

CannaRoyalty Completes Strategic Sale of Equity Stake and Royalty in AltMed for \$8 Million to Tidal Royalty

- Sale of CannaRoyalty's equity interest and royalty in AltMed represents approx. 168% return on investment for CannaRoyalty's shareholders.
- *Agreement follows the sale of the Company's stake in Anandia Labs and sale of exclusive Canadian license for Wagner Dimas to Aurora Cannabis*
- *Advances CannaRoyalty's stated commitment to create shareholder value by realizing gains on non-core assets*

All financial figures in Canadian dollars (\$) unless otherwise indicated

OTTAWA, Aug. 27, 2018 /CNW/ - CannaRoyalty Corp. (CSE: CRZ) (OTC: CNNRF) ("CannaRoyalty"), a leading North American cannabis products and brands company, today announced that it has entered into a binding letter of intent (the "Agreement") with Tidal Royalty Corp. ("Tidal Royalty"), a leading provider of royalty financing to licensed U.S. cannabis operators, whereby Tidal Royalty will acquire the Company's equity stake and royalty entitlement in Alternative Medical Enterprises LLC ("AltMed") for a consideration of \$8 million. CannaRoyalty will maintain the right to license MÜV products in California, Nevada, Canada and other select markets.

AltMed is a licensed cannabis business operating in the state of Florida that exclusively manufactures and distributes a line of award-winning cannabis infused products marketed under the MÜV™ brand. NuTrae (doing business as MüV), is a subsidiary of AltMed and launched the MüV product line in Q3, 2016 exclusively in the Arizona medical market. As *previously disclosed*, CannaRoyalty currently holds an 6.14% ownership position in AltMed and has a 3.5% royalty on global net sales of the following MüV products: Transdermal patches, metered dose inhalers, and patent-pending transdermal gels.

"The sale of our equity stake and royalty in AltMed advances our stated strategy of realizing value for shareholders on assets that are deemed non-core to our business. The substantial gains from our successful investment in AltMed will provide CannaRoyalty with capital to continue to expand its distribution and brand network in the California market, while offering CannaRoyalty shareholders a significant return on investment," said Marc Lustig, Chairman and CEO of CannaRoyalty.

"We were early to identify the long term potential in AltMed and MüV as vital players in the North American cannabis value chain and are confident that the businesses will be valuable additions to Tidal Royalty's diverse portfolio. As CannaRoyalty continues to grow and build a solid presence in California, we look forward to partnering with the experienced team at Tidal Royalty." Mr. Lustig added.

The aggregate consideration of \$8 million will be in a combination of cash and Tidal Royalty's stock. Closing of the transaction is subject to, among other things, the satisfactory completion of due diligence, which is currently underway, and the receipt of all corporate and regulatory approvals.

About CannaRoyalty

CannaRoyalty is a North American cannabis consumer product company currently focused 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, anticipated timing for the Company's release of financial results, the execution of the Company's strategy, new opportunities, future growth and other statements.

Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of CannaRoyalty, its subsidiaries, or its affiliates to be materially different from any future results, performance or achievements expressed or implied by the forward-looking 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 and assumptions 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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