



CannaRoyalty Investee Rich Extracts Receives Commercial Cannabis Processing License in Oregon

Ottawa, Canada, May 18, 2017 – CannaRoyalty Corp. (CSE: CRZ) (OTCQX: CNNRF) (“CannaRoyalty” or the “Company”) announced today that the Company’s investee, Rich Extracts LLC, has received a processing license from the Oregon Liquor Control Commission (“OLCC”), which allows it to begin producing cannabis products and wholesaling these products to licensed distributors and dispensaries throughout Oregon.

As previously announced CannaRoyalty has advanced approximately US\$2.3 million in debt to Rich Extracts, and CannaRoyalty has the right to convert US\$2.15 million of this debt into a 30% royalty stream on Rich Extracts’ gross sales in perpetuity.

“This is a major milestone for Rich Extracts and CannaRoyalty. Rich Extracts’ award-winning brand, with a mission to produce the highest quality, purest cannabis concentrates and distillates, sets itself apart and positions it to be a true market leader,” said Marc Lustig, CEO of CannaRoyalty. “Our perpetual 30% royalty interest in this high-growth opportunity will enable us to participate in this upside. With the closing of our deal with River on May 15th, this marks the second major deal this week providing CannaRoyalty shareholders access to revenue streams from market-leading partners.”

Rich Extracts has constructed a 30,000 square foot facility in Oregon to produce cannabis extract products using a variety of proprietary extraction technologies and processes. Anticipating the new standards that were to be enacted by the OLCC, Rich Extracts began a significant development and expansion of its operations in order to meet the expected OLCC guidelines. With its OLCC license now granted, the facility has the capacity to produce a total of 80,000 grams of concentrates and distillates per month (or just under 1 million grams annually). Based on industry information, current wholesale prices in Oregon for such products typically range from \$15-20 per gram, but may be higher or lower depending on quality.

Rich Wilkinson, Chief Executive Officer of Rich Extracts commented, “With this license and the growth capital provided by CannaRoyalty, Rich Extracts can commence commercial operations with the goal of being one of the most advanced, full spectrum cannabis extraction, and processing facilities in the country.”

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 and intellectual property, consumer brands, and industry infrastructure. 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.

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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 Company's expectations with respect to the conversion of its debt financing into a royalty interest, expected royalty payments, retail value of estimated maximum production and future collaboration with Rich Extracts.

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.