

# CannaRoyalty Announces its Fourth Quarter 2017 Financial Results

OTTAWA, April 4, 2017 /CNW/ - **CannaRoyalty Corp. (CSE: CRZ) (OTCQX: CNNRF)** ("CannaRoyalty" or the "Company") today announced the Company's financial results for the three and twelve-month periods ended December 31, 2017. All figures are reported in Canadian dollars (\$), unless otherwise indicated. CannaRoyalty's financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS").

"In 2017, our team worked hard to position the Company for long-term growth with the California market as a foundation," said Marc Lustig, CEO of CannaRoyalty. "Those efforts culminated in several strategic transactions over the past four months that have transformed CannaRoyalty into one of the largest and best-positioned cannabis players in California. Our market-leading distribution business places us in an ideal position to be a partner of choice for leading brands and dispensaries across the state. Over the next twelve months we will continue to concentrate on: leveraging our market-leading position in California to drive top-line performance, bringing both CR Brands and licensed products back to Canada, and rationalizing legacy, non-core investments to drive focus in our business and value for shareholders."

## Recent Operating Developments (Summary)

For a comprehensive overview of CannaRoyalty's Recent Developments, please refer to the Company's Management's Discussion and Analysis of the Financial Condition and Results of Operations for the Three and Twelve Months Ended December 31, 2017.

- On March 27, 2018, CannaRoyalty announced it had closed the acquisition of Alta Supply Inc. and entered into a binding term sheet for the acquisition of 100% of River Distribution and its affiliates. Together, these transactions make CannaRoyalty a leading cannabis distributor in California
- Also, on March 27, 2018, the Company announced that it closed its acquisition of Kaya Management Inc., the exclusive manufacturer and license holder of rights for Bhang® brand vaporizer products in California, as well as the acquisition of the exclusive statewide manufacturing and distribution rights to Bhang® edibles and Bhang® concentrates in California
- Entered into a strategic partnership with California premium craft cannabis cultivator Floracal® Farms, to develop and sell branded cannabis products, including a collaboration on the construction and build-out of a 20,000 square foot craft cultivation facility
- On February 20, 2018, CR Brands won a total of six 2017 Hempton Cup awards for its Soul Sugar Kitchen brand of edible products. CR Brands also won a number of trophies for its vape products in the 2018 Hempton preliminaries
- Co-launched Trichome Yield Corp. ("Trichome") to be a preferred asset-backed lending partner to emerging and established Canadian and global cannabis companies. Trichome announced the signing of its first binding term sheet to jointly provide up to \$2.5 million to 180 Smoke, a leading Canadian online and retail vaporizer products company

## Financial Highlights – Year ended December 31, 2017

	Year ended Dec 31, 2017	Nine months ended Dec 31, 2016
<b>Consolidated Statements of Comprehensive Loss</b>		
Revenue	\$ 3,077,969	\$ 642,277
Gross margin	905,629	328,490
Operating expenses	13,260,897	7,013,726
Loss from operations	(12,355,268)	(6,685,236)
Net loss	(9,065,492)	(10,317,479)
Total comprehensive loss	(9,995,449)	(10,420,241)
Net loss per common share - basic and diluted	(0.22)	(0.41)
Weighted average common shares - basic and diluted	41,439,567	25,237,273

## Balance Sheet

All comparisons below are to December 31, 2016, unless otherwise noted

- Total assets of \$46,139,757 as compared to \$32,197,938, an increase of 43%.
- Total investments<sup>1</sup> of \$26,674,288 as compared to \$8,363,922.
- Cash and cash equivalents of \$4,522,644 as compared to \$2,945,895.

<sup>1</sup>This represents the sum of investments, royalty investments, and interests in equity method investees

## Financial Highlights – Three months ended December 31, 2017

	Three months ended December 31, 2017	Three months ended December 31, 2016
<b>Consolidated Statements of Comprehensive Loss</b>		
Revenue	\$ 1,072,399	\$ 502,152
Gross margin	111,465	236,787
Operating expenses	4,631,512	4,161,119
Loss from operations	(4,520,047)	(3,924,332)
Other income (expense)	2,001,228	(3,535,036)

Net loss	(1,143,698)	(7,407,144)
Total comprehensive income (loss)	(1,213,036)	(7,510,123)
Net loss per common share - basic and diluted	(0.03)	(0.24)
Weighted average common shares - basic and diluted	41,439,567	31,475,058

## Top Holdings – Recent Updates

For an overview of developments related to CannaRoyalty's top holdings, please refer to the Company's Management's Discussion and Analysis of the Financial Condition and Results of Operations for the Three and Twelve Months Ended December 31, 2017.

