

**FORM 51-102F3  
MATERIAL CHANGE REPORT**

**Item 1. Name and Address of Corporation**

Indiva Limited (the "**Company**")  
333 Preston Street, Suite 710  
Ottawa, Ontario  
K1S 5N4

**Item 2. Date of Material Change**

August 10, 2020

**Item 3. News Release**

A news release dated August 10, 2020 announcing the material change was disseminated on August 10, 2020, through the facilities of GlobeNewswire and filed under the Company's profile on SEDAR at www.sedar.com.

**Item 4. Summary of Material Change**

**UNIT OFFERING**

On June 25, 2020 the Company announced that it closed the first tranche of its non-brokered private placement of units (each a "**Unit**" and collectively the "**Units**") in the aggregate principal amount of \$1,012,299.90, being 3,374,333 Units, ("**First Tranche**") which forms part of its larger offering of 13,890,663 Units for aggregate gross proceeds to the Company of \$5,179,498.70 (the "**Offering**").

On August 10, 2020, the Company announced that it has closed the second and final tranche of the Offering being, 13,890,663 Units for aggregate gross proceeds to the Company of \$4,167,198.80 (the "**Final Tranche**").

Each Unit is comprised of one common share in the capital of the Company (each a "**Common Share**" and collectively the "**Common Shares**") and one common share purchase warrant (each a "**Warrant**" and collectively the "**Warrants**"). The Company is offering each Unit at a purchase price of \$0.30 per Unit.

Each Warrant will entitle the holder to acquire one common share in the capital of the Company at an exercise price of \$0.40 any time up to 36 months following the applicable closing date, subject to adjustments in certain customary events.

The Offering is subject to final approval from the TSX Venture Exchange.

The proceeds of the Offering are expected to be used by the Company for capital expenditures, equipment purchases and working capital purposes.

The Common Shares and Warrants underlying the Units (collectively, the "**Securities**"), are subject to restrictions on resale under applicable Canadian securities laws for a period of four months and one day from the issue date of the Units. None of the Securities have been or will be registered under the *United States Securities Act of 1933*, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements.

An affiliate of John Marotta, a director of the Company, being Marotta Investments Limited, participated in the Offering and, as such, the issuance of the Units to such insider is a "related-party

transaction" within the meaning of Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"). However, the issuance is exempt from: (i) the valuation requirement of MI 61-101 by virtue of the exemption contained in Section 5.5(b), as the shares into which the Units are convertible are not listed on a market specified in MI 61-101, and (ii) from the minority shareholder approval requirement of MI 61-101 by virtue of the exemption contained in Section 5.7(1)(a) of MI 61-101, as the fair market value of the Units does not exceed 25% of the Company's market capitalization. A material change report was not filed by the Company 21 days before the closing of the Offering as the level of insider participation was not known at that time and the Company moved to close the Offering immediately upon satisfaction of all applicable closing conditions. In the view of the Company, this was reasonable in the circumstances because the Company wished to complete the Offering as soon as possible.

In connection with the Offering, the Company issued 1,200,000 Units to Marotta Investments Limited, for total consideration of \$360,000.

Immediately after the closing of the First Tranche, John Marotta and his affiliates, including Marotta Investments Limited (collectively, "**Marotta**"), had control of 10.4% of the issued and outstanding Common Shares on a partially-diluted basis, assuming the exercise of all of Marotta's vested stock options, convertible debentures and Warrants. Immediately after the closing of the Final Tranche, the holdings of Marotta decreased to less than 10% of the issued and outstanding Common Shares on a partially-diluted basis, assuming the exercise of all of Marotta's vested stock options, convertible debentures and Warrants.

In connection with the Final Tranche, the Company issued 3,333,333 Units to Prairie Merchant Corporation, a company controlled by W. Brett Wilson, for total consideration of \$1,000,000.

Immediately following the closing of the Final Tranche, W. Brett Wilson and his affiliates, including Prairie Merchant Corporation (collectively, "**Wilson**"), have control of 13.4% of the issued and outstanding Common Shares on a partially-diluted basis, assuming the exercise of all of Wilson's convertible securities of the Company.

Further details regarding Marotta's and Wilson's subscriptions and holdings are set forth in an early warning report filed on the Company's SEDAR profile, available at [www.sedar.com](http://www.sedar.com).

