

FORM 7

MONTHLY PROGRESS REPORT – FEBRUARY 2018

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

Trading Symbol: **CRZ**

Number of Outstanding Listed Securities: **46,907,628**

Date: **April 6, 2018**

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

- (a) 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.
- (b) The term “Issuer” includes the Issuer and any of its subsidiaries.
- (c) 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 March 13, CannaRoyalty announced the appointment of Brent Cox, an experienced leader in cannabis investing, private equity, and leveraged finance transactions, to the Board of Directors of Trichome Yield Corp. (“Trichome”), a subsidiary of CannaRoyalty. Following this board

appointment, the board consists of five members, four of whom are independent of CannaRoyalty.

On March 14, CannaRoyalty announced that Trichome, a value-add capital lender to the legal cannabis industry, has signed its first binding term sheet to jointly provide up to \$2.5 million to 180 Smoke (“180 Smoke”), to fund an expansion of its retail footprint (the “Financing”) in anticipation of Canadian adult-use cannabis legalization. 180 Smoke and CannaRoyalty’s subsidiary, CR Advisory, will work together to bring innovative cannabis products to the Canadian marketplace to support and complement 180 Smokes’ further expansion into the Canadian cannabis retail space.

On March 15, CannaRoyalty announced that it had signed a binding term sheet (the “Term Sheet”) to expand its business relationship with National Access Cannabis Corp. (“NAC”) to carry CannaRoyalty products in NAC stores across Canada, as legally permitted.

On March 15, CannaRoyalty announced that it has entered into an agreement with a syndicate of underwriters, led by Canaccord Genuity Corp., pursuant to which the underwriters agreed to purchase, on a bought deal basis, an aggregate of 3,750,000 units (the “Units”) of the Company at a price of \$4.00 per Unit for aggregate gross proceeds of \$15.0 million (the “Offering”).

On March 21, CannaRoyalty announced that it had received a receipt for its preliminary short form prospectus from the securities regulators in each of the provinces of Canada (other than Quebec) with respect to the Offering.

On March 27, CannaRoyalty, announced a binding term sheet for the acquisition of 100% of River Distribution and its affiliates (“RVR”). RVR represents a number of leading California brands sourced from across the state.

On March 27, CannaRoyalty also announced that it closed the previously announced acquisitions of Kaya Management Inc. (“Kaya”) and Alta Supply Inc. (“Alta Supply”) (together, the “Acquisitions”). With the closing of the Acquisitions, CannaRoyalty has assumed the California operations of Kaya and Alta Supply. For the combined acquisitions of Kaya and Alta Supply, an aggregate of 1,254,816 CannaRoyalty common shares and US\$2.165 million in cash will be paid on or after the aforementioned state approval, and is subject to post-closing working capital adjustments. Additional consideration of 1,605,992 CannaRoyalty common shares will be paid over the next 18 months, subject to the achievement of certain milestones.

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

Management continues to explore new strategic opportunities and business relationships as well as to build on and actively manage its current investments.

3. 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.

CannaRoyalty acquired Alta Supply and Kaya, as well as a signed term sheet to acquire RVR. Please see question #1 above for more information on this development.

4. 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.

5. 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.

The Company announced an expanded relationship with NAC. Please see question #1 above for more information on this development.

6. 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.

7. 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.

On March 27, 2018, the Company closed its acquisition of both Kaya, the exclusive manufacturer and license holder of rights for Bhang® brand vaporizer products in California, and Alta, a distributor of Bhang® vaporizer and Bhang® chocolate products, as well as products for over a dozen other well-known third-party cannabis companies throughout California. As consideration for the Kaya/Alta Acquisitions, the Company issued an aggregate of 1,254,816 common shares and US\$2.165 million in cash, such amounts being subject to post-closing working capital adjustments. Additional consideration of 1,605,992 common shares will be paid over the 18 months following the closing date of the Kaya/Alta

Acquisitions, subject to the achievement of operational milestones. The Company will be performing its purchase price allocation as part of the close of the first quarter.

8. Describe the acquisition of new customers or loss of customers.
9. **CannaRoyalty acquired Alta Supply and Kaya, as well as a signed term sheet to acquire RVR. Please see question #1 above for more information on this development.**
10. 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.

11. Report on any employee hiring's, terminations or lay-offs with details of anticipated length of lay-offs.

We added a resource to support our legal and regulatory functions.

12. 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.

No new issues to report.

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

None to report.

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

Security	Number Issued	Details of Issuance	Use of Proceeds⁽¹⁾
Common Shares	34,153	Issued for the exercise of broker warrants	\$68,306 – used for general operating purposes
Options	7,000	Issued to new employees	n/a

(1) State aggregate proceeds and intended allocation of proceeds.

15. Provide details of any loans to or by Related Persons.

None to report.

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

None to report.

17. 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 following 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: **April 9, 2018**

Name: Afzal Hasan

(signed) "Afzal Hasan"

**EVP, Corporate Development
and General Counsel**
Official Capacity

<i>Issuer Details</i>	For Month	Date of Report
Name of Issuer	End	YY/MM/D
CannaRoyalty Corp.	March 31, 2018	April 9, 2018

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	