

## FORM 9

### **NOTICE OF PROPOSED ISSUANCE OF LISTED SECURITIES (or securities convertible or exchangeable into listed securities<sup>1</sup>)**

Please complete the following:

Name of Listed Issuer: CannaRoyalty Corp. (the "Issuer")

Trading Symbol: CRZ

Date: March 26, 2018

Is this an updating or amending Notice: Yes

If yes provide date(s) of prior Notices: November 28, 2017.

Issued and Outstanding Securities of Issuer Prior to Issuance: 46,859,329

Date of News Release Announcing Private Placement: n/a

Closing Market Price on Day Preceding the Issuance of the News Release: \$3.79

**1. Private Placement (if shares are being issued in connection with an acquisition (either as consideration or to raise funds for a cash acquisition), proceed to Part 2 of this form)**

**[INTENTIONALLY DELETED]**

#### **2. Acquisition**

1. Provide details of the assets to be acquired by the Issuer (including the location of the assets, if applicable). The disclosure should be sufficiently complete to enable a reader to appreciate the significance of the transaction without reference to any other material: The Company has closed the previously announced (Nov. 28, 2017) acquisition of Kaya Management Inc. ("Kaya") which is the manufacturer of California product and license holder for the distribution rights for Bhang® brand vaporizer products in California, and Alta Supply Inc. ("Alta"), which distributes Bhang® vaporizer and Bhang® chocolate, as well as products for over a dozen other well-known third-party cannabis companies in California.
2. Provide details of the acquisition including the date, parties to and type of agreement (eg: sale, option, license etc.) and relationship to the Issuer. The disclosure should be sufficiently complete to enable a reader to appreciate the significance of the acquisition without reference to any other material:

The terms of the Acquisitions were revised from the originally-disclosed terms (November 28, 2017)

Consideration: An aggregate of 1,254,816 CannaRoyalty common shares and US\$2.165 million in cash will be paid on or after closing, and is subject to post-closing working capital adjustments. Additional consideration of up to 1,605,992 CannaRoyalty common shares will be paid over the next 18 months, subject to the achievement of certain milestones.

3. Provide the following information in relation to the total consideration for the acquisition (including details of all cash, securities or other consideration) and any required work commitments:
  - (a) Total aggregate consideration in Canadian dollars: Approximately \$13.9 million
  - (b) Cash: US\$2.165 million, subject to a working capital adjustment post closing.
  - (c) Securities (including options, warrants etc.) and dollar value: 1,254,816 shares were issued in escrow on November 28, 2017 and will be delivered on close, and up to an additional 1,605,992 will be issued upon certain milestones over the next 18 months. Based on the Issuer's closing price of \$3.79, the shares represent approx. C\$10.8mm in dollar value.
  - (d) Other: Working capital will be provided to grow the Alta and Kaya over the next year, after the businesses have been acquired.
  - (e) Expiry date of options, warrants, etc. if any: N/A.
  - (f) Exercise price of options, warrants, etc. if any: N/A.
  - (g) Work commitments: N/A.
4. State how the purchase or sale price was determined (e.g. arm's-length negotiation, independent committee of the Board, third party valuation etc). Arm's-length negotiation with third party
5. Provide details of any appraisal or valuation of the subject of the acquisition known to management of the Issuer: N/A .
6. The names of parties receiving securities of the Issuer pursuant to the acquisition and the number of securities to be issued are described as follows:

Name of Party (If not an individual, name all insiders of the Party)	Number and Type of Securities to be Issued	Dollar value per Security (CDN\$)	Conversion price (if applicable)	Prospectus Exemption	No. of Securities, directly or indirectly, Owned, Controlled or Directed by Party	Describe relationship to Issuer <sup>(1)</sup>
Shareholders of Kaya Management Inc.	1,316,803 common shares	\$3.89	N/A	Section 2.2 of NI 45-102, Asset Acquisition	0	Arms-length
Shareholders of Alta Supply Inc.	1,544,005 common shares	\$3.89	N/A	Section 2.2 of NI 45-102, Asset Acquisition	0	Arms-length

(1) Indicate if Related Person

7. Details of the steps taken by the Issuer to ensure that the vendor has good title to the assets being acquired: Full legal and commercial due diligence was undertaken, including multiple site visits.
8. Provide the following information for any agent's fee, commission, bonus or finder's fee, or other compensation paid or to be paid in connection with the acquisition (including warrants, options, etc.): N/A
9. State whether the sales agent, broker or other person receiving compensation in connection with the acquisition is a Related Person or has any other relationship with the Issuer and provide details of the relationship. N/A
10. If applicable, indicate whether the acquisition is the acquisition of an interest in property contiguous to or otherwise related to any other asset acquired in the last 12 months. N/A.

## Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance on behalf of the Issuer.
2. As of the date hereof there is not material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CSE Policy 1).
4. All of the information in this Form 9 Notice of Issuance of Securities is true.

Dated March 26<sup>th</sup>, 2018.

"Marc Lustig" (signed)  
Marc Lustig, Chief Executive  
Officer