



CannaRoyalty Undertaking Fully Marketed Brokered Private Placement of Unsecured Convertible Debentures to Fuel Development of Seven Facilities Across California

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- Distribution subsidiary Alta Supply continues strong performance, with 15% month-over-month revenue growth in May⁽¹⁾
- CannaRoyalty to fund development of five additional facilities across California to capitalize on its momentum and build for growth
- Solidifies CannaRoyalty's market position in preparation for the transition of all licensed brands and dispensary operators to a mandatory distribution system on July 1st
- Retained Canaccord Genuity Corp. to act as lead agent in connection with a fully marketed private placement of unsecured convertible debentures on a commercially reasonable efforts basis

All financial figures in Canadian Dollars (\$) unless otherwise noted.

Ottawa, Canada – June 19, 2018 – CannaRoyalty Corp. (CSE: CRZ) (OTCQX: CNNRF) ("CannaRoyalty" or the "Company"), a leading North American cannabis products and brands company, announced today that it has retained Canaccord Genuity Corp. as lead agent to undertake a fully marketed private placement of unsecured convertible debentures ("**Convertible Debentures**") on a commercially reasonable efforts basis to raise gross proceeds of up to CAD\$30 million, with the terms and conditions of the Convertible Debentures to be determined in the context of the market.

The proceeds from the Offering will be primarily used by the Company to expand its footprint across California. To complement its central distribution hub and its contract manufacturing facility in Oakland, California, the Company intends to further develop:

- the RVR distribution hub in Sacramento (leased, licensed);
- a new RVR distribution hub outside of Los Angeles (agreement to purchase, subject to license);
- a recently licensed manufacturing and distribution centre in Sonoma County (agreement to purchase, licensed);

- a volatile extraction facility in Sonoma County (agreement to lease, subject to license); and
- the Floracal Farms cultivation facility in Sonoma County (agreement to lease, licensed).

This expansion will substantially reinforce CannaRoyalty's cross state distribution infrastructure, better positioning it to meet the strong consumer demand for cannabis products since the state transitioned to a full adult-use cannabis market on January 1, 2018. By expanding its footprint to include further contract manufacturing, volatile extraction and exotic cultivation capabilities, the Company will be able to support a broader range of 3rd party brand partners on its platform.

Marc Lustig, CEO of CannaRoyalty noted, "We are now well down the path to our goal of becoming a leading distributor of cannabis products in California, which we believe is the most attractive cannabis brands jurisdiction in the world. That's why we are seeking to raise funds to substantially invest in our infrastructure and future growth in California."

This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities described herein, and these securities will not be offered or sold in any jurisdiction in which their offer or sale would be unlawful. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "1933 Act"), or any state securities laws of the United States. Accordingly, these securities will not be offered or sold to persons within the United States unless an exemption from the registration requirements of the 1933 Act and applicable state securities laws is available.

(1) (unaudited)

About CannaRoyalty

CannaRoyalty is a North American cannabis consumer product company currently focussed on building a leading distribution business in California, the world's largest regulated cannabis market. By building a world-class logistics platform and supporting contract manufacturing assets, the Company intends to support the growth of new and established cannabis brands. The Company believes California, home to some of the world's most discerning consumers and a nexus of information and trends, will be the point of inception for the global cannabis brands of the future. CannaRoyalty has developed a diversified portfolio of assets within the cannabis sector, including research, infrastructure and intellectual property to support our existing brands, partner products and distribution networks. The Company's leadership and staff combines passion and a hands-on understanding of the cannabis industry, with proven financial and legal expertise. CannaRoyalty's shares trade on the Canadian Stock Exchange (CSE) under the symbol CRZ and in the US 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 relating to the execution of the Company's strategy, new opportunities, future growth and other statements.

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 that are engaged in activities currently considered illegal under US federal law; 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.