

CannaRoyalty Offers Warrant Holders Early Exercise Incentive

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All numbers in Canadian dollars unless otherwise noted

OTTAWA, Jan. 26, 2018 /CNW/ - **CannaRoyalty Corp. (CSE: CRZ) (OTCQX: CNNRF)** ("CannaRoyalty" or the "Company"), an active investor and operator in the legal cannabis industry, announced today that it has received approval from the Canadian Securities Exchange ("CSE") to implement a warrant incentive program (the "Program") designed to encourage the early exercise of the Company's 1,942,500 outstanding common share purchase warrants ("Warrants"). The Warrants are exercisable until February 15, 2019 at a price of \$4.50 per share and have a \$6.00 acceleration trigger in place. The Program will be open for a 30-day period (the "Early Exercise Period"). Further instructions will be provided directly to holders of the Warrants in due course.

Under the Program, each Warrant that is exercised during the Early Exercise Period will receive one common share of the Company (a "Common Share") and one-quarter of one new common share purchase warrant (each whole warrant, an "Incentive Warrant"). Each Incentive Warrant will entitle the holder thereof to purchase one Common Share for a period of three years at an exercise price of \$6.00. The Incentive Warrants will be subject to a 15-day accelerated expiry provision if the Company's daily volume weighted average share price is greater than \$10.00 for 15 consecutive trading days following issuance of the Incentive Warrants.

The Company expects to use any proceeds received as a result of the Program for acquisitions and general corporate purposes.

If Warrants are not exercised prior to the end of the Early Exercise Period or if a warrant holder does not qualify to receive Incentive Warrants, the Warrants will remain outstanding and continue to be exercisable on the same terms applicable to such Warrants as they existed prior to the Program.

The terms and conditions of the Program and the method of exercising Warrants pursuant to the Program will be set forth in a letter to be delivered to the registered address of each warrant holder. Warrant holders who wish to participate in the Program will agree to exercise their Warrants and deliver the other necessary documents in consideration of the issuance by the Company of the Incentive Warrants.

Only holders of Warrants who are "accredited investors" under applicable Canadian securities laws or who provide satisfactory evidence that they meet the requirements of an alternative exemption from the prospectus and registration requirements of applicable Canadian securities laws may participate in the Program.

The Incentive Warrants will be subject to a four-month hold period from the date of the Incentive Warrant issuance pursuant to applicable Canadian securities laws. No fractional Incentive Warrants will be issued and the number of Incentive Warrants to be issued shall be rounded down to the nearest whole number.

The Incentive Warrants to be issued pursuant to the exercise of the Warrants have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. Persons (as defined in Regulation S promulgated under the U.S. Securities Act) unless registered under the U.S. Securities Act and any applicable state securities laws or an exemption therefrom is available.

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.

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 relating to the Company's expected timing for implementation of the Program, the Early Exercise Period, the use of proceeds as a result of the Program 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.

SOURCE CannaRoyalty Corp.

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For further information: Marc Lustig, info@cannaroyalty.com, 1-844-556-5070, www.cannaroyalty.com; Jonathan Ross, CFA, LodeRock Advisors Inc., jon.ross@loderockadvisors.com, 416-283-0178

CO: CannaRoyalty Corp.

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