



CannaRoyalty Investee, Anandia Labs, Closes \$13.4 Million Financing

– Post-money valuation of \$63 million represents approximately 180% growth in value for CannaRoyalty shareholders –

All numbers in Canadian dollars unless otherwise noted

Ottawa, Canada – January 16, 2018 – CannaRoyalty Corp. (CSE: CRZ) (OTCQX: CNNRF) (“CannaRoyalty” or the “Company”), an active investor and operator in the legal cannabis industry, is pleased to announce that one of its investee companies, Anandia Laboratories Inc. (“Anandia Labs”), has closed a private placement financing (the “Financing”) of \$13.4 million at a post-money valuation of \$63 million. Anandia Labs is Canada's leading independent cannabis analytics, testing and genetics company. With one of 33 Health Canada-issued Dealers Licenses, Anandia Labs is able to cultivate, extract, analyze, import/export and buy/sell/trade cannabis in any form. The company also uses genomics and plant breeding technology to develop innovative products and next generation cannabis varieties.

CannaRoyalty invested \$3.9 million in Anandia Labs in February 2017 at a post-money valuation of \$18 million. The post-money valuation of this current financing represents a growth in value of approximately \$7 million or 180% for CannaRoyalty shareholders. CR Advisory, a wholly-owned business unit of the Company, has an ongoing engagement with Anandia Labs. CR Advisory will receive 229,421 Anandia Labs shares and a cash payment of \$240,000 in connection with services provided. Anandia Labs is 17% owned by CannaRoyalty after accounting for the Financing.

“Congratulations to Dr. Page and the entire team at Anandia Labs for the achievement of this milestone and for being named the Top Testing Lab in Canada for 2017¹,” said Marc Lustig, CEO of CannaRoyalty. “With an approximate 20% market share of licensed producers under Canada's Access to Cannabis for Medical Purposes Regulations (“ACMPR”), Anandia Labs continues to position itself as a Canadian leader in cannabis testing and analytics. Anandia Labs is a key CannaRoyalty partner and the company’s current valuation is representative of the value we can create for shareholders through our suite of downstream and value-add cannabis businesses.”

Anandia Labs President and CEO Dr. Jonathan Page added, “The ACMPR are setting international precedent in the medical cannabis production space. The Financing will enable us to take Anandia Labs to the next level. We anticipate significant growth over the next few years as we expand our licensed facilities and testing capabilities to meet the growing needs of the Canadian and global industry for genetics, analytics and product development.”

Anandia Labs currently operates out of a 5,400 square foot facility in Vancouver, British Columbia and has plans to construct a 40,000 square foot purpose-built cannabis innovation centre in British Columbia during 2018. The Financing will fund the land purchase and construction of the initial phase of Anandia Labs’ Cannabis Innovation Centre, including a 20,000 square foot R&D cultivation facility and a 20,000 square foot building to house tissue culture and extraction infrastructure, including the equipment required for its breeding, laboratory analysis and commercial scale extraction activities.

¹Lift Canadian Cannabis Awards – 2017

About Anandia Labs

Anandia Labs is a biotechnology company focused exclusively on cannabis, with the aim of bringing the best of modern science to the cannabis industry for the benefit of growers and consumers. Anandia Labs provides industry leading analytical testing services including potency, pesticides, microbes and terpenes to Licenced Producers and patients. In addition, Anandia Labs uses its cannabis-specific scientific expertise to assist its customers in the analysis of their testing results and resolution of any detected non-conformities.

Anandia Labs has also completed extensive research into cannabis genetics and has built a significant collection of cannabis germplasm. The Company uses modern plant breeding approaches to develop next generation cannabis varieties. Anandia Labs holds a Dealers Licence from Health Canada pursuant to the provisions of the Controlled Drugs and Substances Act and the Narcotic Control Regulations. The Dealers Licence permits Anandia Labs to analyze and extract cannabis, as well as cultivate cannabis for breeding and strain improvement.

About CannaRoyalty

CannaRoyalty is an active investor and operator in the legal cannabis industry. Our focus is building and supporting a diversified portfolio of growth-ready assets in high-value segments of the cannabis sector, including research, consumer brands, devices and intellectual property. Our management team combines a hands-on understanding of the cannabis industry with seasoned financial know-how, assembling a platform of holdings via royalty agreements, equity interests, secured convertible debt, licensing agreements and its own branded portfolio. CannaRoyalty's shares trade on the Canadian Stock Exchange (CSE) under the symbol CRZ and internationally on the OTCQX under the symbol CNNRF.

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Forward Looking Statements

Statements in this news release that are forward-looking statements are subject to various risks and uncertainties concerning the specific factors disclosed here and elsewhere in CannaRoyalty's periodic filings with Canadian securities regulators. When used in this news release, words such as "will, could, plan, estimate, expect, intend, may, potential, believe, should," and similar expressions, are forward-looking statements.

Forward-looking statements may include, without limitation, statements including the Company's expectations with respect to pursuing new opportunities and its future growth and other statements of fact.

Although CannaRoyalty has attempted to identify important factors that could cause actual results, performance or achievements to differ materially from those contained in the forward-looking statements, there can be other factors that cause results, performance or achievements not to be as anticipated, estimated or intended, including, but not limited to: dependence on obtaining regulatory approvals; investing in target companies or projects which have limited or no operating history and are engaged in activities currently considered illegal under US Federal Laws; changes in laws; limited operating history; reliance on management; requirements for additional financing; competition; hindering market growth and state adoption due to inconsistent public opinion and perception of the medical-use and adult-use marijuana industry and; regulatory or political change.

There can be no assurance that such information will prove to be accurate or that management's expectations or estimates of future developments, circumstances or results will materialize. As a result of these risks and uncertainties, the results or events predicted in these forward-looking statements may differ materially from actual results or events.

Accordingly, readers should not place undue reliance on forward-looking statements. The forward-looking statements in this news release are made as of the date of this release. CannaRoyalty disclaims any intention or obligation to update or revise such information, except as required by applicable law, and CannaRoyalty does not assume any liability for disclosure relating to any other company mentioned herein.