In connection with the Final Tranche, the Company paid broker fees in cash totalling \$168,700, representing 3.3% of the proceeds raised from Units placed by the brokers and issued to the brokers a total of 562,333 non-transferable broker warrants ("**Broker Warrants**"), representing 3.3% of the Units placed by such brokers. Each Broker Warrant entitles the holder to acquire one Common Share at an exercise price of \$0.30 for a period of 36 months.

The Offering is being conducted by the Company utilizing the "accredited investor" exemption of National Instrument 45-106 – *Prospectus and Registration Exemptions*, and also other applicable exemptions available to the Company

### **SHARES FOR DEBT TRANSACTION**

Further to the Company's press release dated July 9, 2020, the TSXV has approved and the Company has settled and extinguished \$115,458.33 of the Company's outstanding debt through the issuance of 461,832 Common Shares at a deemed price of \$0.25 per Common Share (the "**Debt Settlement**").

An aggregate of 46,811 Shares were issued to certain directors and officers of the Company (the "**Related Parties**"). The Shares in the Debt Settlement are subject to a four month plus one day hold period from the date of issuance.

The shares for debt transaction involving the Related Parties constitutes a "related party transaction" under MI 61-101. However, the issuance is exempt from: (i) the valuation requirement of MI 61-101 by virtue of the exemption contained in Section 5.5(b), as the Common Shares are not listed on a market specified in MI 61-101, and (ii) from the minority shareholder approval requirement of MI 61-101 by virtue of the exemption contained in Section 5.7(1)(a) of MI 61-101, as the fair market value of the Common Shares does not exceed 25% of the Company's market capitalization. The participation by the Related Parties in the shares for debt transactions has been approved by directors of the Company who are independent in connection with such transaction.

**Item 5. Full Description of Material Change**

*5.1 Full Description of Material Change*

A full description of the material change is described in Item 4 above and in the attached news releases which were filed on SEDAR.

**Disclosure Required by MI 61-101**

Pursuant to MI 61-101, the Offering and the Shares for Debt Settlement constituted a "related party transaction".

The following supplementary information is provided in accordance with Section 5.2 of MI 61-101.

*(a) a description of the transaction and its material terms:*

See item 4 above for a description of the Offering and Debt Settlement.

*(b) the purpose and business reasons for the transaction:*

The Company completed the Offering in order to acquire additional funds for capital expenditures, equipment purchases and working capital purposes.

The Company completed the Debt Settlement in order to preserve its cash for the development of its business.

*(c) the anticipated effect of the transaction on the issuer's business and affairs:*

The Company does not anticipate any material effect on the Company's business and affairs as a result of the completion of the Offering or the Debt Settlement.

*(d) a description of:*

*(i) the interest in the transaction of every interested party and of the related parties and associated entities of the interested parties:*

As set out in (d)(ii) below, the following related parties and associated entities (the "**Insiders**") were issued the following in connection with the Offering and the Debt Settlement

Offering

<b>Subscriber</b>	<b>Units</b>	<b>Purchase Price</b>
Marotta Investments Limited	1,200,000	\$360,000
Prairie Merchant Corporation	3,333,333	\$1,000,000

## Debt Settlement

Subscriber	Units	Deemed Issue Price
John A Marotta	35,778	\$8,944.44
FOWB 2022 Trust	40,833	\$10,208.25
Prairie Merchant Corporation	301,111	\$75,277.75
Jennifer Welsh	2,089	\$522.22
Niel Marotta	8,944	\$2,236.11
Andre Lafleche (via 2235315 Ontario Inc.)	38,778	\$9,694.44

- (ii) *the anticipated effect of the transaction on the percentage of securities of the issuer, or of an affiliated entity of the issuer, beneficially owned or controlled by each person or company referred to in subparagraph (i) for which there would be a material change in that percentage:*

The following table sets out the effect of the Offering and Debt Settlement on the percentage of Common Shares beneficially owned or controlled by related parties.

