



CannaRoyalty Continues Expansion of California Footprint with Purchase of Licensed Distribution and Manufacturing Facility in Sonoma County

- *Strategically located and licensed 11,441-square-foot property in the city of Cotati in Sonoma County to complement CannaRoyalty's existing California footprint*
- *The city of Cotati is one of California's most attractive cannabis tax rate jurisdictions*
- *Including Cotati, 5 strategically located distribution and manufacturing facilities state-wide make CannaRoyalty the ideal partner for growing cannabis consumer brands*

Ottawa, Canada – July 06, 2018 – CannaRoyalty Corp. (CSE: CRZ) (OTCQX: CNNRF) ("CannaRoyalty" or the "Company"), a leading North American cannabis products and brands company, announced today that it has purchased a licensed distribution and manufacturing facility ("Cotati") in the city of Cotati in Sonoma County, California for US\$2.4 million (the "Agreement"). Cotati will serve as an additional hub for distribution, as well as supporting manufacturing infrastructure, to meet the strong demand of CannaRoyalty's distributed brand portfolio. In addition to the center's strategic location, proximate to both existing Company assets and major transportation arteries, the Cotati property was an ideal choice because of the low initial local tax rates on distribution (0%) and manufacturing (1%)¹.

Afzal Hasan, President and General Counsel of CannaRoyalty commented, "We continue to execute on our strategy, as reiterated in our [recent financing announcement](#) through the development of five facilities across California to capitalize on a historic opportunity to lead the largest and most diverse cannabis market in the world. With five distribution and manufacturing facilities, we have positioned ourselves as the partner of choice for a number of growth-oriented consumer brands that will be launching through our platform in the next several months."

¹ [https://ballotpedia.org/Cotati, California, Marijuana Tax, Measure G \(November 2017\)](https://ballotpedia.org/Cotati,_California,_Marijuana_Tax,_Measure_G_(November_2017))

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.

For further inquiries, please contact:

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

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

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.