

# CannaRoyalty to Sell Equity Stake in Wagner Dimas to Australis Cannabis

- CannaRoyalty to receive C\$3 million for the 2.2 million Wagner Dimas shares it owns
- The sale of CannaRoyalty's equity interest in Wagner Dimas represents an approximate 182% return on investment for CannaRoyalty's shareholders
- Agreement advances CannaRoyalty's stated commitment to create shareholder value by realizing gains on non-core assets

OTTAWA, Sept. 17, 2018 /CNW/ - **CannaRoyalty Corp. (CSE: CRZ) (OTCQX: CNNRF)** ("CannaRoyalty" or the "Company"), a leading North American cannabis products and brands company, announced today that it has signed a letter of intent (the "Agreement") with Australis Capital Inc. ("Australis") whereby Australis intends to purchase 2,200,000 shares of common stock (the "Share Purchase") in the capital of Wagner Dimas Inc. ("Wagner Dimas") from Cannroy Delaware Inc. ("Cannroy Delaware"), a wholly-owned subsidiary of CannaRoyalty Corp. This announcement follows the announcement of the [sale of the Company's exclusive Canadian license](#) for Wagner Dimas' pre-roll technology to Aurora Cannabis.

Pursuant to the Agreement, Australis intends to purchase Cannroy Delaware's 22% equity interest in Wagner Dimas. As consideration for the Share Purchase, Australis would pay C\$3,000,000, payable in either common shares of Australis or cash.

Marc Lustig, Chairman and CEO of CannaRoyalty, said, "Over the past year, our team has been focused on building a platform that will position CannaRoyalty as the go-to home of origin for promising growth brands in the California market. To support these ongoing efforts, in early 2018 we outlined a plan to rationalize non-core assets. To date we have successfully executed that plan, generating significant returns for shareholders and non-dilutive capital to fund our California build-out."

The Agreement is subject to customary closing conditions.

## About Wagner Dimas

Wagner Dimas is a Nevada corporation which develops technology for large scale manufacturing in a variety of applications including production scale rolling machines to mass manufacture hemp and cannabis pre-rolls and cones. Wagner Dimas licensees have experienced significant demand for both its co-packing and contract manufacturing services with over 40 of the largest cannabis brands, dispensaries and cultivators, tapping Wagner Dimas' propriety hardware to produce unparalleled quantity and quality of finished product.

## About Australis Capital Inc.

Australis Capital identifies and invests in the cannabis industry predominately in the United States, a highly regulated, fragmented, rapidly expanding and evolving industry. Investments may include and are not limited to equity, debt or other securities of both public and private companies, financings in exchange for royalties or other distribution streams, and control stake acquisitions. Australis Capital adheres to stringent investment criteria and will focus on significant near and mid-term high-quality opportunities with strong return potentials while maintaining a steadfast commitment to governance and community. Australis Capital's Board, Management and Advisory Committee members have material experience with, and knowledge of, the cannabis space in the U.S., extensive backgrounds in highly regulated industries, adherence to stringent regulatory compliance, public company and operational expertise. For further information, please contact Australis by e-mail at [ir@ausacap.com](mailto:ir@ausacap.com) or visit [www.ausacap.com](http://www.ausacap.com).

## **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.

## **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. There is no assurance that the Share Sale will be completed as proposed or at all.*

*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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