Name and Position	Dollar Amount	Number of Securities	No. of Common Shares held prior to the closing of the Offering & Debt Settlement	Percentage of Issued and Outstanding Common Shares prior to Closing of the Offering & Debt Settlement <sup>(1)(2)</sup>	No. of Shares held on Closing of the Offering & Debt Settlement	Percentage of Issued and Outstanding Shares after to Closing of the Offering & Debt Settlement <sup>(1)(2)</sup>
John Marotta <i>Director</i> (via Marotta Investments Limited)	<u>Final Tranche</u> \$109,200 <u>Debt Settlement</u> \$8,944.44	<u>Final Tranche</u> 364,000 Units <u>Debt Settlement</u> 35,778 Common Shares	Undiluted: 6,190,000  Diluted: 10,232,000	Undiluted: 6.8%  Diluted: 10.4%	Undiluted: 6,589,778  Diluted: 10,995,778	Undiluted: 6.1%  Diluted: 9.8%
W. Brett Wilson <i>Insider</i> (via Prairie Merchant Corporation and his affiliates)	<u>Final Tranche</u> \$1,000,000 <u>Debt Settlement</u> \$85,486.11	<u>Final Tranche</u> 3,333,333 Units <u>Debt Settlement</u> 341,944 Common Shares	Undiluted: 554,500  Diluted: 9,054,900	Undiluted: 0.6%  Diluted: 8.9%	Undiluted: 4,229,777  Diluted: 16,063,110	Undiluted: 3.91%  Diluted: 13.37%
Jennifer Welsh <i>Officer</i>	<u>Debt Settlement</u> \$522.22	<u>Debt Settlement</u> 2,089 Common Shares	Undiluted: 16,667  Diluted: 675,001	Undiluted: 0.02%  Diluted: 0.72%	Undiluted: 18,756  Diluted: 677,090	Undiluted: 0.02%  Diluted: 0.62%
Niel Marotta <i>Director</i>	<u>Debt Settlement</u> \$2,236.11	<u>Debt Settlement</u> 8,944 Common Shares	Undiluted: 4,000,000  Diluted: 4,850,000	Undiluted: 4.27%  Diluted: 5.14%	Undiluted: 4,008,944  Diluted: 4,858,944	Undiluted: 3.70%  Diluted: 4.45%
Andre Lafleche <i>Director</i> (via 2235315 Ontario Inc.)	<u>Debt Settlement</u> \$9,694.44	<u>Debt Settlement</u> 38,778 Common Shares	Undiluted: 2,523,564  Diluted: 3,803,680	Undiluted: 2.70%  Diluted: 4.01%	Undiluted: 2,562,342  Diluted: 3,842,458	Undiluted: 2.37%  Diluted: 3.51%

(1) Based on 93,587,602 Common Shares prior to the Final Tranche and Debt Settlement and 108,315,097 Common Shares issued and outstanding as of the date hereof

(2) "Undiluted" means the total number of Shares held on closing of the First Tranche.

"Diluted" means on a partially diluted-basis following the completion of the First Tranche, comprised the Undiluted figure for a beneficial holder plus any Shares which would be issued to that beneficial holder on closing if all Warrants and other convertible securities issued to such beneficial holder were converted.

- (e) *unless this information will be included in another disclosure document for the transaction, a discussion of the review and approval process adopted by the board of directors and the special committee, if any, of the issuer for the transaction, including a discussion of any materially contrary view or abstention by a director and any material disagreement between the board and the special committee:*

All of the disinterested members of the board of directors of the Company (the "**Board**") unanimously approved the Offering and Debt Settlement. The interested member of the Board, disclosed their interest to the Company and abstained from voting with respect to the part of the Offering or Debt Settlement in which such director had a disclosable interest.

- (f) *a summary in accordance with section 6.5 of MI 61-101, of the formal valuation, if any, obtained for the transaction, unless the formal valuation is included in its entirety in the material change report or will be included in its entirety in another disclosure document for the transaction:*

Not applicable.

- (g) *disclosure, in accordance with section 6.8 of MI 61-101, of every prior valuation in respect of the issuer that related to the subject matter of or is otherwise relevant to the transaction:*

- (i) *that has been made in the 24 months before the date of the material change report:*

Not applicable.

- (ii) *the existence of which is known, after reasonable enquiry, to the issuer or to any director or officer of the issuer:*

Not applicable.

- (h) *the general nature and material terms of any agreement entered into by the issuer, or a related party of the issuer, with an interested party or a joint actor with an interested party, in connection with the transaction:*

The Company entered into a subscription agreements with the applicable Insiders pursuant to which the Insiders agreed to purchase the Units for aggregate consideration of \$1,360,000. Such subscription agreements were on the same terms as the subscription agreements entered into between the Company and the other subscribers in the Offering.

