and interim deadlines for discovery and other pre-hearing preparations.

The Company currently has \$1.32M CAD (\$1.04M USD) of cash in its bank accounts, with an incremental \$245K CAD (\$191K USD) from retainer and tax refunds expected to be collected by the middle of Q3, 2021. This would increase the cash base to \$1.6M CAD (\$1.36M USD).

Total spend over the last 12 month period was approximately \$4.9 M CAD which includes administrative expense as well as legal expense associated with the proceedings under the Companies' Creditors Arrangement Act (the "**CCAA Proceedings**"). As of June 18, 2021, the Company has been discharged and released pursuant to the Sanction Order for the CCAA Proceedings. The Company believes that it has sufficient cash to fund arbitration and administrative expenses through Q1 2022. Additionally, the Company has submitted a claim to its insurance company for insurance reimbursement for arbitration related expenses. No assurance can be provided on whether the Company will prevail with the arbitration insurance claim.

All of the securities of Sunniva remain subject to the cease trade order applicable to securities of the Company issued on June 22, 2020, for failure to file certain financial documents (the "**Cease Trade Order**") until such Cease Trade Order is fully revoked.

In accordance with the policies of the Canadian Securities Exchange (the "**CSE**"), the CSE will be reviewing the continued listing of the common shares of the Company. Trading of the shares will continue to be suspended until the Cease Trade Order has been fully revoked.

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 that are, or information which is, not historical facts, including without limitation, statements regarding future estimates, plans, programs, forecasts, projections, objectives, assumptions, expectations or beliefs of future performance, are "forward-looking information or statements". Forward-looking information or 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 and includes, but is not limited to, statements regarding the Company's belief that it has sufficient cash to fund arbitration and administrative expenses through Q1 2022; the claim for insurance reimbursement for arbitration-related expenses; the arbitration with Bobs with respect to the Lease and the future steps in the arbitration process; and that the trading of the Company's common shares will continue to be suspended until the cease trade order has been revoked. 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 and the assumptions related to the forecasted burn rate, including necessary expenses. 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 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 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.

SOURCE Sunniva Inc.