

CannaRoyalty Investee, Anandia Labs, to be Acquired by Aurora Cannabis for approximately \$115 million

- CannaRoyalty equity stake in Anandia valued at approx. \$19 million, on original investment of approx. \$4 million
- Advances CannaRoyalty's stated strategy of partnering or rationalizing select assets that the Company has deemed non-core to its go-forward strategy and more valuable to other parties
- Proceeds to fund expansion and further acquisitions without dilution to shareholders
- Acquisition by one of Canada's largest LPs validates the significant long-term potential that CannaRoyalty identified in the analytics, testing and genetics verticals

OTTAWA, June 12, 2018 /CNW/ - **CannaRoyalty Corp. (CSE: CRZ) (OTCQX: CNNRF)** ("CannaRoyalty" or the "Company"), a leading North American cannabis products and brands company, announced today that its investee company Anandia Laboratories Inc. ("Anandia") has signed a binding term sheet to be acquired by Aurora Cannabis Inc. ("Aurora") for approximately \$115 million. CannaRoyalty owns 16.5% of Anandia, and its equity stake is valued at approximately \$19 million based on the acquisition valuation, representing an almost 400% return on investment.

Anandia is Canada's leading cannabis analytics, testing and genetics company. Under CannaRoyalty's [previously announced](#) investment relationship, CannaRoyalty invested approximately \$4 million in Anandia beginning in February 2017 at a post-money valuation of \$20 million. This included \$1.5 million paid in cash, over \$2 million in stock and \$500 thousand in equipment and services.

"With a historical corporate focus on being an active investor and operator in the legal cannabis industry in North America, we have deployed substantial capital across several jurisdictions. We are currently monetizing our non-core investment portfolio to drive value for shareholders, with a primary focus on California and Canada," said Marc Lustig, CEO of CannaRoyalty. "This agreement represents a solid return on investment for CannaRoyalty shareholders and is a validation of the quality of Anandia's business and the significant future growth potential available, particularly when married to Aurora's global footprint. This transaction will provide CannaRoyalty with additional capital to allocate against its core strategy of building a global cannabis consumer product platform emanating from California. The Company will also benefit from a strong relationship with both Anandia and Aurora, which we look forward to continuing to build on."

Pursuant to the binding term sheet signed by Anandia and Aurora, Aurora will purchase 100% of the issued and outstanding shares from Anandia's shareholders in exchange for common shares of Aurora based on the 20-day VWAP (to the Effective Date) equivalent to approximately \$115 million. In addition, each Aurora share will be accompanied with a warrant exercisable for 1/2 of an Aurora common share at an exercise price equal to the issue price plus 10% with a term of 5 years. Closing is subject to conditions, including shareholder and regulatory approvals.

Anandia and Aurora intend to complete the Acquisition by way of a plan of arrangement under the Business Corporations Act (British Columbia) subject to finalization of an Arrangement Agreement on acceptable terms to both parties. The closing of the Acquisition is subject to customary closing conditions, including execution of definitive documentation, completion of satisfactory due diligence, and receipt of applicable shareholder, third party and regulatory approvals, including that of the Supreme Court of British Columbia and the satisfaction of other conditions customary in transactions of this nature. Anandia and Aurora anticipate closing the Acquisition in the coming weeks.

About Anandia

Anandia has been established to provide the science, technical innovations and services that underpin the global cannabis industry. Anandia provides industry-leading analytical testing services including potency, pesticides, microbes and terpenes to Licensed Producers and patients. In addition, Anandia uses modern plant breeding approaches to develop next generation cannabis varieties.

Anandia holds a Dealer's License by Health Canada pursuant to the provisions of the Controlled Drugs and Substances Act and the Narcotic Control Regulations. The Dealer's License permits Anandia to analyze and extract cannabis, as well as cultivate cannabis for breeding purposes.

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.

SOURCE CannaRoyalty Corp.

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CNW 07:10e 12-JUN-18