CANNAROYALTY CORP.

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

TO BE HELD ON JUNE 13, 2018

AND

MANAGEMENT INFORMATION CIRCULAR

DATED MAY 8, 2018

CANNAROYALTY CORP.

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

TAKE NOTICE THAT an annual and special meeting (the "**Meeting**") of the holders ("**Shareholders**") of common shares ("**Common Shares**") of CannaRoyalty Corp. (the "**Corporation**") will be held at the law offices of Cassels Brock & Blackwell LLP, Suite 2100 Scotia Plaza, 40 King Street West, Toronto, Ontario, M5H 3C2 on June 13, 2018 at 10:00 a.m. for the following purposes:

1. to receive and consider the Corporation's audited consolidated financial statements for the fiscal year ended December 31, 2017 together with the report of the auditor thereon;

2. to appoint MNP LLP as auditor of the Corporation for the ensuing year and to authorize the directors to fix their remuneration;

3. to pass, with or without variation, an ordinary resolution to fix the number of directors to be elected at the Meeting at six (6) members;

4. to consider and, if deemed advisable, to pass, with or without variation, a special resolution authorizing the directors of the Corporation to determine the size of the board of directors of the Corporation from time to time;

5. (A) to elect the directors of the Corporation to serve from the close of the Meeting until the close of the next annual meeting of the Shareholders or until their successors are duly elected or appointed, as more particularly set forth in the accompanying management information circular (the "**Circular**"); and (B) to elect a new director of the Corporation to serve from the date of closing of the Corporation's acquisition of River Distribution and its affiliates until the close of the next annual meeting of shareholders of the Corporation or until a successor is elected or appointed, as more fully described in the Circular;

6. to approve a special resolution authorizing the Corporation to make an application for Articles of Amendment in order to increase the authorized capital of the Corporation by creating an unlimited number of Class A compressed shares (the "**Article of Amendment Resolution**"); and

7. to transact such other business as may be properly brought before the Meeting or any adjournment(s) or postponement(s) thereof.

This Notice of Meeting is accompanied by the Circular, either a form of proxy for registered Shareholder or a voting instruction form for beneficial Shareholders (collectively, the "**Meeting Materials**"). The nature of the business to be transacted at the Meeting is described in further detail in the accompanying Circular. The Circular is deemed to form part of this Notice of Meeting. Please read the Circular carefully before you vote on the matters presented at the Meeting.

The Board has fixed May 1, 2018 as the record date for determining Shareholders who are entitled to receive notice of and to vote at the Meeting. Only Shareholders whose names have been entered in the register of holders of Common Shares on the close of business on that date are entitled to notice of the Meeting and to vote at the Meeting or at any adjournment(s) or postponement(s) thereof.

Registered Shareholders who validly dissent in respect of the proposed Articles of Amendment Resolution will be entitled to be paid the fair value of their Common Shares in accordance with section 185 of the *Business Corporations Act* (Ontario). The dissent rights are described in the Circular. Failure to strictly comply with the requirements set forth in section 185 of the *Business Corporations Act* (Ontario) may result in the loss of any dissent right.

This year, as described in the notice-and-access notification mailed to Shareholders, the Corporation has decided to deliver the Meeting Materials to Shareholders utilizing the notice-and-access mechanism that came into effect on February 11, 2013 under National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer*. This means the Corporation will deliver the Meeting

Materials to Shareholders by posting the Meeting Materials on its website at www.cannaroyalty.com/investors/ and also on https://docs.tsxtrust.com/2046. The use of this alternative means of delivery is more environmentally friendly as it will help reduce paper use and it will also reduce the Corporation's printing and mailing costs. The Meeting Materials will be available on the Corporation's website as of May 14, 2018, and will remain on the website for one full year thereafter. In addition, the Meeting Materials will also be available under the Corporation's profile on SEDAR at www.sedar.com as of May 14, 2018.

Prior to the Meeting, those Shareholders who wish to receive paper copies of the Meeting Materials may request copies from the Corporation by calling toll-free at 1-866-600-5869. For up to one year after the Meeting, those Shareholders who wish to receive paper copies of the Meeting materials may request copies from the Corporation by calling toll-free at 1-866-600-5869 or by email at TMXEInvestorServices@tmx.com. Meeting Materials will be sent to such Shareholders at no cost within three business days of their request, if such requests are made before the Meeting. In order to receive paper copies of the Meeting Materials in advance of the proxy deposit deadline, as set out below, your request should be received no later than June 4, 2018.

If you would like more information about the "notice-and-access" rules, please contact the Corporation by calling toll-free at 1-866-600-5869 or email TMXEInvestorServices@tmx.com.

IMPORTANT

Registered Shareholders may attend the Meeting in person or may be represented by proxy. Shareholders who are unable to attend the Meeting or any adjournment(s) or postponement(s) thereof in person are requested to date, sign and return the accompanying form of proxy for use at the Meeting or any adjournment thereof. To be effective, the enclosed proxy must be mailed or faxed so as to reach or be deposited with the Corporation's transfer agent, TSX Trust Company, 100 Adelaide Street West, Ste 301, Toronto, ON, M5H 4H1, or internet at www.voteproxyonline.com using your 12 digit control number. To vote by internet, please access the website listed on your proxy and follow the online voting instructions. Proxies must be received no later than 10:00 a.m. (Toronto time) on Monday, June 11, 2018, or 48 hours (excluding Saturdays, Sundays and statutory holidays in the Province of Ontario) prior to the time set for any adjournment of the Meeting. Late proxies may be accepted or rejected by the Chairman of the Meeting in his discretion, and the Chairman is under no obligation to accept or reject any particular late proxy. If you hold Common Shares through a broker, investment dealer, bank, trust company or other intermediary, you should follow the instructions provided by your intermediary to ensure your vote is counted at the Meeting (see the section in the accompanying Circular entitled "Advice to Beneficial Holders" for further information on how to vote your Common Shares).

DATED at Ottawa, Ontario this 8th day of May, 2018.

By Order of the Board of Directors of CannaRoyalty Corp.

(signed) "Marc Lustig"

Marc Lustig
Director and Chief Executive Officer

CANNAROYALTY CORP.

MANAGEMENT INFORMATION CIRCULAR

SOLICITATION OF PROXIES

This management information circular (this "Circular") is provided in connection with the solicitation of proxies by management of CannaRoyalty Corp. (the "Corporation") for use at an annual and special meeting (the "Meeting") of the holders ("Shareholders") of common shares ("Common Shares") in the capital of the Corporation. The Meeting will be held on June 13, 2018 at 10:00 a.m. at the law offices of Cassels Brock & Blackwell LLP, Suite 2100 Scotia Plaza, 40 King Street West, Toronto, Ontario, M5H 3C2, or at such other time or place to which the Meeting may be adjourned, for the purposes set forth in the notice of annual and special meeting accompanying this Circular (the "**Notice**").

Although it is expected that the solicitation of proxies will be primarily by mail, proxies may also be solicited personally or by telephone, facsimile or other means of electronic communication. In accordance with National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* of the Canadian Securities Administrators ("**NI 54-101**"), arrangements have been made with brokerage houses and other intermediaries, clearing agencies, custodians, nominees and fiduciaries to forward solicitation materials to the beneficial owners of the Common Shares held of record by such persons and the Corporation may reimburse such persons for reasonable fees and disbursements incurred by them in doing so. The costs thereof will be borne by the Corporation.

In accordance with applicable securities law requirements, the Company will have distributed copies of the notice-and-access notification, the Notice, this Circular, and, as applicable, a form of proxy or voting instruction form (collectively, the "**Meeting Materials**"). This year, the Company has decided to use notice-and-access to deliver the Meeting Materials to Shareholders by posting the Meeting Materials on its website at www.cannaroyalty.com/investors/. The Meeting Materials will also be available under the Company's profile on the System for Electronic Document Analysis and Retrieval ("**SEDAR**") at www.sedar.com as of May 14, 2018. Shareholders will receive a notice-and-access notification which will contain information on how to obtain electronic and paper copies of the Meeting Materials in advance of the Meeting. Please see "*Notice-and-Access*" below.

These securityholder materials are being sent to both registered and non-registered owners of Common Shares. If you are a non-registered owner of Common Shares, and the Corporation or its agent has sent these materials directly to you, your name and address and information about your holdings of Common Shares have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding Common Shares on your behalf.

Accompanying this Circular (and filed with applicable securities regulatory authorities) is a form of proxy for use at the Meeting (an "**Instrument of Proxy**"). Each Shareholder who is entitled to attend at meetings of Shareholders is encouraged to participate in the Meeting and all Shareholders are urged to vote on matters to be considered in person or by proxy.

Unless otherwise stated, the information contained in this Circular is given as of May 8, 2018 (the "**Effective Date**").

All time references in this Circular are references to Toronto time.

APPOINTMENT AND REVOCATION OF PROXIES

Appointment of a Proxy

Those Shareholders who wish to be represented at the Meeting by proxy must complete and deliver a proper form of proxy, by the filing deadline, to TSX Trust Company. Proxies can be delivered by fax 416-595-9593, mail or hand to: TSX Trust Company, 100 Adelaide Street West, Ste

301, Toronto, ON, M5H 4H1, or internet at www.voteproxyonline.com and enter your 12 digit control number.

The persons named in the Instrument of Proxy accompanying this Circular are directors or officers of the Corporation, or persons designated by management of the Corporation, and are representatives of the Corporation's management for the Meeting. A Shareholder who wishes to appoint some other person (who need not be a Shareholder) to attend and act for him, her or it and on his, her or its behalf at the Meeting, other than the management nominee designated in the Instrument of Proxy, may do so by either: (i) crossing out the names of the management nominees AND legibly printing the other person's name in the blank space provided in the accompanying Instrument of Proxy; or (ii) completing another valid form of proxy. In either case, the completed form of proxy must be delivered to the Transfer Agent, at the place and within the time specified herein for the deposit of proxies. A Shareholder who appoints a proxy who is someone other than the management representatives named in the Instrument of Proxy should notify such alternative nominee of the appointment, obtain the nominee's consent to act as proxy, and provide instructions on how the Common Shares are to be voted. The nominee should bring personal identification to the Meeting. In any case, the form of proxy should be dated and executed by the Shareholder or an attorney authorized in writing, with proof of such authorization attached (where an attorney executed the proxy form).

In order to validly appoint a proxy, Instruments of Proxy must be received by the Transfer Agent, at TSX Trust Company, 100 Adelaide Street West, Ste 301, Toronto, ON, M5H 4H1, or internet at www.voteproxyonline.com and using your 12 digit control number, at least 48 hours, excluding Saturdays, Sundays and holidays, prior to the Meeting or any adjournment or postponement thereof. After such time, the Chairman of the Meeting may accept or reject a form of proxy delivered to him in his discretion, but is under no obligation to accept or reject any particular late form of proxy.

Revoking a Proxy

A Shareholder who has validly given a proxy may revoke it for any matter upon which a vote has not already been cast by the proxyholder appointed therein. In addition to revocation in any other manner permitted by law, a proxy may be revoked with an instrument in writing signed and delivered to either the registered office of the Corporation or the Transfer Agent, TSX Trust Company, 100 Adelaide Street West, Ste 301, Toronto, ON, M5H 4H1, at any time up to and including the last business day preceding the date of the Meeting, or any postponement or adjournment thereof at which the proxy is to be used, or deposited with the Chairman of such Meeting on the day of the Meeting, or any postponement or adjournment thereof. The document used to revoke a proxy must be in writing and completed and signed by the Shareholder or his or her attorney authorized in writing or, if the Shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized.

Also, a Shareholder who has given a proxy may attend the Meeting in person (or where the Shareholder is a corporation, its authorized representative may attend), revoke the proxy (by indicating such intention to the Chairman before the proxy is exercised) and vote in person (or withhold from voting).

Signature on Proxies

The form of proxy must be executed by the Shareholder or his or her duly appointed attorney authorized in writing or, if the Shareholder is a corporation, by a duly authorized officer whose title must be indicated. A form of proxy signed by a person acting as attorney or in some other representative capacity should indicate that person's capacity (following his signature) and should be accompanied by the appropriate instrument evidencing qualification and authority to act (unless such instrument has been previously filed with the Corporation).

Voting of Proxies

Each Shareholder may instruct his, her or its proxy how to vote his, her or its Common Shares by completing the blanks on the Instrument of Proxy.

The Common Shares represented by the enclosed Instrument of Proxy will be voted or withheld from voting on any motion, by ballot or otherwise, in accordance with any indicated instructions. If a Shareholder specifies a choice with respect to any matter to be acted upon, the Common Shares will be voted accordingly. In the absence of such direction, such Common Shares will be voted FOR THE RESOLUTIONS DESCRIBED IN THE INSTRUMENT OF PROXY AND BELOW. If any amendment or variation to the matters identified in the Notice is proposed at the Meeting or any adjournment or postponement thereof, or if any other matters properly come before the Meeting or any adjournment or postponement thereof, the accompanying Instrument of Proxy confers discretionary authority to vote on such amendments or variations or such other matters according to the best judgment of the appointed proxyholder. Unless otherwise stated, the Common Shares represented by a valid Instrument of Proxy will be voted in favour of (i) the appointment of MNP LLP as auditor of the Corporation for the ensuing year and authorizing the directors to fix their remuneration, (ii) the authorization for the directors of the Corporation to determine the size of the board of directors of the Corporation from time to time, (iii) the election of nominees set forth in this Circular, except where a vacancy among such nominees occurs prior to the Meeting, in which case, such Common Shares may be voted in favour of another nominee in the proxyholder's discretion, and (iv) the approval for the Corporation to make an application for Articles of Amendment to increase the authorized capital of the Corporation by creating an unlimited number of Class A compressed shares. As at the Effective Date, management of the Corporation knows of no amendments or variations to these items of business or other matters to come before the Meeting.

Advice to Beneficial Shareholders

The information set forth in this section is of importance to many Shareholders, as a substantial number of Shareholders do not hold Common Shares in their own name. Shareholders who hold their Common Shares through brokers, intermediaries, trustees or other persons, or who otherwise do not hold their Common Shares in their own name ("**Beneficial Shareholders**") should note that only proxies deposited by Shareholders who are "registered" Shareholders (that is, Shareholders whose names appear on the records maintained by the registrar and transfer agent for the Common Shares as registered holders of Common Shares) will be recognized and acted upon at the Meeting. If Common Shares are listed in an account statement provided to a Beneficial Shareholder by a broker, those Common Shares will, in all likelihood, not be registered in the Shareholder's name. Such Common Shares will more likely be registered under the name of the Shareholder's broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for CDS Clearing and Depository Services Inc., which acts as nominee for many Canadian brokerage firms). Common Shares held by brokers (or their agents or nominees) on behalf of a Beneficial Shareholder can only be voted by such broker (or their agent or nominee) at the direction of the Beneficial Shareholder. Without specific instructions, brokers (or their agents and nominees) are prohibited from voting Common Shares which they hold on behalf of Beneficial Shareholders. Subject to the following discussion in relation to NOBOs (as defined below), the Corporation does not know for whose benefit the Common Shares registered in the name of CDS & Co., a broker or another nominee, are held.

For purposes of applicable securities regulatory policy relating to the dissemination of proxy-related materials and other securityholder materials and the request for voting instructions from Beneficial Shareholders, there are two categories of Beneficial Shareholders. Non-objecting beneficial owners ("**NOBOs**") are Beneficial Shareholders who have advised their intermediary (such as brokers or other nominees) that they do not object to their intermediary disclosing ownership information to the Corporation, consisting of their name, address, e-mail address, securities holdings and preferred language of communication. **Securities legislation restricts the use of that information to matters strictly relating to the affairs of the Corporation.** Objecting beneficial owners ("**OBOs**") are Beneficial Shareholders who have advised their intermediary that they object to their intermediary disclosing such ownership information to the Corporation. The Corporation intends to send meeting materials directly to NOBOs and to pay for delivery of the meeting materials to OBOs.

Beneficial Shareholders will receive a notice of meeting and a voting instruction form from the intermediary who holds their Common Shares. The intermediary is responsible for properly effecting the voting instructions received from Beneficial Shareholders.

Applicable securities regulatory policy requires intermediaries, on receipt of meeting materials that seek voting instructions from Beneficial Shareholders indirectly, to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings using Form 54-101F7 – *Request for Voting Instructions Made by Intermediary* (a "**voting instruction form**"). Every intermediary/broker has its own mailing procedures and provides its own return instructions, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting or any adjournment(s) or postponement(s) thereof. Often, the voting instruction form supplied to a Beneficial Shareholder by its broker is identical to the form of proxy provided to registered Shareholders; however, its purpose is limited to instructing the registered Shareholder how to vote on behalf of the Beneficial Shareholder. Beneficial Shareholders who wish to appear in person and vote at the Meeting should be appointed as their own representatives at the Meeting in accordance with the directions of their intermediaries and as set forth in the voting instruction form. Beneficial Shareholders can also write the name of someone else whom they wish to attend at the Meeting and vote on their behalf. Unless prohibited by law, the person whose name is written in the space provided in the voting instruction form will have full authority to present matters to the Meeting and vote on all matters that are presented at the Meeting, even if those matters are not set out in the voting instruction form or this Circular. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**"). Broadridge typically mails a voting instruction form in lieu of the form of proxy. Beneficial Shareholders are requested to complete and return the voting instruction form to Broadridge by mail or facsimile. Broadridge will then provide aggregate voting instructions to the Transfer Agent, which tabulates the results and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting or any adjournment or postponement thereof.

All references to Shareholders in this Circular and the accompanying Instrument of Proxy and Notice are to registered Shareholders unless specifically stated otherwise. The Corporation will be sending proxy-related materials to registered Shareholders using Notice and Access.

Notice-and-Access

In November 2012, the Canadian Securities Administrators announced the adoption of regulatory amendment to securities laws governing the delivery of proxy-related materials by public companies. The notice-and-access mechanism came into effect on February 11, 2013 under NI 54-101. As a result, public companies are now permitted to advise their shareholders of the availability of all proxy-related materials on an easily-accessible website, rather than mailing physical copies of the materials.

The Corporation has decided to deliver the Meeting Materials to Shareholders by posting the Meeting Materials on its website at www.cannaroyalty.com/investors/ and also at https://docs.tsxtrust.com/2046. The Meeting Materials will be available on the Company's website as of May 14, 2018, and will remain on the website for one full year thereafter. In addition, the Meeting Materials will also be available on SEDAR at www.sedar.com as of May 14, 2018.

All Shareholders entitled to receive the Meeting Materials will receive a notice-and-access notification which will contain information on how to obtain electronic and paper copies of the Meeting Materials in advance of the Meeting.

Prior to the Meeting, those Shareholders who wish to receive paper copies of the Meeting Materials may request copies from the Company by calling toll-free at 1-866-600-5869 and entering your control number as indicated on your form of proxy or voting instruction form. For up to one year after the Meeting, those Shareholders who wish to receive paper copies of the Meeting Materials may request copies from the Corporation by calling toll-free at 1-866-600-5869 or by email at TMXEInvestorServices@tmx.com. Meeting Materials will be sent to such Shareholders at no cost within three business days of their request, if such requests are made before the Meeting. In order to receive paper copies of the Meeting Materials in

advance of the proxy deposit deadline, as set out below, your request should be received no later than June 4, 2018.

If you would like more information about the "notice-and-access" rules, please contact the Corporation by calling toll-free at 1-866-600-5869 or email TMXEInvestorServices@tmx.com.

INTEREST OF DIRECTORS AND OFFICERS IN MATTERS TO BE ACTED UPON

No director or senior officer of the Corporation, nor any proposed nominee for election as a director of the Corporation, nor any associate or affiliate of any one of them, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting, other than the election of directors of the Corporation.

VOTING SHARES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

Shareholders of record as of May 1, 2018 (the "**Record Date**") are entitled to receive notice and attend and vote at the Meeting. As at the Effective Date, the Corporation had 51,283,361 issued and outstanding Common Shares. These Common Shares are the only voting shares of the Corporation which are issued and outstanding as of the Record Date. Each Common Share entitles the holder to one vote in respect of any matter that may come before the Meeting.

To the knowledge of the directors and officers of the Corporation, as at the Effective Date, no person or corporation beneficially owns, directly or indirectly, or exercises control or direction over, more than 10% of the issued and outstanding Common Shares.

PARTICULARS OF MATTERS TO BE CONSIDERED AT THE MEETING

To the knowledge of the Board, the only matters to be brought before the Meeting are set forth in the accompanying Notice of Meeting. These matters are described in more detail under the headings below.

1. Financial Statements

Shareholders will receive and consider the Corporation's audited financial statements for the fiscal year ended December 31, 2017 together with the report of the auditor thereon. No vote of the Shareholders is required with respect to this item of business.

2. Re-appointment of Auditor

MNP LLP, 800-1600 Carling Ave., Ottawa, Ontario K1Z 1G3, are the current auditors of the Corporation and were first appointed as auditors of the Corporation by the Board on February 12, 2018.

In accordance with National Instrument 51-102 – *Continuous Disclosure Obligations* ("**NI 51-102**"), please see attached hereto at Appendix "A" a copy of the reporting package (as defined in NI 51-102) filed by the Corporation with securities regulators on February 22, 2018.

The reporting package is comprised of (i) the change of auditor notice (the "**Change of Auditor Notice**") containing the information required by NI 51-102; (ii) the letter provided by Jackson & Corporation, former auditors of the Corporation, acknowledging and confirming the Change of Auditor Notice; and (iii) the letter provided by MNP LLP, the current auditors of the Corporation, acknowledging and confirming the Change of Auditor Notice. The Change of Auditor Notice confirms that there have been no reservations contained in the auditor's reports on the financial statements for the Corporation's last two fiscal periods, that the Board approved the resignation of Jackson & Corporation and the appointment of MNP LLP and that there were no reportable events (as defined in NI 51-102) in connection with Jackson & Corporation's audits of the Corporation, which occurred prior to its resignation.

Shareholders will be asked at the Meeting to consider, and if thought appropriate, to pass, an ordinary resolution, the text of which is as follows:

"**BE IT HEREBY RESOLVED** that:

1. the re-appointment of MNP LLP as auditor of the Corporation to hold office until the close of the next annual meeting of the Shareholders is hereby approved; and

2. the Board is hereby authorized to fix the remuneration of the auditors so appointed."

