

# CannaRoyalty Invests in Expansion of California Distribution Footprint by Partnering with Posh Green, Premium San Francisco-Based Delivery Business

- Posh Green's licensed delivery service currently operates in San Francisco and purchases products from CannaRoyalty's distribution subsidiary Alta Supply.
- Supporting growth of the direct to consumer channel through Posh Green will drive demand for CannaRoyalty's distributed brands portfolio.
- CannaRoyalty focused on working with local grassroots entrepreneurs, deepening ties to disadvantaged communities and developing unique value creation engine in the California market.

OTTAWA, May 28, 2018 /CNW/ - **CannaRoyalty Corp. (CSE: CRZ) (OTCQX: CNNRF)** ("CannaRoyalty" or the "Company"), a leading North American cannabis products and brands company, announced today that it has partnered with Posh Green Collective delivery ("Posh Green"), a California-based licensed cannabis delivery service headed by entrepreneur Reese Benton, towards the scale-up of Posh Green's delivery systems in California and the development of other strategic initiatives ("Strategic Partnership"). As discussed further below, CannaRoyalty has agreed to provide financial and strategic assistance to Posh Green. Posh Green will in turn provide downstream demand for CannaRoyalty's distributed product portfolio, along with support on community initiative.

Posh Green is a boutique cannabis delivery service founded by Reese Benton, a California-based entrepreneur. Benton was awarded her license to sell adult-use cannabis through San Francisco's equity permit program and has been one of the [key voices leading the charge for social justice](#) in the legal cannabis sector.

"As leading licensed cannabis distributors in California, Alta Supply and RVR have a unique opportunity to support local entrepreneurs while continuing to generate significant growth and value for CannaRoyalty shareholders," said Afzal Hasan, President of CannaRoyalty. "This Strategic Partnership will enable Alta Supply and RVR to offer additional downstream channel access to their valued brand partners. This arrangement is good not only for CannaRoyalty's business, brand partners and local retail entrepreneurs in California, but also good for the State of California through tax revenues and increased activity in the regulated market. These win-win outcomes are one of the many advantages of operating in California and have been made possible by the forward-looking regulation the State has implemented and continues to improve. The fact that Reese, a minority female from a disadvantaged background, has been able to secure a license and gain access to the Company's extensive distribution network, is proof that the system is working. We look forward to working with Reese to broaden her company's retail consumer base and deepening CannaRoyalty's ties to disadvantaged communities in California."

Posh Green's business model focuses on making the most innovative and premium products in the regulated market available to cannabis connoisseurs and local high-end clientele. Posh Green currently purchases products at wholesale from one of CannaRoyalty's distribution companies, Alta Supply and sells to retail delivery customers at a significant markup, demonstrating the large business opportunity for on-demand delivery businesses in California.

"I am very pleased that Posh Green has developed a strong brand presence and an avid consumer following within a year of commencing business. It is a dream come true, for someone like me who was [personally affected by the war on drugs](#) and started out as a one-woman-show," said Reese Benton, Founder of Posh Green. "I'm excited to start this relationship with CannaRoyalty – a company that has already established its presence as a formidable player in the cannabis sector in California but is also comprised of and run by people who are visibly passionate about financing and supporting this community."

After Californians voted to legalize adult use, consumers mindsets and buying patterns have begun to shift. Leading cannabis delivery platform, Eaze, reported that the frequency of orders by their customers increased 200% from 2016 to 2017<sup>1</sup> and media reports regarding the company have projected that it will generate US\$500 million in revenues for 2019<sup>2</sup>. As the state transitions to a full recreational adult-use market, the prospects for businesses focused on the sale and delivery of medical and recreational cannabis products is growing stronger.

The Strategic Partnership will see the Company engaging Reese as a consultant, with compensation to include 4,500 CannaRoyalty common shares over a three-month period. To grow Posh Green's product and delivery footprint, CannaRoyalty will also provide credit financing of US\$10,000 through Alta Supply in addition to offering access to a larger logistics network of salespersons and drivers.

1 <https://www.eaze.com/blog/posts/eaze-insights-2017-cannabis-data-report>

2 <https://cannabisnow.com/eaze-the-billion-dollar-maybe/>

## About Posh Green

[Posh Green Collective](#) delivery is a boutique cannabis delivery service in San Francisco, founded in 2017 by Reese Benton.

## About CannaRoyalty

CannaRoyalty is an active operator and investor in the global cannabis industry, with a strong focus on California, the world's largest cannabis market. Our core mission is to become the leading global consumer product goods company for discerning cannabis consumers. We are currently focused on building a diversified portfolio of manufacturing, distribution, intellectual property, and infrastructure assets to achieve this goal. Our leadership team combines a passion and hands-on understanding of the cannabis industry, with seasoned financial and legal expertise.

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 relating to the Acquisitions, the execution of the Company's strategy, new opportunities, future growth and other statements.*

*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 that are engaged in activities currently considered illegal under US federal law; 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.*

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

CO: CannaRoyalty Corp.

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