



CannaRoyalty Commends Health Canada's Proposed Approach for the Regulation of Cannabis Products

Consumers, the Canadian cannabis market and CannaRoyalty all poised to benefit from the inclusion of advanced and derivative products

Ottawa, Canada – November 23, 2017 – CannaRoyalty Corp. (CSE: CRZ) (OTCQX: CNNRF) ("CannaRoyalty" or the "Company"), today commented on Health Canada's *Proposed Approach to the Regulation of Cannabis* (the "**Proposed Regulations**"), which was released to the public on November 22, 2017. The Proposed Regulations contemplate a variety of cannabis product forms not currently allowable under the Access to Cannabis for Medical Purposes Regulations (the "ACMPR"), including: edible products containing cannabis (like food or beverages), pre-rolls, and cannabis concentrates including vaporizing solutions. The Proposed Regulations suggest these product forms are to be permitted after one year of the proposed Cannabis Act coming into effect, which is expected on or before July 1st, 2018.

The Proposed Regulations provide a platform for CannaRoyalty to commercialize its products, brands, intellectual property, and know-how into the growing Canadian market. CannaRoyalty's product portfolio includes owned and licensed intellectual property in a variety of product categories, including:

- Edibles (wholly owned brand – Soul Sugar Kitchen™);
- Pre-roll technologies (exclusive Canadian license – Wagner Dimas);
- Topicals and skin creams (wholly owned brand – DermaLeaf™ skin care; out-licensing rights – MüV topical/cream products);
- Vape technologies (wholly owned brands – GreenRock Botanicals™, The Terpistry™, and The Rocket);
- Animal health products (wholly owned brand – Best Buds™);
- Female intimacy oils (wholly owned brand – Freya™ Intimacy Oil); and
- Other medical and adult-use focused products such as transdermal patches, metered dose inhalers, and various concentrate products.

"We applaud Health Canada for its progressive stance toward the evolution of the legal cannabis market in Canada," said Marc Lustig, CEO of CannaRoyalty. "It has long been our expectation that Canada would look to more advanced legal cannabis markets in the U.S. to frame its policy. The contemplated inclusion of more progressive product forms such as edibles and concentrates, is very positive news for consumers, the overall cannabis market, and for CannaRoyalty. Since inception, we have focused on advanced U.S. jurisdictions, such as California, to build an experienced team and a diversified product and brand portfolio. We are very excited about the opportunity to bring this knowledge base and advanced product suite back to Canada."

CannaRoyalty has acquired and developed intellectual property for several product delivery systems as well as product manufacturing capabilities. The Company's product portfolio has been developed primarily in the California market, which is the largest and most mature, legal cannabis market in the

⁽¹⁾ According to New Frontier Data, California has the world's largest cannabis market with annual sales in 2016 of \$2.8 billion

⁽²⁾ Arcview Market Research Report (in partnership with: BDS Analytics) "The State of Legal Marijuana Markets" 5th Edition, 2016

world.⁽¹⁾ CannaRoyalty has leveraged this experience to discern consumer preferences, and preferred delivery methods, in a safe, consistent and commercially viable way. In mature commercial cannabis markets such as Colorado, Washington, and Oregon, dried flower composes approximately 50% all sales. The other 50% is composed of alternative product forms including pre-rolls, edibles, and concentrate cannabis products,⁽²⁾ supporting the need in Canada for advanced and derivative products such as the those in CannaRoyalty's portfolio.

About CannaRoyalty

CannaRoyalty is an active investor and operator in the legal cannabis industry. Our focus is building and supporting a diversified portfolio of growth-ready assets in high-value segments of the cannabis sector, including research, consumer brands, devices and intellectual property. Our management team combines a hands-on understanding of the cannabis industry with seasoned financial know-how, assembling a platform of holdings via royalty agreements, equity interests, secured convertible debt, licensing agreements and its own branded portfolio.

For further inquiries, please contact:

Marc Lustig, CEO
info@cannaroyalty.com
1-844-556-5070
www.cannaroyalty.com

Jonathan Ross, CFA
LodeRock Advisors Inc.
jon.ross@loderockadvisors.com
416-283-0178

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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 including the Company's expectations with respect to pursuing new opportunities and its future growth and other statements of fact.

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 which have limited or no operating history and are engaged in activities currently considered illegal under US Federal Laws; 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.

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