

CannaRoyalty Corp. Receives Receipt for Preliminary Prospectus for Previously Announced Bought Deal Financing and Announces Early Exercise Incentive Program for Warrant Holders

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

OTTAWA, March 21, 2018 /CNW/ - CannaRoyalty Corp. (CSE:CRZ) (OTCQX:CNNRF) ("CannaRoyalty" or the "Company") announced today that it has received a receipt for a preliminary short form prospectus (the "Prospectus") of the Company from the securities regulators in each of the provinces of Canada (other than Quebec) with respect to its previously announced \$15,000,000 bought deal offering of units of the Company (the "Offering").

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 approval of the Canadian Securities Exchange and applicable securities regulatory authorities.

Early Warrant Exercise Incentive Program

The Company also announced today it intends to implement an early warrant exercise incentive program (the "Program") with respect to the outstanding common share purchase warrants of the Company issued on February 15, 2017 (the "2017 Warrants"). Under the Program, each 2017 Warrant that is exercised in accordance with its terms between 9:00 AM (EST) on the closing date of the Offering (the "Closing Date") and 4:30 PM (EST) on the 30th day following the Closing Date (the "Early Exercise Period"), will receive one common share of the Company (each, a "Common Share") and one-quarter (¼) of one Common Share purchase warrant (each whole Common Share purchase warrant, an "Incentive Warrant") entitling the holder thereof to purchase one Common Share until the date that is three years following the Closing Date at an exercise price of \$5.50. 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 \$8.00 for 15 consecutive trading days following issuance of the Incentive Warrants.

The Company has given notice to list the Incentive Warrants and the Common Shares underlying the Incentive Warrants on the Canadian Securities Exchange (the "CSE"). Listing will be subject to the Company fulfilling all of the requirements of the CSE.

Any holders of 2017 Warrants who are U.S. Persons or who wish to exercise such warrants in the United States must provide documentation satisfactory to the Company that the exercise thereof will be exempt from the registration requirements of the *United States Securities Act of 1933*, as amended (the "U.S. Securities Act"). The right to acquire, and the distribution of, up to an additional 485,625 Incentive Warrants will be qualified by the Prospectus.

If 2017 Warrants are not exercised prior to the end of the Early Exercise Period, the 2017 Warrants will remain outstanding and continue to be exercisable on the same terms applicable to such 2017 Warrants as they existed prior to the commencement of the Program. As a result of the Program, the Company will not proceed with the early exercise incentive program the Company announced on January 26, 2018.

No commission or other fee will be paid to the underwriters involved in the Offering in connection with the distribution of the Incentive Warrants. The underwriters involved in the Offering are not involved, directly or indirectly, in the issuance, offer and sale of the Incentive Warrants being distributed pursuant to the Prospectus.

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 satisfaction of all necessary regulatory and stock exchange approvals with respect to the Offering and the Program, the issuance and distribution of the Incentive Warrants being qualified by the Prospectus, the completion of the Program and the issuance of the Incentive Warrants on the terms set out herein, 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, the inability to obtain the necessary regulatory and stock exchange approvals with respect to the Offering and the Program, the issuance and distribution of the Incentive Warrants not being qualified by the Prospectus, the inability to complete the Program and the issuance of the Incentive Warrants on the terms set out herein, 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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CNW 21:45e 21-MAR-18