To be effective, the appointment of MNP LLP requires the affirmative vote of not less than a majority of the votes cast by Shareholders present in person or represented by proxy and entitled to vote at the Meeting. **The persons designated as proxyholders in the accompanying Instrument of Proxy (absent contrary directions) intend to vote FOR the re-appointment of the auditors and the authorization of the Board to fix the remuneration of the auditors as set forth above and herein.**

3. Fix Number of Directors

At the Meeting, it will be proposed that six (6) directors be elected to hold office for the next ensuing year. Management therefore intends to place before the Meeting for approval, with or without modification, a resolution setting the number of directors to be elected until the next annual meeting of Shareholders, subject to the articles and by-laws of the Corporation relating to subsequent appointments by the Board and the Board Size Resolution (as defined herein), at six (6) members.

The text of the ordinary resolution which management intends to place before the Meeting for the approval of the fixing of the number of directors is as follows:

"**BE IT THEREFORE RESOLVED** as an ordinary resolution of the Corporation that:

1. the number of directors to be elected at the Meeting for the ensuing year or otherwise as authorized by the Shareholders be and is hereby fixed at six (6); and

2. any one director or officer of the Corporation is authorized and directed, on behalf of the Corporation, to take all necessary steps and proceedings and to execute, deliver and file any and all declarations, agreements, documents and other instruments and do all such other acts and things (whether under corporate seal of the Corporation or otherwise) that may be necessary or desirable to give effect to this ordinary resolution."

To be effective, the foregoing resolution must be approved by a simple majority of the votes cast at the Meeting by the Shareholders voting in person or by proxy. **Unless otherwise indicated, the persons designated as proxyholders in the accompanying form of proxy will vote the shares represented by such form of proxy, properly executed, FOR the resolution fixing the number of directors at six (6).**

4. Discretionary Size of the Board

The Articles provide that the Board shall consist of a minimum of one and a maximum of 10 directors. The Corporation currently has five directors and six nominees are standing for election at the Meeting.

The *Business Corporations Act* (Ontario) (the "**OBCA**") provides that where a minimum and a maximum number of directors of a corporation is provided for in the articles of the corporation, the number of directors of the corporation and the number of directors to be elected at an annual meeting of the Shareholders shall be such number as shall be determined from time to time by special resolution of the Shareholders or, if a special resolution of the Shareholders empowers the directors to determine the number, by resolution of the directors. The OBCA further provides that where such a special resolution has been passed to empower the directors to determine the number of directors, the directors may not between meetings of Shareholders appoint additional directors if, after such appointment, the total number of directors would be greater than one and one third times the number of directors required to have been elected at the last annual meeting of Shareholders. In other words, if so empowered by a special resolution, a board of directors could increase its size by up to a third between annual meetings of Shareholders.

The Board feels that to remain effective and to continue to fully and properly dispense with the duties of the Board, it is desirable to permit the Board to determine from time to time the appropriate size of the Board. As a result, the Corporation is requesting that at the Meeting, the Shareholders pass a special resolution in the form set out below (the "**Board Size Resolution**") to empower the Board to determine the number of directors on the Board from time to time within the minimum and the maximum number set in the Articles, by a resolution of the directors, subject to the limitations set out in the OBCA.

The full text of the Board Size Resolution is as follows:

> "**BE IT THEREFORE RESOLVED** by a special resolution of the Corporation that:
>
> 1. the number of directors of the Corporation from time to time may be determined, within the minimum and maximum set out in the Corporation's Articles of incorporation, by a resolution of the directors, subject to the limitations set out in the *Business Corporations Act* (Ontario); and
>
> 2. any one director or officer of the Corporation be and is hereby authorized and directed to do all such acts and things and to execute and deliver under the corporate seal or otherwise all such deeds, documents, instruments and assurances as in his or her opinion may be necessary or desirable to give effect to this resolution."

The Board and management of the Corporation believe that the proposed Board Size Resolution is in the best interests of the Corporation and accordingly recommends that the Shareholders vote **FOR** the Board Size Resolution at the Meeting.

To be effective, the Board Size Resolution requires the affirmative vote of not less than two-thirds of the votes cast by Shareholders present in person or represented by proxy and entitled to vote at the Meeting. **The persons designated as proxyholders in the accompanying Instrument of Proxy (absent contrary directions) intend to vote FOR the Board Size Resolution as set forth above and herein.**

5. Election of Directors

At the Meeting, Shareholders are required to elect the directors of the Corporation to hold office until the close of the next annual meeting of Shareholders or until their successors are elected or appointed. It is desirable, in connection with the Corporation's anticipated acquisition of River Distribution and its affiliates ("**RVR**"), to (A) elect directors of the Corporation to serve from the close of the Meeting until the close of the next annual meeting of Shareholders or until their successors are elected or appointed; and (B) elect one director (the "**RVR Nominee**") to serve from the closing date of the Corporation's acquisition of RVR (the "**RVR Closing Date**") until the close of the next annual meeting of Shareholders or until their successors are elected or appointed.

To be effective, the election of the directors set forth below requires the affirmative vote of not less than a majority of the votes cast by Shareholders present in person or represented by proxy and entitled to vote at the Meeting. **The persons designated as proxyholders in the accompanying Instrument of Proxy (absent contrary directions) intend to vote FOR the election of the directors as set forth below and herein. The Corporation does not contemplate that any of such nominees will be unable to serve as directors; however, if for any reason any of the proposed nominees do not stand for election or are unable to serve as such, proxies held by the persons designated as proxyholders in the accompanying Instrument of Proxy will be voted FOR another nominee in their discretion unless the Shareholder has specified in his, her or its form of proxy that his, her or its Common Shares are to be withheld from voting in the election of directors.**

With the exception of the RVR Nominee, each Director elected will hold office from the close of the Meeting until the next annual general meeting of the Shareholders or until his successor is elected or appointed, unless his office is earlier vacated in accordance with the Articles of the Corporation, or with the provisions of the OBCA. The RVR Nominee will hold office from the RVR Closing Date until the next annual general meeting of the Shareholders or until his successor is elected or appointed, unless his

office is earlier vacated in accordance with the Articles of the Corporation, or with the provisions of the OBCA.

Shareholders will be asked at the Meeting to consider, and if thought appropriate, to pass an ordinary resolution, the text of which is as follows:

"**BE IT HEREBY RESOLVED** that:

1. The election of each of Marc Lustig, Rob Harris, Dr. Jim Young, Oskar Lewnowski and Peter Kampian as directors of the Corporation to hold office until the close of the next annual meeting of Shareholders or until their successors are elected or appointed, is hereby approved; and

2. The election of Ted Simpkins as director of the Corporation, to hold office from the RVR Closing Date until the next annual meeting of Shareholders or until his successor is elected or appointed, is hereby approved."

The following table sets forth the name of each of the persons proposed to be nominated for election as a director of the Corporation, all positions and offices in the Corporation presently held by such nominees, the nominees' municipality and country of residence, current principal occupation, the period during which the nominees have served as directors, and the number and percentage of Common Shares beneficially owned by the nominees, directly or indirectly, or over which control or direction is exercised.

Name, Municipality of Residence[(1)], Proposed Position with the Corporation	Term[(2)]	Principal Occupation or Employment	Number[(3)] and Percentage of Common Shares Held[(4)]
Marc Lustig West Vancouver, British Columbia, Canada Director, President and Chief Executive Officer	December 5, 2016 to Current	Chief Executive Officer of CannaRoyalty.	3,371,085[(5)] 6.57%
Rob Harris[(9)(11)] Milton, Ontario Canada Director	December 5, 2016 to Current	Director of Nuvo Pharmaceuticals; Director of Aralez Pharmaceuticals Inc.; President, Chief Executive Officer of Tribute Pharma Canada Inc. and Tribute Pharmaceuticals Canada Ltd., December 2011 to February 2016.	66,667[(6)(7)] 0.13%
Dr. Jim Young[(9)(11)(12)] Potomac, Maryland United States Director	December 5, 2016 to Current	Chairman at Novavax, Inc.; Chairman at Targeted Microwave Solutions, Inc.; Director at 3-V Biosciences, Inc.	150,000[(8)] 0.29%
Peter Kampian[(9)(10)(11)] Cambridge, Ontario Canada Director	December 27, 2017 to Current	Chief Financial Officer of DionyMed Holdings Inc.; Former Chief Financial Officer of Mettrum Health Corp from 2014 to its acquisition by Canopy Growth Corporation in 2017.	Nil[(13)]
Oskar Lewnowski Rye, New York United States Director	December 27, 2017 to Current	Founder and Chief Investment Officer of Orion Resource Partners.	Nil[(14)]
Ted Simpkins California	N/A	Chief Executive Officer of River Distribution	Nil[(15)]

Director			
	TOTAL:		**3,587,752** **7.00%**

Notes:

(1) The information as to municipality of residence and principal occupation, not being within the knowledge of CannaRoyalty, has been furnished by the respective directors and officers individually.
(2) The term of each director of CannaRoyalty will expire on the date of the next annual meeting of shareholders of the Corporation.
(3) The information as to shares beneficially owned or over which a director or officer exercises control or direction, not being within the knowledge of CannaRoyalty, has been furnished by the respective directors and officers individually.
(4) Based on an issued and undiluted basis (i.e., 51,283,361) Common Shares).
(5) This does not include vested and deferred RSUs or unvested RSUs currently held but this does include 171,335 Common Shares held by AJKNJ Corp. ("**Lustig HoldCo**"). Additionally, Mr. Lustig owns 1,416,500 RSUs, of which 812,750 have vested.
(6) Mr. Harris also owns 100,000 RSU, of which 66,667 have vested.
(7) Mr. Harris has also been granted 200,000 options, of which 50,000 have vested.
(8) Additionally, Dr. Young owns 100,000 RSUs, of which 66,667 have vested. Dr. Young also has been granted 200,000 options of which 50,000 have vested.
(9) Member of the Audit Committee.
(10) Chair of the Audit Committee.
(11) Member of Compensation and Governance Committee.
(12) Chair of Compensation and Governance Committee.
(13) Mr. Kampian has been granted 200,000 options, of which 50,000 have vested.
(14) Mr. Lewnowski has been granted 200,000 options, of which 50,000 have vested.
(15) Mr. Simpkins is expected to become a significant shareholder of the Corporation following the closing of the RVR acquisition.

The following are brief biographical descriptions of the persons proposed to be elected as directors of the Corporation.

Marc Lustig: Mr. Lustig holds MSc and MBA degrees from McGill University. He began his professional career in the pharmaceutical industry at Merck & Co. In 2000, he started his capital markets career in institutional equity research in the Life Sciences sector at Orion Securities. For the next 14 years, Mr. Lustig worked as a top producer at GMP Securities L.P. and as Head of Capital Markets at Dundee Capital Markets before becoming Principal at KES 7 Capital. Mr. Lustig founded Cannabis Royalties & Holdings Corp. in early 2015.

Rob Harris: Mr. Harris has served as a director of Aralez Pharmaceuticals Inc. (NASDAQ: ARLZ (TSX: ARZ) since February 5, 2016. Mr. Harris is also a member of the Board of Directors of Nuvo Pharmaceuticals Inc. (TSX:NRI) (OTCQX:NRIFF) since May 2017. Mr. Harris has over 35 years of pharmaceutical industry experience in both Canada and the United States in sales, marketing, business development and general management. Mr. Harris most recently served as President and CEO of Tribute Pharmaceuticals. Prior to co-founding Tribute Pharmaceuticals, Rob was the President & CEO of Legacy Pharmaceuticals Inc. Mr. Harris also has previous experience at Biovail Corporation where as VP of Business Development he was involved, led and successfully concluded numerous business development transactions, including the licensing of new chemical entities, the acquisition of mature products, the completion of co-promotion deals, distribution agreements, product development and reformulation transactions. Mr. Harris joined Biovail in 1997 as the GM of Biovail Pharmaceuticals Canada at a time when the company experienced rapid growth in the Canadian division. Before Biovail, Mr. Harris worked in various senior commercial management positions during his twenty-year tenure at Wyeth (Ayerst) including its animal health group and has been involved in numerous product launches during his career.

Dr. Jim Young: Dr. Young is the Chairman at Novavax, Inc., Chairman at Targeted Microwave Solutions, Inc. and sits on the board of directors at 3-V Biosciences, Inc. Dr. Young has over 30 years of experience in the fields of molecular genetics, microbiology, immunology and pharmaceutical development. Prior to being acquired by Astra Zeneca, Dr. Young was MedImmune's President of Research and Development.

Dr. Young received his doctorate in microbiology and immunology from Baylor College of Medicine in Houston, Texas, and in 2005 was awarded the Albert B. Sabin Humanitarian Award.

Peter Kampian: Peter Kampian was the Chief Financial Officer of Mettrum Health Corp from 2014 to its acquisition by Canopy Growth Corporation in 2017. He is a financial executive with over 30 years' experience in investment, infrastructure, electrical generation, and manufacturing, with both private and publicly-trading corporate entities. Mr. Kampian is an experienced board audit chair and has held many directorships and offices such as Chief Financial Officer at Algonquin Power Income Fund to 2007 and Chief Financial Officer of Mettrum Health Corp. Mr Kampian is also a director of Grenville Strategic Royalty Corp and Red Pine Exploration Inc. He is currently the Chief Financial Officer of DionyMed Holdings Inc., a U.S. cannabis marketing and distribution company. Mr. Kampian is Chartered Accountant and a BBA (Business) graduate of Wilfred Laurier University.

Oskar Lewnowski: Mr. Lewnowski is the founder and Chief Investment Officer of Orion Resource Partners. Prior to Orion, Mr. Lewnowski was a founding partner of the Red Kite Group and Chief Investment Officer of the mine finance business. Before this, Mr. Lewnowski was Director for Corporate Development at Varomet Ltd, a metals processor and merchant firm in excess of $1 billion in revenues formed to purchase certain of Enron's metals and mining assets. While at Varomet, he was responsible for seven acquisitions and divestitures totaling over $130 million and business operations (offtake agreements, mining and processing) with annual revenues exceeding $1 billion. He was also responsible for structuring metal offtake agreements and other physical market transactions. Until 1993, he held various positions in trading as well as mergers and acquisitions at Deutsche Bank both in New York and Frankfurt culminating in his founding membership of the Deutsche Capital Markets Division. Lewnowski earned a BS/BA in Business Administration from Georgetown University and an MBA from the Leonard Stern School of Business (New York University).

Ted Simpkins: Mr. Simpkins is the founder and CEO of River Distribution, a leading cannabis distributor and market leader in California, that has recently signed an agreement to be acquired by CannaRoyalty Corp., with closing expected by the end of 2018 Q2. Prior to entering the cannabis business, Mr. Simpkins was a highly regarded career distribution executive in California, with over 40 years' experience in the distribution of wine and spirits. In 1971, Mr. Simpkins became Executive Vice President, General Manager for Southern Wine & Spirits of Florida, successfully managing companies in Orlando, Pensacola and Tampa. He was sent in 1983 to run Southern Wine & Spirits of California, and over a span of more than 27 years led the largest, and most successful SWS division taking sales from approximately $100 million to over $2.5 billion. From 2010 to 2014 Mr. Simpkins was Corporate Executive Vice President, General Manager for Young's Market Company, another leading wine and spirits wholesaler in the US. Mr. Simpkins is an army veteran, married and the father of five children. He founded and operated a renowned winery in Sonoma Valley, where he resides.

Other Reporting Issuer Experience

The following table sets out the members of the persons proposed to be elected as directors that are directors of other issuers that are reporting issuers (or the equivalent) in Canada or a foreign jurisdiction, the name of such reporting issuers and the name of the exchange or market applicable to such reporting issuers:

Name	Name of Reporting Issuer	Name of Exchange or Market (if applicable)
Oskar Lewnowski	Osisko Gold Royalties Ltd.	TSX
Jim Young	Novavax, Inc. Targeted Microwave Solutions, Inc.	NASDAQ TSXV
Peter Kampian	Red Pine Exploration Inc. Grenville Strategic Royalty Corp.	TSXV TSXV
Rob Harris	Aralez Pharmaceuticals Inc. Nuvo Pharmaceuticals Inc.	NASDAQ, TSX TSX, OTCQX

Cease Trade Orders, Bankruptcies and Penalties

To the knowledge of the Corporation, no proposed director of the Corporation is, as of the Effective Date, or has been within the 10 years prior to the Effective Date, a director, chief executive officer or chief financial officer of any company (including the Corporation) that:

(a) was the subject of a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days and that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or

(b) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days and that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Other than as disclosed herein, to the knowledge of the Corporation, no proposed director of the Corporation

(a) is, as at the Effective Date, or has been, within the 10 years prior to the Effective Date, a director or executive officer of any company (including the Corporation) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

(b) has, within the 10 years prior to the Effective Date, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

Peter Kampian was employed from October 2009 to July 31, 2011 by OneWorld Energy inc., a renewable energy developer of wind and solar projects, as Chief Financial Officer and acted as a director of OneWorld from October 2010 to October 9, 2011. On June 5, 2012, following Mr. Kampian's resignation as Director and Chief Executive Officer at OneWorld, the company filed for bankruptcy.

To the knowledge of the Corporation, no proposed director of the Corporation has been subject to:

(a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

(b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

6. Articles of Amendment

The Corporation is focussed on leveraging its current asset base, expertise and portfolio to build a leading cannabis consumer products business, focused principally on California, which includes the acquisition of certain assets and entities in exchange for consideration that often includes issuing vendors and strategic partners securities of the Corporation. In order to minimize the proportion of the outstanding voting securities of CannaRoyalty that are held by "U.S. persons" for purposes of determining whether CannaRoyalty is a "foreign private issuer" for purposes of United States securities laws, the Board

proposes to amend the articles of the Corporation to create a new class of multiple voting, convertible shares that would facilitate acquisitions while seeking to preserve foreign private issuer status (the "**Class A Compressed Shares**"). Each Class A Compressed Share is essentially the equivalent of 100 Common Shares. This "compression" will permit the Corporation to issue 1/100th of the number of Common Shares otherwise issuable for acquisitions including U.S. persons.

At the Meeting, Shareholders will be asked to consider and, if deemed advisable, to approve, with or without variation, a resolution approving an amendment of the Corporation's articles to create an unlimited number of Class A Compressed Shares (the "**Articles of Amendment Resolution**").

The Class A Compressed Shares shall rank *pari passu* with the Common Shares as to dividends and upon liquidation, as described herein. The holders of Class A Compressed Shares are entitled to receive notice of and to attend and vote at all meetings of the shareholders of Common Shares and each Class A Compressed Share shareholder shall have the right to one vote for each Common Share into which such Class A Compressed Share could then be converted (i.e., one hundred (100) Common Shares) in person or by proxy at all meetings of the shareholders of CannaRoyalty. The holders of the Class A Compressed Shares are entitled to receive dividends as may be granted to holders of the Common Shares, on an as-converted basis. In the event of the liquidation, dissolution or winding-up of CannaRoyalty, whether voluntary or involuntary, the holders of the Class A Compressed Shares are entitled to receive the remaining property and assets of CannaRoyalty together with the holders of Common Shares, on an as-converted basis. The Class A Compressed Shares each have a restricted right to convert into one hundred (100) Common Shares at the option of the holder. The ability to convert the Class A Compressed Shares is subject to a restriction that the aggregate number of Common Shares and Class A Compressed Shares held of record, directly or indirectly, by residents of the United States (as determined in accordance with Rules 3b-4 under the *Securities Exchange Act of 1934*, as amended), may not exceed forty percent (40%) of the aggregate number of Common Shares and Class A Compressed Shares issued and outstanding after giving effect to such conversions. The Class A Compressed Shares are subject to a further conversion restriction whereby the Corporation shall not effect a conversion of Class A Compressed Shares to the extent that after giving effect to any such conversion, a holder thereof would beneficially own greater than 9.99% of the issued and outstanding Common Shares. In addition, the Class A Compressed Shares will be automatically converted into Common Shares in certain circumstances, including upon the registration of the Common Shares under the *United States Securities Act of 1933*, as amended.

The creation of the Class A Compressed Shares will in no way change the rights and privileges attaching to the Common Shares that are currently issued and outstanding or those Common Shares that will be issued following the creation of the Class A Compressed Shares. The holders of Common Shares are and will remain entitled to receive notice of and to attend and vote at all meetings of the shareholders of the Corporation and each Common Share confers the right to one vote in person or by proxy at all meetings of the shareholders of the Corporation. The holders of the Common Shares are and will remain entitled to receive such dividends in any financial year as the board of directors of the Corporation may by resolution determine. In the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, subject to prior rights of the holders of any outstanding special redeemable, voting, non-participating preference shares of the Corporation, the holders of the Common Shares are entitled to receive the remaining property and assets of the Corporation. **In the event that a take-over bid is made for the Class A Compressed Shares, the holders of Common Shares shall not be entitled to participate in such offer and may not tender their shares into any such offer, whether under the terms of the Class A Compressed Shares or under any coattail trust or similar agreement.**

The aforementioned is only a summary of the terms of the Class A Compressed Shares. Readers are encouraged to refer to Appendix "B" attached hereto for the full terms of the Class A Compressed Shares.

"**BE IT HEREBY RESOLVED** that:

1. The Corporation is authorized to make application for Articles of Amendment:

   (a) to increase the authorized capital of the Corporation by creating an unlimited number of Class A Compressed Shares.

   The rights, privileges, restrictions and conditions attaching to such shares being set out in Appendix "B" attached hereto.

   (b) to provide that after giving effect to the foregoing, the authorized capital of the Corporation shall consist of:

      (i) an unlimited number of Common Shares;

      (ii) 2,000,000 special preference shares; and

      (iii) an unlimited number of Class A Compressed Shares.

2. Any director or officer of the Corporation is authorized and directed to execute and deliver the Articles of Amendment in the prescribed form to the Director appointed under the OBCA, whether under the corporate seal of the Corporation or otherwise, and to deliver all other documents and to take all necessary steps as may be desirable to give effect to the foregoing.

3. Upon Articles of Amendment becoming effective in accordance with the provisions of the Act, the articles of the Corporation are amended accordingly."

