

FORM 7

MONTHLY PROGRESS REPORT – JANUARY 2017

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

Trading Symbol: **CRZ**

Number of Outstanding Listed Securities: **41,756,424**

Date: **April 7, 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

- (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 1, 2017, CannaRoyalty entered into a binding term sheet with River Wellness Inc. (“River”) whereby CannaRoyalty agreed to invest a total of \$5,000,000 USD, in two tranches, in exchange for a royalty equal to 2.25% of the net sales of River until the \$5,000,000 USD advance is repaid,

and then 1.75% of net sales for the balance of the royalty term ending December 31, 2024. Pursuant to the term sheet, CannaRoyalty agreed to advance an initial tranche of \$3,500,000 USD to River on the date of closing and a second tranche of \$1,500,000 USD prior to December 31, 2017. In conjunction with this royalty financing arrangement, River agreed to also support the launch and expansion of CannaRoyalty's brands and products by agreeing to a preferred distribution arrangement of such products by way of a distribution agreement. The arrangement includes a commitment from River to acquire \$15,000,000 USD of CannaRoyalty brand products over the term of the agreement.

River was the first company in California to receive a permit for medical cannabis wholesale logistics, distribution and transportation. River serves the medical cannabis community in California and provides safe storage and transport of medical cannabis products throughout California. The company maintains a qualified sales force to grow revenue for each of its brand partners and ensures the safety and quality of the product to their retail partners by way of product testing with third party cannabis testing laboratories.

On March 16, 2017, CannaRoyalty established a new division named CR Brands. CannaRoyalty has assembled a broad portfolio of wholly-owned and licensed cannabis brands and CR Brands will now be responsible for the development, sales and marketing of this brand portfolio through a number of established distribution channels throughout North America, and ultimately, on a global basis. To fulfill this mandate for CR Brands, the Company has appointed as its President, Dave Vautrin, a seasoned U.S. executive with significant brand development and operational experience.

On March 28, 2017, CannaRoyalty made an additional equity investment of \$80,000 in Resolve Digital Health ("Resolve"). This investment was part of a \$5,000,000 financing round at \$0.50/unit. As a result of this financing round CannaRoyalty currently owns a total of 27.2% of the non-diluted shares of Resolve or a total of 14,160,738 shares. Based on the share price in this financing, the Resolve shares now have an implied value of approximately \$7.1 million. CannaRoyalty has acquired a substantial ownership position in Resolve and provided seed capital and resources for the research and development of Resolve's unique medical device system, Breeze. Unlike many existing cannabis products, Breeze provides an accurate, metered, treatment solution with pre-packaged, single use pods filled with the highest quality cannabis buds or oil, making it easy and safe for end-users.

2. 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. A significant focus of attention during the month of March was closing the River deal and conducting the necessary due diligence.

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.

None to report

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.

None to report.

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.

None to report.

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

No significant items to report

9. 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

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

On March 1, 2017, the Company hired Dave Vautrin as President US Brands. Mr. Vautrin is a solution-driven executive with over 20 years operational leadership experience, powering results for private and publicly held emerging growth companies and multibillion Consumer Packaged Goods (CPG) firms.

11. 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

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

None to report

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

Security	Number Issued	Details of Issuance	Use of Proceeds⁽¹⁾
RSUs granted to an employee	200,000	n/a	n/a
RSUs exercised by a former employee	15,400	n/a	n/a

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

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

None to report

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

None to report

16. 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: **April 7, 2017**

(signed) "*Afzal Hasan*" _____
Signature

General Counsel
Official Capacity

<i>Issuer Details</i> Name of Issuer CannaRoyalty Corp.	For Month End March 31, 2017	Date of Report YY/MM/D April 7, 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	

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