

FORM 9

NOTICE OF PROPOSED ISSUANCE OF LISTED SECURITIES (or securities convertible or exchangeable into listed securities¹)

Please complete the following:

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

Trading Symbol: CRZ

Date: April 9, 2018

Is this an updating or amending Notice: No

If yes provide date(s) of prior Notices: N/A

Issued and Outstanding Securities of Issuer Prior to Issuance: To be determined prior to closing.

Date of News Release Announcing Private Placement: N/A

Closing Market Price on Day Preceding the Issuance of the News Release: \$3.80
(March 26, 2018)

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 Issuer has entered into a binding term sheet (the "Term Sheet") for the proposed acquisition by the Issuer of the business and assets of River Wellness, Inc., River Distributing Co., Riverbreak GP LLC, Riverbreak Dist. LP, and any other related or similar entities (collectively, "RVR"), subject to certain customary closing conditions. RVR represents a number of leading California brands sourced from across the state and has two licensed facilities in California (one Temporary Cannabis Distribution License (Type 11 – Recreational) and one Temporary Cannabis Distribution License (Type 11 – Medical)).

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 Issuer and RVR executed the Term Sheet on March 25, 2018. Closing is expected to occur at the end of Q2 2018. Following closing, RVR shall have the right to nominate one director of the Issuer, who shall be put forward for election by Issuer shareholders at the Issuer's next shareholders' meeting.

Consideration: An aggregate of 5,000,000 Issuer common shares ("**Common Shares**") to be issued on closing (provided such number of Common Shares shall be reduced by 1,650,000 Common Shares in the event certain business priorities are not achieved by RVR in 2018) and 2,000,000 Common Shares, subject to the achievement of commercially reasonable milestone provisions to be determined by the parties.

The Common Shares will be paid on a price based on the trailing 5-day VWAP of the Common Shares prior to the applicable payment date and the noon exchange rate on the last business day prior to the applicable payment. All such Common Shares will be subject to an 18 month vesting schedule, with 25% of the Common Shares released every six months following closing along with additional contractual restrictions on transfer.

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 \$27,300,000 (based on the Issuer's closing share price of \$3.90 on March 23, 2018).
- (b) Cash: N/A.
- (c) Securities (including options, warrants etc.) and dollar value: 7,000,000 Common Shares (5,000,000 Common Shares will be issued on closing and 2,000,000 Common Shares will be issued, subject to the achievement of certain milestones), all such Common Shares being subject to an 18 month vesting schedule, with 25% of the Common Shares released every six months following closing along with additional contractual restrictions on transfer. The 5,000,000 Common Shares to be issued on closing shall be reduced by 1,650,000 Common Shares in the event certain business priorities are not achieved by RVR in 2018.

Based on the closing share price noted above in Item 3(a), the shares represent approximately \$27,300,000 in dollar value.

- (d) Other: Following closing, RVR shall have the right to nominate one director of the Issuer, who shall be put forward for election by Issuer shareholders at the Issuer's next shareholders' meeting.
 - (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: On or following closing, RVR's business will require no more than US\$5,000,000 cash investment total from the Issuer, including any working capital and capital expenditures required for RVR.
- 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\$) ⁽¹⁾	Conversion price (if applicable)	Prospectus Exemption	No. of Securities, directly or indirectly, Owned, Controlled or Directed by Party	Describe relationship to Issuer ⁽¹⁾
Shareholders and debtors of RVR ⁽²⁾	Up to 7,000,000 common shares ⁽²⁾	\$3.90	\$27,300,000	Section 2.2 of NI 45-102, Asset Acquisition	0	Arms-length
<p>Note:</p> <p>(1) The Common Shares will be paid on a price based on the trailing 5-day VWAP of the Common Shares prior to the applicable payment date and the noon exchange rate on the last business day prior to the applicable payment.</p> <p>(2) 2,000,000 Common Shares, subject to the achievement of commercially reasonable milestone provisions to be determined by the parties while the remaining 5,000,000 Common Shares shall be reduced by 1,650,000 Common Shares in the event certain business priorities are not achieved by RVR in 2018.</p>						

(3) 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: Legal and commercial due diligence has been undertaken, including multiple site visits. Further diligence will be completed prior to closing.
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 April 10, 2018.

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