



February 17, 2017

Canadian Securities Exchange
220 Bay Street, 9th Floor
Toronto, ON M5J 2W4

Dear Sirs:

**Re: CannaRoyalty Corp. (the "Corporation")
Private Placement of 689,568 Common Shares**

Pursuant to Section 3.3(a) of the Canadian Securities Exchange Policy 6 - *Distributions*, the Corporation confirms that, as of February 16, 2017, the Corporation has acquired a 17.97% equity stake in Anandia Laboratories Inc. ("**Anandia Labs**"), in exchange for aggregate consideration of \$4,042,439.09 (the "**Transaction**").

In connection with the closing of the Transaction, the Corporation has acquired, as at February 16, 2017, an aggregate of 5,079,441 shares of Anandia Labs (the "**Anandia Shares**"), representing a 17.97% undiluted equity interest in Anandia Labs, in exchange for:

- (a) \$1,521,217.55 in cash;
- (b) 682,097 common shares of the Corporation (the "**Common Shares**") at a deemed price per Common Share equal to \$2.93214, being the volume weighted average price of the Common Shares on the Canadian Securities Exchange for the 10 consecutive trading days immediately preceding February 16, 2017; and
- (c) 7,471 Common Shares at a deemed price per Common Share equal to \$2.84, being the closing price of the Common Shares on the trading day immediately prior to the date of the announcement of the Transaction.

The Corporation confirms that it has received share certificate C-12 issued by Anandia Labs, evidencing the Anandia Shares acquired pursuant to the Transaction.

A further 716,941 shares of Anandia Labs will be issued to the Corporation on delivery and acceptance of certain equipment and services, which delivery is expected to occur in Q2 2017. Issuance of these additional shares in Anandia Labs will increase the Corporation's ownership position to 5,796,382 shares, or 20% on an undiluted basis.

Yours Truly,

CannaRoyalty Corp.

(signed) "*Marc Lustig*"

Marc Lustig
Chief Executive Officer



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