The Board and management of the Corporation believe that the proposed Articles of Amendment Resolution is in the best interests of the Corporation and accordingly recommends that the Shareholders vote **FOR** the Articles of Amendment Resolution at the Meeting. To be effective, the Articles of Amendment Resolution requires the affirmative vote of not less than two-thirds of the votes cast by Shareholders present in person or represented by proxy and entitled to vote at the Meeting. **The persons designated as proxyholders in the accompanying Instrument of Proxy (absent contrary directions) intend to vote FOR the Articles of Amendment Resolution as set forth above and herein.**

Registered Shareholders are entitled to dissent in respect of the Articles of Amendment Resolution in the manner provided in section 185 of the OBCA. A summary of the Registered Shareholders' dissent rights is set forth below under the heading "Dissent Rights" and Section 185 of the OBCA is reproduced in its entirety at Appendix "C" to this Circular. Shareholders are not entitled to dissent with respect to any other matter that may be considered at the Meeting

7. Other Matters

The Corporation will consider and transact such other business as may properly come before the Meeting or any adjournment. Management of the Corporation knows of no other matters to come before the Meeting other than those referenced in the Notice of Meeting. Should any other matters properly come before the Meeting, the Common Shares represented by the proxies solicited hereby will be voted on such matters in accordance with the best judgment of the persons voting by proxy.

EXECUTIVE COMPENSATION

When used in this section, "**Named Executive Officers**" means the Chief Executive Officer, the Chief Financial Officer and each of the most highly compensated executive officers (other than the Chief Executive Officer and Chief Financial Officer) of the Corporation at December 31, 2017 whose total compensation was, individually, more than $150,000 for that financial year, as well as each individual who would be a Named Executive Officer but for the fact that the individual was neither an executive officer of the Corporation or its subsidiaries, nor acting in a similar capacity, at the end of that financial year.

The Named Executive Officers of the Corporation include: Marc Lustig, Francois Perrault and Greg Wilson.

Subsequent to December 31, 2017, Mr. Wilson resigned from his position as Chief Operating Officer on January 31, 2018.

The following table provides information regarding the compensation earned by the Named Executive Officers for the financial year ended December 31, 2017.

Summary Compensation Table

					Non-equity incentive plan compensation ($)				
Name and Principal Position	**Year Ended December 31,**	**Salary ($)**	**Share-based awards ($)**	**Option-based awards**	**Annual Incentive Plans[1]**	**Long-term incentive plans**	**Pension value ($)**	**All other compensation ($)**	**Total compensation ($)**
Marc Lustig, Chief Executive Officer	2017	225,000	561,938	Nil	112,500	Nil	Nil	33,750[2]	933,188
	2016	19,726	657,375	Nil	84,864	Nil	Nil	316,402[2]	1,078,367
	2015	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
François Perrault, Chief Financial Officer	2017	175,000	150,000	Nil	70,000	Nil	Nil	26,250[3]	421,250
	2016	29,247	150,000	Nil	36,699	Nil	Nil	33,711[3]	249,657
	2015	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Greg Wilson, Chief Operating Officer	2017	200,000	300,000	Nil	80,000	Nil	Nil	30,000[4]	610,000
	2016	33,425	856,250	Nil	66,712	Nil	Nil	61,513[4]	1,017,900
	2015	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Notes:

(1) Executive compensation has only been included for the year ending December 31, 2017.

(2) For the year ended December 31, 2017, this includes compensation of 15% of base salary totalling $33,750 received in lieu of benefits and matching RRSP contributions. For the year ended December 31, 2016, this includes consulting fees of $56,500 paid to a corporation owned by the executive and success fees of $256,943, both earned prior to being an employee of CannaRoyalty, and compensation of 15% of base salary totaling $2.959 received in lieu of benefits and matching RRSP contributions.

(3) For the year ended December 31, 2017, this includes compensation of 15% of base salary totalling $26,250 received in lieu of benefits and matching RRSP contributions. For the year ended December 31, 2016, this includes consulting fees of $29,324 paid to a corporation owned by the executive earned prior to being an employee of CannaRoyalty, and compensation of 15% of base salary totaling $4,387 received in lieu of benefits and matching RRSP contributions.

(4) For the year ended December 31, 2017, this includes compensation of 15% of base salary totalling $30,000 received in lieu of benefits and matching RRSP contributions. For the year ended December 31, 2016, this Includes consulting fees of $56,500 paid to a corporation owned by the executive earned prior to being an employee of CannaRoyalty and compensation of 15% of base salary totaling $5,013 received in lieu of benefits and matching RRSP contributions.

Outstanding Share-Based Awards and Option-Based Awards

Set forth in the table below is a summary of all share-based and option-based awards held by each of the Named Executive Officers outstanding as of December 31, 2017.

Option-Based Awards					Share-Based Awards		
Name	Number of securities underlying unexercised options (#)	Option exercise price ($)	Option expiration date	Value of unexercised in-the-money options	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested ($)[1]	Market or payout value of vested share-based awards, not paid out or distributed($)[1]
Marc Lustig	Nil	N/A	N/A	N/A	663,250	2,473,923	2,798,433
François Perrault	Nil	N/A	N/A	N/A	275,000	1,025,750	559,500
Greg Wilson	Nil	N/A	N/A	N/A	250,000	932,500	2,051,500

Notes:
(1) Based on the closing price of CannaRoyalty shares of $3.73 at December 29, 2017.

Incentive Plan Awards – Value Vested During the Year

Set forth below is a summary of the value vested during the financial year of the Corporation ended December 31, 2017 in respect of all option-based and share-based awards and non-equity incentive plan compensation granted to the Named Executive Officers.

Name	Option-based awards – value vested during the year ($)	Share-based awards – value vested during the year ($)	Non-equity incentive plan compensation – value earned during the year ($)
Marc Lustig	Nil	561,938[1]	112,500[4]
François Perrault	Nil	150,000[2]	70,000[5]
Greg Wilson	Nil	300,000[3]	80,000[6]

Notes:
(1) On April 29, 2016 the officer was granted 250,000 RSUs, of which 83,500 vested during the period. These RSUs had a grant date fair value of $0.75 which was the share price at that date. On September 1, 2016, the officer was granted 1,000,000 RSUs, of which 333,000 vested during the current period. These RSUs had a grant date value of $1.50 which was the share price at that date.
(2) On November 1, 2016 the officer was granted 225,000 RSUs, of which 75,000 vested during the current period. These RSUs had a grant date value of $2.00 which was the share price at that date.
(3) On November 1, 2016, the officer was granted 700,000 RSUs, of which 150,000 vested during the current period. These RSUs had a grant date value of $2.00 which was the share price at that date.
(4) The officer received an incentive bonus of $112,500 which represents 50% of base salary earned during the year ended December 31, 2017. This bonus was paid during April 2018.
(5) The officer received an incentive bonus of $70,000 which represents 40% of base salary earned during the year ended December 31, 2017. This bonus was paid during April 2018.
(6) The officer received an incentive bonus of $80,000 which represents 40% of base salary earned during the year ended December 31, 2017. This bonus was paid during April 2018.

Compensation Discussion and Analysis

Overview

The Compensation and Governance Committee is responsible for setting the overall compensation strategy of the Corporation and for evaluating and approving the compensation of directors and executive officers. The Compensation and Governance Committee annually reviews the base salary, incentive compensation and long-term compensation for the Corporation's executive officers to determine if the compensation package for executive officers continues to be appropriate, given the status and activities of the business, or if any modifications are required. Factors considered by the committee in establishing suitable compensation packages for its executive officers include, the early stage of development of the Corporation, activity level, the small number of executive officers, financial resources available to the Corporation, competitive factors and the time committed by the executive officer to the affairs of the Corporation.

Objectives of Compensation Program

It is the objective of the Corporation's compensation program to attract and retain highly qualified executives and to link incentive compensation to performance and Shareholder value. It is the goal of the Board to endeavour to ensure that the compensation of executive officers is sufficiently competitive to achieve the objectives of the executive compensation program. The Board gives consideration to the Corporation's contractual obligations, performance, quantitative financial objectives including relative Shareholder return as well as to the qualitative aspects of the individual's performance and achievements.

Role of Executive Officers in Compensation Decisions

The Board will receive and review any recommendations of the President and Chief Executive Officer relating to the general compensation structure and policies and programs for the Corporation and the salary and benefit levels for executive officers.

Elements of the Compensation Program

The Corporation's compensation program comprises (i) base salary, (ii) eligibility to participate in the Share Unit Plan and (iii) annual incentive and discretionary bonuses. Each component of the executive compensation program is addressed below.

1. Base Salaries and Benefits

Salaries for executive officers, if any, are reviewed annually based on the nature and extent of the current activities of the Corporation, corporate and personal performance and on individual levels of responsibility. Salaries of the executive officers are not determined based on a specific formula. The Board considers and, if thought appropriate, approves salaries recommended by the President and Chief Executive Officer for the other executive officers of the Corporation. As stated above, base salaries are established to be competitive in order to attract and retain highly qualified executives.

During fiscal 2017, the Corporation was is in the process of developing a competitive benefit and pension plan for all of its employees. Until these benefits were implemented, Named Executive Officers received 15% of base salary in lieu of benefits.

On January 1, 2018 the Corporation enacted its benefit and pension plan. No material additional benefits or perquisites will be provided to members of management that are not available to employees of the Corporation generally, with the exception of the matching RRSP benefit of 6% which exceeds those offered to non-executive employees. Benefits extended to all employees will include health, long-term disability, dental and group life insurance.

2. Annual Incentive and Discretionary Bonuses

Named Executive Officers are eligible for an annual incentive award between 40% or 50% of their base salary based on their roles, experience and responsibilities in the Corporation. The award is also based on the personal business objectives of the Named Executive Officer and those of the Corporation achieved during the Corporation's fiscal year. The primary corporate objective for the year ended December 31, 2017, was the continued expansion and commercialization of the of the Corporation's asset portfolio.

For the year ended December 31, 2016, since these corporate objectives were met the Board deemed it appropriate to provide discretionary bonuses to compensate certain individuals who contributed significantly to the achievement of the aforementioned objectives in their capacity as contractors prior to becoming employees of the Corporation. No similar discretionary bonuses were necessary during the year ended December 31, 2017.

3. Long Term Incentives – Share Unit Plan

The Board administers the share unit plan (the "**Share Unit Plan**") which is designed to provide a long-term incentive that is linked to shareholder value. The Board determines the number of restricted share units ("**RSUs**") to be granted to each executive officer based on the level of responsibility and experience required for the position. The Board regularly reviews and where appropriate adjusts the number of RSUs granted to individuals and determines the vesting provisions of such RSUs. The Board sets the number of RSUs as appropriate in order to attract and retain qualified and talented personnel. The Board also takes into account the Corporation's contractual obligations and the award history for all participants under the Share Unit Plan.

Moving forward, the Board anticipates that long-term incentives issued to management will be under the share option plan, or a combination of the share option plan and share unit plan.

4. Share-based awards

A description of the process that the Corporation uses to grant share-based awards to executive officers, including the role of the Board and executive officers, is included under the heading "*Compensation Discussion and Analysis – Elements of Compensation Program – Long Term Incentives and Share Unit Plan*" above.

The Corporation granted 550,000 RSUs to executive officers during the year ended December 31, 2017. These RSUs will begin to vest in January 31, 2018, and will continue to vest until January 31, 2021.

Compensation Governance

The Board delegates the administration of the Corporation's executive compensation program to the Compensation and Governance Committee. The Compensation and Governance Committee discusses and approves the executive compensation in order to attract, motivate and retain highly skilled and experienced executive officers, to provide fair and competitive compensation, to align the interest of management with those of Shareholders and to reward corporate and individual performance.

The Compensation and Governance Committee reviews, from time to time, the cash compensation, and any bonus and stock option grants to each executive officer, including the NEOs. It is the intention of the Corporation that cash compensation to NEOs shall remain more or less constant, while the granting of any options or bonuses may fluctuate from year to year.

The Compensation and Governance Committee is made up of three Board members: Messrs. Young (Chair), Harris and Kampian, each of which the Corporation considers independent. Collectively, the Compensation and Governance Committee members have extensive compensation-related experience as senior executives and as members of the boards of directors and committees of other public and private corporations. Each member draws on his respective management and governance experience to provide relevant governance and compensation-related expertise to the Corporation's executive compensation policies and practices. The Board is confident that the collective experience of the Compensation Committee members ensures that the Committee has the knowledge and experience to execute its mandate effectively and to make executive compensation decisions in the best interests of the Corporation.

TERMINATION OF EMPLOYMENT, CHANGE IN RESPONSIBILITIES AND EMPLOYMENT CONTRACTS

Pursuant to the terms of each of their respective employment agreements, each of the Named Executive Officers is entitled to:

- an annual base salary of (i) $250,000 for Mr. Lustig, and (iii) $210,000 for Mr. Perrault;
- a cash incentive award of up to (i) 50% of base salary for each of Mr. Lustig, and (ii) 40% of base salary for Mr. Perrault, in all instances based on the achievement of specified performance objectives by the relevant individual during a financial period;

- an annual RSU award, in such amount, and subject to such vesting conditions, as determined in the discretion of the Board;
- reimbursement for travel and other expenses, as well as a comprehensive benefits package (or a cash payment, until a benefits plan is implemented);
- a 6% matching contribution to the Named Executive Officer's registered retirement savings plan; and
- on termination without cause, a lump sum payment equal to one year of base salary, automatic vesting of any unvested incentive awards, pro rata bonus payment (without consideration of the achievement of performance objectives), and continuation of all benefits for one year.

As per the employment agreements, until a comprehensive benefits package is established by the Corporation each of the Named Executive Officers, will receive a payment equal to 15% of base salary in lieu of such benefits.

Other than the aforementioned agreements, there are no compensatory plans, contracts or arrangements with any Named Executive Officer (including payments to be received from the Corporation or any subsidiary), which result or will result from the resignation, retirement or any other termination of employment of such Named Executive Officer or from a change of control of the Corporation or any subsidiary thereof or any change in such Named Executive Officer's responsibilities, where the Named Executive Officer is entitled to payment or other benefits.

Employment, Consulting and Management Agreements

The material terms of each agreement under which compensation was provided during the year ended December 31, 2017, or is payable in respect of services provided to the Corporation by each Named Executive Officer or director, is set out below.

Marc Lustig – Chief Executive Officer and Director

The Corporation is party to an employment agreement with Marc Lustig pursuant to which Mr. Lustig provides his services as Chief Executive Officer of the Corporation in consideration of a gross annual salary in the amount of $225,000 as well as participation in any employee benefit plans maintained by the Corporation and entitlement to reimbursement from the Corporation for reasonable costs and expenses in accordance with the Corporation's expense reimbursement policy. The Board authorized the increase of Mr. Lustig's gross annual salary to $250,000, effective January 1, 2018.

Mr. Lustig's employment may be terminated for cause without notice or payment in lieu of notice. Mr. Lustig's employment may also be terminated without cause, in which case he would be entitled to a severance package that consists of the following:

- a lump sum payment equivalent to one year (52 weeks) of base salary;
- automatic vesting of all outstanding, non-vested RSU's and Stock Options;
- the continuance of all benefits – to the extent permitted by the Corporation's insurer –for one year or payment in lieu of; and
- the payment of pro-rata portion of 100% of the annual bonus without consideration for the achievement of personal or corporate objectives.

Mr. Lustig is eligible for an incentive award of up to 50% of his base salary. The award is based on the personal business objectives of Mr. Lustig and those of the Corporation achieved during the Corporation's fiscal year.

Greg Wilson – Former Chief Operating Officer and Director

Prior to Mr. Wilson's resignation effective January 31, 2018, the Corporation was party to an employment agreement with Greg Wilson pursuant to which Mr. Wilson provided his services as Chief Operating Officer of the Corporation in consideration of a gross annual salary in the amount of $200,000, as well as participation in any employee benefit plans maintained by the Corporation and entitlement to reimbursement from the Corporation for reasonable costs and expenses in accordance with the Corporation's expense reimbursement policy. Upon entering into the employment agreement, Mr. Wilson was also awarded 700,000 RSUs, of which 400,000 vested immediately and 150,000 would vest at the end of each his first and second years of service.

Under the employment agreement, Mr. Wilson's employment may have been terminated for cause without notice or payment in lieu of notice. Mr. Wilson's employment may have also been terminated without cause, in which case he would be entitled to a severance package that consisted of the following:

- a lump sum payment equivalent to one year (52 weeks) of base salary;
- automatic vesting of all outstanding, non-vested RSU's and Stock Options;
- the continuance of all benefits – to the extent permitted by the Corporation's insurer –for one year or payment in lieu of; and
- the payment of pro-rata portion of 100% of the annual bonus without consideration for the achievement of personal or corporate objectives.

Mr. Wilson was eligible for an incentive award of up to 50% of his base salary. The award is based on the personal business objectives of Mr. Wilson and those of the Corporation achieved during the Corporation's fiscal year.

François Perrault – Chief Financial Officer

The Corporation is party to an employment agreement with François Perrault pursuant to which Mr. Perrault provides his services as Chief Financial Officer of the Corporation in consideration of a gross annual salary in the amount of $210,000, as well as participation in any employee benefit plans maintained by the Corporation and entitlement to reimbursement from the Corporation for reasonable costs and expenses in accordance with the Corporation's expense reimbursement policy. The Board authorized the increase of Mr. Perrault's gross annual salary to $210,000, effective January 1, 2018. Upon entering into the employment agreement, Mr. Perrault was also awarded 225,000 RSUs, of which 75,000 vested immediately and 75,000 would vest at the end of each his first and second years of service.

Mr. Perrault's employment may be terminated for cause without notice or payment in lieu of notice. Mr. Perrault's employment may also be terminated without cause, in which case he would be entitled to a severance package that consists of the following:

- a lump sum payment equivalent to one year (52 weeks) of base salary;
- automatic vesting of all outstanding, non-vested RSU's and Stock Options;
- the continuance of all benefits – to the extent permitted by the Corporation's insurer –for one year or payment in lieu of; and
- the payment of pro-rata portion of 100% of the annual bonus without consideration for the achievement of personal or corporate objectives.

Mr. Perrault is eligible for an incentive award of up to 40% of his base salary. The award is based on the personal business objectives of Mr. Perrault and those of the Corporation achieved during the Corporation's fiscal year.

COMPENSATION OF DIRECTORS

Directors are currently not paid any fees for their services as directors of the Corporation but are reimbursed for travel and other out-of-pocket expenses incurred in attending directors' and shareholders' meetings. Directors are also entitled to receive compensation to the extent that they provide additional services to the Corporation at rates that would be charged by such directors for such services to arm's length parties. No such additional services were provided to the Corporation by any director in the year ended December 31, 2017 Directors are also entitled to participate in the Share Unit Plan.

Director Compensation

The following table provides a summary of all annual and long-term compensation for services rendered in all capacities to the Corporation for the fiscal year ended December 31, 2017, in respect of the individuals who were, during the fiscal year ended December 31, 2017, directors of the Corporation, other than the Named Executive Officers who also served as directors of the Corporation and who did not receive any additional compensation in their capacities as directors.

Name	Fees Earned ($)	Share-based awards ($)	Option-based awards ($)	Non-equity incentive plan compensation ($)	Pension value ($)	All other compensation ($)	Total ($)
Rob Harris	Nil	66,666	120,000	Nil	Nil	Nil	186,668
Dr. Jim Young	Nil	66,666	120,000	Nil	Nil	Nil	186,668
Chuck Rifici[(1)]	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Peter Gundy[(2)]	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Peter Kampian[(3)]	Nil	Nil	120,000	Nil	Nil	Nil	120,000
Oskar Lewnowski[(3)]	Nil	Nil	120,000	Nil	Nil	Nil	120,000

Notes:
(1) Mr. Rifici ceased serving as a director of the Corporation effective May 30, 2017.
(2) Mr. Gundy served as a director of the Corporation from August 23, 2017 until December 27, 2017.
(3) Messrs. Kampian and Lewnowski were appointed as directors of the Corporation effective December 27, 2017.

Outstanding Share-Based Awards and Option-Based Awards

Set forth in the table below is a summary of all share-based and option-based awards held by each of the directors of the Corporation, other than the Named Executive Officers who also served as directors of the Corporation and who did not receive any additional compensation in their capacities as directors, as of December 31, 2017.

Option-Based Awards					Share-Based Awards		
Name	Number of securities underlying unexercised options (#)	Option exercise price ($)	Option expiration date	Value of unexercised in-the-money options ($)[(1)]	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested ($)[(1)]	Market or payout value of vested share-based awards not paid out or distributed ($)[(1)]
Rob Harris	200,000	3.73	December 29, 2027	Nil	33,333	124,332	248,668[(1)]
Dr. Jim Young	200,000	3.73	December 29, 2027	Nil	33,333	124,332	248,668[(1)]

Peter Kampian	200,000	3.73	December 29, 2027	Nil	N/A	N/A	N/A
Oskar Lewnowski	200,000	3.73	December 29, 2027	Nil	N/A	N/A	N/A

Notes:

(1) Based on the closing price of CannaRoyalty shares of $3.73 at December 29, 2017.

Incentive Plan Awards – Value Vested During the Year

Set forth below is a summary of the value vested during the financial year of the Corporation ended December 31, 2017 in respect of all option-based and share-based awards and non-equity incentive plan compensation granted to the directors of the Corporation, other than the Named Executive Officers who also served as directors of the Corporation and who did not receive any additional compensation in their capacities as directors.

Name	Option-based awards – value vested during the year ($)	Share-based awards – value vested during the year ($)	Non-equity incentive plan compensation – value earned during the year ($)
Rob Harris	120,000[(1)]	66,666[(2)]	Nil
Dr. Jim Young	120,000[(1)]	66,666[(2)]	Nil
Chuck Rifici	Nil	Nil	Nil
Peter Gundy	Nil	Nil	Nil
Peter Kampian	120,000[(1)]	Nil	Nil
Oskar Lewnowski	120,000[(1)]	Nil	Nil

Notes:

(1) On December 29, 2017, each current independent board member was granted 200,000 share options, of which 50,000 vested immediately, and an additional 50,000 would vest in each of the following three anniversary periods up to and including December 29, 2020. The fair value of these options on the date of grant was $2.40 as calculated via the Black Scholes Model.

(2) On December 5, 2016, each board member was granted 100,000 RSU's, of which 33,334 vested in December 2016, and 33,333 vested in December 2017. The grant date value of these vested shares was $2.00 which was the share price at the date of the grant.

Equity Compensation Plan Information as of the Fiscal Year-Ended December 31, 2017

Pursuant to the Plan (as defined below) and the Share Unit Plan, the maximum aggregate number of Common Shares which may be subject to options is 10% of the Common Shares outstanding from time to time.

Plan category	Number of shares issuable upon exercise of outstanding RSUs, options, warrant and rights (a)	Weighted-average exercise price of outstanding RSUs, options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a) (c)
Share unit plan (RSUs)	4,153,150	$0.00	125,737
Share option plan	850,000	$3.68	3,665,326

Stock Option Plan

The Corporation's existing stock option plan (the "**Plan**") provides long term incentives to eligible directors, officers, employees and consultants of the Corporation.