The Company entered into debt settlement agreements with the applicable Insiders pursuant to which the Insiders agreed to receive an aggregate of 427,553 Common Shares purchase the Units for aggregate consideration of \$106,883.25. Such debt settlement agreements were on the same terms as the debt settlement agreements entered into between the Company and the other participants in the Debt Settlement.

- (i) *disclosure of the formal valuation and minority approval exemptions, if any, on which the issuer is relying under sections 5.5 and 5.7 of MI 61-101 respectively, and the facts supporting reliance on the exemptions:*

The Offering is exempt from the valuation requirement of MI 61-101 by virtue of the exemption contained in Section 5.5(b) thereof, as the Shares are not listed on a market specified in MI 61-101, and from the minority shareholder approval requirement of MI 61-101 by virtue of the exemption contained in Section 5.7(1)(a) thereof, in that the fair market value of the Debentures did not exceed 25% of the Company's market capitalization as at the applicable date specified in MI 61-101.

A material change report was filed following the closing of the First Tranche and this material change report is being filed following the closing of the Final Tranche (and therefore less than 21 days before the closing of either the First Tranche or the Final Tranche), there is a requirement under MI 61-101 to explain why the shorter period is reasonable or necessary in the circumstances. A material change report was not filed by the Company 21 days before the closing of the First Tranche or the Final Tranche as the level of insider participation was not known at that time and the Company moved to close the First Tranche and the Final Tranche immediately upon satisfaction of all applicable closing conditions. In the view of the Company, this was reasonable in the circumstances because the Company wished to complete the First Tranche and the Final Tranche as soon as practicable.

5.2 *Disclosure for Restructuring Transactions*

Not applicable.

**Item 6. Reliance on Subsection 7.1(2) of National Instrument 51-102**

Not applicable.

**Item 7. Omitted Information**

None.

**Item 8. Executive Officer**

For further information, please contact:

Niel Marotta, Chief Executive Officer  
Telephone: 613-883-8541

**Item 9. Date of Report**

August 19, 2020



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OUR ROOTS RUN DEEP

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**INDIVA ANNOUNCES A NON-BROKERED PRIVATE PLACEMENT OF UNITS FOR UP TO \$5,100,000  
THE CLOSING OF THE FIRST TRANCHE; AND  
EARLY WARNING REPORT**

**LONDON, Ontario – June 26, 2020:** Indiva Limited (the “**Company**” or “**Indiva**”) (TSXV:NDVA) (OTCQX:NDVAF) is pleased to announce that it has received conditional approval from the TSX Venture Exchange (the “**TSXV**”) for a non-brokered private placement unit offering (the “**Offering**”) of up to \$5,100,000. Each unit (each a “**Unit**” and collectively the “**Units**”) of the Offering will comprise of one common share in the capital of the Company (each a “**Common Share**” and collectively the “**Common Shares**”) and one common share purchase warrant (each a “**Warrant**” and collectively the “**Warrants**”). The Company will offer each Unit at a purchase price of \$0.30 per Unit. The first tranche of the Offering, in the amount of \$1,012,299.90, being 3,374,333 Units has been completed and closed on June 25, 2020 (the “**First Tranche**”).

The Company intends to use the proceeds from the Offering for equipment purchases, working capital and general corporate purposes.

Each Warrant will entitle the holder to acquire one common share in the capital of the Company at an exercise price of \$0.40 (the “**Exercise Price**”) any time up to 36 months following the applicable closing date, subject to adjustments in certain customary events.

*MI 61-101 Disclosure & Early Warning*

An affiliate of John Marotta, a director of the Company, being Marotta Investments Limited, participated in the First Tranche and, as such, the issuance of the Units to such insider is a “related-party transaction” within the meaning of Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”). However, the issuance is exempt from: (i) the valuation requirement of MI 61-101 by virtue of the exemption contained in Section 5.5(b), as the shares into which the Units are convertible are not listed on a market specified in MI 61-101, and (ii) from the minority shareholder approval requirement of MI 61-101 by virtue of the exemption contained in Section 5.7(1)(a) of MI 61-101, as the fair market value of the Units does not exceed 25% of the Company’s market capitalization. A material change report was not filed by the Company 21 days before the closing of the First Tranche as the level of insider participation was not known at that time and the Company moved to close the Final Tranche immediately upon satisfaction of all applicable closing conditions. In the view of the Company,

this was reasonable in the circumstances because the Company wished to complete the First Tranche as soon as possible.

