

CannaRoyalty Announces Terms of Fully Marketed Private Placement

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

OTTAWA, June 20, 2018 /CNW/ - **CannaRoyalty Corp. (CSE: CRZ) (OTCQX: CNNRF)** ("CannaRoyalty" or the "Company"), a leading North American cannabis products and brands company, is pleased to announce the terms of its previously-announced, fully marketed private placement. A syndicate of investment dealers, led by Canaccord Genuity Corp., has been engaged by the Company to sell up to 30,000 unsecured convertible debentures (the "Convertible Debentures") of the Company at a price of \$1,000 per Convertible Debenture (the "Offering Price") for aggregate gross proceeds of up to \$30.0 million (the "Offering").

The Convertible Debentures will have a maturity date of three years from the closing date of the Offering (the "Maturity Date") and will bear interest from the date of closing at 8.0% per annum, payable semi-annually on June 30 and December 31 of each year. The Convertible Debentures will be convertible, at the option of the holder, into common shares of the Company ("Common Shares") at any time prior to the close of business on the last business day immediately preceding the Maturity Date at a conversion price of \$6.25 per Common Share (the "Conversion Price"). At any time following the date that is four (4) months and one day following the Closing Date (the "Statutory Hold Period"), the Company may force the conversion of the principal amount of the then outstanding Convertible Debentures at the Conversion Price on not less than 30 days' notice should the daily volume weighted average trading price of the Common Shares be greater than \$9.00 for any 10 consecutive trading days.

The Company has granted the Underwriters an option to arrange for purchasers of up to an additional 4,500 Convertible Debentures, exercisable in whole or in part, at any time and from time to time on or prior to the closing date of the Offering.

The Convertible Debentures will be offered on a private placement basis in all provinces of Canada, in the United States on a private placement basis pursuant to an exemption from the requirements of the United States Securities Act of 1933, as amended (the "U.S. Securities Act") and in compliance with applicable U.S. federal securities laws and any "blue sky" laws or regulations of any state of the United States, and outside of Canada and the United States on a private placement or equivalent basis. The proceeds from the Offering will be primarily used by the Company to expand its footprint across California and for working capital and other general corporate purposes.

The Offering is expected to close on or about July 12, 2018 and is subject to certain conditions including, but not limited to, the receipt of all necessary regulatory and stock exchange approvals, including any approval of the Canadian Securities Exchange.

The Convertible Debentures and the Common Shares issuable upon exercise thereof will be subject to resale restrictions under applicable Canadian securities laws for a period of four months following the closing date. The Company intends to apply to list the Convertible Debentures on the Canadian Securities Exchange. Listing will be subject to satisfying all of the Canadian Securities Exchange's supplemental listing requirements and expiry of the Statutory Hold Period.

This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities described herein, and these securities will not be offered or sold in any jurisdiction in which

their offer or sale would be unlawful. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "1933 Act"), or any state securities laws of the United States. Accordingly, these securities will not be offered or sold to persons within the United States unless an exemption from the registration requirements of the 1933 Act and applicable state securities laws is available.

About CannaRoyalty

CannaRoyalty is a North American cannabis consumer product company currently focussed on building a leading distribution business in California, the world's largest regulated cannabis market. By building a world-class logistics platform and supporting contract manufacturing assets, the Company intends to support the growth of new and established cannabis brands. The Company believes California, home to some of the world's most discerning consumers and a nexus of information and trends, will be the point of inception for the global cannabis brands of the future. CannaRoyalty has developed a diversified portfolio of assets within the cannabis sector, including research, infrastructure and intellectual property to support our existing brands, partner products and distribution networks. The Company's leadership and staff combines passion and a hands-on understanding of the cannabis industry, with proven financial and legal expertise. CannaRoyalty's shares trade on the Canadian Stock Exchange (CSE) under the symbol CRZ and in the US 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 execution of the Company's strategy, new opportunities, future growth, the intended listing of the Convertible Debentures on the Canadian Securities Exchange 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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