

CannaRoyalty Provides Strategic Financing to Brand Partner Utopia Cannabis to Drive Revenue Growth

- CannaRoyalty leverages its distribution platform to support third party brands and drive revenue growth
- Utopia is a licensed manufacturer of award-winning flowers, edibles and extracts in the California market

OTTAWA, Sept. 13, 2018 /CNW/ - **CannaRoyalty Corp. (CSE: CRZ) (OTCQX: CNNRF)** ("CannaRoyalty") and its subsidiary RVR Distribution ("RVR") (together the "Companies") today announced that the Companies have agreed to provide strategic financing to support the expansion and growth of Utopia Cannabis ("Utopia"), an award-winning California-based cannabis brand focused on curating clean, best-in-class cannabis flowers, extracts and edibles. Under the Agreement, CannaRoyalty will advance USD\$750,000 to finance a forward purchase of manufactured products, including Utopia-branded jarred extracts, vaporizer cartridges and edibles (the "Inventory").

The advanced funds will be used as working capital to accelerate Utopia's manufacturing and production schedule at their newly permitted Type-7 Manufacturing facility.

Afzal Hasan, President and General Counsel at CannaRoyalty said, "At the end of 2017, we highlighted our mission to become the home of origin for the global cannabis brands of the future, leveraging our access to distribution, manufacturing infrastructure and resources to help promising cannabis brands scale up. Through the course of this year, we've been busy building that home of origin for tomorrow's global brands, specifically for authentic entrepreneurs like Utopia to share with us. This financing represents the first of many in which we will provide these partners with the tools and resources that they need to lead the industry, first locally in California and then eventually on a global scale. And importantly, we are doing this on non-dilutive terms that allow our brand partners to reap the benefits of their hard-work. We are confident that our unique approach makes us strategic partner of choice for the global cannabis brands of tomorrow."

"At Utopia, we take pride in delivering an authentic and best-in-class cannabis experience to our consumers. Since 2014, we have combined premium ingredients, conscious production techniques and a commitment to transparency, to manufacture trusted, quality, award-winning products. We are excited to strengthen our existing relationship with RVR through this financing with CannaRoyalty. This working capital will support our continued growth as we meet consumer demand for our products." commented Kaiya Bercow, Co-Founder and CEO of Utopia Cannabis.

Transaction Summary

- CannaRoyalty will provide Utopia with USD\$750,000 (the "Prepayment") towards the prepayment of Utopia-branded manufactured products including jarred extracts, vaporizer cartridges and edibles
- Repayment will be made in the form of state compliant cannabis products

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 Common Shares trade on the Canadian Stock Exchange (CSE) under the symbol CRZ and in the US on the OTCQX under the symbol CNNRF.

About Utopia

Utopia™ is a leading cannabis brand focused on curating clean, premium products for California consumers. Since 2014, Utopia has been a leading cultivator and manufacturer with the debut of their signature C. Banana strain. Committed to pure, best-in-class cannabis, Utopia's products have won three dozen awards for quality, innovation and consistency.

Consumers can find Utopia products at retailers throughout California and connect with the brand at www.utopiacannabis.com, info@utopiacannabis.com or via social media [@utopia.ca](https://www.instagram.com/utopia.ca).

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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