In connection with the First Tranche, the Company issued 836,000 Units to Marotta Investments Limited, for total consideration of \$250,800.

Immediately after the closing of the First Tranche, John Marotta and his affiliates, including Marotta Investments Limited (collectively, "**Marotta**"), have control of 10.7% of the issued and outstanding Common Shares on a partially-diluted basis, assuming the exercise of all of Marotta's vested stock options, convertible debentures and Warrants.

Further details regarding Marotta's subscription and holdings will be set forth in an early warning report to be filed with the applicable securities commissions using the Canadian System for Electronic Document Analysis and Retrieval (SEDAR) and will be available for viewing on the Company's profile at [www.sedar.com](http://www.sedar.com).

The Offering is being conducted by the Company utilizing the "accredited investor" exemption of National Instrument 45-106 – *Prospectus and Registration Exemptions*, and also other applicable exemptions available to the Company.

All securities issued in connection with the Offering will be subject to a statutory hold period of four months and one day from the applicable closing date.

The Company expects to close on additional tranches by July 13, 2020, subject to the satisfaction of customary closing conditions and approvals, including but not limited to the approval of the TSXV.

***None of the Securities have been or will be registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements. This news release shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the securities, in any jurisdiction in which such offer, solicitation or sale would require registration or otherwise be unlawful.***

#### **ABOUT INDIVA**

Indiva sets the standard for quality and innovation in cannabis. As a Canadian licensed producer, Indiva creates premium pre-rolls, flower, capsules, and edible products and provides production and manufacturing services to peer entities. In Canada, Indiva produces and distributes the award-winning Bhang® Chocolate, Wana Sour Gummies, Ruby® Cannabis Sugar, Sapphire™ Cannabis Salt and other *Powered by INDIVA™* products through license agreements, partnerships and joint ventures. Click here to connect with Indiva on [LinkedIn](#), [Instagram](#), [Twitter](#) and [Facebook](#), and [here to find more information on the Company and its products](#).

#### **MEDIA CONTACT**

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*Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release or has in any way approved or disapproved of the contents of this press release.*

*Certain statements contained in this press release constitute forward-looking information. These statements relate to future events or future performance. The use of any of the words "could", "intend", "expect", "believe", "will", "projected", "estimated" and similar expressions and statements relating to matters that are not historical facts are intended to identify forward-looking information and are based on the parties' current belief or assumptions as to the outcome and timing of such future events. Actual future results may differ materially. In particular, this release contains forward-looking information relating to the use of proceeds of the Offering, the expectations of management regarding the use of proceeds of the Offering, TSX Venture Exchange approval of the Offering. These forward-looking statements are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. Risks that could change or prevent these statements from coming to fruition include the Company may not conclude the Offering on terms favourable to the Company or at all; the TSX Venture Exchange may not provide final approval of the Offering; and proceeds of the Offering may not be used as stated in this news release. The forward-looking information contained in this release is made as of the date hereof and the parties are not obligated to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by applicable securities laws. Because of the risks, uncertainties and assumptions contained herein, investors should not place undue reliance on forward looking information. The foregoing statements expressly qualify any forward-looking information contained herein.*

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**INDIVA REACHES DISTRIBUTION AGREEMENT WITH YUKON**

*Indiva also announces shares for debt transaction and extension of previously announced non-brokered private placement*

**LONDON, Ontario – July 9, 2020:** Indiva Limited (the “Company” or “Indiva”) (TSXV:NDVA) (OTCQX:NDVAF) is pleased to announce it has expanded distribution to Yukon Territory, increasing the Company’s distribution network to eight provinces and one territory.

“We are thrilled to grow our distribution network to eight provinces and one territory across Canada,” Niel Marotta, Indiva’s president and Chief Executive Officer, said. “This expansion brings us even closer to becoming a nation-wide producer and distributor of cannabis and cannabis-infused products. The opportunity to introduce more Canadians to our top-selling Bhang® and INDIVA™ products is exciting for our company.”

