

CannaRoyalty Expands Bhang® Brand Vaporizer Footprint in California Through River Distribution

Bhang® Vaporizer products now available statewide to licensed dispensaries in California

OTTAWA, Feb. 7, 2018 /CNW/ - **CannaRoyalty Corp. (CSE: CRZ) (OTCQX: CNNRF)** ("CannaRoyalty" or the "Company"), an active investor and operator in the legal cannabis industry, announced today the launch of the Bhang® Vaporizer ("**Bhang Vape**") product portfolio into the entire Southern California region through CannaRoyalty investee River Collective ("**River**"), California's largest cannabis distributor. This expansion provides hundreds of additional dispensaries in Southern California with access to Bhang Vape's line of oils, disposable vape pens, and cartridge vape kits, through the River Distribution network. The Company expects that River will rapidly expand Bhang Vape's distribution footprint over the next six months.

"The expansion of Bhang Vape beyond the Alta Supply Inc. ("Alta") retail footprint in Northern California through River's distribution channel in Southern California is an important milestone for CannaRoyalty as our investments in both leading brands and distribution come together to generate growth," said Marc Lustig, CEO of CannaRoyalty. "Our strategy has always been to invest in best-in-class brands and infrastructure, and to leverage multiple investments to control key, value-add segments of the supply chain. Distribution is one of these core strategic segments and the expertise of leading distributors like Alta and River will continue to grow in importance with California stipulating that all cannabis product sales flow through a licensed distributor beginning on July 1st. With adult-use recreational transitions in both California and Canada in 2018, we expect that the efforts made by our team over the past few years to assemble this portfolio will continue driving significant value both within our portfolio and for our shareholders."

Dave Vautrin, President of CR Brands, added, "The Bhang Vape relationship is already proving to be beneficial on several levels. Beyond a revenue accelerator to our organic growth, it is enabling us to further enhance our organizational capabilities with the addition of an industry-proven team who have expertise in areas such as supply chain, manufacturing and purchasing, which are essential capabilities as we scale our operations. Over the next six months we will pair CR Brands and Bhang Vape by implementing core brand-building strategies, including a broad range of tactics designed to leverage our existing expertise, such as: a focus on social media with our CR Crew; connecting at ground-level with budtender training; extensive and targeted consumer outreach; and experiential marketing. We will focus on enhancing our merchandising and refining brand positioning to drive meaningful customer experiences and maximize returns for the Company."

The Bhang Vape portfolio features a range of over 20 cannabis product SKUs. These include CBD oils which have great demand on the medical consumer side while the balance of the premium line crosses over well for the new adult-use market. Bhang Vape is a well-established brand in California with a historically loyal and growing consumer base. As a result of being an active legacy brand in California, Bhang Vape is well-prepared and in full compliance with the latest California compliance hurdles that many players in the market are currently facing.

On November 28, 2017, CannaRoyalty announced the execution of binding term sheets to acquire Kaya Management Inc. ("Kaya") which is the exclusive manufacturer and license holder of rights for Bhang Vape products in California, and to acquire Alta, which is a distributor of Bhang Vape and Bhang® chocolate products in Northern California, as well as distributing products for over a dozen other well-known third-party cannabis brands throughout California. The term sheets remain binding and CannaRoyalty expects to close in the coming weeks.

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 regarding the Company's expectations with respect to pursuing new opportunities and future growth for Trichome 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: competition from banks and other lenders; movements and long term trends in interest rates; the ability of management to select companies that will increase in value and to compete for desirable transactions; the ability to source desirable transactions; dependence on obtaining regulatory approvals; investing in target companies or projects which have limited or no operating history; changes in laws; limited operating history; reliance on management; requirements for additional financing; 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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CNW 08:00e 07-FEB-18