Description of the Plan

The purpose of the Plan is to provide the Corporation with a share-related mechanism to attract, retain and motivate qualified directors, officers, consultants and employees, to reward such of those directors, officers, consultants and employees as may be awarded options under the Plan by the Board from time to time for their contributions toward the long term goals of the Corporation and to enable and encourage such directors, officers, consultants and employees to acquire Common Shares as long term investments.

The following is a summary of the key terms of the Plan:

The Plan provides for options to purchase a Common Share issued pursuant thereto (each, an "**Option**"). The number of Common Shares issuable pursuant to Options granted under the Plan is limited to 10% of the number of Common Shares outstanding from time to time. There were an aggregate of 51,283,611 Common Shares issued and outstanding as of the Record Date. There are currently 877,000 options outstanding under the Plan. Accordingly, the Corporation may grant further Options under the Plan. As at the Record Date, the number of Common Shares remaining available for issuance under the Plan is 4,251,361 (as calculated based upon 10% of the aggregate number of issued and outstanding Common Shares, less the number of Options outstanding under the Plan). The total number of Common Shares which may be reserved for issuance to any one individual under the Plan may not exceed 5% of the outstanding Common Shares. The maximum number of stock options which may be granted to any one consultant under the Plan, any other employer stock options plans or options for services, within any 12 month period, must not exceed 2% of the Common Shares issued and outstanding at the time of the grant (on a non-diluted basis).

The Options granted under the Plan are non-assignable and may be granted for a term not exceeding 10 years from the date of grant. Notwithstanding, if the date on which an Option expires occurs during any period imposed by the Corporation, pursuant to its insider trading policies or otherwise, during which an optionee may be restricted from trading in securities of the Corporation (a "**Blackout Period**") or within two business days after the last day of a Blackout Period, the date of the expiry of such Option will become the tenth business day following the end of the Blackout Period.

Options may be granted under the Plan only to directors, officers, employees and consultants of the Corporation or any related entity of the Corporation, subject to the rules and regulations of applicable regulatory authorities. In the event that any optionee ceases to be an eligible person under the Plan (i.e. ceases to be an officer, director, employee or consultant for any reason other than death or termination with cause), the optionee will be entitled to exercise his or her Options which have vested as of such date of cessation only within a period of one year, in the case of optionees that are directors or officers, or 90 days, in the case of employees or consultants, following the date of such cessation or such other date as may be determined by the Board subject to regulatory approval, but in no event may any Options be exercised following the expiry date thereof. In the event an optionee is terminated with cause, the Options held by such optionee will expire on the date of such termination. In the event of the death of an optionee, any Options held by such optionee which have vested as of the date of death may only be exercised within a period of one year succeeding the optionee's death, but in no event may any options be exercised following the expiry date thereof.

In the event of a change of control of the Corporation (or an impending change of control), the Board will have the discretion to deal with outstanding Options in the manner it deems fair and reasonable in the circumstances, which may include accelerated vesting or expiry of the Options. Under the Plan, a change of control is deemed to occur if one of the following events has taken place:

- the sale, transfer or other disposition of all or substantially all of the Corporation's assets in complete liquidation or dissolution of the Corporation;

- a consolidation, merger, amalgamation, arrangement or other reorganization or acquisition involving the Corporation or any of its affiliates and another corporation or other entity, as a result of which the holders of Common Shares immediately prior to the completion of the transaction hold less than 50% of the outstanding voting securities of the successor corporation immediately after completion of the transaction;

- any person or combination of persons at arm's length to the Corporation and its affiliates acquires or becomes the beneficial owner of, directly or indirectly, more than 50% of the voting securities of the Corporation, whether through the acquisition of previously issued and outstanding voting securities, or of voting securities that have not been previously issued, or any combination thereof, or any other transaction having a similar effect;

- a resolution is adopted to wind-up, dissolve or liquidate the Corporation; or

- as a result of or in connection with: (A) a contested election of directors of the Corporation; or (B) a consolidation, merger, amalgamation, arrangement or other reorganization or acquisition involving the Corporation or any of its affiliates and another corporation or other entity (a "**Transaction**"), fewer than 50% of the Corporation's directors following the Transaction are persons who were directors of the Corporation immediately prior to such Transaction

The exercise price of Options granted under the Plan are determined by the Board and may not be lower than the market price of the Common Shares at the time the option is granted. If the Common Shares are not listed on a stock exchange, the maximum permissible discount is 25%.

Options issued under the Plan vest at the discretion of the Board, subject to certain specified limitations.

The Board may at any time amend the Plan or any Options granted thereunder, subject to the receipt of all applicable regulatory approvals, provided that no such amendment may, without the consent of affected optionees, materially decrease the rights or benefits accruing to such optionees or materially increase the obligations of such optionees. For greater certainty, the Plan provides that the Board may amend or terminate the Plan or any Options granted thereunder without obtaining shareholder approval of such amendments or termination, other than the following amendments which shall be subject to the approval of shareholders (together with all applicable regulatory approvals): (i) amendments to the definition of categories of persons eligible to participate in the New Plan; (ii) amendments to the maximum number or percentage of Common Shares (or other securities) issuable under the Plan; (iii) the limitations under the Plan on the number of Options that may be granted to any one person or any category of persons; (iv) the method for determining the exercise price of Options; (v) the maximum term of Options; (vi) the expiry and termination provisions applicable to Options; and (vii) any other provision that is required to be approved by shareholders under applicable law.

Share Unit Plan

2017 Amendments to the Share Unit Plan

As the Share Unit Plan provides that the Board may, from time to time and in its sole discretion, and without shareholder approval, amend, modify and change certain provisions of the Share Unit Plan to the extent that such amendments, modifications or changes are of a housekeeping nature, during 2017, the Board approved certain of such amendments, including:

(i) the title of the Share Unit Plan was amended to replace "Bonanza Blue Corp." with "CannaRoyalty Corp.";

(ii) all references throughout the Share Unit Plan to "Bonanza Blue Corp." were replaced with "CannaRoyalty Corp."; and

(iii) section 3.7(a) of the Share Unit Plan was amended to replace the words "will automatically vest on the date of Termination Without Cause and the Shares underlying such Share Units will be issued to the Participant as soon as reasonably practicable

thereafter" with "shall continue to vest in accordance with the ordinary vesting schedule of such Share Units".

A copy of the Share Unit Plan including these above amendments (the "**Amended Share Unit Plan**") is attached hereto at Appendix "D".

Summary of the Amended Share Unit Plan

The purpose of the Share Unit Plan is to assist the Corporation in attracting, incentivizing and retaining those key Directors, officers, employees and consultants of the Corporation who are considered by the Board to be key to the growth and success of the Corporation, and to align the interests of key Directors, officers, employees and consultants with those of the Corporation's Shareholders through longer term equity ownership in the Corporation.

The following is a summary of the key terms of the Share Unit Plan:

- The Share Unit Plan is established for employees, directors and officers of the Corporation and its affiliates, and for individuals retained as a consultant for the Corporation or companies providing management services to the Corporation, as may be determined by the Board or any other committee of the directors authorized by the Board to administer the Share Unit Plan;

- The Share Unit Plan provides that share units ("**Share Units**") may be granted by the Board or a compensation committee of the Board or any other committee of the Directors authorized by the Board to administer the Share Unit Plan. Share Units are units created by means of an entry on the books of the Corporation representing the right to receive one Common Share (subject to adjustments) issued from treasury per Share Unit. All grants of Share Units must be evidenced by a confirmation Share Unit grant letter.

- The maximum number of Common Shares that may be granted pursuant to the Share Unit Plan shall not exceed 10% of the then issued and outstanding Common Shares (including Shares underlying outstanding Share Units). Any Common Shares subject to a Share Unit which has been cancelled or terminated in accordance with the terms of the Share Unit Plan without settlement will again be available for grant of a Share Unit under the Share Unit Plan.

- The number of Share Units granted and any applicable vesting conditions are determined in the discretion of the Board or a compensation committee of the Board, with the number of Share Units granted being determined based on the closing market price of the Common Shares on the grant date. In granting Share Units, the Board or a compensation committee of the Board may include any other terms, conditions and/or vesting criteria which are not inconsistent with the Share Unit Plan.

- Share Units are settled by way of the issuance of Common Shares from treasury as soon as practicable following the maturity date determined by the Board or a compensation committee of the Board in accordance with the terms of the Share Unit Plan. Individuals granted Share Units who are Canadian residents or as otherwise may be designated in the Share Unit grant letter (with the exception of U.S. taxpayers) are permitted to elect to defer issuance of all or any part of the Common Shares issuable to them, provided proper notice is provided to the Board or a compensation committee of the Board in accordance with the terms of the Share Unit Plan.

- In the event a cash dividend is paid to shareholders on the Common Shares while a Share Unit is outstanding, each participant will be credited with additional Share Units in lieu of any cash dividends paid to shareholders, equal to the aggregate amount of any cash dividends that would have been paid to the individual if the Share Units had been Common Shares, divided by the market price of the Common Shares on the date on which dividends were paid by the Corporation. If the foregoing shall result in a fractional Share Unit, the fraction shall be disregarded.

- The termination provisions under the Share Unit Plan are as follows subject to any determination otherwise by the Board:
    - in the event of retirement, any unvested Share Units will automatically vest on the date of retirement and the Common Shares underlying such Share Units will be issued as soon as reasonably practical thereafter;
    - in the event of the death, any unvested Share Units will automatically vest on the date of death and the Common Shares underlying all Share Units will be issued to the estate of the deceased as soon as reasonably practical thereafter;
    - in the event of disability (as may be determined in accordance with the policies, if any, or general practices of the Corporation or any subsidiary), any unvested Share Units will automatically vest on the date on which the participant is determined to be totally disabled and the Common Shares underlying the Share Units will be issued as soon as reasonably practical thereafter;
    - in the event of termination without cause of a Share Unit holder, (i) any unvested Share Units that are not subject to performance vesting criteria will continue to vest in accordance with the ordinary vesting schedule of such Share Units, and (ii) any unvested Share Units that are subject to performance vesting criteria will vest in accordance with their normal vesting schedule, except, in either case, as may otherwise be stipulated in the applicable Share Unit grant letter or as may otherwise be determined by the Board; and
- In the event of termination with cause or resignation, all of the Share Units shall become void and the holder shall have no entitlement and will forfeit any rights to any issuance of Common Shares under the Share Unit Plan, except as may otherwise be stipulated in the applicable Share Unit grant letter or as may otherwise be determined by the Board or a compensation Committee of the Board in its sole and absolute discretion. Share Units that have vested but that are subject to an election to set a deferred payment date shall be issued forthwith following the termination with cause or the resignation of the holder.
- In the event of a change of control, all unvested Share Units issued and outstanding shall automatically and immediately vest on the date of such change of control.
- The grant of Share Units under the Share Unit Plan is subject to a restriction such that the number of Common Shares: (i) issued to insiders of the Corporation, within any one year period, and (ii) issuable to insiders of the Corporation, at any time, under the Share Unit Plan, or when combined with all of the Corporation's other security based compensation arrangements, shall not exceed 10% of the Corporation's total issued and outstanding Common Shares, respectively.
- The amendment provisions of the Share Unit Plan provide the Board or a compensation committee of the Board with the power, subject to the requisite regulatory approval, to make the following amendments to the provisions of the Share Unit Plan and any Share Unit grant letter without shareholder approval (without limitation):
    - amendments of a housekeeping nature;
    - the addition or a change to any vesting provisions of a Share Unit;
    - changes to the termination provisions of a Share Unit or the Share Unit Plan; and
    - amendments to reflect changes to applicable securities or tax laws. However, any of the following amendments require shareholder approval:

- materially increasing the benefits to the holder of any Share Units who is an insider to the material detriment of the Corporation and the Corporation's shareholders;
- increasing the number of Common Shares or maximum percentage of Common Shares which may be issued pursuant to the Share Unit Plan (other than by virtue of adjustments permitted under the Share Unit Plan);
- permitting Share Units to be transferred other than for normal estate settlement purposes;
- removal or exceeding of the insider participation limits;
- materially modifying the eligibility requirements for participation in the Share Unit Plan; or
- modifying the amending provisions of the Share Unit Plan.

Directors' and Officers' Liability Insurance

The Corporation maintains directors' and officer's liability insurance ("**D&O Insurance**") for its directors and officers. The D&O Insurance insures the Corporation and its directors and officers against liability arising from wrongful acts of the Corporation's directors and officers in their capacity as directors and officers of the Corporation, subject to limitation, if any, contained in the *Business Corporations Act* (Ontario), and has an aggregate policy limit of $5,000,000 and a sub-limit of liability coverage of $250,000 for all derivative investigations. The insurance premiums paid for the policy for the year ended December 31, 2017 was $21,138. No portion of the D&O Insurance is directly paid by any director or officer of the Corporation.

AUDIT COMMITTEE

National Instrument 52-110 – Audit Committees of the Canadian Securities Administrators ("**NI 52-110**") requires that the Corporation, if management solicits proxies from the securityholders of the Corporation for the purposes of electing directors to its Board, to disclose in its information circular certain specified information, including the constitution of its audit committee and its relationship with its independent auditor, as set forth below.

Audit Committee Charter

The Corporation's audit committee (the "**Audit Committee**") has adopted a written charter setting out its mandate and responsibilities. The Audit Committee is responsible for assisting the Board in fulfilling its oversight responsibilities relating to financial accounting and reporting processes and internal controls. The Audit Committee's primary duties and responsibilities are to: (i) conduct reviews and discussions with management and the external auditors relating to the audit and financial reporting as are deemed appropriate by the Audit Committee; (ii) assess the integrity of internal controls and financial reporting procedures of the Corporation and ensure implementation of such controls and procedures; (iii) ensure appropriate standards of corporate conduct for senior financial personnel and employees and, if necessary, adopt a corporate code of ethics; (iv) review the quarterly and annual Financial Statements and MD&A of the Corporation's consolidated financial position and operating results and report thereon to the Board for approval; (v) select and monitor the independence and performance of the Corporation's external auditors and approve their remuneration; (vi) provide oversight to related party transactions entered into by the Corporation; and (vii) provide oversight of all disclosure relating to financial statements, MD&A and information derived therefrom. The Audit Committee is responsible for inquiring of management and the external auditors about significant risks or exposures, both internal and external to which the Corporation may be subject and assessing the steps management has taken to minimize such risks. The Audit Committee is also responsible for establishing and implementing procedures in respect of complaints and submissions relating to accounting matters and the approval of non-audit services by the external auditors.

The Charter of the Corporation's Audit Committee is set forth in Appendix "E" hereto.

Composition of the Audit Committee

The Audit Committee has been constituted to oversee the financial reporting processes of the Corporation and is comprised of three independent directors; namely Messrs. Kampian (Chair), Harris, and Young. Each member of the Audit Committee is financially literate and possesses extensive financial knowledge, experience and comprehension of financial statements.

Relevant Education and Experience

Each member of the Audit Committee has experience relevant to his responsibilities as an Audit Committee member.

Peter Kampian

Mr. Kampian is a Chartered Accountant and a BBA (Business) graduate of Wilfred Laurier University. Mr. Kampian is an experienced board audit chair and has held many directorships and offices such as Chief Financial Officer at Algonquin Power Income Fund to 2007 and Chief Financial Officer of Mettrum Health Corp. Mr Kampian is also a director of Grenville Strategic Royalty Corp and Red Pine Exploration Inc. He is currently the Chief Financial Officer of DionyMed Holdings Inc., a U.S. cannabis marketing and distribution company.

Rob Harris

Mr. Harris has served as a director of Aralez Pharmaceuticals Inc. since February 5, 2016. He previously served as Founder, President, Chief Executive Officer and a director of Tribute Pharmaceuticals Canada Inc. from December 1, 2011 to February 2016 when it was amalgamated with POZEN Pharma to form Aralez Pharmaceuticals. Mr. Harris brings to the Board over 35 years of pharmaceutical industry experience in both Canada and the United States in sales, marketing, business development and general management in both human and animal health markets.

Dr. Jim Young

Dr. Young is the Chairman at Novavax, Inc. and Chairman at Targeted Microwave Solutions, Inc. Dr. Young has over 30 years of experience in the fields of molecular genetics, microbiology, immunology and pharmaceutical development. Prior to being acquired by Astra Zeneca, Dr. Young was MedImmune's President of Research and Development. Dr. Young received his doctorate in microbiology and immunology from Baylor College of Medicine in Houston, Texas, in 2005 was awarded the Albert B. Sabin Humanitarian Award and has completed a corporate finance course at Tuck Business School, Dartmouth.

Reliance on Certain Exemptions

The Corporation is relying on the exemption in Section 6.1 of National Instrument 52-110 — *Audit Committees* ("**NI 52-110**") (*Venture Issuers*). The Corporation is not relying on any additional exemptions with respect to NI 52-110.

Pre-Approval Policies and Procedures

The Audit Committee charter sets out procedures regarding the provision of non-audit services by the Corporation's independent chartered professional accountants. This policy encourages consideration of whether the provision of services other than audit services is compatible with maintaining the auditor's independence and requires Audit Committee pre-approval of permitted non-audit and non-audit-related services.

External Auditor Service Fees

The following table sets forth, by category, the fees for all services rendered by the Corporation's former

external auditors, Jackson & Corporation, Chartered Accountants, located at 800 – 1199 West Hastings Street, Vancouver, British Columbia V6E 3T5, and current external auditors, MNP LLP, located at 1600 Carling Ave #800, Ottawa, ON K1Z 1G3, for the financial period ended December 31, 2016 and 2017.

	December 31, 2016 ($)	December 31, 2017 ($)
Audit Fees[(1)]	39,113	168,600
Audit Related Fees[(2)]	8,925	23,000
Tax Fees[(3)]	1,575	Nil
All Other Fees[(4)]	Nil	15,000

Notes:

(1) "Audit Fees" include fees necessary to perform the annual audit and quarterly reviews of the Corporation's financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.

(2) "Audit-Related Fees" include services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.

(3) Includes fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.

(4) "All Other Fees" include all other non-audit services.

CORPORATE GOVERNANCE

National Policy 58-201 - *Corporate Governance Guidelines* of the Canadian Securities Administrators has set out best practice guidelines for effective corporate governance (the "**Guidelines**"). The Guidelines address matters such as the constitution and independence of corporate boards, the functions to be performed by boards and their committees and the effectiveness and education of board members. National Instrument 58-101 - *Disclosure of Corporate Governance Practices* of the Canadian Securities Administrators ("**NI 58-101**") requires that if management solicits proxies from its securityholders for the purposes of electing directors, specified disclosure of the corporate governance practices must be included in its management information circular.

Set out below is a description of the Corporation's corporate governance practices in accordance with NI 58-101, based on the Guidelines.

The Board of Directors

For the purposes of NI 58-101, a director is considered to be independent if he or she does not have any direct or indirect material relationship with the Corporation. A material relationship is in turn defined as a relationship which could, in the view of the Board, be reasonably expected to interfere with such member's independent judgement. The Board has determined that a majority of the directors of the Corporation are "independent" within the meaning of NI 58-101.

Pursuant to National Instrument 52-110 – *Audit Committees* of the Canadian Securities Administrators ("**NI 52-110**"), a director is considered independent if he or she has no direct or indirect material relationship with the Corporation that the Board believes could reasonably be perceived to materially interfere with his or her ability to exercise independent judgment. NI 52-110 sets out certain situations where a director is deemed to have a material relationship with the Corporation.

The Board is currently comprised of five directors, four of whom are independent within the meaning of NI 52-110. Messrs. Young, Kampian, Lewnowski and Harris are independent directors. Mr. Lustig is the Chief Executive Officer of the Corporation and is not considered to be independent.

Directorships

Certain of the directors of the Corporation are also directors of other reporting issuers (or equivalent) in a jurisdiction or a foreign jurisdiction as follows:

Name of Director	Other Reporting Issuer (or equivalent in a foreign jurisdiction)
Oskar Lewnowski	Osisko Gold Royalties Ltd.
Jim Young	Novavax, Inc. Targeted Microwave Solutions, Inc.
Peter Kampian	Red Pine Exploration Inc. Grenville Strategic Royalty Corp.
Rob Harris	Aralez Pharmaceuticals Inc. Nuvo Pharmaceuticals Inc.

Orientation and Continuing Education

While the Corporation currently has no formal orientation and education program for new Board members, sufficient information is provided to any new Board member to ensure that new directors are familiarized with the Corporation's business and the procedures of the Board. In addition, new directors are encouraged to visit and meet with management on a regular basis.

Ethical Business Conduct

The Board monitors the ethical conduct of the Corporation and ensures that it complies with applicable legal and regulatory requirements, such as those of relevant securities commissions and stock exchanges. The Board has found that the fiduciary duties placed on individual directors by the Corporation's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Corporation.

Under corporate legislation, a director is required to act honestly and in good faith with a view to the best interests of the Corporation and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances, and disclose to the Board the nature and extent of any interest of the director in any material contract or material transaction, whether made or proposed, if the director is a party to the contract or transaction, is a director or officer (or an individual acting in a similar capacity) of a party to the contract or transaction or has a material interest in a party to the contract or transaction.

It is the Corporation's intention to apply the following principles outlined in the proposed Code of Business Conduct and Ethics (the "**Code**") to all contracts and working arrangements with consultants, contractors or others providing services to the Corporation:

(a) The Corporation and its employees will avoid conflicts of interest and any actions that have the potential to create the perception of a conflict of interest.

(b) No employee may pay or receive a bribe, kickback or any other improper payment. No employee shall accept business gifts of more than a token value from any supplier or customer of the Corporation.

(c) In cases where a conflict of interest cannot be avoided, it must be declared to the Corporation in writing. Employees are expected to excuse themselves from any decision or action that touches upon the area or subject of the conflict.

(d) Employees may not compete directly with the Corporation.

(e) Employees are expected to protect the confidentiality of Corporation information. Disclosure of confidential Corporation information to any external parties with the exception of the external auditors must be approved in writing.

Has adopted a formalized written Code. The Code has been filed with regulators, in accordance with applicable legislation, and will be available under the Corporation's profile on SEDAR at www.sedar.com.

Nomination of Directors

The Board performs the functions of a nominating committee with responsibility for the appointment and assessment of directors. The Board believes that this is a practical approach at this stage of the Corporation's development. While there are no specific criteria for Board membership, the Corporation attempts to attract and maintain directors with a wealth of business knowledge and a particular knowledge of the Corporation's industry or other industries, which provide knowledge, which would assist in guiding the officers of the Corporation. As such, nominations tend to be the result of recruitment efforts by management of the Corporation and discussions among the directors prior to the consideration of the Board as a whole.

