



CannaRoyalty Signs Term Sheet with Institutional Investor for \$12 Million Debenture Financing and Formation of Joint Venture

Joint Venture to Fund Opportunities in the Canadian Cannabis Market

Ottawa, Canada – June 19, 2017 – CannaRoyalty Corp. (CSE: CRZ) (OTCQX: CNNRF) (“CannaRoyalty”) is pleased to announce that it has executed a binding term sheet with a Canadian institutional investor (the “Investor”) to complete a \$12 million financing and form a joint venture (“JV”) to finance opportunities in the Canadian cannabis market.

The financing is expected to be comprised of a revolving \$12 million secured credit facility with a three year term, of which \$6 million will be advanced on closing. The proceeds are expected to be used for specific opportunities that CannaRoyalty is pursuing for production and/or processing assets, as well as general corporate purposes.

The facility will bear interest at an annual rate of 10%, payable quarterly in cash or CannaRoyalty shares. In addition, CannaRoyalty warrants have been issued to the Investor today, which will entitle the Investor to purchase 1.8 million CannaRoyalty shares at an exercise price of \$2.05 per share for a period of three years after closing.

The JV is expected to be launched following the closing of the financing and will focus on investment opportunities in the rapidly growing Canadian cannabis market. The Investor is a Canadian institutional investor who will fund and manage the JV. CannaRoyalty will leverage its relationships and investment pipeline to identify and refer attractive Canadian opportunities such as production assets, property and equipment to the JV and also assist the Investor in completing due diligence and providing strategic support to JV investments.

"Our focus on value-add assets in the cannabis sector has given us access to a broad pipeline of unique investment opportunities in Canada. This joint venture gives us a vehicle to participate in these opportunities while leveraging our joint venture partner's expertise in hard asset lending. This JV will be the first in the cannabis sector and has the potential to provide a true "win-win-win" for target assets, the Investor and CannaRoyalty's shareholders. Target Canadian assets get access to strategic capital; the Investor gets exposure to returns from highly productive assets in the cannabis sector; and CannaRoyalty attains exposure to accretive investment opportunities," said Marc Lustig, CEO of CannaRoyalty.

In connection with the foregoing, the Investor has been granted the right to nominate a director for CannaRoyalty's Board. Closing is expected to occur by July 31, 2017 and is subject to stock exchange

approval, execution of definitive documents, completion of satisfactory due diligence, and other conditions.

About CannaRoyalty

CannaRoyalty is a fully integrated, active investor and operator in the legal cannabis sector. Our focus is building and supporting 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, licensing agreements and its own branded portfolio.

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 regarding the completion of the debenture financing and JV, and CannaRoyalty'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.