## Results of Operations (Summary)

The following tables set forth consolidated statements of financial information for the three and twelve-month periods ending December 31, 2017 and December 31, 2016. For further information regarding the Company's financial results for these periods, please refer to the Company's Management's Discussion and Analysis for the periods ended December 31, 2017 and December 31, 2016 and the Company's Financial Statements for the periods ended December 31, 2017, published on CannaRoyalty's issuer profile on SEDAR at [www.sedar.com](http://www.sedar.com) and the Company's website at [www.cannaroyalty.com](http://www.cannaroyalty.com).

### Revenue Components

	Year ended December 31, 2017	Nine months ended December 31, 2016
Products	\$ 977,028	\$ 228,081
Services	859,605	38,898
Royalties	1,103,645	348,820
Interest	137,691	26,478
<b>Total</b>	<b>\$ 3,077,969</b>	<b>\$ 642,277</b>

### Revenue by Operating Division

	Year ended December 31, 2017	Nine months ended December 31, 2016
Holdings	\$ 1,241,336	\$ 375,298
Brands	977,028	228,081
Advisory	859,605	38,898
<b>Total</b>	<b>\$ 3,077,969</b>	<b>\$ 642,277</b>

### Cost of sales by revenue type

	Year ended December 31, 2017	Nine months ended December 31, 2016
Products	\$ 1,391,896	\$ 190,505
Services	218,479	27,506
Royalties	561,965	95,776
<b>Total</b>	<b>\$ 2,172,340</b>	<b>\$ 313,787</b>

### Gross margin amounts and percentages by revenue type

	Year ended December 31, 2017	Nine months ended December 31, 2016
Products	\$ (414,868)	\$ 37,576
Services	641,126	11,392
Royalties	541,680	253,044
Interest	137,691	26,478
<b>Total</b>	<b>\$ 905,629</b>	<b>\$ 328,490</b>

	Year ended December 31, 2017	Nine months ended December 31, 2016
Products	(42%)	16%
Services	75%	29%
Royalties	49%	73%
Interest	100%	100%
<b>All Types</b>	<b>29%</b>	<b>51%</b>

### Operating Expenses

	Year ended December 31, 2017	Nine months ended December 31, 2016
Sales and marketing	\$ 1,456,874	\$ 573,469
Research and development	931,053	744,762
General and administrative	10,076,087	5,564,274
Amortization of intangibles	796,883	131,221
<b>Total</b>	<b>\$ 13,260,897</b>	<b>\$ 7,013,726</b>

*Adjusted EBITDA<sup>2</sup>*

	Year ended December 31, 2017	Nine months ended December 31, 2016
<b>Net loss for the period</b>	<b>\$ (9,065,492)</b>	<b>\$ (10,317,479)</b>
<i>Add (Subtract)</i>		
Amortization of property and equipment	178,821	111,331
Amortization of intangible assets	796,883	131,221
Amortization of royalty investments	493,961	-
Interest expense	467,957	176,958
Interest income	(137,691)	(26,478)
Current income taxes	(105,021)	-
Deferred income tax recovery	(1,605,823)	(52,224)
<b>EBITDA</b>	<b>(8,976,405)</b>	<b>(9,976,671)</b>
Gains on investments	(10,882,154)	-
Impairment of loans and advances	3,776,081	-
Impairment of convertible notes receivable	559,845	-
Impairment of intangible assets & goodwill	2,335,000	-
Impairment of royalty investments	1,014,211	-
Listing expense	-	3,901,011
Bargain purchase	-	(59,358)
Penalties from non-completion of transactions	204,060	-
Gain on disposal of equipment	(91,674)	-
Write-off of Achelois inventory	422,386	-
Bad debt expense - Cascadia royalties	919,481	-
Share based compensation	3,583,881	2,486,130
Unrealized loss on embedded derivatives	110,965	-
Gain on dilution of equity accounted investment	(1,017,831)	-
Foreign exchange	436,555	(243,868)
<b>TOTAL ADJUSTED EBITDA</b>	<b>\$ (7,605,600)</b>	<b>\$ (3,648,888)</b>
Weighted average number of common shares outstanding - basic and diluted	41,439,567	25,237,273
<b>ADJUSTED EBITDA per share - basic and diluted</b>	<b>\$ (0.18)</b>	<b>\$ (0.14)</b>

