

FORM 51-102F3
Material Change Report

Item 1.

Name and Address of Company

CannaRoyalty Corp. (the "Company")
333 Preston Street, Preston Square Tower 1, Suite 610
Ottawa, ON K1S 5N4

Item 2.

Date of Material Change

Material changes took place on January 19, 2017.

Item 3.

Press Release

On January 19, 2017, a news release in respect of the material change was disseminated through Canada NewsWire and filed on the Company's SEDAR profile at www.sedar.com.

Item 4.

Summary of Material Change

On January 19, 2017, the Company announced that it had entered into an agreement for the offering of units of the Company (the "Units") on a bought deal basis for aggregate gross proceeds of \$15,000,000 (the "Offering").

Item 5.

Full Description of Material Change

On January 19, 2017 the Company entered into an agreement with a syndicate of underwriters led by Canaccord Genuity Corp. (collectively, the "Underwriters") pursuant to which the Underwriters have agreed to purchase, on a bought deal basis pursuant to the filing of a short form prospectus, an aggregate of 5,000,000 Units at a price of \$3.00 per Unit (the "Offering Price") for aggregate gross proceeds to the Company of \$15,000,000.

Each Unit will be comprised of one common share of the Company (a "Common Share") and half of one Common Share purchase warrant (each whole Common Share purchase warrant, a "Warrant"). Each Warrant will be exercisable to acquire one Common Share (a "Warrant Share") for a period of two years following the closing date of the Offering (the "Closing Date") at an exercise price of \$4.50 per Warrant Share. The Warrants will be subject to a 21-day accelerated exercise provision if the Company's daily volume weighted average share price is greater than \$6.00 for 15 consecutive trading days following the closing date.

The Units will be offered by way of a short form prospectus to be filed in all provinces of Canada, except Quebec. The Company intends to use the net proceeds from the Offering for acquisitions, continued funding of the development of its existing holdings, general corporate and working capital purposes. The Offering is expected to close on February 15, 2017 and is subject to certain conditions including, but not limited to, the receipt of all necessary regulatory and stock exchange approvals, including the approval of the Canadian Securities Exchange and the applicable securities regulatory authorities.

In connection with the Offering, KES 7 Capital Inc. has been appointed as a special advisor to the Company.

The securities being offered have not been, nor will they be, registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons absent registration or an applicable exemption from the registration requirements.

The material change is described in the Company's press release dated January 19, 2017 attached hereto as Schedule "A", which press release is incorporated by reference herein.

FORWARD-LOOKING STATEMENTS

Statements in this report that are forward-looking statements are subject to various risks and uncertainties concerning the specific factors disclosed here and elsewhere in the Company's periodic filings with Canadian securities regulators. When used in this report, 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 including the anticipated closing and closing date of the Offering and anticipated use of proceeds and other statements of fact.

Although the Company 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 which have limited or no operating history and are engaged in activities currently considered illegal under United States Federal Laws; 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 report are made as of the date of this report. The Company disclaims any intention or obligation to update or revise such information, except as required by applicable law, and the Company does not assume any liability for disclosure relating to any other company mentioned herein.

Item 6. Reliance on subsection 7.1(2) of National Instrument 51-102

The report is not being filed on a confidential basis.

Item 7. Omitted Information

No information has been omitted.

Item 8. Executive Officer

Marc Lustig, Chief Executive Officer
(514) 243-7438

Item 9. Date of Report

January 24, 2017

SCHEDULE "A"

Please see attached.

NEWS RELEASE
FOR IMMEDIATE RELEASE



CannaRoyalty Announces \$15.0 Million Bought Deal Financing

THIS NEWS RELEASE IS INTENDED FOR DISTRIBUTION IN CANADA ONLY AND IS NOT INTENDED FOR DISTRIBUTION TO UNITED STATES NEWSWIRE SERVICES OR DISSEMINATION IN THE UNITED STATES

Ottawa, Canada, January 19, 2017 – CannaRoyalty Corp., (CSE: CRZ) ("CannaRoyalty" or the "Company"), today announced that it has entered into an agreement with a syndicate of underwriters led by Canaccord Genuity Corp. (the "Underwriters") pursuant to which the Underwriters have agreed to purchase, on a bought deal basis pursuant to the filing of a short form prospectus, an aggregate of units (the "Units") at a price of \$3.00 per Unit (the "Offering Price") for aggregate gross proceeds to CannaRoyalty of \$15,000,000 (the "Offering").

Each Unit will be comprised of one common share of the Company (a "Common Share") and half of one Common Share purchase warrant (each whole Common Share purchase warrant, a "Warrant"). Each Warrant will be exercisable to acquire one Common Share (a "Warrant Share") for a period of 2 years following the closing date of the Offering (the "Closing Date") at an exercise price of \$4.50 per Warrant Share. The Warrants will be subject to a 21-day forced exercise provision if the Company's daily volume weighted average share price is greater than \$6.00 for 15 consecutive trading days.

The Units will be offered by way of a short form prospectus to be filed in all provinces of Canada, except Quebec. The Company intends to use the net proceeds from the Offering for acquisitions, continued funding of the development of its existing holdings, general corporate and working capital purposes. The Offering is expected to close on February 15, 2017 and is subject to certain conditions including, but not limited to, the receipt of all necessary regulatory and stock exchange approvals, including the approval of the Canadian Securities Exchange and the applicable securities regulatory authorities.

In connection with the Offering, KES 7 Capital Inc. has been appointed as a special advisor to the Company.

The securities being offered have not been, nor will they be, registered under the United States *Securities Act of 1933*, as amended, and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons absent registration or an applicable exemption from the registration requirements. This press release will not constitute an offer to sell or the solicitation of an offer to buy nor will there be any sale of the securities in any State in which such offer, solicitation or sale would be unlawful.

About CannaRoyalty

CannaRoyalty is a fully integrated, active investor and operator in the legal cannabis sector. Our focus is to build and support a diversified portfolio of growth-ready assets in high-value segments of the cannabis sector, including research, consumer brands, devices and intellectual property. Our management team combines a hands-on understanding of the cannabis industry with seasoned financial know-how,

assembling a platform of holdings via royalty agreements, equity interests, secured convertible debt and licensing agreements.

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 including the anticipated closing and closing date of the Offering and anticipated use of proceeds and other statements of fact.

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 which have limited or no operating history and are engaged in activities currently considered illegal under US Federal Laws; 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.

For further information, contact:

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Investor inquiries: Clinton Joseph, Manager, Investor Relations, cjoseph@cannaroyalty.com; 1-844-556-5070 x202 or 613-806-8007

Visit www.cannaroyalty.com