

**CANNAROYALTY CORP.**  
**\$15.0M BOUGHT DEAL OF UNITS**  
**TERMS OF OFFERING**

**January 20, 2017**

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A preliminary short form prospectus containing important information relating to the securities described in this document has not yet been filed with the securities regulatory authorities in each of the provinces of Canada, except Quebec. Copies of the preliminary short form prospectus may be obtained from Canaccord Genuity Corp. There will not be any sale or any acceptance of an offer to buy the securities until a receipt for the final short form prospectus has been issued. This document does not provide full disclosure of all material facts relating to the securities offered. Investors should read the preliminary short form prospectus, final short form prospectus and any amendment, including information incorporated by reference therein, for disclosure of those facts, especially risk factors relating to the securities offered, before making an investment decision.

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<b>Issuer:</b>	CannaRoyalty Corp. (“ <b>Company</b> ”).
<b>Size of Offering:</b>	\$15,000,000 (the “ <b>Offering</b> ”).
<b>Offered Securities:</b>	5,000,000 Units of the Company (the “ <b>Units</b> ”) each comprised of one common share and one-half of one common share purchase warrant (each whole warrant, a “ <b>Warrant</b> ”).
<b>Offering Price:</b>	\$3.00 per Unit.
<b>Warrants</b>	Each Warrant entitles the holder thereof to acquire one common share of the Company (each, a “ <b>Warrant Share</b> ”) at an exercise price of \$4.50 per Warrant Share for a period of two years following the Closing Date (as defined below). In the event the common shares of the Company have an average closing price of \$6.00 or higher over a period of 15 trading days (the “ <b>Acceleration Trigger</b> ”), the Warrants will expire at 5:00 p.m. (EST) on the 21 <sup>st</sup> day following the occurrence of the Acceleration Trigger.
<b>Terms:</b>	“ <b>Bought deal</b> ” prospectus offering.
<b>Offering Jurisdictions:</b>	All provinces of Canada, other than the Province of Quebec, and in the United States by way of private placement to qualified institutional investors and outside of Canada and the United States on a private placement or equivalent basis.
<b>Exchange:</b>	Canadian Securities Exchange.
<b>Eligibility:</b>	The Offered Securities shall be eligible for RRSPs, RRIFs, RDSPs, RESPs, TFSA and DPSPs.
<b>Use of Proceeds:</b>	For acquisition financing, other capital projects and other general corporate purposes.
<b>Commission:</b>	6% of the gross proceeds raised in respect of the Offering plus broker warrants to purchase up to an additional 6% of the number of Units sold in the Offering.
<b>Closing Date:</b>	On or about February 15, 2017 (the “ <b>Closing Date</b> ”).
<b>Lead Underwriter:</b>	Canaccord Genuity Corp. shall act as sole book-runner and lead underwriter for a syndicate of underwriters.

A copy of the preliminary short form prospectus is required to be delivered to any investor that received this document and expressed an interest in acquiring the securities.