<sup>2</sup> Adjusted EBITDA and Adjusted EBITDA per share are non-IFRS measures. See "Adjusted EBITDA" in the Company's Management's Discussion and Analysis for the three and twelve-month periods ended December 31, 2017.

## Message from the CEO

Fellow Shareholders,

The past four months have been a watershed period for CannaRoyalty. Our team has made substantial progress executing our strategy to build a leading North American, and one day global, cannabis consumer products company. I am pleased to note that we have already made meaningful advancements toward achieving the three primary opportunities that I outlined in my November letter:

1. Continue to drive growth of the CR Brands product portfolio and expand points of distribution;
2. Make judicious acquisitions of promising products or leading brands; and
3. Increase commercial production and gradually drive efficiencies.

### *Continue to drive growth of the CR Brands product portfolio and expand points of distribution*

At this relatively early stage in the growth of our in-house brand portfolio, we are focused primarily on driving distribution reach, brand awareness, and customer loyalty. Our efforts on the brand-building side are beginning to bear fruit and in February 2018 we won six industry awards for our work on Soul Sugar Kitchen. We are also dramatically scaling our distribution and logistics network across California, through our recent acquisition of Alta Supply Inc. ("Alta Supply") and agreement to merge with River Distribution ("RVR").

### *Make judicious acquisitions of promising products or leading brands*

In March 2018 we consolidated the California manufacturing and distribution rights to global award-winning Bhang® brand vaporizer and Bhang® edibles products under Kaya Management Inc. ("Kaya"), which is now a wholly-owned subsidiary of CannaRoyalty. Bhang® products are some of the most awarded cannabis products, globally. Combined, Kaya and the former manufacturer of Bhang® edibles produced approximately US\$8.0 million in revenue in 2017.

### *Increase commercial production and gradually drive efficiencies*

In Q1 2018, we moved all CR Brands manufacturing and product development functions to Kaya's Oakland facility, which currently produces

Bhang® products for the California market. We expect the combined manufacturing revenue from Kaya will drive substantial quarter over quarter growth through the remainder of 2018, starting in Q2. Since my last letter, we have also capitalized on a new opportunity with Floracal® Farms ("FloraCal"), a leading premium craft cannabis cultivator in Sonoma County, to develop and sell branded cannabis products as well as to jointly execute an expansion of FloraCal's cultivation footprint into our Santa Rosa facility.

#### *What's next in California?*

Given the size and scale of the California market, cross-state distribution is a critical element of our platform. We also view distribution as one of the most strategically compelling components of the highly regulated cannabis value chain in California. The acquisitions of Alta Supply and RVR will give CannaRoyalty a leading cannabis distribution and logistics network in the world's largest regulated cannabis market. Together, these businesses generated revenue of US\$31.9 million in 2017. With our distribution platform, we are well positioned to rapidly expand the sales and reach of existing brands that are looking to access shelf-space across the state, as well as for dispensaries seeking access to a full spectrum of top products and brands. We can also leverage this infrastructure to do the same for our own brands.

#### *The Canadian Opportunity*

As the Canadian market moves closer to the sale of cannabis consumer products, we are assembling substantial know-how, intellectual property, and brands to bring back to Canada. Since November, we have significantly advanced our focus on this area and anticipate a continuation of this in the months to come. Some of the successes we have had in this area include an exclusivity arrangement for the license of MüV products and two deals focused on establishing Canadian retail access for CR Brands products. Recently, we have also established Trichome Yield Corp., to offer secured lending solutions to companies operating across the Canadian cannabis value chain, nominated an experienced board of directors and executed our first deal with a leading Canadian online and retail vaporizer products company.

