

FORM 7

MONTHLY PROGRESS REPORT – May 2019

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

Trading Symbol: **OH**

Number of Outstanding Listed Securities: **67,339,849 common shares. (Note – The company also has 56,547 Class A compressed shares and 12,721 RPE compressed shares outstanding. Each of these can be converted into 100 common shares or a total of 6,926,800 common shares).**

Date: **June 14, 2019**

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 May 2, 2019, the Company completed its acquisition of Cub City LLC (“Cub City”) for total consideration of US \$5.3 million. Cub City is a licensed premium craft cannabis producer based in Sonoma County, California. Through the acquisition of Cub City, the Company adds a 24,600 square foot facility with annual production capacity of up to 1,400 kg of ultra-premium flower, as well as an experienced team that has cultivated cannabis for some of the top craft flower and pre-roll brands in California.

On May 3, 2019, the Company obtained an interim order for its proposed arrangement with Cresco Labs Inc. (“Cresco”). The Company obtained this order from the Ontario Superior Court of Justice in connection with its previously announced statutory plan of arrangement pursuant to which Cresco will acquire all of the issued and outstanding shares of the Company. Receipt of this interim order authorized Origin House to hold its special meeting of shareholders in respect of the arrangement on June 11, 2019. The arrangement is subject to at least 66 2/3% of the votes cast by shareholders present in person or represented by proxy at the Meeting as well as the approval of at least a majority of the votes cast by the Company’s minority shareholders present in person or represented by proxy at the Meeting.

On May 14, 2019, Cresco Labs Inc. and the Company presented and met with institutional investors together at Canaccord Genuity’s 3rd Annual Cannabis Conference in New York City. The Annual Cannabis Conference provides attendees the opportunity to gain valuable insight into the rapidly developing cannabis industry from some of the industry’s leading experts.

On May 14, 2019, the Company filed its Management Information Circular in connection with the special meeting to consider the proposed arrangement with Cresco Labs Inc. The Company will commence delivery of the Meeting Material for its special meeting of shareholders to be held on June 11, 2019.

On May 15, 2019, Trichome Financial Corp., a subsidiary of the Company, entered into a CAD \$4.5 million non-dilutive trade finance facility and refinancing mortgage with Blissco Cannabis Corp. (“Blissco”). Blissco is a licensed producer under the Cannabis Act and a Canadian wellness cannabis brand in British Columbia. The trade facility will be used to facilitate the purchase of inventory from wholesale cannabis suppliers to Blissco. The mortgage will be used to refinance the existing mortgage on Blissco’s property in Langley, British Columbia and provide Blissco additional working capital.

On May 17, 2019, the Company announced preliminary unaudited revenue of approximately \$11 million for the first quarter ended March 31, 2019, at an

approximate gross margin of 15%. The Company also disclosed that its wholly owned distribution division, Continuum, generated preliminary revenue of approximately \$4.8 million during April, representing its highest monthly revenue to date.

On May 17, 2019 the Company's exclusive distribution agreement with Heritage Holding of California, d/b/a Henry's Original, has been discontinued.

On May 28, 2019, Trichome Financial Corp. ("Trichome"), a subsidiary of the Company, and 22 Capital Corp. ("22 Capital") received TSX Venture Exchange conditional approval for the proposed qualifying transaction and joint information circular. The transaction will result in an amalgamation of the two companies, in which the reverse take-over of 22 Capital will occur by the shareholders of Trichome. The two companies will seek approval of various matters in connection with the transaction at meetings of both the common and preferred shareholders of the companies. These meetings are expected to occur on July 4, 2019 or such other date as 22 Capital and Trichome may agree.

On May 29, 2019, the Company released its financial results for the first quarter of 2019. The Company recorded quarterly revenues of CAD \$11.2 million which resulted in sequential growth of 41% from the fourth quarter of 2018. Gross margin increased to CAD \$1.7 million from nil in the first quarter of 2018. Operating expenses as well as Adjusted EBITDA loss both increased by CAD \$13.7 million and CAD \$11.8 million respectively from the first quarter of 2018.

Further details of the above may be found in the press releases on our corporate website at <https://originhouse.com/press-releases/>

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

Management continues the regulatory process for completing the definitive agreement with Cresco as well as conducting certain integration planning discussions.

Furthermore, 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.

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.

As noted in #1 above, Trichome Financial Corp., a subsidiary of the Company, entered into a non-dilutive trade financing facility and mortgage refinancing with Blissco Cannabis Corp during the month.

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.

As noted in #1 above, during the quarter the Company discontinued its exclusive distribution agreement with Heritage Holing of California Inc., dba Henry's Original.

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.

As noted in #1 above, the Company acquired Cub City LLC during the quarter for consideration of US \$5.3 million. The acquisition results in the Company obtaining a 24,600 square foot facility in Santa Rosa, California, with annual production capacity of up to 1,400 kg of ultra-premium flower, as well as an experienced workforce. Cub City was partially owned by key management from the FloraCal subsidiary.

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

None 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 trademarks.

None to report.

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

The Company has continued to add to its personnel in California, Toronto and Ottawa across all key areas of the organization to manage its rapid expansion.

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.

No material proceedings.

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⁾
Common Shares	2,000	Conversion of RSUs granted to employees into shares	n/a
Common shares	184,278	Shares issued on the achievement of performance milestones related to the Kaya acquisition	n/a
Common shares	217,220	Shares issued on the achievement of performance milestones related to the Alta acquisition	n/a

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

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

No new items 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.

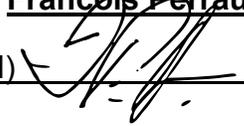
Certificate of Compliance

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 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: June 14, 2019

Name: Francois Perrault

(signed) 

Chief Financial Officer
Official Capacity

Issuer Details Name of Issuer Origin House	For Month End: May 31, 2019	Date of Report YY/MM/D June 14, 2019
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City/Province/Postal Code Ottawa, Ontario, K1S 5N4	Issuer Fax No. ()	Issuer Telephone No. (613) 680-5070
Contact Name Eric Massie	Contact Position Director, Fin. Reporting	Contact Telephone No. (613) 694-4427

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