



CannaRoyalty Comments on Department of Justice Memorandum to U.S. Attorneys

Ottawa, Canada – January 4, 2018 – CannaRoyalty Corp. (CSE: CRZ) (OTCQX: CNNRF) (“CannaRoyalty” or the “Company”), an active investor and operator in the legal cannabis industry, commented on the *Memorandum for all United States Attorneys* issued by U.S. Attorney General Mr. Jefferson B. Sessions on January 4, 2018 (the “Memorandum”).

The Memorandum, as its predecessors, the so-called *Cole Memorandums* of 2011, 2013 and 2014, provides guidance to U.S. prosecutors regarding the enforcement of federal cannabis laws. The Memorandum is not law nor does it alter the U.S. Justice Department’s (“DOJ”) discretion or ability to enforce federal marijuana laws. U.S. prosecutors will continue to have discretion in how they enforce federal marijuana laws, as they had under the *Cole Memorandums*.

“No legal change has taken place here. We do not foresee the Memorandum meaningfully impacting the way that existing cannabis business is conducted within legal states,” said Marc Lustig, CEO of CannaRoyalty. “The evidence from legal states demonstrates that legalizing and regulating cannabis consumption works. It is our belief that this Memorandum has more to do with the DOJ’s desire to ensure its ability to continue to enforce federal law without specific enforcement priorities regarding cannabis, than it does to disrupting ongoing state-legal cannabis activity.”

Marc Lustig added, “To enforce federal cannabis restrictions within legal states, the DOJ would be enforcing a historical federal policy that is contrary to the desire of roughly two-thirds of the U.S. population, including the majority of Republicans¹. This would also be directly contrary to President Trump’s campaign assertion that marijuana policy should be left in the hands of the states and contrary to the trend toward legalization within U.S. states; the Vermont House of Representatives voted earlier today to legalize possession and home cultivation of marijuana. Legal states have built significant infrastructure to prudently handle the legal cannabis industry, they are relying on tax revenues from the industry and their citizens are relying on the private sector jobs that legalization has created. CannaRoyalty operates exclusively within state-legal U.S. jurisdictions, Puerto Rico as well as in Canada, and adheres strictly to applicable laws. While the release of the Memorandum may mean some volatility for U.S. players over the short-term, we see significant opportunity for growth over the coming year and will continue to work to drive value for our shareholders.”

About CannaRoyalty

CannaRoyalty is an active investor and operator in the legal cannabis industry. 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. CannaRoyalty’s shares trade on the Canadian Stock Exchange (CSE) under the symbol CRZ and internationally on the OTCQX under the symbol CNNRF.

¹ GALLUP: <http://news.gallup.com/poll/221018/record-high-support-legalizing-marijuana.aspx>

For further inquiries, please contact:

Marc Lustig, CEO
info@cannaroyalty.com
1-844-556-5070
www.cannaroyalty.com

Jonathan Ross, CFA
LodeRock Advisors Inc.
jon.ross@loderockadvisors.com
416-283-0178

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.

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