#### *Focusing our Portfolio*

Most of our long-term investors are aware of our roots as a diversified investment vehicle. As I outlined last quarter in my shareholder letter, in Phase I of our growth plan, we invested in a basket of companies in value-added areas of the legal cannabis market in North America. Our shift to Phase II of our plan, which is well underway, has involved consolidation of core assets that further the Company's strategy, and rationalization of assets that are non-core. Our acquisition of 100% of RVR is an example of the former, and the announcement of our joint venture with Aequus Pharmaceuticals, to which we intend to contribute our stake in Bodhi Research & Development Inc., is an example of the latter.

To support the Company's strategic focus and rationalization, we have made some difficult decisions regarding two early CannaRoyalty investments, Rich Extracts and Cascadia. As any early stage growth investor knows, despite the best efforts of a dedicated, professional team, investments don't always work out the way you anticipate they will. While we are working to protect our investments in these situations, substantial capital and human resources would be required to realize returns at this stage. Conversely, we also realized significant gains on other positions such as Anandia and AltMed and a significant increase in the implied value of our Resolve position, supported by a recent equity financing.

Over the next 12 months, I see five key opportunities for our business:

1. Integrate the operations of acquired companies, including Kaya, Alta Supply and RVR;
2. Make strategic acquisitions of promising products or leading brands;
3. Drive growth of distributed and CR Brand products;
4. Lay the foundation for sale of CR Brand products in other jurisdictions, beginning in Canada; and
5. Portfolio focus and rationalization

Today, I am more confident than ever in our ability to realize our objectives and create significant shareholder value. Our team more than doubled from Q4-2016 to Q4-2017 and I am proud of the contribution of that each of those team members and each member of our team of dedicated advisors, has made to our substantial progress in 2017.

Many thanks for your ongoing support. I can say with confidence that this is just the beginning of our exciting and profitable journey together.

*(signed)*

Marc Lustig, CEO

#### **Share Capital**

The Company's authorized share capital is an unlimited number of common shares of which 43,898,445 were issued and outstanding as at December 31, 2017 (December 31, 2016 – 36,006,956 common shares). The Company has issued 4,153,150 RSUs that have not been exercised as at December 31, 2017 including 1,933,587 that have vested (December 31, 2016 – 2,774,800 including 1,065,637 that had vested). As of December 31, 2017, there are share purchase warrants and broker warrants outstanding that can potentially be converted to 4,112,712 shares (December 31, 2016 – 1,113,633).

#### **Conference Call**

CannaRoyalty will host a conference call on, Wednesday, April 4, 2018 at 8:30 a.m. (Eastern Time) to discuss its 2017 fourth quarter and full year financial results. The call will be chaired by Marc Lustig, Chief Executive Officer, François Perrault, Chief Financial Officer and Afzal Hasan, EVP Corporate Development and General Counsel.

--	--	--	--

	Participant Dial-in	Webcast	Reference Number
Conference Call	647-427-7450; or 1-888-231-8191	<a href="http://bit.ly/2DysCc9">http://bit.ly/2DysCc9</a>	
Replay (available for 2 weeks)	416-849-0833; 613-667-0035; or 1-855-859-2056		7493733

## 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 including the Company's expectations with respect to pursuing new opportunities, anticipated timing for release of the Company's financial results and filing of its final prospectus, 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: 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.

## Consolidated Statements of Loss and Comprehensive Loss

### In Canadian dollars

	Year ended December 31, 2017	9 months ended December 31, 2016
<b>Revenue</b>	<b>\$ 3,077,969</b>	<b>\$ 642,277</b>
<b>Cost of sales</b>	<b>(2,172,340)</b>	<b>(313,787)</b>
<b>Gross margin</b>	<b>905,629</b>	<b>328,490</b>
<b>Operating expenses</b>		
Sales and marketing	1,456,874	573,469
Research and development	931,053	744,762
General and administrative	10,076,087	5,564,274
Amortization of brands and technologies	796,883	131,221
<b>Loss from operations</b>	<b>(12,355,268)</b>	<b>(6,685,236)</b>
<b>Other income (expenses)</b>		
Gain on disposal of equipment	91,674	-
Changes in fair value of investments	10,882,154	-
Impairment of loans and advances	(3,776,081)	-
Impairment of convertible notes receivable	(559,845)	-