Compensation

The Compensation and Governance Committee is responsible for determining the compensation of directors and the Chief Executive Officer, and for reviewing the Chief Executive Officer's recommendations regarding compensation of the other executive officers of the Corporation. The committee generally reviews compensation paid to directors and determines appropriate compensation reflecting the need to provide incentive and compensation for the time and effort expended by the directors and executive officers of the Corporation while taking into account the financial and other resources of the Corporation. No formal compensation program or benchmarking has been established given the size and stage of the Corporation.

Assessments

The Board assesses, on an annual basis, the contributions of the Board as a whole, any committees of the Board and each of the directors, in order to determine whether each is functioning effectively.

DISSENT RIGHTS

Shareholders are entitled to exercise dissent rights with respect to the Articles of Amendment Resolution by the creation of a new class of shares (the "**Amendment**") in the manner provided in section 185 of the OBCA (the "**CannaRoyalty Dissent Rights**"). Section 185 of the OBCA is reprinted in its entirety and attached to this Circular at Appendix "C". The following summary is qualified by the provisions of section 185 of the OBCA.

In the event the Articles of Amendment Resolution becomes effective, any Shareholder who dissents (a "**CannaRoyalty Dissenting Shareholder**") and who complies with section 185 of the OBCA will be entitled to be paid by CannaRoyalty the fair value for the Common Shares held by such CannaRoyalty Dissenting Shareholder determined as at the date immediately prior to the date that the Articles of Amendment Resolution is adopted.

A registered Shareholder who wishes to exercise CannaRoyalty Dissent Rights must send a Notice of Dissent to CannaRoyalty, such that it is received by CannaRoyalty not later than 11:30 a.m. (Toronto time) on the business day immediately preceding the day of the Meeting (or any postponement or adjournment thereof), at 333 Preston Street, Preston Square Tower 1, Suite 610, Ottawa, Ontario, K1S 5N4, Attention: Adam Shapero.

The filing of a Notice of Dissent does not deprive a Shareholder of the right to vote; however, the OBCA provides, in effect, that a Shareholder who has submitted a Notice of Dissent and who votes in favour of the Articles of Amendment Resolution will no longer be considered a CannaRoyalty Dissenting Shareholder with respect to the Common Shares voted in favour of the Articles of Amendment

Resolution. The OBCA does not provide, and CannaRoyalty will not assume, that a vote against the Articles of Amendment Resolution constitutes a Notice of Dissent. In addition, the execution or exercise of a proxy does not constitute a Notice of Dissent. Under the OBCA, there is no right of partial dissent and, accordingly, a CannaRoyalty Dissenting Shareholder may only dissent with respect to all Common Shares held on behalf of any one beneficial owner that are registered in the name of the CannaRoyalty Dissenting Shareholder.

CannaRoyalty is required, within 10 days after the Shareholders adopt the Articles of Amendment Resolution, to send to each registered Shareholder who has filed a Notice of Dissent, notice that the Articles of Amendment Resolution has been adopted, but such notice is not required to be sent to any Registered Shareholder who voted for the Articles of Amendment Resolution or who has withdrawn such Notice of Dissent.

A CannaRoyalty Dissenting Shareholder must then, within 20 days after the CannaRoyalty Dissenting Shareholder receives notice that the Articles of Amendment Resolution has been adopted or, if the CannaRoyalty Dissenting Shareholder does not receive such notice, within 20 days after the CannaRoyalty Dissenting Shareholder learns that the Articles of Amendment Resolution has been adopted, send to CannaRoyalty a written notice (a "**Payment Demand**") containing the name and address of the CannaRoyalty Dissenting Shareholder, the number of Common Shares in respect of which the CannaRoyalty Dissenting Shareholder dissents and a demand for payment of the fair value of such Common Shares. Within 30 days after a Payment Demand, the CannaRoyalty Dissenting Shareholder must send to CannaRoyalty, the certificates representing the Common Shares in respect of which such Payment Demand was made. A CannaRoyalty Dissenting Shareholder who fails to send the certificates representing the Common Shares in respect of which the CannaRoyalty Dissent Right has been exercised has no right to make a claim under section 185 of the OBCA. CannaRoyalty will endorse on share certificates received from a CannaRoyalty Dissenting Shareholder a notice that the holder is a CannaRoyalty Dissenting Shareholder and will forthwith return the share certificates to the CannaRoyalty Dissenting Shareholder.

On sending a Payment Demand to CannaRoyalty, a CannaRoyalty Dissenting Shareholder ceases to have any rights as a Shareholder, other than the right to be paid the fair value of the Common Shares in respect of which such Payment Demand was made, except pursuant to the provisions of section 185 of the OBCA.

CannaRoyalty is required, not later than seven days after the later of the date on which the Articles of Amendment Resolution becomes effective or the date on which CannaRoyalty received the Payment Demand of a CannaRoyalty Dissenting Shareholder, to send to each CannaRoyalty Dissenting Shareholder who has sent a Payment Demand a written offer to pay (an "**Offer to Pay**") for the Common Shares in respect of which such Payment Demand was made in an amount considered by the Board to be the fair value thereof, accompanied by a statement showing the manner in which the fair value was determined. Every Offer to Pay must be on the same terms. CannaRoyalty is required to pay for the Common Shares of a CannaRoyalty Dissenting Shareholder within 10 days after an Offer to Pay has been accepted by a CannaRoyalty Dissenting Shareholder, but any such Offer to Pay lapses if CannaRoyalty does not receive an acceptance thereof within 30 days after the Offer to Pay has been made.

If CannaRoyalty fails to make an Offer to Pay for the Common Shares of a CannaRoyalty Dissenting Shareholder, or if a CannaRoyalty Dissenting Shareholder fails to accept an offer that has been made, CannaRoyalty may, within 50 days after the date on which the Articles of Amendment Resolution becomes effective or within such further period as the Ontario Superior Court may allow, apply to the Ontario Superior Court to fix a fair value for the Common Shares of CannaRoyalty Dissenting Shareholders. If CannaRoyalty fails to apply to the Ontario Superior Court, a CannaRoyalty Dissenting Shareholder may apply to the Ontario Superior Court for the same purpose within a further period of 20 days or within such further period as the Ontario Superior Court may allow. A CannaRoyalty Dissenting Shareholder is not required to give security for costs in such an application.

Upon an application to the Ontario Superior Court, all CannaRoyalty Dissenting Shareholders whose Common Shares have not been purchased by CannaRoyalty will be joined as parties and bound by the decision of the Ontario Superior Court and CannaRoyalty will be required to notify each affected CannaRoyalty Dissenting Shareholder of the date, place and consequences of the application and of the right of such CannaRoyalty Dissenting Shareholder to appear and be heard in person or by counsel. Upon any such application to the Ontario Superior Court, the Ontario Superior Court may determine whether any person is a Cannaoroyalty Dissenting Shareholder who should be joined as a party and the Ontario Superior Court will then fix a fair value for the Common Shares of all CannaRoyalty Dissenting Shareholders. The final order of the Ontario Superior Court will be rendered against CannaRoyalty in favour of each CannaRoyalty Dissenting Shareholder and for the amount of the fair value of each CannaRoyalty Dissenting Shareholder's Common Shares as fixed by the Ontario Superior Court. The Ontario Superior Court may, in its discretion, allow a reasonable rate of interest on the amount payable to each CannaRoyalty Dissenting Shareholder from the date on which the Articles of Amendment Resolution becomes effective until the date of payment.

The foregoing is only a summary of the provisions of section 185 of the OBCA, which provisions are technical and complex. It is suggested that any Shareholder wishing to exercise CannaRoyalty Dissent Rights seek legal advice as failure to comply strictly with the provisions of the OBCA may prejudice such shareholder's CannaRoyalty Dissent Rights.

INDEBTEDNESS OF DIRECTORS AND OFFICERS

No directors or officers of the Corporation, nor any proposed nominee for election as a director of the Corporation, nor any associate or affiliate of any one of them, is or was indebted, directly or indirectly, to the Corporation or its subsidiaries at any time since the beginning of the financial year ended December 31, 2017.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as disclosed in this Circular, no informed person of the Corporation, nor any director or officer of the Corporation, nor any proposed nominee for election as a director of the Corporation, nor any other insider of the Corporation, nor any associate or affiliate of any one of them, has or has had, at any time since the beginning of the financial year ended December 31, 2017, any material interest, direct or indirect, in any transaction or proposed transaction that has materially affected or would materially affect the Corporation.

ADDITIONAL INFORMATION

Financial information pertaining to the Corporation is provided in the Corporation's financial statements and accompanying MD&A for the financial year ended December 31, 2017. Copies of the Corporation's financial statements and related MD&A can be obtained by contacting François Perrault, Chief Financial Officer of the Corporation, 333 Preston St., Tower 1, Suite 610, Ottawa, ON K1S 5N4, Telephone: (613) 694-4418. Additional Information relating to the Corporation is available on its SEDAR profile at www.sedar.com.

DIRECTOR APPROVAL

The contents of this Circular and the sending thereof to the Shareholders of the Corporation have been approved by the board of directors of the Corporation.

DATED May 8, 2018

(signed) "Marc Lustig"
Chief Executive Officer

APPENDIX "A"

CHANGE OF AUDITOR REPORTING PACKAGE

See attached.

CannaRoyalty CORP.

NOTICE OF CHANGE OF AUDITOR

TO: **Ontario Securities Commission**
British Columbia Securities Commission
Alberta Securities Commission
Financial and Consumer Affairs Authority of Saskatchewan
Manitoba Securities Commission
New Brunswick Securities Commission
Nova Scotia Securities Commission
Office of the Superintendent of Securities, Prince Edward Island
Securities Commission of Newfoundland and Labrador

CC: **Jackson & Company**
MNP LLP

TAKE NOTICE THAT Jackson & Company ("Jackson"), the former auditors of CannaRoyalty Corp. (the "**Corporation**") has resigned at the Corporation's request and the directors of the Corporation on February 12, 2018 appointed MNP LLP ("MNP") as successor auditors in its place.

TAKE FURTHER NOTICE THAT:

(a) there have been no reservations contained in the auditor's reports on the financial statements of the Corporation for the two (2) fiscal periods immediately preceding the date of this notice nor for the period subsequent to the most recently completed period for which an audit report was issued;

(b) the board of directors of the Corporation approved the resignation of Jackson and the appointment of MNP in its place;

(c) there were no reportable events (as defined in National Instrument 51-102 – *Continuous Disclosure Obligations*) in connection with each of Jackson's audits of the Corporation, which occurred prior to its resignation, and

(d) the Corporation confirms that the letter of Jackson and the letter of MNP annexed hereto as Exhibits "A" and "B" respectively, have been reviewed by the board of directors of the Corporation and that this Notice of Change of Auditor has been approved by the board of directors of the Corporation.

DATED at Ottawa, Ontario this 12th day of February 2018.

BY ORDER OF THE BOARD

François Perrault
Chief Financial Officer

JACKSON & COMPANY
Chartered Accountants

800 – 1199 West Hastings Street
Vancouver, British Columbia
Canada V6E 3T5
Telephone: +1 604 630 3838
Facsimile: +1 888 241 5996

February 13, 2018

British Columbia Securities Commission
P.O. Box 10142, Pacific Centre
9TH Floor – 701 West Georgia Street
Vancouver, B.C. V7Y 1L2

Alberta Securities Commission
Suite 600, 250 – 5th Street S.W.
Calgary, Alberta T2P 0R4

Ontario Securities Commission
20 Queen Street West, 22nd Floor
Toronto, ON M5H 3S8

Saskatchewan Financial Services Commission
Suite 601 – 1919 Saskatchewan Drive
Regina, Saskatchewan S4P 4H2

Nova Scotia Securities Commission
2nd Floor, Joseph Howe Building
1690 Hollis Street
Halifax, NS B3J 3J9

Manitoba Security Commission
500-400 St Mary Ave
Winnipeg, MB Rr3C 4K5

New Brunswick Security Commission
85 Charlotte St
Saint John, NB E2L 2J2

Prince Edward Island Office of the Superintendent of Securities
95 Rochford Street
Charlottetown, PEI, C1A 7N8

Security Commission of Newfoundland
100 Prince Philip Drive
St. John's, NL A1B 4J6

Dear Sirs/Mesdames:

RE: CannaRoyalty Corp. (the "Company")
Notice Pursuant to National Instrument 51-102 - Change of Auditor

We acknowledge receipt of a Notice of Change of Auditor (the "Notice") dated February 12, 2018 delivered to us by the Company in respect of the change of auditor of the Company.

Pursuant to National Instrument 51-102, please accept this letter as confirmation that we have reviewed the Notice and, based on our knowledge as at the time of receipt of the Notice, we agree with the statements set out in the Notice

Yours very truly,

Jackson & Company
CHARTERED PROFESSIONAL ACCOUNTANTS

February 12, 2018

To: Ontario Securities Commission
Alberta Securities Commission
British Columbia Securities Commission
The Manitoba Securities Commission
Financial and Consumer Affairs Authority of Saskatchewan
Financial and Consumer Services Commission (New Brunswick)
Nova Scotia Securities Commission
Office of the Superintendent of Securities, Prince Edward Island
Office of the Superintendent of Securities, Government of Newfoundland and Labrador

Dear Sir/Mesdames:

RE: CannaRoyalty Corp.
Notice of Change of Auditor

As required by subparagraph (6)(a)(ii) of section 4.11 of National Instrument 51-102, we have reviewed the change of auditor notice of CannaRoyalty Corp. dated February 12, 2018 (the "Notice") and, based on our knowledge of such information at this time, we agree with the statement contained in such Notice, except that we are not in a position to agree or disagree with the statement "there were no reportable events (as defined in National Instruments 51-102 – *Continuous Disclosure Obligations*) in connection with each of Jackson's audits of the Corporation which occurred prior to its resignation".

Yours truly,

MNP LLP

MNP LLP

Chartered Professional Accountants,
Licensed Public Accountants

cc: Jackson and Company; CannaRoyalty Corp.

APPENDIX "B"

SPECIAL RIGHTS AND RESTRICTIONS
FOR
CLASS A COMPRESSED SHARES

1. **Number and Designation.**

(a) The Corporation shall have authority to issue up to an unlimited number of Class A Compressed Shares, which are hereby designated "***Class A Compressed Shares***".

(b) Rank:

(i) All Class A Compressed Shares shall be identical with each other in all respects.

(ii) The Class A Compressed Shares shall rank *pari passu* to the Common Shares as to dividends and upon liquidation, as described below. The Class A Compressed Shares shall rank junior to the special preference shares of the Corporation as to dividends and upon liquidation. Any amounts herein shall be subject to appropriate adjustments in the event of any stock splits, consolidations or the like.

2. **Dividend Rights**

The holders of Class A Compressed Shares (the "***Class A Shareholders***"), shall have the right to receive dividends, out of any cash or other assets legally available therefor, *pari passu* (on an as converted basis, assuming conversion of all Class A Compressed Shares into Common Shares at the applicable Conversion Ratio) as to dividends and any declaration or payment of any dividend on the Common Shares.

3. **Liquidation Rights.**

(a) In the event of any Liquidation Event, either voluntary or involuntary, the Class A Shareholders and Common Shares shall be entitled to receive the assets of the Corporation, or other consideration payable or distributable as a result of the Liquidation Event, available for distribution to shareholders, distributed among the holders of Class A Compressed Shares and Common Shares on a pro rata basis, based on (i) the number of Common Shares and (ii) the number of Class A Compressed Shares (on an as converted basis, assuming conversion of all Class A Compressed Shares into Common Shares at the applicable Conversion Ratio) issued and outstanding on the record date.

(b) For purposes of this Section 3, a "***Liquidation Event***" shall mean (i) any voluntary or involuntary liquidation, dissolution or winding up of the Corporation, including any event determined by the Board of Directors of the Corporation to constitute a Liquidity Event requiring the liquidation, dissolution or winding up of the Corporation; (ii) the acquisition of the Corporation by another entity by means of any transaction or series of related transactions (including, without limitation, any reorganization, merger or consolidation but, excluding any transaction effected exclusively for the purpose of changing the domicile of the Corporation or determined by the Board of Directors of the Corporation not to constitute a Liquidation Event); (iii) a sale of all or substantially all of the assets of the Corporation; unless, in the case of (ii) or (iii), the Corporation's shareholders of record as constituted immediately prior to such acquisition or sale will, immediately after such acquisition or sale (by virtue of securities issued as consideration for the Corporation's acquisition or sale or otherwise) hold at least 50% of the voting power of the surviving or acquiring entity or the Board of Directors of the Corporation otherwise determines that such transaction does not to constitute a Liquidation Event.

4. **Voting Rights.**

(a) The holders of Class A Compressed Shares shall have the right to one vote for each Common Share into which such Class A Compressed Shares could then be converted, and with respect to such vote, such holder shall have full voting rights and powers equal to the voting rights and powers of the holders of Common Shares, and shall be entitled, notwithstanding any provision hereof, to notice of any shareholders' meeting and shall be entitled to vote, together with holders of Common Shares, with respect to any question upon which holders of Common Shares have the right to vote. Fractional votes shall not, however, be permitted and any fractional voting rights available on an as converted basis (after aggregating all Common Shares into which Class A Compressed Shares could be converted) shall be rounded to the nearest whole number (with one-half being rounded upward). Except as provided by law, by the provisions of paragraph (b) below, Class A Shareholders shall vote the Class A Compressed Shares together with the holders of Common Shares as a single class.

(b) In addition to any other rights provided by law, the Corporation shall not amend, alter or repeal the preferences, special rights or other powers of the Class A Compressed Shares or any other provision of the Corporation's constating documents that would adversely affect the rights of the Class A Shareholders without the written consent or affirmative vote of the holders of at least 66-2/3% of the then outstanding aggregate number of Class A Compressed Shares, given in writing or by vote at a meeting, consenting or voting (as the case may be) separately as a class of the holders of Class A Compressed Shares (a "***Class A Super Majority Vote***").

5. **Conversion.**

Subject to the Conversion Restrictions set forth in Section 6, Class A Shareholders shall have conversion rights as follows (the "***Conversion Rights***"):

(a) Right to Convert. Each Class A Compressed Share shall be convertible, at the option of the Class A Shareholder thereof, at any time after the date of issuance of such share at the office of the Corporation or any transfer agent for such shares, into such number of fully paid and nonassessable Common Shares as is determined by multiplying the number of Class A Compressed Share by the Conversion Ratio applicable to such share, determined as hereafter provided, in effect on the date the Class A Share is surrendered for conversion. The initial "***Conversion Ratio***" for each Class A Share shall be as follows: each Class A Compressed Share shall be convertible into one hundred (100) Common Shares; provided, however, that the applicable Conversion Ratio shall be subject to adjustment as set forth in subsections 5(d) and 5(e).

(b) Automatic Conversion. Each Class A Compressed Share shall automatically be converted without further action by the Class A Shareholder into Common Shares at the applicable Conversion Ratio immediately upon the earlier of:

(i) a Liquidation Event;

(ii) the date specified by (A) the written consent or affirmative Class A Super Majority Vote of the then outstanding aggregate number of Class A Compressed Shares; or

(iii) a Mandatory Conversion pursuant to Section 7.

(c) Mechanics of Conversion. Before any Class A Shareholder shall be entitled to convert Class A Compressed Shares into Common Shares, the Class A Shareholder shall surrender the certificate or certificates therefor, duly endorsed, at the office of the Corporation or of any transfer agent for Common Shares, and shall give written notice to the Corporation at its principal corporate office, of the election to convert the same and

shall state therein the name or names in which the certificate or certificates for Common Shares are to be issued (each, a "***Conversion Notice***"). The Corporation shall (or shall cause its transfer agent to), as soon as practicable thereafter, issue and deliver at such office to such Class A Shareholder, or to the nominee or nominees of such holder, a certificate or certificates for the number of Common Shares to which such holder shall be entitled as aforesaid. Such conversion shall be deemed to have been made immediately prior to the close of business on the date of such surrender of the Class A Compressed Shares to be converted, and the person or persons entitled to receive the Common Shares issuable upon such conversion shall be treated for all purposes as the record holder or holders of such Common Shares as of such date.

(d) Adjustments for Distributions. In the event the Corporation shall declare a distribution to holders of Common Shares payable in securities of other persons, evidences of indebtedness issued by the Corporation or other persons, assets (excluding cash dividends) or options or rights not otherwise causing adjustment to the Conversion Ratio (a "***Distribution***"), then, in each such case for the purpose of this subsection 5(d), the Class A Shareholders shall be entitled to a proportionate share of any such Distribution as though they were the holders of the number of Common Shares into which their Class A Compressed Shares are convertible as of the record date fixed for the determination of the holders of Common Shares entitled to receive such Distribution.

(e) Recapitalizations; Stock Splits. If at any time or from time-to-time, Corporation shall (i) effect a recapitalization of the Common Shares; (ii) issue Common Shares as a dividend or other distribution on outstanding Common Shares; (iii) subdivide the outstanding Common Shares into a greater number of Common Shares; (iv) consolidate the outstanding Common Shares into a smaller number of Common Shares; or (v) effect any similar transaction or action not otherwise causing adjustment to the Conversion Ratio (each, a "***Recapitalization***"), provision shall be made so that the Class A Shareholders shall thereafter be entitled to receive, upon conversion of Class A Compressed Shares, the number of Common Shares or other securities or property of the Corporation or otherwise, to which a holder of Common Shares deliverable upon conversion would have been entitled on such Recapitalization. In any such case, appropriate adjustment shall be made in the application of the provisions of this Section 5 with respect to the rights of the Class A Shareholders after the Recapitalization to the end that the provisions of this Section 5 (including adjustment of the Conversion Ratio then in effect and the number of Common Shares acquirable upon conversion of Class A Compressed Shares) shall be applicable after that event as nearly equivalent as may be practicable.

(f) No Impairment. The Corporation will not, by amendment of its Articles of Incorporation or through any reorganization, recapitalization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by this corporation, but will at all times in good faith assist in the carrying out of all the provisions of this Section 5 and in the taking of all such action as may be necessary or appropriate in order to protect the Conversion Rights of the Class A Shareholders against impairment.