*Shares for debt transaction*

The Company is also announcing it has entered into a shares for debt agreement to satisfy an aggregate of \$115,458.33 of Indiva’s outstanding debts (the “**Indebtedness**”). The Company has reached an agreement with certain of its creditors to satisfy accrued but unpaid portions of the interest payments outstanding (“**Interest**”) under certain convertible debentures the Company issued in Q4 2019 and Q1 2020 in exchange for the issuance of common shares (“**Shares**”) of the Company. The creditors include certain related parties of the Company, including John A Marotta, a director of the Company, Niel Marotta the CEO and a director of the Company, and Jennifer Welsh, the CFO of the Company (collectively, the “**Related Parties**”). Every other creditor is an arm’s-length party who subscribed for convertible debentures of the Company.

An aggregate of 461,832 Shares at a deemed price of \$0.25 per Share are proposed to be issued to the creditors, which includes an aggregate of 46,811 Shares to be issued to the Related Parties. An aggregate of 35,778 Shares are proposed to be issued to John A Marotta, a director of the Company, representing the extinguishment of \$8,944.44 in Interest amounts owing. An aggregate of 8,944 Shares are proposed to be issued to the Company’s CEO and director, Niel Marotta, representing the extinguishment of \$2,236.11 in Interest amounts owing. An aggregate of 2,089 Shares are proposed to be issued to the Company’s CFO, Jennifer Welsh, representing the extinguishment of \$522.22 in Interest amounts owing.

The Company chose to satisfy the Indebtedness with Shares in order to preserve its cash for development of its business. The Shares will be issued upon acceptance by the TSX Venture Exchange (the "**TSXV**"). The Shares issued pursuant to the shares for debt agreement will be subject to a four month plus one day hold period pursuant to the policies of the TSXV.

The shares for debt transaction involving the Related Parties will constitute a "related party transaction" under Multilateral Instrument 61-101 - *Protection of Minority Securityholders in Special Transactions* ("**MI 61-101**"). However, the issuance is exempt from: (i) the valuation requirement of MI 61-101 by virtue of the exemption contained in Section 5.5(b), as the shares into which the Units are convertible are not listed on a market specified in MI 61-101, and (ii) from the minority shareholder approval requirement of MI 61-101 by virtue of the exemption contained in Section 5.7(1)(a) of MI 61-101, as the fair market value of the Units does not exceed 25% of the Company's market capitalization. The participation by the Related Parties in the shares for debt transactions has been approved by directors of the Company who are independent in connection with such transaction.

#### *Extension of Previously Announced Non-Brokered Private Placement of Units*

The Company is also announcing that, further to the press release dated June 26, 2020 it has received an extension from the TSXV with respect to the duration of its previously announced non-brokered private placement unit offering (the "**Offering**") of up to \$5,100,000. The outside date upon which final acceptance of the Offering will be granted by the TSXV has been extended by 30 days. While the Company has closed a first tranche of the private placement it applied for an extension to accommodate investors who have been unable to complete their subscriptions.

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## **ABOUT INDIVA**

Indiva sets the standard for quality and innovation in cannabis. As a Canadian licensed producer, Indiva creates premium pre-rolls, flower, capsules, and edible products and provides production and manufacturing services to peer entities. In Canada, Indiva produces and distributes the award-winning Bhang® Chocolate, Wana Sour Gummies, Ruby® Cannabis Sugar, Sapphire™ Cannabis Salt and other *Powered by INDIVA™* products through license agreements, partnerships and joint ventures. Click here to connect with Indiva on [LinkedIn](#), [Instagram](#), [Twitter](#) and [Facebook](#), and [here to find more information on the Company and its products](#).

