

CannaRoyalty Corp. Announces \$15 Million Bought Deal Financing

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All financial figures in Canadian Dollars (\$) unless otherwise noted

OTTAWA, March 15, 2018 /CNW/ - CannaRoyalty Corp. (CSE:CRZ) (OTCQX:CNNRF) ("CannaRoyalty" or the "Company") announced today that it has entered into an agreement with a syndicate of underwriters, led by Canaccord Genuity Corp. (the "Underwriters"), pursuant to which the Underwriters will purchase, on a bought deal basis, an aggregate of 3,750,000 units (the "Units") of the Company at a price of \$4.00 per Unit (the "Offering Price") for aggregate gross proceeds of \$15.0 million (the "Offering").

Each Unit will consist of one common share (a "Common Share") and one-half of one common share purchase warrant (each full common share purchase warrant, a "Warrant") of the Company. Each Warrant will be exercisable to acquire one common share of the Company for a period of three years following the closing date of the Offering at an exercise price of \$5.50 per common share, subject to adjustment in certain events. In the event that the volume-weighted average trading price of the Common Shares exceeds \$8.00 for 15 trading days (the "Acceleration Trigger") following the closing date of the Offering, the Company shall be entitled to accelerate the exercise period of the Warrants to a period ending not less than 21 days from the date written notice of such Acceleration Trigger is provided to Warrant holders.

The Company has agreed to grant the Underwriters an over-allotment option to purchase up to an additional 562,500 Units at the Offering Price, exercisable in whole or in part, at any time and from time to time on or prior to the date that is 30 days following the closing of the Offering. The Underwriters may elect to exercise the over-allotment option to acquire additional Units, Common Shares and/or Warrants. If this option is exercised in full, an additional \$2.25 million in gross proceeds will be raised pursuant to the Offering and the aggregate gross proceeds of the Offering will be \$17.25 million.

"2018 is an exciting year for CannaRoyalty shareholders with California already operating under an adult-use recreational cannabis framework and Canada poised to make the transition later this year," said Marc Lustig, CEO of CannaRoyalty. "The Offering will enable us to continue to build on our leading platform of brands and supporting distribution and infrastructure assets in California through strategic acquisitions, while driving penetration for our existing CR Brands product portfolio in the state. Recent announcements with Aurora Cannabis Inc., National Access Cannabis Corp. and 180 Smoke indicate that there is significant interest in bringing our products to Canada and the Offering will enable us to continue to explore these opportunities in our home market through 2018."

The Units will be offered by way of a short form prospectus to be filed in all provinces of Canada (except Quebec), in the United States on a private placement basis pursuant to an exemption from the requirements of the *United States Securities Act of 1933*, as amended (the "U.S. Securities Act") and in compliance with applicable U.S. federal securities laws and any "blue sky" laws or regulations of any state of the United States, and outside of Canada and the United States on a private placement or equivalent basis. The Company intends to use the net proceeds from the Offering to make strategic acquisitions, to further expand its existing operations, and general corporate and working capital purposes.

The Offering is expected to close on or about April 4, 2018 and is subject to certain conditions including, but not limited to, the receipt of all necessary regulatory and stock exchange approvals, including any approval of the Canadian Securities Exchange and the applicable securities regulatory authorities.

The securities being offered have not been, nor will they be, registered under the U.S. Securities Act as amended, and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons absent registration or an applicable exemption from the registration requirements. This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any state in which such offer, solicitation or sale would be unlawful.

About CannaRoyalty Corp.

[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 Securities 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 with respect to the terms and timing of completion of the Offering, the use of proceeds of the Offering, the satisfaction of all necessary regulatory and stock exchange approvals, statements relating to the supporting distribution and infrastructure assets in California through strategic acquisitions, anticipated Canadian

legalization of recreational cannabis in 2018, the anticipated relationships with Aurora Cannabis Inc., National Access Cannabis Corp. and 180 Smoke and 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: the inability to complete the Offering on the timeline or on the terms set out herein, a change in the use of proceeds of the Offering, the inability to obtain the necessary regulatory and stock exchange approvals, an inability to maintain the supporting distribution and infrastructure assets in California through strategic acquisitions, delays in the legalization of recreational cannabis in Canada, relationships with Aurora Cannabis Inc., National Access Cannabis Corp. and 180 Smoke not materializing, issues that arise as a result of the Company 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, a change in management, the inability to obtain additional financing, increased 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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