(g) No Fractional Shares and Certificate as to Adjustments. No fractional Common Shares shall be issued upon the conversion of any Class A Compressed Shares and the number of Common Shares to be issued shall be rounded up to the nearest whole Common Share. Whether or not fractional Common Shares are issuable upon such conversion shall be determined on the basis of the total number of Class A Compressed Shares the Class A Shareholder is at the time converting into Common Shares and the number of Common Shares issuable upon such aggregate conversion.

(h) Adjustment Notice. Upon the occurrence of each adjustment or readjustment of the Conversion Ratio pursuant to this Section 5, the Corporation, at its expense, shall

promptly compute such adjustment or readjustment in accordance with the terms hereof and prepare and furnish to each Class A Shareholder a certificate setting forth such adjustment or readjustment and showing in detail the facts upon which such adjustment or readjustment is based. The Corporation shall, upon the written request at any time of any Class A Shareholder, furnish or cause to be furnished to such holder a like certificate setting forth (A) such adjustment and readjustment, (B) the Conversion Ratio for Class A Compressed Shares at the time in effect, and (C) the number of Common Shares and the amount, if any, of other property which at the time would be received upon the conversion of a Class A Compressed Share.

(i) Effect of Conversion. All Class A Compressed Shares that shall have been surrendered for conversion as herein provided shall no longer be deemed to be outstanding and all rights with respect to such shares shall immediately cease and terminate at the time of conversion (the "***Conversion Time***"), except only the right of the holders thereof to receive Common Shares in exchange therefor and to receive payment in lieu of any fraction of a share otherwise issuable upon such conversion.

(j) Notices of Record Date. Except as otherwise provided under applicable law, in the event of any taking by the Corporation of a record of the holders of any class of securities for the purpose of determining the holders thereof who are entitled to receive any dividend (other than a cash dividend) or other distribution, any right to subscribe for, purchase or otherwise acquire any shares of any class or any other securities or property, or to receive any other right, the Corporation shall mail to each Class A Shareholder, at least 20 days prior to the date specified therein, a notice specifying the date on which any such record is to be taken for the purpose of such dividend, distribution or right, and the amount and character of such dividend, distribution or right.

6. **Conversion Limitations.**

Before any Class A Shareholder shall be entitled to convert Class A Compressed Shares into Common Shares, the Board of Directors (or a committee thereof) shall designate an officer of the Corporation to determine if any Conversion Limitation set forth in this Section 6 shall apply to the conversion of Class A Compressed Shares. For the purposes of this Section 6, each of the following is a "***Conversion Limitation***":

(a) Foreign Private Issuer Protection Limitation: The Corporation will use commercially reasonable efforts to maintain its status as a "*foreign private issue*r" (as determined in accordance with Rule 3b-4 under the Securities Exchange Act of 1934, as amended (the "***U.S. Exchange Act***"). Accordingly:

(i) 40% Threshold. Except as provided in Section 7, the Corporation shall not effect any conversion of Class A Compressed Shares, and the Class A Shareholders shall not have the right to convert any portion of the Class A Compressed Shares pursuant to Section 5 or otherwise, to the extent that after giving effect to such issuance after conversions, the aggregate number of Common Shares, Class A Compressed Shares held of record, directly or indirectly, by residents of the United States (as determined in accordance with Rule 3b-4 under the U.S. Exchange Act) would exceed forty percent (40%) (the "***40% Threshold***") of the aggregate number of Common Shares, Class A Compressed Shares issued and outstanding (the "***FPI Protective Restriction***").

(ii) Conversion Limitations. In order to effect the FPI Protective Restriction, each Class A Shareholder will be subject to the 40% Threshold based on the number of Class A Compressed Shares held by such Class A Shareholder as of the date of the initial issuance of any Class A Compressed Shares and, thereafter, at the end of each of the Corporation's subsequent fiscal quarters (each, a

"***Determination Date***") for the current fiscal quarter (the "***Relevant Fiscal Quarter***"), calculated as follows:

X = [(A x 0.4) - B] x (C/D)

Where on the Determination Date:

X = Maximum Number of Common Shares Available For issuance upon Conversion of Class A Compressed Shares by the Class A Shareholder during the Relevant Fiscal Quarter.

A = The number of Common Shares and Class A Compressed Shares issued and outstanding on the Determination Date.

B = Aggregate number of Common Shares and Class A Compressed Shares held of record, directly or indirectly, by residents of the United States (as determined in accordance with Rule 3b-4 under the U.S. Exchange Act) on the Determination Date.

C = Aggregate number of Common Shares issuable upon conversion of Class A Compressed Shares held by the Class A Shareholder on the Determination Date.

D = Aggregate number of all Common Shares issuable upon conversion of Class A Compressed Shares on the Determination Date.

(iii) Determination of FPI Protective Restriction. For purposes of subsections 6(a)(i) and 6(a)(ii), the Board of Directors (or a committee thereof) shall designate an officer of the Corporation to determine as of each Determination Date: (A) the 40% Threshold and (B) the FPI Protective Restriction. To the extent that the FPI Protective Restriction contained in this Section 6(a) applies, the determination of whether Class A Compressed Shares are convertible shall be in the sole discretion of the Corporation.

(iv) Notice of Conversion Limitation. Upon a determination of the 40% Threshold and the FPI Protective Restriction, the Corporation will provide each Class A Shareholder of record notice of the FPI Protective Restriction applicable to holders of Class A Compressed Shares for the Relevant Fiscal Quarter within ten (10) business days of the end of each Determination Date (a "***Notice of Conversion Limitation***"). The FPI Protective Restriction shall be stated as a percentage of the Class A Compressed Shares issued and outstanding on the Determination Date by holders of Class A Compressed Shares.

For example, if on a Determination Date (March 31, 2020) the maximum number of Common Shares available for issuance upon conversion of Class A Compressed Shares by the Class A Shareholder holding 1,000 Class A Compressed Shares is 30,000 Common Shares, the FPI Protective Restriction will apply to 700 Class A Compressed Share (70%) and an aggregate of 300 Class A Compressed Shares (30%) may be converted during the Relevant Fiscal Quarter. The Notice of Conversion Limitation would, in this case, state that "Pursuant to Section 6 of the Special Rights and Restrictions for Class A Compressed Shares of the Corporation, the FPI Protective Restriction applies to 70% of the issued and outstanding Class A Compressed Shares as of the Determination Date (March 31, 2020 and up to 30% of your Class A Compressed Shares may be converted into Common Shares during the fiscal Quarter ending June 30, 2020."

(v) Disputes. In the event of a dispute as to the number of Common Shares issuable to a Holder in connection with a conversion of Class A Compressed Shares, the Corporation shall issue to the Holder the number of Common Shares not in dispute and resolve such dispute in accordance with Section 11.

(b) Beneficial Ownership Restriction:

(i) Beneficial Ownership. The Corporation shall not effect any conversion of Class A Compressed Shares, and a Class A Shareholder shall not have the right to convert any portion of its Class A Compressed Shares, pursuant to Section 5 or otherwise, to the extent that after giving effect to such issuance after conversion as set forth on the applicable Conversion Notice, the Holder (together with the Holder's Affiliates (each, an "***Affiliate***" as defined in Rule 12b-2 under the U.S. Exchange Act), and any other persons acting as a group together with the Holder or any of the Holder's Affiliates), would beneficially own in excess of 9.99% of the number of the Common Shares outstanding immediately after giving effect to the issuance of Common Shares issuable upon conversion of the Class A Compressed Shares subject to the Conversion Notice (the "***Beneficial Ownership Limitation***").

(ii) Calculation. For purposes of the foregoing sentence, the number of Common Shares beneficially owned by the Class A Shareholder and its Affiliates shall include the number of Common Shares issuable upon conversion of Class A Compressed Shares with respect to which such determination is being made, but shall exclude the number of Common Shares which would be issuable upon (i) convert of the remaining, non-converted portion of Class A Compressed Shares beneficially owned by the Class A Shareholder or any of its Affiliates and (ii) exercise or conversion of the unexercised or non-converted portion of any other securities of the Corporation subject to a limitation on conversion or exercise analogous to the limitation contained herein beneficially owned by the Class A Shareholder or any of its Affiliates. In any case, the number of outstanding Common Shares shall be determined after giving effect to the conversion or exercise of securities of the Corporation, including Class A Compressed Shares subject to the Conversion Notice, by the Class A Shareholder or its Affiliates since the date as of which such number of outstanding Common Shares was reported. Except as set forth in the preceding sentence, for purposes of this Section 6(b), beneficial ownership shall be calculated in accordance with Section 13(d) of the U.S. Exchange Act and the rules and regulations promulgated thereunder based on information provided by the Class A Shareholder to the Corporation in the Conversion Notice.

(iii) Conversion Limitation. To the extent that the limitation contained in this Section 6(b) applies and the Corporation can convert some, but not all, of such Class A Compressed Shares submitted for conversion, the Corporation shall convert Class A Compressed Shares up to the Beneficial Ownership Limitation in effect, based on the number of Class A Compressed Shares submitted for conversion on such date. The determination of whether Class A Compressed Shares are convertible (in relation to other securities owned by the Class A Shareholder together with any Affiliates) and of which Class A Compressed Shares are convertible shall be in the sole discretion of the Corporation, and the submission of a Conversion Notice shall be deemed to be the Holder's certification as to the Class A Shareholder's beneficial ownership of Common Shares of the Corporation, and the Corporation shall have the right, but not the obligation, to verify or confirm the accuracy of such beneficial ownership.

(iv) Increase of Beneficial Ownership Limitation. The Class A Shareholder, upon notice to the Corporation, may increase or decrease the Beneficial Ownership

Limitation provisions of this Section 6(b), provided that the Beneficial Ownership Limitation in no event exceeds 19.99% of the number of the Common Shares outstanding immediately after giving effect to the issuance of Common Shares upon conversion of Class A Compressed Shares subject to the Conversion Notice and the provisions of this Section 6 shall continue to apply. Any increase in the Beneficial Ownership Limitation will not be effective until the 61st day after such notice is delivered to the Corporation. The provisions of this paragraph shall be construed and implemented in a manner otherwise than in strict conformity with the terms of this Section 6 to correct this paragraph (or any portion hereof) which may be defective or inconsistent with the intended Beneficial Ownership Limitation herein contained or to make changes or supplements necessary or desirable to properly give effect to such limitation. The limitations contained in this paragraph shall apply to a successor Class A Shareholder.

7. **Mandatory Conversion.**

(a) Notwithstanding subsection 6(a), the Corporation may require each Class A Shareholder to convert all, and not less than all, the Class A Compressed Shares at the applicable Conversion Ratio (a "***Mandatory Conversion***") if at any time all the following conditions are satisfied (or otherwise waived by the Class A Super Majority Vote):

(i) the Common Shares issuable upon conversion of all the Class A Compressed Shares are registered for resale and may be sold by the Class A Shareholder pursuant to an effective registration statement and/or prospectus covering the Common Shares under the United States Securities Act of 1933, as amended (the "***U.S. Securities Act***");

(ii) the Corporation is subject to the reporting requirements of Section 13 or 15(d) of the U.S. Exchange Act; and

(iii) the Common Shares are listed or quoted (and are not suspended from trading) on a recognized North American stock exchange or by way of reverse takeover transaction on the Toronto Stock Exchange, the TSX Venture Exchange, the Canadian Securities Exchange or Aequitas NEO Exchange (or any other stock exchange recognized as such by the Ontario Securities Commission).

(b) The Corporation will issue or cause its transfer agent to issue each Class A Shareholder of record a Mandatory Conversion Notice at least 20 days prior to the record date of the Mandatory Conversion, which shall specify therein, (i) the number of Common Shares into which the Class A Compressed Shares are convertible and (ii) the address of record for such Class A Shareholder. On the record date of a Mandatory Conversion, the Corporation will issue or cause its transfer agent to issue each Class A Shareholder of record on the Mandatory Conversion Date certificates representing the number of Common Shares into which the Class A Compressed Shares are so converted and each certificate representing the Class A Compressed Shares shall be null and void.

8. **Pre-emptive Rights**. The holders of Class A Compressed Shares shall have no preemptive rights.

9. **Notices**. Any notice required by the provisions of these Special Rights and Restrictions to be given to the Class A Shareholders shall be deemed given if deposited in the Canadian mail, postage prepaid, and addressed to each holder of record at his address appearing on the books of the Corporation.

10. **Status of Converted Class A Compressed Shares**. Any Class A Compressed Shares converted shall be retired and cancelled and may not be reissued as shares of such series or any other class or series, and the Corporation may thereafter take such appropriate action (without

the need for stockholder action) as may be necessary to reduce the authorized number of Class A Compressed Shares accordingly.

11. **Disputes**. Any Class A Shareholder that beneficially owns more than 5% of the issued and outstanding Class A Compressed Shares may submit a written dispute as to the determination of the Conversion Ratio or the arithmetic calculation of the Conversion Ratio, 40% Threshold, FPI Protective Restriction or the Beneficial Ownership Limitation by the Corporation to the Board of Directors with the basis for the disputed determinations or arithmetic calculations. The Corporation shall respond to the Class A Shareholder within five (5) Business Days of receipt, or deemed receipt, of the dispute notice with a written calculation of the Conversion Ratio, 40% Threshold, FPI Protective Restriction or the Beneficial Ownership Limitation, as applicable. If the Class A Shareholder and the Corporation are unable to agree upon such determination or calculation of the Conversion Ratio, FPI Protective Restriction or the Beneficial Ownership Limitation, as applicable, within five (5) Business Days of such response, then the Corporation and the Class A Shareholder shall, within one (1) Business Day thereafter submit the disputed arithmetic calculation of the Conversion Ratio, FPI Protective Restriction or the Beneficial Ownership Limitation to the Corporation's independent, outside accountant. The Corporation, at the Corporation's expense, shall cause the accountant to perform the determinations or calculations and notify the Corporation and the Class A Shareholder of the results no later than five (5) Business Days from the time it receives the disputed determinations or calculations. Such accountant's determination or calculation, as the case may be, shall be binding upon all parties absent demonstrable error.

APPENDIX "C"

SECTION 185 OF THE OBCA

185.1) **Rights of dissenting shareholders**. Subject to subsection (3) and to sections 186 and 248, if a corporation resolves to,

(a) amend its articles under section 168 to add, remove or change restrictions on the issue, transfer or ownership of shares of a class or series of the shares of the corporation;

(b) amend its articles under section 168 to add, remove or change any restriction upon the business or businesses that the corporation may carry on or upon the powers that the corporation may exercise;

(c) amalgamate with another corporation under sections 175 and 176;

(d) be continued under the laws of another jurisdiction under section 181; or

(e) sell, lease or exchange all or substantially all its property under subsection 184 (3),

a holder of shares of any class or series entitled to vote on the resolution may dissent.

(2) **Idem.** If a corporation resolves to amend its articles in a manner referred to in subsection 170 (1), a holder of shares of any class or series entitled to vote on the amendment under section 168 or 170 may dissent, except in respect of an amendment referred to in,

(a) clause 170 (1) (a), (b) or (e) where the articles provide that the holders of shares of such class or series are not entitled to dissent; or

(b) subsection 170 (5) or (6).

(2.1) **One class of shares.** The right to dissent described in subsection (2) applies even if there is only one class of shares.

(3) **Exception.** A shareholder of a corporation incorporated before the 29th day of July, 1983 is not entitled to dissent under this section in respect of an amendment of the articles of the corporation to the extent that the amendment,

(a) amends the express terms of any provision of the articles of the corporation to conform to the terms of the provision as deemed to be amended by section 277; or

(b) deletes from the articles of the corporation all of the objects of the corporation set out in its articles, provided that the deletion is made by the 29th day of July, 1986.

(4) **Shareholder's right to be paid fair value.** In addition to any other right the shareholder may have, but subject to subsection (30), a shareholder who complies with this section is entitled, when the action approved by the resolution from which the shareholder dissents becomes effective, to be paid by the corporation the fair value of the shares held by the shareholder in respect of which the shareholder dissents, determined as of the close of business on the day before the resolution was adopted.

(5) **No partial dissent.** A dissenting shareholder may only claim under this section with respect to all the shares of a class held by the dissenting shareholder on behalf of any one beneficial owner and registered in the name of the dissenting shareholder.

(6) **Objection.** A dissenting shareholder shall send to the corporation, at or before any meeting of shareholders at which a resolution referred to in subsection (1) or (2) is to be voted on, a written

objection to the resolution, unless the corporation did not give notice to the shareholder of the purpose of the meeting or of the shareholder's right to dissent.

(7) **Idem.** The execution or exercise of a proxy does not constitute a written objection for purposes of subsection (6).

(8) **Notice of adoption of resolution.** The corporation shall, within ten days after the shareholders adopt the resolution, send to each shareholder who has filed the objection referred to in subsection (6) notice that the resolution has been adopted, but such notice is not required to be sent to any shareholder who voted for the resolution or who has withdrawn the objection.

(9) **Idem.** A notice sent under subsection (8) shall set out the rights of the dissenting shareholder and the procedures to be followed to exercise those rights.

(10) **Demand for payment of fair value.** A dissenting shareholder entitled to receive notice under subsection (8) shall, within twenty days after receiving such notice, or, if the shareholder does not receive such notice, within twenty days after learning that the resolution has been adopted, send to the corporation a written notice containing,

(a) the shareholder's name and address;

(b) the number and class of shares in respect of which the shareholder dissents; and

(c) a demand for payment of the fair value of such shares.

(11) **Certificates to be sent in.** Not later than the thirtieth day after the sending of a notice under subsection (10), a dissenting shareholder shall send the certificates representing the shares in respect of which the shareholder dissents to the corporation or its transfer agent.

(12) **Idem.** A dissenting shareholder who fails to comply with subsections (6), (10) and (11) has no right to make a claim under this section.

(13) **Endorsement on certificate.** A corporation or its transfer agent shall endorse on any share certificate received under subsection (11) a notice that the holder is a dissenting shareholder under this section and shall return forthwith the share certificates to the dissenting shareholder.

(14) **Rights of dissenting shareholder.** On sending a notice under subsection (10), a dissenting shareholder ceases to have any rights as a shareholder other than the right to be paid the fair value of the shares as determined under this section except where,

(a) the dissenting shareholder withdraws notice before the corporation makes an offer under subsection (15);

(b) the corporation fails to make an offer in accordance with subsection (15) and the dissenting shareholder withdraws notice; or

(c) the directors revoke a resolution to amend the articles under subsection 168 (3), terminate an amalgamation agreement under subsection 176 (5) or an application for continuance under subsection 181 (5), or abandon a sale, lease or exchange under subsection 184 (8),

in which case the dissenting shareholder's rights are reinstated as of the date the dissenting shareholder sent the notice referred to in subsection (10), and the dissenting shareholder is entitled, upon presentation and surrender to the corporation or its transfer agent of any certificate representing the shares that has been endorsed in accordance with subsection (13), to be issued

a new certificate representing the same number of shares as the certificate so presented, without payment of any fee.

(15) **Offer to pay.** A corporation shall, not later than seven days after the later of the day on which the action approved by the resolution is effective or the day the corporation received the notice referred to in subsection (10), send to each dissenting shareholder who has sent such notice,

(a) a written offer to pay for the dissenting shareholder's shares in an amount considered by the directors of the corporation to be the fair value thereof, accompanied by a statement showing how the fair value was determined; or

(b) if subsection (30) applies, a notification that it is unable lawfully to pay dissenting shareholders for their shares.

(16) **Idem.** Every offer made under subsection (15) for shares of the same class or series shall be on the same terms.

(17) **Idem.** Subject to subsection (30), a corporation shall pay for the shares of a dissenting shareholder within ten days after an offer made under subsection (15) has been accepted, but any such offer lapses if the corporation does not receive an acceptance thereof within thirty days after the offer has been made.

(18) **Application to court to fix fair value.** Where a corporation fails to make an offer under subsection (15) or if a dissenting shareholder fails to accept an offer, the corporation may, within fifty days after the action approved by the resolution is effective or within such further period as the court may allow, apply to the court to fix a fair value for the shares of any dissenting shareholder.

(19) **Idem.** If a corporation fails to apply to the court under subsection (18), a dissenting shareholder may apply to the court for the same purpose within a further period of twenty days or within such further period as the court may allow.

(20) **Idem.** A dissenting shareholder is not required to give security for costs in an application made under subsection (18) or (19).

(21) **Costs.** If a corporation fails to comply with subsection (15), then the costs of a shareholder application under subsection (19) are to be borne by the corporation unless the court otherwise orders.

(22) **Notice to shareholders.** Before making application to the court under subsection (18) or not later than seven days after receiving notice of an application to the court under subsection (19), as the case may be, a corporation shall give notice to each dissenting shareholder who, at the date upon which the notice is given,

(a) has sent to the corporation the notice referred to in subsection (10); and

(b) has not accepted an offer made by the corporation under subsection (15), if such an offer was made,

of the date, place and consequences of the application and of the dissenting shareholder's right to appear and be heard in person or by counsel, and a similar notice shall be given to each dissenting shareholder who, after the date of such first mentioned notice and before termination of the proceedings commenced by the application, satisfies the conditions set out in clauses (a) and (b) within three days after the dissenting shareholder satisfies such conditions.

(23) **Parties joined.** All dissenting shareholders who satisfy the conditions set out in clauses (22) (a) and (b) shall be deemed to be joined as parties to an application under subsection (18) or (19) on the later of the date upon which the application is brought and the date upon which they satisfy the conditions, and shall be bound by the decision rendered by the court in the proceedings commenced by the application.

(24) **Idem.** Upon an application to the court under subsection (18) or (19), the court may determine whether any other person is a dissenting shareholder who should be joined as a party, and the court shall fix a fair value for the shares of all dissenting shareholders.

(25) **Appraisers.** The court may in its discretion appoint one or more appraisers to assist the court to fix a fair value for the shares of the dissenting shareholders.

(26) **Final order.** The final order of the court in the proceedings commenced by an application under subsection (18) or (19) shall be rendered against the corporation and in favour of each dissenting shareholder who, whether before or after the date of the order, complies with the conditions set out in clauses (22) (a) and (b).

(27) **Interest.** The court may in its discretion allow a reasonable rate of interest on the amount payable to each dissenting shareholder from the date the action approved by the resolution is effective until the date of payment.

(28) **Where corporation unable to pay.** Where subsection (30) applies, the corporation shall, within ten days after the pronouncement of an order under subsection (26), notify each dissenting shareholder that it is unable lawfully to pay dissenting shareholders for their shares.

(29) **Idem.** Where subsection (30) applies, a dissenting shareholder, by written notice sent to the corporation within thirty days after receiving a notice under subsection (28), may,

(a) withdraw a notice of dissent, in which case the corporation is deemed to consent to the withdrawal and the shareholder's full rights are reinstated; or

(b) retain a status as a claimant against the corporation, to be paid as soon as the corporation is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the corporation but in priority to its shareholders.