## **CONTACTS**

### **MEDIA CONTACT**

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*Certain statements contained in this press release constitute forward-looking information. These statements relate to future events or future performance. The use of any of the words “could”, “intend”, “expect”, “believe”, “will”, “projected”, “estimated” and similar expressions and statements relating to matters that are not historical facts are intended to identify forward-looking information and are based on the parties’ current belief or assumptions as to the outcome and timing of such future events. Actual future results may differ materially. In particular, this release contains forward-looking information relating to the Company’s future operations, future product offerings and compliance with applicable regulations. Various assumptions or factors are typically applied in drawing conclusions or making the forecasts or projections set out in forward-looking information. Those assumptions and factors are based on information currently available to the parties. The material factors and assumptions include the parties being able to maintain the necessary regulatory and other third parties’ approvals and licensing and other risks associated with regulated entities in the cannabis industry. The forward-looking information contained in this release is made as of the date hereof and the parties are not obligated to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by applicable securities laws. Because of the risks, uncertainties and assumptions contained herein, investors should not place undue reliance on forward looking information. The foregoing statements expressly qualify any forward-looking information contained herein.*

*This press release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”) or any state securities laws and may not be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available. Not for distribution to U.S. Newswire Services or for dissemination in the United States. Any failure to comply with this restriction may constitute a violation of U.S. Securities laws.*



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**INDIVA ANNOUNCES CLOSING OF PRIVATE PLACEMENT OF UNITS  
ANNOUNCES PRAIRIE MERCHANT PARTICIPATES IN OFFERING AND BECOMES INSIDER;  
PROVIDES EARLY WARNING REPORT**

**LONDON, Ontario – August 10, 2020:** Indiva Limited (the “**Company**” or “**Indiva**”) (TSXV:NDVA) (OTCQX:NDVAF), a leading Canadian producer of cannabis edibles and other cannabis products, is pleased to announce that further to its news releases dated June 26, 2020 and July 9, 2020, it has closed the second and final tranche of its private placement of Units (the “**Units**”) in the aggregate principal amount of \$4,167,198.80, being 13,890,663 Units (the “**Final Tranche**”). This brings the total funds raised for this private placement to \$5,179,498.80 and the total number of Units issued to 17,264,996 (the “**Offering**”). The Company expects that the proceeds of the Offering will be used for equipment purchases, working capital and general corporate purposes, including the national launch of Wana™ Sour Gummies. Indiva has received more than \$1.1 million of initial purchase orders to date for Wana gummies from provincial wholesalers, and aims to build on its leading market share nationally in chocolate with national distribution of award-winning Wana™ Sour Gummies. Proceeds will also be used to expand Indiva’s flower and pre-roll offering to additional provinces, allowing the Company to participate in the largest market segments nationally.

**STRATEGIC INVESTORS:**

In connection with the Final Tranche, the Company issued 3,333,333 Units to Prairie Merchant Corporation, a company controlled by W. Brett Wilson, for total consideration of \$1,000,000. The Company also issued 3,333,333 Units to Allan Markin, for total additional consideration of \$1,000,000.

Immediately following the closing of the Final Tranche, W. Brett Wilson and his affiliates, including Prairie Merchant Corporation (collectively, “**Wilson**”), have control of 13.4% of the issued and outstanding Common Shares on a partially-diluted basis, assuming the exercise of all of Wilson’s convertible securities of the Company.

ATB Capital Markets Inc. also participated in this Offering. Insiders also participated in the Offering in the total amount of \$360,000 or 1,200,000 Units.

**FINANCING:**

As previously announced in the Company’s June 26, 2020 news release, each Unit is comprised of one common share in the capital of the Company (each a “**Common Share**”) and one common share purchase warrant (each a “**Warrant**”). Each Warrant will entitle the holder to acquire one common share in the capital of the Company at an exercise price of \$0.40 any time up to 36 months following the Closing Date of the Offering, subject to adjustments in certain customary events.

The Offering is subject to final approval from the TSX Venture Exchange.

In connection with the Final Tranche, the Company paid broker fees in cash totalling \$168,700, representing 3.3% of the proceeds raised from Units placed by the brokers and issued to the brokers a total of 562,333 non-transferable broker warrants ("**Broker Warrants**"), representing 3.3% of the Units placed by such brokers. Each Broker Warrant entitles the holder to acquire one Common Share at an exercise price of \$0.30 for a period of 36 months.

The Offering was conducted by the Company utilizing the "accredited investor" exemption of National Instrument 45-106 – *Prospectus and Registration Exemptions*, and also other applicable exemptions available to the Company.

All securities issued in connection with the Offering will be subject to a statutory hold period of four months and one day from the applicable closing date.

