FORM 7  
  
MONTHLY PROGRESS REPORT – APRIL 2017

Name of Listed Issuer: **CannaRoyalty Corp. (the “Issuer” or “CannaRoyalty”)**

Trading Symbol: **CRZ**

Number of Outstanding Listed Securities: **41,799,115**

Date: **May 5, 2017**

This Monthly Progress Report must be posted before the opening of trading on the fifth trading day of each month. This report is not intended to replace the Issuer’s obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by Exchange Policies. If material information became known and was reported during the preceding month to which this report relates, this report should refer to the material information, the news release date and the posting date on the Exchange website.

This report is intended to keep investors and the market informed of the Issuer’s ongoing business and management activities that occurred during the preceding month. Do not discuss goals or future plans unless they have crystallized to the point that they are "material information" as defined in the Policies. The discussion in this report must be factual, balanced and non-promotional.

**General Instructions**

1. Prepare this Monthly Progress Report using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the items must be in narrative form. State when the answer to any item is negative or not applicable to the Issuer. The title to each item must precede the answer.
2. The term “Issuer” includes the Issuer and any of its subsidiaries.
3. Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

**Report on Business**

1. Provide a general overview and discussion of the development of the Issuer’s business and operations over the previous month. Where the Issuer was inactive disclose this fact.

**On April 3, 2017, CannaRoyalty entered into a binding letter of intent with Zenabis Limited Partnership (“Zenabis”). This binding of letter of intent supersedes prior letters of intent with Zenabis which were dated November 1, 2016 and December 31, 2016. The letter of intent includes a share purchase, a share exchange and other commercial arrangements. If certain conditions are not met or waived or if the transaction is not completed by May 31, 2017, CannaRoyalty would incur a penalty payment of $183,475 to Zenabis, which could be satisfied via cash or via the issuance of 179,000 CannaRoyalty shares.**

Zenabis is a biopharmaceutical company with a focus on medical marijuana research and development. Zenabis has 25 years of low cost, large-scale production experience with a diverse team who bring facility management, pharmaceuticals, cultivation and sustainability experience under one roof. Zenabis also has a state of the art licensed facility for the production of distribution of pharmaceutical-grade marijuana located in New Brunswick.

**On April 13, 2017 CannaRoyalty released its consolidated audited financial results for the nine-month period ended December 31, 2016.** [**http://cannaroyalty.com/cannaroyalty-announces-its-consolidated-audited-financial-results/**](http://cannaroyalty.com/cannaroyalty-announces-its-consolidated-audited-financial-results/)

**On April 20, 2017, CannaRoyalty launched “The Terpistry” in collaboration with Dr. Jörg Bohlmann, a world recognized leader in terpene profiling. The Terpistry, a wholly-owned venture of CannaRoyalty, will focus on the development and sale of cannabis products with innovative terpene formulations. CannaRoyalty expects the first product launch of The Terpistry to occur in the second half of 2017.** [**http://cannaroyalty.com/cannaroyalty-launches-the-terpistry-in-collaboration-with-dr-joerg-bohlmann/**](http://cannaroyalty.com/cannaroyalty-launches-the-terpistry-in-collaboration-with-dr-joerg-bohlmann/)

**On April 26, 2017 CannaRoyalty began trading on the OTCQX® Best Market, under the symbol “CNNRF,” upgrading to OTCQX from the OTCQB® Venture Market.**

[**http://cannaroyalty.com/cannaroyalty-joins-the-otcqx-market-in-the-united-states/**](http://cannaroyalty.com/cannaroyalty-joins-the-otcqx-market-in-the-united-states/)

1. Provide a general overview and discussion of the activities of management.

**Management has continued to explore new strategic opportunities and business relationships as well as to build on and actively manage its current investments. The ability to explore these opportunities and build on its current investments was enhanced by the closing of the bought deal financing of $15,000,000 on February 15, 2016.**

1. Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law.

**None to report.**

1. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.

**None to report.**

1. Describe any new business relationships entered into between the Issuer, the Issuer’s affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.

**CannaRoyalty launched “The Terpistry” in collaboration with Dr. Jörg Bohlmann, a world recognized leader in terpene profiling. Dr. Bohlmann has been retained as a consultant and his compensation will include equity compensation in the form of CannaRoyalty restricted share units to be granted in a later period.**

1. Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer’s affiliates or third parties or cancellation of any financing arrangements that have been previously announced.

**None to report.**

1. Describe any acquisitions by the Issuer or dispositions of the Issuer’s assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from or the disposition was to a Related Person of the Issuer and provide details of the relationship.

**None to report.**

1. Describe the acquisition of new customers or loss of customers.

**None to report.**

1. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trade-marks.

**None to report.**

1. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.

**CannaRoyalty has made changes to the Investor Relations function.**

1. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.

**None to report.**

1. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.

**None to report.**

1. Provide details of any securities issued and options or warrants granted.

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| **Security** | **Number Issued** | **Details of Issuance** | **Use of Proceeds(1)** |
| Common Shares | 42,691 | Exercise of broker warrants | $85,382 – used as operational funding |
| Options granted to a consultant | 100,000 | Exercise price of $2.57 | n/a |

1. *State aggregate proceeds and intended allocation of proceeds.*
2. Provide details of any loans to or by Related Persons.

**None to report.**

1. Provide details of any changes in directors, officers or committee members.

**None to report.**

1. Discuss any trends which are likely to impact the Issuer including trends in the Issuer’s market(s) or political/regulatory trends.

**None to report.**

**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.
2. As of the date hereof there were is no 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 CNSX Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated: **May 5, 2017**

**Afzal Hasan**   
Name of Director or Senior Officer

Signature

**General Counsel**  
Official Capacity

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| ***Issuer Details***  Name of Issuer  **CannaRoyalty Corp.** | For Month End  **April 30, 2017** | Date of Report  YY/MM/D  **May 5, 2017** |
| Issuer Address  **333 Preston St, Suite 610** | | |
| City/Province/Postal Code  **Ottawa, Ontario, K1S 5N4** | Issuer Fax No.  ( ) | Issuer Telephone No.  **(613) 680-5070 or**  **1-844-556-5070** |
| Contact Name  **Eric Massie** | Contact Position  **Director, Fin. Reporting** | Contact Telephone No.  (613) 694-4427 |
| Contact Email Address  **emassie@CannaRoyalty.com** | Web Site Address  [www.CannaRoyalty.com](http://www.CannaRoyalty.com) | |