

CANNAROYALTY CORP.
\$15,000,000
Offering of Units
March 15, 2018

A preliminary short form prospectus containing important information relating to the securities described in this document has not yet been filed with the securities regulatory authorities in each of the provinces of Canada, except Quebec. A copy of the preliminary short form prospectus is required to be delivered to any investor that has received this document and expressed an interest in acquiring the securities. There will not be any sale or any acceptance of an offer to buy any securities until a receipt for the final short form prospectus has been issued.

Copies of the preliminary prospectus may be obtained from Canaccord Genuity Corp. at ecm@canaccordgenuity.com. There will not be any sale or any acceptance of an offer to buy the securities until a receipt for the final prospectus has been issued.

This document does not provide full disclosure of all material facts relating to the securities offered. Investors should read the preliminary prospectus, the final prospectus and any amendment for disclosure of those facts, especially risk factors relating to the securities offered, before making an investment decision.

The securities being offered have not been, nor will they be, registered under the United States Securities Act of 1933, 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 term sheet 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.

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| Issuer: | CannaRoyalty Corp. (“ Company ”). |
| Size of Offering: | \$15,000,000 (the “ Offering ”). |
| Offered Securities: | 3,750,000 units of the Company (the “ Units ”) each comprised of one common share (a “ Common Share ”) and one-half of one common share purchase warrant (each whole warrant, a “ Warrant ”). |
| Offering Price: | \$4.00 per Unit. |
| Warrants: | Each Warrant entitles the holder thereof to acquire one common share of the Company (each, a “ Warrant Share ”) at an exercise price of \$5.50 per Warrant Share for a period of three years following the Closing Date (as defined below). Notwithstanding the above, in the event that the common shares of the Company have an average closing price of \$8.00 or higher over a period of 15 trading days (the “ Acceleration Trigger ”) following the Closing Date (as defined herein), 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. |
| Over-Allotment Option: | Up to 15% of the number of Units, Common Shares and/or Warrants issued pursuant to the Offering to any cover over-allotments and for market stabilization purposes, exercisable within 30 days of the closing of the Offering. |
| Terms: | “Bought deal” prospectus offering. |
| Offering Jurisdictions: | All provinces of Canada, other than the Province of Quebec, and in the United States by way of private placement to qualified institutional investors and outside of Canada and the United States on a private placement or equivalent basis. |
| Listing: | The Common Shares are listed Canadian Securities Exchange (the “ Exchange ”). The Company shall apply to list the Warrants on the Exchange. |
| Eligibility: | The Offered Securities shall be eligible for RRSPs, RRIFs, RDSPs, RESPs, TFSA and DPSPs. |
| Use of Proceeds: | For working capital and other general corporate purposes. |

Commission: 6.0% of the gross proceeds raised in respect of the Offering plus broker warrants to purchase up to an additional 6.0% of the number of Units sold in the Offering.

Closing Date: On or about April 4, 2018 (the “**Closing Date**”).

Lead Underwriter: Canaccord Genuity Corp. shall act as sole book-runner and lead underwriter for a syndicate of underwriters.