***None of the securities have been or will be registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements. This news release shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the securities, in any jurisdiction in which such offer, solicitation or sale would require registration or otherwise be unlawful.***

#### *MI 61-101 Disclosure & Early Warning*

An affiliate of John Marotta, a director of the Company, being Marotta Investments Limited, participated in the Final Tranche (in addition to the 836,000 Units subscribed for in the first tranche of the Offering) and, as such, the issuance of the Units to such insider is a "related-party transaction" within the meaning of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"). However, the issuance is exempt from: (i) the valuation requirement of MI 61-101 by virtue of the exemption contained in Section 5.5(b), as the shares into which the Units are convertible are not listed on a market specified in MI 61-101, and (ii) from the minority shareholder approval requirement of MI 61-101 by virtue of the exemption contained in Section 5.7(1)(a) of MI 61-101, as the fair market value of the Units does not exceed 25% of the Company's market capitalization. A material change report was not filed by the Company 21 days before the closing of the Final Tranche as the level of insider participation was not known at that time and the Company moved to close the Final Tranche immediately upon satisfaction of all applicable closing conditions. In the view of the Company, this was reasonable in the circumstances because the Company wished to complete the Final Tranche as soon as possible.

As noted above, immediately following the closing of the Final Tranche, W. Brett Wilson and his affiliates, including Prairie Merchant Corporation (collectively, "**Wilson**"), have control of 13.4% of the issued and outstanding Common Shares on a partially-diluted basis.

Wilson acquired the Units for investment purposes. Wilson may acquire or dispose of additional securities of the Company in the future through the market, privately, or otherwise, as circumstances or market conditions warrant. Any transaction that Wilson may pursue may be made at any time and from time to time without prior notice and will depend on a variety of factors, including, without limitation, the price and availability of the Company's securities, subsequent developments affecting the Company, its business and prospects, other investment and business opportunities available to the Company, general industry and economic conditions, the securities markets in general, tax considerations and other factors deemed relevant by Wilson.

Immediately following the closing of the Final Tranche, the holdings of John A. Marotta and his affiliates, including Marotta Investments Ltd. ("**Marotta**") decreased to less than 10% of the issued and outstanding Common Shares on a partially-diluted basis.

Further details regarding Wilson's and Marotta's subscriptions and holdings will be set forth in early warning reports to be filed with the applicable securities commissions using the Canadian System for Electronic Document Analysis and Retrieval (SEDAR) and will be available for viewing on the Company's profile at [www.sedar.com](http://www.sedar.com).

### Shares for Debt Transaction

The Company is pleased to announce that further to its press release dated July 9, 2020, the TSXV has approved and the Company has settled and extinguished \$115,458.33 of the Company's outstanding debt through the issuance of 461,832 Common Shares at a deemed price of \$0.25 per Common Share (the "**Debt Settlement**").

An aggregate of 46,811 Shares were issued to certain directors and officers of the Company (the "**Related Parties**"). The Shares in the Debt Settlement are subject to a four month plus one day hold period from the date of issuance.

The shares for debt transaction involving the Related Parties constitutes a "related party transaction" under MI 61-101. However, the issuance is exempt from: (i) the valuation requirement of MI 61-101 by virtue of the exemption contained in Section 5.5(b), as the Common Shares are not listed on a market specified in MI 61-101, and (ii) from the minority shareholder approval requirement of MI 61-101 by virtue of the exemption contained in Section 5.7(1)(a) of MI 61-101, as the fair market value of the Common Shares does not exceed 25% of the Company's market capitalization. The participation by the Related Parties in the shares for debt transactions has been approved by directors of the Company who are independent in connection with such transaction.

## **ABOUT INDIVA**

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Indiva sets the standard for quality and innovation in cannabis. As a Canadian licensed producer, Indiva creates premium pre-rolls, flower, capsules, and edible products and provides production and manufacturing services to peer entities. In Canada, Indiva produces and distributes the award-winning Bhang® Chocolate, Wana™ Sour Gummies, Ruby® Cannabis Sugar, Sapphire™ Cannabis Salt and other *Powered by INDIVA™* products through license agreements, partnerships and joint ventures. Click here to connect with Indiva on [LinkedIn](#), [Instagram](#), [Twitter](#) and [Facebook](#), and [here to find more information on the Company and its products](#).

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## **DISCLAIMER AND READER ADVISORY**

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*Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release or has in any way approved or disapproved of the contents of this press release.*