(30) **Idem.** A corporation shall not make a payment to a dissenting shareholder under this section if there are reasonable grounds for believing that,

(a) the corporation is or, after the payment, would be unable to pay its liabilities as they become due; or

(b) the realizable value of the corporation's assets would thereby be less than the aggregate of its liabilities.

(31) **Court order.** Upon application by a corporation that proposes to take any of the actions referred to in subsection (1) or (2), the court may, if satisfied that the proposed action is not in all the circumstances one that should give rise to the rights arising under subsection (4), by order declare that those rights will not arise upon the taking of the proposed action, and the order may be subject to compliance upon such terms and conditions as the court thinks fit and, if the corporation is an offering corporation, notice of any such application and a copy of any order made by the court upon such application shall be served upon the Commission.

(32) **Commission may appear.** The Commission may appoint counsel to assist the court upon the hearing of an application under subsection (31), if the corporation is an offering corporation.

APPENDIX "D"

AMENDED SHARE UNIT PLAN
CANNAROYALTY CORP.

ARTICLE 1
INTRODUCTION

1.1 Purpose of Plan

This Plan provides for the granting of Share Unit Awards and payment in respect thereof through the issuance of one Share from treasury of the Corporation per Share Unit (subject to adjustments), for services rendered, for the purpose of advancing the interests of the Participants.

1.2 Definitions

(A) "**Affiliate**" means any Corporation that is an affiliate of the Corporation as defined in National Instrument 45-106 – *Prospectus and Registration Exemptions*, as may be amended from time to time.

(B) "**Associate**" with any person or company, is as defined in the *Securities Act*, as may be amended from time to time.

(C) "**Board**" means the board of directors of the Corporation, or any committee of the board of directors to which the duties of the board of directors hereunder are delegated.

(D) "**Change of Control**" means the occurrence of any one or more of the following events:

(i) a consolidation, merger, amalgamation, arrangement or other reorganization or acquisition involving the Corporation or any of its Affiliates and another corporation or other entity, as a result of which the holders of Shares immediately prior to the completion of the transaction hold less than 50% of the outstanding shares of the successor corporation immediately after completion of the transaction;

(ii) the sale, lease, exchange or other disposition, in a single transaction or a series of related transactions, of all or substantially all of the assets, rights or properties of the Corporation and its Subsidiaries on a consolidated basis to any other person or entity, other than transactions among the Corporation and its Subsidiaries;

(iii) a resolution is adopted to wind-up, dissolve or liquidate the Corporation;

(iv) any person, entity or group of persons or entities acting jointly or in concert (the "**Acquiror**") acquires, or acquires control (including, without limitation, the power to vote or direct the voting) of, voting securities of the Corporation which, when added to the voting securities owned of record or beneficially by the Acquiror or which the Acquiror has the right to vote or in respect of which the Acquiror has the right to direct the voting, would entitle the Acquiror and/or Associates and/or Affiliates of the Acquiror to cast or direct the casting of 50% or more of the votes attached to all of the Corporation's outstanding voting securities which may be cast to elect Directors of the Corporation or the successor corporation (regardless of whether a meeting has been called to elect Directors);

(v) as a result of or in connection with: (A) a contested election of Directors; or (B) a consolidation, merger, amalgamation, arrangement or other reorganization or acquisition involving the Corporation or any of its Affiliates and another corporation or other entity (a "**Transaction**"), fewer than 50% of the Directors of

the Corporation are persons who were Directors of the Corporation immediately prior to such Transaction; or

(vi) the Board adopts a resolution to the effect that a Change of Control as defined herein has occurred or is imminent.

For the purposes of the foregoing definition of Change of Control, "**voting securities**" means Shares and any other shares entitled to vote for the election of Directors and shall include any security, whether or not issued by the Corporation, which are not shares entitled to vote for the election of Directors but are convertible into or exchangeable for shares which are entitled to vote for the election of Directors, including any options or rights to purchase such shares or securities.

(E) "**Committee**" means the Board or, if the Board so determines in accordance with Section 2.2 of the Plan, any committee of Directors of the Corporation authorized to administer the Plan from time to time.

(F) "**Consultant**" means, in relation to the Corporation, an individual or a Consultant Corporation, other than an Employee, Director or Officer of the Corporation, that:

(i) is engaged to provide on a continuous bona fide basis, consulting, technical, management or other services to the Corporation or to an Affiliate of the Corporation, other than services provided in relation to a distribution;

(ii) provides the services under a written contract between the Corporation or the Affiliate and the individual or the Consultant Corporation;

(iii) in the reasonable opinion of the Corporation, spends or will spend a significant amount of time and attention on the affairs and business of the Corporation or an Affiliate of the Corporation; and

(iv) has a relationship with the Corporation or an Affiliate of the Corporation that enables the individual to be knowledgeable about the business and affairs of the Corporation.

(G) "**Consultant Corporation**" means for an individual Consultant, a company or partnership of which the individual is an employee, shareholder or partner.

(H) "**Corporation**" means CannaRoyalty Corp. and includes any successor corporation thereof.

(I) "**Deferred Payment Date**" for a Participant means the date after the Vesting Date which is the earlier of (i) the date to which the Participant has elected to defer receipt of Shares in accordance with Section 2.5 of this Plan; and (ii) the date of the Participant's Retirement, Resignation, Termination with Cause or Termination Without Cause or a Change of Control of the Corporation.

(J) "**Director**" means a director of the Corporation or any of its Subsidiaries.

(K) "**Disability**" means where the Participant: (i) is to a substantial degree unable, due to illness, disease, affliction, mental or physical disability or similar cause, to fulfill his or her obligations as an officer or employee of the Corporation either for any consecutive 12 month period or for any period of 18 months (whether or not consecutive) in any consecutive 24 month period; or (ii) is declared by a court of competent jurisdiction to be mentally incompetent or incapable of managing his affairs.

(L) "**Employee**" means an individual who is a bona fide employee of the Corporation or of any Subsidiary of the Corporation and includes a bona fide permanent part-time employee of the Corporation or any Subsidiary of the Corporation.

(M) "**Grant Date**" means the effective date that a Share Unit is awarded to a Participant under this Plan, as evidenced by the Share Unit grant letter.

(N) "**Insider**" has the meaning given to such term in the *Securities Act* (Ontario).

(O) "**Management Corporation Employee**" means an individual who is a bona fide employee of a company providing management services to the Corporation, which are required for the ongoing successful operation of the business enterprise of the Corporation.

(P) "**Market Price**" as at any date in respect of the Shares shall be the closing price of the Shares on the principal stock exchange on which such Shares are traded, on the trading day that the Share Unit is awarded. In the event that the Shares are not then listed and posted for trading on a stock exchange, the Market Price shall be the fair market value of such Shares as determined by the Committee in its sole discretion.

(Q) "**Officer**" means a senior officer of the Corporation or any of its Subsidiaries.

(R) "**Participant**" means an Employee, Director or Officer of the Corporation or any of its Subsidiaries, or an Affiliate, Consultant or Management Corporation Employee to whom Share Units are granted hereunder unless otherwise determined by the Committee, and, except in relation to a Consultant Corporation, includes a company that is wholly-owned by such persons.

(S) "**Plan**" means this Share Unit Plan, as may be amended from time to time.

(T) "**Qualifying Participant**" means a Participant (i) who is a resident of Canada for the purposes of the *Income Tax Act* (Canada) or (ii) who is designated as a Qualifying Participant in the Participant's Share Unit grant letter, provided that the Participant is not a U.S. Taxpayer.

(U) "**Resignation**" means the cessation of employment (as an Officer or Employee) of the Participant with the Corporation or any of its Subsidiaries or Affiliates as a result of resignation, other than as a result of Retirement.

(V) "**Retirement**" means the Participant ceasing to be an Employee or Officer of the Corporation or any of its Subsidiaries or Affiliates in accordance with the retirement policies of the Corporation or any of its Subsidiaries or Affiliates, if any, or such other time as the Corporation may agree with the Participant.\

(W) "**Securities Act**" means the *Securities Act*, R.S.O. 1990, Chapter S.5, as amended from time to time.

(X) "**Share Unit**" means a unit credited by means of an entry on the books of the Corporation to a Participant, representing the right to receive one Share (subject to adjustments) issued from treasury.

(Y) "**Share Unit Award**" means an award of Share Units under this Plan to a Participant.

(Z) "**Shares**" means the common shares in the capital of the Corporation.

(AA) "**Stock Exchange**" means the stock exchange on which the Shares are listed, or if the Shares are not listed on any stock exchange, then on the over-the-counter market.

(BB) "**Subsidiary**" means a corporation which is a subsidiary of the Corporation defined under the *Securities Act*.

(CC) "**Termination With Cause**" means the termination of employment (as an Officer or Employee) of the Participant with cause by the Corporation or any of its Subsidiaries or Affiliates (and does not include Resignation or Retirement).

(DD) "**Termination Without Cause**" means the termination of employment (as an Officer or Employee) of the Participant without cause by the Corporation or any of its Subsidiaries or Affiliates (and does not include Resignation or Retirement) and, in the case of an Officer, includes the removal of or failure to reappoint the Participant as an Officer of the Corporation or any of its Subsidiaries or Affiliates.

(EE) "**U.S. Taxpayer**" means a Participant who is a U.S. citizen, U.S. permanent resident or U.S. tax resident or a Participant for whom a benefit under this Plan would otherwise be subject to U.S. taxation under the U.S. Internal Revenue Code of 1986, as amended, and the rulings and regulations in effect thereunder.

(FF) "**Vesting Date**" means the date that a Share Unit is eligible for payment, as determined by the Committee in its sole discretion in accordance with the Plan and as outlined in the Share Unit grant letter issued to the Participant.

2.2 The headings of all articles, sections and paragraphs in this Plan are inserted for convenience of reference only and shall not affect the construction or interpretation of this Plan.

2.3 Whenever the singular or masculine are used in this Plan, the same shall be construed as being the plural or feminine or neuter or vice versa where the context so requires.

2.4 The words "herein", "hereby", "hereunder", "hereof" and similar expressions mean or refer to this Plan as a whole and not to any particular article, section, paragraph or other part hereof.

2.5 Unless otherwise specifically provided, all references to dollar amounts in this Plan are references to lawful money of Canada.

ARTICLE 2
ADMINISTRATION OF THE PLAN

2.1 Administration

This Plan shall be administered by the Committee and the Committee shall have full authority to administer this Plan, including the authority to interpret and construe any provision of this Plan and to adopt, amend and rescind such rules and regulations for administering this Plan as the Committee may deem necessary in order to comply with the requirements of this Plan. All actions taken and all interpretations and determinations made by the Committee in good faith shall be final and conclusive and shall be binding on the Participants and the Corporation. No member of the Committee shall be personally liable for any action taken or determination or interpretation made in good faith in connection with this Plan and all members of the Committee shall, in addition to their rights as Directors of the Corporation, be fully protected, indemnified and held harmless by the Corporation with respect to any such action taken or determination or interpretation made in good faith. The appropriate Officers of the Corporation are hereby authorized and empowered to do all things and execute and deliver all instruments, undertakings and applications and writings as they, in their absolute discretion, consider necessary for the implementation of this Plan and of the rules and regulations established for administering this Plan. All costs incurred in connection with this Plan shall be for the account of the Corporation.

Notwithstanding anything to the contrary in the Plan, the provisions of Schedule "A" shall apply to Share Unit Awards granted to a Participant who is a U.S. Taxpayer.

2.2 Delegation to Committee

All of the powers exercisable hereunder by the Board may, to the extent permitted by applicable law and as determined by resolution of the Board, be exercised by a committee of the Board, including the Committee.

2.3 Register

The Corporation shall maintain a register in which it shall record the name and address of each Participant and the number of Share Units (and their corresponding key conditions and Vesting Date) awarded to each Participant.

2.4 Participant Determination

The Committee shall from time to time determine the Participants who may participate in this Plan. The Committee shall from time to time, and subject to any applicable blackout period, determine the Participants to whom Share Units shall be granted and the number, provisions and restrictions with respect to such grant, all such determinations to be made in accordance with the terms and conditions of this Plan.

2.5 Deferred Payment Date

A Qualifying Participant may elect to defer to receive all or any part of their Shares to a date after the Vesting Date until a Deferred Payment Date.

Qualifying Participants who elect to set a Deferred Payment Date must give the Corporation written notice of the Deferred Payment Date not later than five (5) days prior to the Vesting Date. For certainty, Qualifying Participants shall not be permitted to give any such notice after the day which is five (5) days prior to the Vesting Date and a notice once given may not be changed or revoked.

In the event of the Retirement, Resignation, Termination with Cause or Termination Without Cause of the Qualifying Participant or a Change of Control following the Vesting Date and prior to the Deferred Payment Date, the Qualifying Participant shall be entitled to receive and the Corporation shall issue forthwith the applicable Shares in satisfaction of the Share Units then held by the Qualifying Participant that have vested.

ARTICLE 3
SHARE UNIT AWARDS

3.1 General

This Plan is hereby established for the Employees, Directors and Officers of the Corporation and any of its Subsidiaries and Affiliates, and for individuals retained as a Consultant to the Corporation or Management Corporation Employees, as may be determined by the Committee.

3.2 Share Unit Awards

A Share Unit Award and any applicable vesting conditions may be made to a particular Participant as determined in the sole and absolute discretion of the Committee. The number of Share Units awarded will be determined based on the Market Price and will be credited to the Participant's account, effective as of the Grant Date. The Share Units will be settled by way of the issuance of Shares from treasury as soon as practicable following the Vesting Date or, if applicable, the Deferred Payment Date, unless otherwise provided under this Plan.

For the avoidance of doubt, a Participant will have no right or entitlement whatsoever to receive any Shares until the Vesting Date or, if applicable, the Deferred Payment Date.

3.3 Dividends

In the event a cash dividend is paid to shareholders of the Corporation on the Shares while a Share Unit is outstanding, each Participant will be credited with additional Share Units reflective of the cash dividends to such Participant. In such case, the number of additional Share Units will be equal to the aggregate amount of dividends that would have been paid to the Participant if the Share Units in the Participant's account on the record date had been Shares divided by the Market Price of a Share on the date on which dividends were paid by the Corporation. If the foregoing shall result in a fractional Share Unit, the fraction shall be disregarded.

The additional Share Units will vest and be settled on the Participant's Vesting Date or, if applicable, the Deferred Payment Date of the particular Share Unit Award to which the additional Share Units relate.

3.4 Change of Control

In the event of a Change of Control, all unvested Share Units outstanding shall automatically and immediately vest on the date of such Change of Control. Upon a Change of Control, Participants shall not be treated any more favourably than shareholders of the Corporation with respect to the consideration that the Participants would be entitled to receive for their Shares.

3.5 Death or Disability of Participant

Subject to the Board determining otherwise, in the event of:

(a) the death of a Participant, any unvested Share Units held by such Participant will automatically vest on the date of death of such Participant and the Shares underlying all Share Units held by such Participant will be issued to the Participant's estate as soon as reasonably practical thereafter; or

(b) the Disability of a Participant (as may be determined in accordance with the policies, if any, or general practices of the Corporation or any Subsidiary), any unvested Share Units held by such Participant will automatically vest on the date on which the Participant is determined to be totally disabled and the Shares underlying the Share Units held will be issued to the Participant as soon as reasonably practical thereafter.

3.6 Retirement

Subject to the Board determining otherwise, in the event of Retirement of a Participant, any unvested Share Units held by such Participant will automatically vest on the date of Retirement and the Shares underlying such Share Units will be issued to the Participant as soon as reasonably practical thereafter.

3.7 Termination Without Cause

(a) Subject to the Board determining otherwise, in the event of Termination Without Cause of a Participant, any unvested Share Units held by such Participant that are not subject to Section 3.7(b) as a result of not being subject to performance vesting criteria, shall continue to vest in accordance with the ordinary vesting schedule of such Share Units.

(b) Subject to the Board determining otherwise, in the event of Termination Without Cause of a Participant, any unvested Share Units with performance vesting criteria held by such Participant will vest in accordance with their normal vesting schedule unless otherwise stipulated in the Participant's Share Unit grant letter.

For greater certainty, the date of Termination Without Cause shall mean the date the Participant ceases providing services to the Corporation or an Affiliate regardless of the reasons therefore and, for greater clarity, such date shall be as specified in the notice of termination from the Corporation or an Affiliate and shall not include or be deemed to include any period of notice of termination to which the Participant may be entitled under contract, statute, common law or otherwise.

3.8 Termination With Cause or Resignation

In the event of Termination With Cause or the Resignation of a Participant, all of the Participant's Share Units shall become void and the Participant shall have no entitlement and will forfeit any rights to any issuance of Shares under this Plan, except as may otherwise be stipulated in the Participant's Share Unit grant letter or as may otherwise be determined by the Committee in its sole and absolute discretion. Share Units that have vested but that are subject to a Participant's election to set a Deferred Payment Date shall be issued forthwith following the Termination with Cause or the Resignation of the Participant.

3.9 Share Unit Grant Letter

Each grant of a Share Unit under this Plan shall be evidenced by a confirmation Share Unit grant letter issued to the Participant by the Corporation. Such Share Unit grant letter shall be subject to all applicable terms and conditions of this Plan and may include any other terms and conditions which are not inconsistent with this Plan and which the Committee deems appropriate for inclusion in a Share Unit grant letter. The provisions of the various Share Unit grant letters issued under this Plan need not be identical.

3.10 Maximum Number of Shares

The maximum number of Shares made available for issuance from treasury under this Plan or any other security based compensation arrangement (pre-existing or otherwise), subject to adjustments pursuant to Section 4.8, shall not exceed 10% of the then issued and outstanding Shares (including Shares underlying outstanding Share Units). Any Shares subject to a Share Unit which has been cancelled or terminated in accordance with the terms of the Plan without settlement will again be available for the grant of a Share Unit under this Plan. The grant of Share Units under the Plan is subject to a restriction such that the number of Shares: (i) issued to Insiders of the Corporation within any one (1) year period, and (ii) issuable to Insiders of the Corporation, at any time, under the Plan, or when combined with all of the Corporation's other security based compensation arrangements, shall not exceed 10% of the total issued and outstanding Shares, respectively. For greater certainty, the number of Shares outstanding shall mean the number of Shares outstanding on a non-diluted basis on the date immediately prior to the proposed Grant Date.

A Share Unit Award granted to a Participant for services rendered will entitle the Participant, subject to the Participant's satisfaction of any conditions, vesting periods, restrictions or limitations imposed pursuant to this Plan or as set out in the Share Unit grant letter, to receive payment following the Participant's Vesting Date or, if applicable, the Deferred Payment Date through the issuance of Shares from treasury.

The Corporation shall have the power to satisfy any Share Unit obligation of the Corporation by the issuance of Shares from treasury at a rate of one Share for each Share Unit, subject to adjustment.

3.11 Settlement of Share Units

For greater certainty, notwithstanding any provision of this Plan, the Corporation shall not have the right to settle any Share Units for non-share consideration.

ARTICLE 4
GENERAL

4.1 Effectiveness

The Plan shall be effective following the approval of the Board by ordinary resolution, subject to the provisions of Section 4.2 hereof. This Plan shall remain in effect until it is terminated by the Committee or the Board.

4.2 Discontinuance of Plan

The Committee or the Board, as the case may be, may discontinue this Plan at any time in its sole discretion, and without shareholder approval, provided that such discontinuance may not, without the

consent of the Participant, in any manner adversely affect the Participant's rights under any Share Unit granted under this Plan. In the event this Plan is discontinued by the Committee or the Board, the balance of outstanding Share Units shall be maintained until the earlier of the Vesting Date for, or the Termination with Cause, Termination Without Cause, Resignation, Retirement, death or Disability of, each Participant as provided for under this Plan.

4.3 Non-Transferability

Except pursuant to Section 3.5(a) or by a will or by the laws of descent and distribution, no Share Unit and no other right or interest of a Participant (excluding, for greater certainty, Shares previously issued to a Participant in accordance with this Plan) is assignable or transferable.

4.4 Income Taxes

The Corporation or any of its Subsidiaries or Affiliates may take such steps as are considered necessary or appropriate for the withholding of any taxes or other source deduction which the Corporation or any of its Subsidiaries or Affiliates is required by any law or regulation of any governmental authority whatsoever to withhold in connection with the issuance of Shares pursuant to this Plan, including a sale on behalf of a Participant of a sufficient number of Shares to fund such withholding obligation or withholding from other remuneration owing to the Participant.

4.5 Amendments to the Plan

The Committee may from time to time in its sole discretion, and without shareholder approval, amend, modify and change the provisions of this Plan and any Share Unit grant letter, in connection with (without limitation):

(a) amendments of a housekeeping nature;

(b) the addition or a change to any vesting provisions of a Share Unit;

(c) changes to the termination provisions of a Share Unit or the Plan; and

(d) amendments to reflect changes to applicable securities or tax laws.

However, other than as set out above, any amendment, modification or change to the provisions of this Plan which would:

(a) materially increase the benefits to the holder of any Share Units who is an Insider to the material detriment of the Corporation and its shareholders;

(b) increase the number of Shares or maximum percentage of Shares which may be issued pursuant to this Plan (other than by virtue of adjustments pursuant to Section 4.9 of this Plan);

(c) permit Share Units to be transferred other than for normal estate settlement purposes;

(d) remove or exceed the Insider participation limits;

(e) materially modify the eligibility requirements for participation in this Plan; or

(f) modify the amending provisions of the Plan set forth in this Section 4.5,

shall only be effective on such amendment, modification or change being approved by the shareholders of the Corporation. In addition, any such amendment, modification or change of any provision of this Plan shall be subject to the approval, if required, by any Stock Exchange having jurisdiction over the securities of the Corporation.

4.6 Participant Rights

No holder of any Share Units shall have any rights as a shareholder of the Corporation. Except as otherwise specified herein, no holder of any Share Units shall be entitled to receive, and no adjustment is required to be made for, any dividends, distributions or any other rights declared for shareholders of the Corporation.

4.7 No Right to Continued Employment or Service

Nothing in this Plan shall confer on any Participant the right to continue as an Employee or Officer of the Corporation or any of its Subsidiaries or Affiliates, as the case may be, or interfere with the right of the Corporation or any of its Subsidiaries or Affiliates, as applicable, to remove such Officer and/or Employee.

