

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

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

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

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

July 2, 2018.

**Item 3**                    **News Release**

On July 3, 2018, a news release in respect of the material change was disseminated through Canada NewsWire and filed on the Company's SEDAR profile at [www.sedar.com](http://www.sedar.com).

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

On July 2, 2018, the Company closed the acquisition (the "**Acquisition**") of FloraCal ("**FloraCal**").

**Item 5.1**                **Full Description of Material Change**

On July 3, 2018, the Company announced that it had closed the Acquisition.

Pursuant to a purchase agreement dated July 2, 2018, the Company has acquired 100% of FloraCal for a total consideration of US\$1 million in cash, subject to a working capital adjustment, and 35,088 CannaRoyalty Class A Compressed Shares ("**Compressed Shares**"), as well as up to an additional US\$3 million in cash and 35,088 Compressed Shares to be paid over 3 years, based on the completion of certain milestones, and other considerations.

Each Compressed Share is convertible into 100 common shares of CannaRoyalty ("**Common Shares**"), subject to certain conditions, and carries the right to one vote for each Common Share into which it can be converted into. Compressed Shares are entitled to vote, together with holders of Common Shares, with respect to any question upon which holders of Common Shares have the right to vote.

The ability to convert the Compressed Shares into Common Shares is subject to a restriction that the aggregate number of Common Shares and Compressed Shares held of record, directly or indirectly, by residents of the United States (as determined in accordance with Rules 3b-4 under the Securities Exchange Act of 1934, as amended), may not exceed forty percent (40%) of the aggregate number of Common Shares and Compressed Shares issued and outstanding after giving effect to such conversions. The Compressed Shares are subject to a further conversion restriction whereby the Company shall not effect a conversion Compressed Shares to the extent that after giving effect to any such conversion, a holder thereof would beneficially own greater than 9.99% of the issued and outstanding Common Shares. The Company is issuing Compressed Shares to minimize the

proportion of the outstanding voting securities of CannaRoyalty that are held by "U.S. persons" for purposes of determining whether CannaRoyalty is a "foreign private issuer" for purposes of United States securities laws.

**Item 5.2 Disclosure for Restructuring Transactions**

Not applicable.

**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**

July 6, 2018

**Cautionary Note Regarding Forward Looking Information**

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 CannaRoyalty'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 relating to the Acquisition, 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 material change report are made as of the date of this material change report. 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.