



## **CannaRoyalty Announces its First Quarter 2017 Financial Results and Update to Board of Directors**

*Strong balance sheet expansion positions company for growth and sustainable performance*

**Ottawa, Canada – May 30, 2017 – CannaRoyalty Corp. (CSE: CRZ) (OTCQX: CNNRF)** (“CannaRoyalty” or the “Company”) announced today the Company’s first quarter financial results for the three-month period ended March 31, 2017. All figures are reported in Canadian dollars (\$), unless otherwise indicated. CannaRoyalty’s financial statements are prepared in accordance with International Financial Reporting Standards (“IFRS”).

“During the quarter, we significantly expanded our balance sheet through an equity financing, the increase in value of certain holdings and the addition of new investments,” said CEO Marc Lustig. “Moving forward, we expect to see a marked increase in revenues from a number of sources including royalty agreements, business units – most notably CR Brands, coming on-line and our strategic relationship with River, a leading California state-wide distribution company. Our focus in Q1 was on establishing infrastructure, opening our US office and engaging in soft-launch commercialization activities in preparation to fulfill the US\$20mm revenue purchase commitment from River in California. With these key elements in place, we are well positioned to continue to deploy capital and build on initiatives that will enhance shareholder value.”

For communicating greater detail on financial performance and to provide updates on its key assets for stakeholders going forward, the Company plans to hold quarterly conference calls starting with its Q2/2017 quarterly results.

### **Financial and Operational Highlights for Q1-2017:**

- Increased revenues to \$301,111 from \$nil in Q1-2016;
- Realized a net loss of \$2,053,785 or \$0.05 per share compared to a net loss of \$1,736,165 or \$0.13 per share compared to Q1-2016;
- Ended the quarter with cash and cash equivalents to \$11,946,417;
- Closed a bought deal prospectus financing for aggregate gross proceeds of \$15 million;
- Executed a binding term sheet with Rich Extracts LLC which provides CannaRoyalty the right to a 30% royalty stream on Rich Extracts’ gross revenues in perpetuity;
- Acquired a 20% equity interest in Anandia, a Canadian cannabis biotechnology company focused on providing analytical testing services and developing cannabis strains for safe and effective medical applications; and

- Launched the CR Brands Division under newly appointed U.S. executive, Mr. David E. Vautrin, to manage and commercialize CannaRoyalty's portfolio of wholly-owned and licensed cannabis brands.

#### **Subsequent to the Quarter End:**

- Completed a strategic financing and related arrangements with River, the first medical cannabis distributor to receive local permits for medical cannabis wholesale logistics, distribution and transportation in California;
- Announced Rich Extracts' receipt of a processing license from the Oregon Liquor Control Commission ("OLCC"), which allows Rich Extracts to commence commercial operations in Oregon;
- Launched "The Terpistry" in collaboration with Dr. Jörg Bohlmann, a wholly-owned venture of CannaRoyalty, to focus on the development and sale of cannabis products with innovative terpene formulations;
- Joined the OTCQX® Best Market, under the symbol "CNNRF," upgrading to OTCQX from the OTCQB® Venture Market;

#### **Update to Board of Directors**

The Company has accepted the resignation of Chuck Rifici from the Board of Directors, effective immediately. "We thank Chuck for his contributions to our Board and wish him well as he pursues a new endeavor in the cannabis sector" stated CEO Marc Lustig. The Company intends to announce the new nominee to the Board ahead of its Annual General meeting which is being held on Friday, June 16<sup>th</sup>, 2017.

**CannaRoyalty's unaudited interim condensed financial statements and management's discussion & analysis ("MD&A"), for the three-month period ended March 31, 2017, are available via CannaRoyalty's website at [www.cannaroyalty.com](http://www.cannaroyalty.com) and have been filed on SEDAR at [www.sedar.com](http://www.sedar.com).**

#### **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.

#### **For further inquiries, please contact:**

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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 pursuing new opportunities and its future growth 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.