Impairment of intangible assets & goodwill	(2,335,000)	-
Impairment of royalty investments	(1,014,211)	-
Profit (loss) from equity accounted investees, net of tax	(280,180)	63,401
Gain on investment from change to/from Equity method	-	26,875
Bargain purchase	-	59,358
Changes in fair value of embedded derivatives	(110,965)	-
Additional expense related to letter of intent transaction	(204,060)	-
Adjustment from non-completion of share swap transaction		
Listing expense	-	(3,901,011)
Foreign exchange gain (loss)	(436,555)	243,868
Interest expense	(467,957)	(176,958)
Interest income	-	-
<b>Net loss before tax</b>	<b>(10,566,294)</b>	<b>(10,369,703)</b>
Current tax expense	(105,021)	-
Deferred tax recovery	1,605,823	52,224
<b>Net loss for the period</b>	<b>\$ (9,065,492)</b>	<b>\$ (10,317,479)</b>
<b>Other comprehensive loss for the period</b>		
Foreign currency translation differences	(929,957)	(102,762)
<b>Total comprehensive loss for the period</b>	<b>\$ (9,995,449)</b>	<b>\$ (10,420,241)</b>
<b>Net loss per common share - basic and diluted</b>	<b>\$ (0.22)</b>	<b>\$ (0.41)</b>
Weighted average number of common shares outstanding - basic and diluted	41,439,567	25,237,273
<b>Total net loss for the period attributable to:</b>		
Owners of the company	\$ (8,891,490)	\$ (10,314,475)
Attributable to non-controlling interest	(174,002)	(3,004)
	<b>\$ (9,065,492)</b>	<b>\$ (10,317,479)</b>
<b>Total comprehensive loss for the period attributable to:</b>		
Owners of the company	\$ (9,821,447)	\$ (10,417,237)
Attributable to non-controlling interest	(174,002)	(3,004)
	<b>\$ (9,995,449)</b>	<b>\$ (10,420,241)</b>

## Consolidated Statements of Financial Position In Canadian dollars

	December 31, 2017	December 31, 2016 (restated)
<b>ASSETS</b>		
<b>Current</b>		
Cash and equivalents	\$ 4,522,644	\$ 2,945,895
Amounts receivable	1,429,123	556,170
Inventory	270,169	641,350
Prepaid and other assets	250,744	110,834
Loans receivable - current	1,102,168	2,943,161
Convertible notes - current	373,127	-
	<b>7,947,975</b>	<b>7,197,410</b>
Loans receivable	66,421	-
Convertible notes receivable	-	864,806
Derivative assets	-	114,505
Interest in equity accounted investees	3,596,333	3,541,281
Investments	17,243,342	2,228,750
Royalty investments	5,834,613	2,593,891
Property and equipment	1,084,098	1,393,112

Intangible assets and goodwill	<u>10,366,975</u>	14,264,183
	<u>38,191,782</u>	25,000,528
	<u>\$ 46,139,757</u>	<u>\$ 32,197,938</u>

## LIABILITIES

### Current

Amounts payable and accrued liabilities	\$ 1,606,689	\$ 1,886,189
Loan payable	425,345	451,618
Current tax liability	<u>102,236</u>	-
	<u>2,134,270</u>	2,337,807

Convertible debt	1,431,950	1,376,583
Line of credit	826,517	-
Deferred tax liability	<u>1,278,676</u>	<u>3,001,766</u>
	<u>\$ 5,671,413</u>	<u>\$ 6,716,156</u>

### SHAREHOLDERS' EQUITY

Share capital	\$ 50,007,891	\$ 31,351,441
Share subscription and contingent shares	-	4,520,000
Warrants reserve	4,149,703	628,623
Contributed surplus	9,902,292	2,577,811
Accumulated other comprehensive loss	(1,032,719)	(102,762)
Accumulated deficit	(22,381,817)	(13,490,327)
Non-controlling interest	<u>(177,006)</u>	<u>(3,004)</u>
	<u>40,468,344</u>	<u>25,481,782</u>
	<u>\$ 46,139,757</u>	<u>\$ 32,197,938</u>

