

**FORM 51-102F3**  
**Material Change Report**

**Item 1.**                    **Name and Address of Company**

CannaRoyalty Corp. (the “**Company**”)  
333 Preston Street, Preston Square Tower 1, Suite 610  
Ottawa, ON K1S 5N4

**Item 2.**                    **Date of Material Change**

June 19, 2018 and June 20, 2018.

**Item 3.**                    **Press Release**

On June 19 2018 and June 20, 2018, news releases in respect of the material change were disseminated through Canada NewsWire and filed on the Company’s SEDAR profile at www.sedar.com.

**Item 4.**                    **Summary of Material Change**

On June 19, 2018, the Company entered into an agreement with a syndicate of investment dealers, led by Canaccord Genuity Corp. (the “**Agents**”) for the offering of unsecured convertible debentures of the Company (the “**Convertible Debentures**”) on a fully-marketed private placement basis (the “**Offering**”).

On June 20, 2018 the Company announced the terms of the Offering, including that the Agents had been engaged by the Company to sell up to 30,000 Convertible Debentures at a price of \$1,000 per Convertible Debenture for aggregate gross proceeds of up to \$30,000,000.

**Item 5.**                    **Full Description of Material Change**

On June 19, 2018, the Company entered into an agreement with the Agents pursuant to which the Agents agreed to undertake a fully marketed private placement of Convertible Debentures on a commercially reasonable basis. On June 20, 2018 the Company announced the terms of the Offering, including that the Agents had been engaged by the Company to sell up to 30,000 Convertible Debentures at a price of \$1,000 per Convertible Debenture for aggregate gross proceeds of up to \$30,000,000.

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 closing date of the Offering 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 earlier of (i) the last business day immediately preceding the Maturity Date, and (ii) the date fixed for redemption on a change of control event, 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 of the Offering (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 agreed to grant the Agents an option (the “**Agent’s Option**”) to use their commercially reasonable efforts to arrange for purchasers of up to an additional 4,500 Convertible Debentures. The Agent’s Option shall be exercisable at any time prior to the closing 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 and the applicable securities regulatory authorities.

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 of the Offering. 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.

The securities being offered have not been, nor will they be, registered under the U.S. Securities Act 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 material change report 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.

**Item 6. Reliance on subsection 7.1(2) of National Instrument 51-102**

The report is not being filed on a confidential basis.

**Item 7. Omitted Information**

No information has been omitted.

**Item 8. Executive Officer**

Marc Lustig, Chief Executive Officer  
(514) 243-7438

**Item 9. Date of Report**

June 25, 2018.

**Forward Looking Statements**

*Statements in this material change report that are forward-looking statements are subject to various risks and uncertainties concerning the specific factors disclosed here and elsewhere in the Company's periodic filings with Canadian securities regulators. When used in this material change report, 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 use of proceeds of the Offering, the satisfaction of all necessary regulatory and stock exchange approvals and the Company's expectations with respect to pursuing new opportunities and its future growth and other statements of fact.*

*Although the Company 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, a change in the use of proceeds of the Offering, the inability to obtain the necessary regulatory and stock exchange approvals, delays in*

*the legalization of recreational cannabis in Canada, 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 U.S. 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 material change report are made as of the date of this material change report. The Company disclaims any intention or obligation to update or revise such information, except as required by applicable law, and the Company does not assume any liability for disclosure relating to any other company mentioned herein.*