4.8 4.8 Adjustments

In the event there is any change in the Shares, whether by reason of a stock dividend, consolidation, subdivision, reclassification or otherwise, an appropriate adjustment shall be made to outstanding Share Units by the Committee, in its sole discretion, to reflect such changes. If the foregoing adjustment shall result in a fractional Share, the fraction shall be disregarded. All such adjustments shall be conclusive, final and binding for all purposes of this Plan.

4.9 Effect of Take-Over Bid

If a bona fide offer (the "**Offer**") for Shares is made to shareholders generally (or to a class of shareholders that would include the Participant), which Offer, if accepted in whole or in part, would result in the offeror (the "**Offeror**") exercising control over the Corporation within the meaning of the Securities Act, then the Corporation shall, as soon as practicable following receipt of the Offer, notify each Participant of the full particulars of the Offer. The Board will have the sole discretion to amend, abridge or otherwise eliminate any vesting schedule related to each Participant's Share Units so that notwithstanding the other terms of this Plan, the underlying Shares may be conditionally issued to each Participant holding Share Units so (and only so) as to permit the Participant to tender the Shares received in connection with the Share Units pursuant to the Offer. If:

(a) the Offer is not complied with within the time specified therein;

(b) the Participant does not tender the Shares underlying the Share Units pursuant to the Offer; or

(c) all of the Shares tendered by the Participant pursuant to the Offer are not taken up and paid for by the Offeror,

then at the discretion of the Committee or the Board, the Share Units shall be deemed not to have been settled and the Shares or, in the case of clause (c) above, the Shares that are not taken up and paid for, shall be deemed not to have been issued and will be reinstated as authorized but unissued Shares and the terms of the Share Units as set forth in this Plan and the applicable Share Unit grant letter shall again apply to the Share Units.

4.10 Unfunded Status of Plan

This Plan shall be unfunded.

4.11 Compliance with Laws

If any provision of this Plan or any Share Unit contravenes any law or any order, policy, by-law or regulation of any regulatory body having jurisdiction, then such provision shall be deemed to be amended to the extent necessary to bring such provision into compliance therewith.

4.12 Governing Law

This Plan shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

4.13 Effective Dates and Amendments

Approved by the board of directors of Cannabis Royalties & Holdings Corp. on April 29, 2016.

SCHEDULE "A"

CANNAROYALTY CORP.

SHARE UNIT PLAN

Notwithstanding anything to the contrary in the Plan, the provisions of this Schedule "A". shall apply to the Share Unit Awards made to a Participant during the period that he or she is a U.S. Taxpayer.

1. Retirement

Notwithstanding Section 3.6 of the Plan, any unvested Share Units held by a Participant that is a U.S. Taxpayer will automatically vest on the date such Participant attains the age of 65 and the Shares underlying such Share Units will be issued to the Participant forthwith and in any event no later than March 15 of the following calendar year.

2. Inability to Elect a Deferred Payment Date

For greater certainty, a Participant who is a U.S. Taxpayer will not be entitled to elect a Deferred Payment Date.

APPENDIX "E" – CHARTER OF THE AUDIT COMMITTEE

CANNAROYALTY CORP.

CHARTER OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

1. PURPOSE OF THIS CHARTER

The Audit Committee (the "**Committee**") is appointed by the Board of Directors (the "**Board**") of CannaRoyalty Corp. (the "**Corporation**") to assist the Board in fulfilling its oversight responsibilities relating to financial accounting, reporting and internal controls for the Corporation. The Committee's primary duties and responsibilities are to:

(a) conduct such reviews and discussions with management and the external auditors relating to the audit and financial reporting as are deemed appropriate by the Committee;

(b) assess the integrity of internal controls and financial reporting procedures of the Corporation and ensure implementation of such controls and procedures;

(c) review the quarterly and annual financial statements and management's discussion and analysis of the Corporation's financial position and operating results and in the case of the annual financial statements and related management's discussion and analysis, report thereon to the Board for approval of same;

(d) select and monitor the independence and performance of the Corporation's external auditors, including attending at private meetings with the external auditors and reviewing and approving all renewals or dismissals of the external auditors and their remuneration; and

(e) provide oversight of all disclosure relating to, and information derived from, financial statements, management's discussion and analysis and information.

The Committee has the authority to conduct any investigation appropriate to its responsibilities, and it may request the external auditors, as well as any officer of the Corporation, or outside counsel for the Corporation, to attend a meeting of the Committee or to meet with any members of, or advisors to, the Committee. The Committee shall have unrestricted access to the books and records of the Corporation and has the authority to retain, at the expense of the Corporation, special legal, accounting, or other consultants or experts to assist in the performance of the Committee's duties.

The Committee shall review and assess the adequacy of this Charter annually and submit any proposed revisions to the Board for approval.

In fulfilling its responsibilities, the Committee will carry out the specific duties set out in Part 4 of this Charter.

2. AUTHORITY OF THE AUDIT COMMITTEE

The Committee shall have the authority to:

(a) engage independent counsel and other advisors as it determines necessary to carry out its duties;

(b) set and pay the compensation for advisors employed by the Committee; and

(c) communicate directly with the internal and external auditors.

3. COMPOSITION AND MEETINGS

The Committee and its membership shall meet all applicable legal, regulatory and listing requirements, including, without limitation, those of the Ontario Securities Commission ("**OSC**"), the Toronto Stock Exchange, the *Business Corporations Act* (Ontario) and all applicable securities regulatory authorities.

(a) The Committee shall be composed of three or more directors as shall be designated by the Board from time to time. Unless a Chair is elected by the Board, the members of the Committee shall designate from amongst themselves by majority vote of the full Committee a member who shall serve as Chair. The position description and responsibilities of the Chair are set out in Schedule "A" attached hereto.

(b) Each member of the Committee shall be "independent" and "financially literate". An "independent" director is a director who has no direct or indirect material relationship with the Corporation. A "material relationship" is a relationship which, in the view of the Board, could be reasonably expected to interfere with the exercise of the director's independent judgement or a relationship deemed to be a material relationship pursuant to Sections 1.4 and 1.5 of National Instrument 52-110 — Audit Committees, as set out in Schedule "B" hereto. A "financially literate" director is a director who has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the accounting issues that can be reasonably expected to be raised in the Corporation's financial statements.

(c) Each member of the Committee shall sit at the pleasure of the Board, and in any event, only so long as he or she shall be independent. The Committee shall report to the Board.

(d) The Committee shall meet at least quarterly, at the discretion of the Chair or a majority of its members, as circumstances dictate or as may be required by applicable legal or listing requirements. A minimum of two and at least 50% of the members of the Committee present, either in person or by telephone, shall constitute a quorum.

(e) If within one hour of the time appointed for a meeting of the Committee, a quorum is not present, the meeting shall stand adjourned to the same hour on the next business day following the date of such meeting at the same place. If at the adjourned meeting a quorum as hereinbefore specified is not present within one hour of the time appointed for such adjourned meeting, such meeting shall stand adjourned to the same hour on the second business day following the date of such meeting at the same place. If at the second adjourned meeting a quorum as hereinbefore specified is not present, the quorum for the adjourned meeting shall consist of the members then present (a "Reduced Quorum").

(f) If, and whenever a vacancy shall exist, the remaining members of the Committee may exercise all of its powers and responsibilities so long as a quorum remains in office or a Reduced Quorum is present in respect of a specific Committee meeting.

(g) The time and place at which meetings of the Committee shall be held, and procedures at such meetings, shall be determined from time to time by the Committee. A meeting of the Committee may be called by letter, telephone, facsimile, email or other communication equipment, by giving at least 48 hours' notice, provided that no notice of a meeting shall be necessary if all of the members are present either in person or by means of conference telephone or if those absent have waived notice or otherwise signified their consent to the holding of such meeting.

(h) Any member of the Committee may participate in the meeting of the Committee by means of conference telephone or other communication equipment, and the member participating in a meeting pursuant to this paragraph shall be deemed, for purposes hereof, to be present in person at the meeting.

(i) The Committee shall keep minutes of its meetings which shall be submitted to the Board. The Committee may, from time to time, appoint any person who need not be a member, to act as a secretary at any meeting.

(j) Any director of the Corporation may attend meetings of the Committee, and the Committee may invite such officers and employees of the Corporation and its subsidiaries as the Committee may see fit, from time to time, to attend at meetings of the Committee.

(k) Any matters to be determined by the Committee shall be decided by a majority of votes cast at a meeting of the Committee called for such purpose. Actions of the Committee may be taken by an instrument or instruments in writing signed by all of the members of the Committee, and such actions shall be effective as though they had been decided by a majority of votes cast at a meeting of the Committee called for such purpose. The Committee shall report its determinations to the Board at the next scheduled meeting of the Board, or earlier as the Committee deems necessary. All decisions or recommendations of the Committee shall require the approval of the Board prior to implementation, other than those relating to non-audit services and annual audit fees which do not require the approval of the Board. The Board can delegate, as appropriate, the approval of the quarterly unaudited financial statements, management's discussion and analysis and news release to the Committee.

(l) The Committee members will be elected annually at the first meeting of the Board following the annual general meeting of shareholders.

(m) The Board may at any time amend or rescind any of the provisions hereof, or cancel them entirely, with or without substitution.

4. RESPONSIBILITIES

(a) Financial Accounting and Reporting Process and Internal Controls

(i) The Committee shall review the annual audited and interim financial statements and related management's discussion and analysis before the Corporation publicly discloses this information to satisfy itself that the financial statements are presented in accordance with applicable accounting principles and in the case of the annual audited financial statements and related management's discussion and analysis, report thereon and recommend to the Board whether or not same should be approved prior to their being filed with the appropriate regulatory authorities. With respect to the annual audited financial statements, the Committee shall discuss significant issues regarding accounting principles, practices, and judgments of management with management and the external auditors as and when the Committee deems it appropriate to do so. The Committee shall consider whether the Corporation's financial disclosures are complete, accurate, prepared in accordance with International Financial Reporting Standards and fairly present the financial position of the Corporation. The Committee shall also satisfy itself that, in the case of the annual financial statements, the audit function has been effectively carried out by the auditors and, in the case of the interim financial statements, that the review function has been effectively carried out.

(ii) The Committee shall ensure internal control procedures are reviewed at least twice annually.

(iii) The Committee shall be satisfied that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, management's discussion and analysis and annual and interim earnings press releases, and periodically

assess the adequacy of these procedures in consultation with any disclosure committee of the Corporation.

(iv) The Committee shall review any press releases containing disclosure regarding financial information that are required to be reviewed by the Committee under any applicable laws or otherwise pursuant to the policies of the Corporation (including before the Corporation publicly discloses this information).

(v) The Committee shall meet no less than annually with the external auditors and the Chief Financial Officer or, in the absence of a Chief Financial Officer, with the officer of the Corporation in charge of financial matters, to review accounting practices, internal controls and such other matters as the Committee, Chief Financial Officer or, in the absence of a Chief Financial Officer, the officer of the Corporation in charge of financial matters, deem appropriate.

(vi) The Committee shall inquire of management and the external auditors about significant financial and internal control risks or exposures and assess the steps management has taken to minimize such risks.

(vii) The Committee shall review the post-audit or management letter, if any, containing the recommendations of the external auditors and management's response and subsequent follow-up to any identified weaknesses.

(viii) The Committee shall periodically review and make recommendations regarding the Code of Business Conduct and Ethics adopted by the Board;

(ix) The Committee shall follow procedures established as set out in the Whistleblower Policy of the Corporation, for:

- the receipt, retention, and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, auditing matters or violations to the Corporation's Code of Business Conduct and Ethics; and

- the submission by employees, consultants, contractors, directors or officers of the Corporation, on a confidential and anonymous basis, of concerns regarding questionable accounting, auditing matters or violations to the Corporation's Code of Business Conduct and Ethics.

(x) The Committee shall ensure that management establishes and maintains an appropriate budget process, which shall include the preparation and delivery of periodic reports from the Chief Financial Officer to the Committee comparing actual spending to the budget. The budget shall include assumptions regarding economic parameters that are well supported and shall take into account the risks facing the Corporation.

(xi) The Committee shall have the authority to adopt such policies and procedures as it deems appropriate to operate effectively.

(b) Independent Auditors

(i) The Committee shall recommend to the Board the external auditors to be nominated for the purpose of preparing or issuing an auditors' report or performing other audit, review or attest services for the Corporation, shall set the compensation for the external auditors, provide oversight of the external auditors and shall ensure that the external auditors' report directly to the Committee.

(ii) The Committee shall ensure that procedures are in place to assess the audit activities of the independent auditors and the internal audit functions.

(iii) The pre-approval of the Committee shall be required as further set out in Schedule ”C” prior to the undertaking of any non-audit services not prohibited by law to be provided by the external auditors in accordance with this Charter.

(iv) The Committee shall monitor and assess the relationship between management and the external auditors and monitor, support and assure the independence and objectivity of the external auditors and attempt to resolve disagreements between management and the external auditors regarding financial reporting.

(v) The Committee shall review the external auditors' audit plan, including the scope, procedures and timing of the audit.

(vi) The Committee shall review the results of the annual audit with the external auditors, including matters related to the conduct of the audit.

(vii) The Committee shall obtain timely reports from the external auditors describing critical accounting policies and practices, alternative treatments of information within International Financial Reporting Standards that were discussed with management, their ramifications, and the external auditors' preferred treatment and material written communications between the Corporation and the external auditors.

(viii) The Committee shall review fees paid by the Corporation to the external auditors and other professionals in respect of audit and non-audit services on an annual basis.

(ix) The Committee shall review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former auditors of the Corporation.

(x) The Committee shall have the authority to engage the external auditors to perform a review of the interim financial statements.

(c) Other Responsibilities

The Committee shall perform any other activities consistent with this Charter and governing law, as the Committee or the Board deems necessary or appropriate.

SCHEDULE "A"

CANNAROYALTY CORP.

POSITION DESCRIPTION FOR THE CHAIRMAN OF THE AUDIT COMMITTEE

12. **PURPOSE**

The Chairman of the Committee shall be an independent director who is elected by the Board or designated by majority vote of the Committee to act as the leader of the Committee in assisting the Board in fulfilling its financial reporting and control responsibilities to the shareholders of the Corporation.

13. **WHO MAY BE CHAIRMAN**

The Chairman will be selected from amongst the independent directors of the Corporation who have a sufficient level of financial sophistication and experience in dealing with financial issues to ensure the leadership and effectiveness of the Committee.

The Chairman will be selected annually at the first meeting of the Board following the annual general meeting of shareholders or designated by majority vote of the Committee.

14. **RESPONSIBILITIES**

The following are the primary responsibilities of the Chairman:

(a) chair all meetings of the Committee in a manner that promotes meaningful discussion;

(b) ensure adherence to the Committee's Charter and that the adequacy of the Committee's Charter is reviewed annually;

(c) provide leadership to the Committee to enhance the Committee's effectiveness, including:

(i) act as liaison and maintain communication with the Board to optimize and co-ordinate input from directors, and to optimize the effectiveness of the Committee. This includes ensuring that Committee materials are available to any director upon request and reporting to the Board on all decisions of the Committee at the first meeting of the Board after each Committee meeting and at such other times and in such manner as the Committee considers advisable;

(ii) ensure that the Committee works as a cohesive team with open communication, as well as to ensure open lines of communication among the independent auditors, financial and senior management and the Board for financial and control matters;

(iii) ensure that the resources available to the Committee are adequate to support its work and to resolve issues in a timely manner;

(iv) ensure that the Committee serves as an independent and objective party to monitor the Corporation's financial reporting process and internal control systems, as well as to monitor the relationship between the Corporation and the independent auditors to ensure independence;

(v) ensure that procedures as determined by the Committee are in place to assess the audit activities of the independent auditors and the internal audit functions; and

(vi) ensure that procedures as determined by the Committee are in place to review the Corporation's public disclosure of financial information and assess the adequacy of such procedures periodically, in consultation with any disclosure committee of the Corporation;

(d) ensure that procedures as determined by the Committee are in place for dealing with complaints received by the Corporation regarding accounting, internal controls and auditing matters, and for employees to submit confidential anonymous concerns;

(e) manage the Committee, including:

(i) adopt procedures to ensure that the Committee can conduct its work effectively and efficiently, including committee structure and composition, scheduling, and management of meetings;

(ii) prepare the agenda of the Committee meetings and ensuring pre-meeting material is distributed in a timely manner and is appropriate in terms of relevance, efficient format and detail;

(iii) ensure meetings are appropriate in terms of frequency, length and content;

(iv) obtain a report from the independent auditors on an annual basis, review the report with the Committee and arranging meetings with the auditors and financial management to review the scope of the proposed audit for the current year, its staffing and the audit procedures to be used;

(v) oversee the Committee's participation in the Corporation's accounting and financial reporting process and the audits of its financial statements;

(vi) ensure that the auditor's report directly to the Committee, as representatives of the Corporation's shareholders; and

(vii) annually review with the Committee its own performance, report annually to the Board on the role of the Committee and the effectiveness of the Committee in contributing to the effectiveness of the Board; and

(viii) together with the Board, oversee the structure, composition and membership of, and activities delegated to, the Committee from time to time; and

(f) perform such other duties as may be delegated from time to time to the Chairman by the Board.

SCHEDULE "B"

CANNAROYALTY CORP.

NATIONAL INSTRUMENT 52-110 AUDIT COMMITTEES ("NI 52-110")

Section 1.4 — Meaning of Independence

(1) An audit committee member is independent if he or she has no direct or indirect material relationship with the issuer.

(2) For the purposes of subsection (1), a "material relationship" is a relationship which could, in the view of the issuer's board of directors, be reasonably expected to interfere with the exercise of a member's independent judgment.

(3) Despite subsection (2), the following individuals are considered to have a material relationship with an issuer:

(a) an individual who is, or has been within the last three years, an employee or executive officer of the issuer;

(b) an individual whose immediate family member is, or has been within the last three years, an executive officer of the issuer;

(c) an individual who:

(i) is a partner of a firm that is the issuer's internal or external auditor,

(ii) is an employee of that firm, or

(iii) was within the last three years a partner or employee of that firm and personally worked on the issuer's audit within that time;

(d) an individual whose spouse, minor child or stepchild, or child or stepchild who shares a home with the individual:

(i) is a partner of a firm that is the issuer's internal or external auditor,

(ii) is an employee of that firm and participates in its audit, assurance or tax compliance (but not tax planning) practice, or

(iii) was within the last three years a partner or employee of that firm and personally worked on the issuer's audit within that time;

(e) an individual who, or whose immediate family member, is or has been within the last three years, an executive officer of an entity if any of the issuer's current executive officers serves or served at that same time on the entity's compensation committee; and

(f) an individual who received, or whose immediate family member who is employed as an executive officer of the issuer received, more than $75,000 in direct compensation from the issuer during any 12 month period within the last three years.

(4) Despite subsection (3), an individual will not be considered to have a material relationship with the issuer solely because

(a) he or she had a relationship identified in subsection (3) if that relationship ended before March 30, 2004; or

(b) he or she had a relationship identified in subsection (3) by virtue of subsection (8) if that relationship ended before June 30, 2005.

(5) For the purposes of clauses (3)(c) and (3)(d), a partner does not include a fixed income partner whose interest in the firm that is the internal or external auditor is limited to the receipt of fixed amounts of compensation (including deferred compensation) for prior service with that firm if the compensation is not contingent in any way on continued service.

(6) For the purposes of clause (3)(f), direct compensation does not include:

(a) remuneration for acting as a member of the board of directors or of any board committee of the issuer, and

(b) the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the issuer if the compensation is not contingent in any way on continued service.

(7) Despite subsection (3), an individual will not be considered to have a material relationship with the issuer solely because the individual or his or her immediate family member

(a) has previously acted as an interim chief executive officer of the issuer, or

(b) acts, or has previously acted, as a chair or vice-chair of the board of directors or of any board committee of the issuer on a part-time basis.

(8) For the purpose of section 1.4, an issuer includes a subsidiary entity of the issuer and a parent of the issuer.

Section 1.5 — Additional Independence Requirements for Audit Committee Members

(1) Despite any determination made under section 1.4 of NI 52-110, an individual who

(a) accepts, directly or indirectly, any consulting, advisory or other compensatory fee from the issuer or any subsidiary entity of the issuer, other than as remuneration for acting in his or her capacity as a member of the board of directors or any board committee, or as a part-time chair or vice-chair of the board or any board committee; or

(b) is an affiliated entity of the issuer or any of its subsidiary entities, is considered to have a material relationship with the issuer.

(2) For the purposes of subsection (1), the indirect acceptance by an individual of any consulting, advisory or other compensatory fee includes acceptance of a fee by

(a) an individual's spouse, minor child or stepchild, or a child or stepchild who shares the individual's home; or

(b) an entity in which such individual is a partner, member, an officer such as a managing director occupying a comparable position or executive officer, or occupies a similar position (except limited partners, non-managing members and those occupying similar positions who, in each case, have no active role in providing services to the entity) and which provides accounting, consulting, legal, investment banking or financial advisory services to the issuer or any subsidiary entity of the issuer.

(3) For the purposes of subsection (1), compensatory fees do not include the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the issuer if the compensation is not contingent in any way on continued service.

SCHEDULE "C"

CANNAROYALTY CORP.

PROCEDURES FOR APPROVAL OF NON-AUDIT SERVICES

(A) The Corporation's external auditors shall be prohibited from performing for the Corporation the following categories of non-audit services:

(I) bookkeeping or other services related to the Corporation's accounting records or financial statements;

(II) appraisal or valuation services, fairness opinion or contributions-in-kind reports;

(III) actuarial services;

(IV) internal audit outsourcing services;

(V) management functions;

(VI) human resources;

(VII) broker or dealer, investment adviser or investment banking services;

(VIII) legal services; and

(IX) any other service that the Canadian Public Accountability Board or International Accounting Standards Board or other analogous board which may govern the Corporation's accounting standards, from time to time determines is impermissible.

(B) In the event that the Corporation wishes to retain the services of the Corporation's external auditors for tax compliance, tax advice or tax planning, the Chief Financial Officer of the Corporation shall consult with the Chair of the Committee, who shall have the authority, subject to confirmation that such services will not compromise the independence of the Corporation's external auditors, to approve or disapprove on behalf of the Committee, such non-audit services. All other non-audit services shall be approved or disapproved by the Committee as a whole.

(C) The Chief Financial Officer of the Corporation shall maintain a record of non-audit services approved by the Chair of the Committee or the Committee for each fiscal year and provide a report to the Committee no less frequently than on a quarterly basis.