## Consolidated Statements of Cash Flows In Canadian dollars

	Year Ended December 31, 2017	9 months ended December 31, 2016
<b>CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES</b>		
Net loss for the period	\$ (9,065,492)	\$ (10,317,479)
Items not affecting cash:		
Bad debts expense	989,318	132,790
Bargain purchase	-	(59,358)
(Income) loss from equity accounted investees	280,180	(63,401)
Amortization of property and equipment	178,821	111,331
Amortization of intangibles	796,883	131,221
Amortization of royalties	493,961	-
Amortization of fees related to line of credit	294,727	-
Non-cash listing expense related to RTO	-	3,698,618
Share based compensation	3,583,881	2,486,130
Consulting fees paid via issuance of shares	30,000	-
Additional expense related to letter of intent	204,060	-
Deferred tax recovery	(1,605,823)	(52,224)
Loss on impairment of loans receivable	3,776,081	-
Loss on impairment of convertible notes receivable	559,845	-
Loss on impairment of royalties	1,014,211	-
Loss on impairment of goodwill and intangible assets	2,335,000	-
Loss related to change in fair value of embedded derivatives	110,965	-
Accretion of derivative assets and liabilities	76,426	-
Gain on disposal of equipment	(91,674)	-
Gain on investment due to change to equity method	-	(26,875)

Gain on investments	(10,882,154)	-
Write-off of inventory	422,386	-
Foreign currency translation differences		-
	<b>(6,498,398)</b>	<b>(3,959,247)</b>
Changes in non-cash items relating to operations:		
Increase in amounts receivable	(1,933,896)	(313,916)
Increase in inventory	(66,150)	(15,737)
Decrease (increase) in prepaid and other assets	(139,910)	(15,732)
Increase (decrease) in accounts payable and accruals	(83,375)	392,938
Increase in current tax liability	102,236	-
	<b>(8,619,492)</b>	<b>(3,911,694)</b>
<b>CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES</b>		
Purchase of property and equipment	(170,379)	(136,734)
Investments in joint ventures	-	(192,540)
Increase in share subscription receivable	-	-
Purchase of interests in equity accounted investments	(326,780)	(1,486,875)
Purchase of investments	-	-
Purchase of interests in investments without significant influence	(1,771,218)	(378,680)
Purchase of controlled interest	(133,333)	50,061
Royalty financing arrangements	(4,799,031)	(571,002)
Purchase of Intangible assets	-	(315,864)
Loans advanced to debtors, net of repayment	(2,216,377)	(2,929,280)
Convertible loans advanced to debtors, net of repayment	-	(806,460)
	<b>(9,417,118)</b>	<b>(6,767,374)</b>
<b>CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES</b>		
Proceeds from shares in private placements, net of issuance costs	-	3,994,949
Proceeds from shares in bought deal financing, net of issuance costs	11,555,882	4,365,194
Proceeds from issuance of warrants, net of issuance costs	2,201,120	1,343,811
Proceeds from exercise of warrants	3,145,333	2,145,563
Proceeds from line of credit	3,000,000	-
Fees paid to obtain line of credit	(167,810)	-
Proceeds from issuance of convertible debt	-	1,500,000
Interest payments on convertible debt	(75,000)	-
Proceeds from issuance of stock options	25,000	50,000
Net advances / (repayment to) lenders	-	(280,711)
Tax withholding paid on exercise of restricted share units	(84,887)	-
Cash received for subscribed shares	-	500,000
	<b>19,599,638</b>	<b>13,618,806</b>
Effect of movement of exchange rates on cash held	13,721	-
<b>INCREASE (DECREASE) IN CASH</b>	<b>1,576,749</b>	<b>2,939,738</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD</b>	<b>2,945,895</b>	<b>6,157</b>
<b>CASH AND CASH EQUIVALENTS, END OF PERIOD</b>	<b>\$ 4,522,644</b>	<b>\$ 2,945,895</b>

SOURCE CannaRoyalty Corp.

View original content: <http://www.newswire.ca/en/releases/archive/April2018/04/c6085.html>

%SEDAR: 00008384E

**For further information:** Marc Lustig, CEO, [info@cannaroyalty.com](mailto:info@cannaroyalty.com), 1-844-556-5070, [www.cannaroyalty.com](http://www.cannaroyalty.com); Jonathan Ross, LodeRock Advisors Inc., [jon.ross@loderockadvisors.com](mailto:jon.ross@loderockadvisors.com), 416-283-0178

CO: CannaRoyalty Corp.

CNW 06:30e 04-APR-18