



CannaRoyalty and Aequus Pharmaceuticals Announce Joint Venture to Develop and Commercialize Cannabis-Based Therapies Targeting Neurological Disorders

CannaRoyalty to contribute Bodhi Research position into the JV in exchange for equity

Ottawa, Canada – January 11, 2018 – CannaRoyalty Corp. (CSE: CRZ) (OTCQX: CNNRF) (“CannaRoyalty”) and Aequus Pharmaceuticals Inc. (TSX-V: AQS) (OTCQB: AQSZF) (“Aequus”) (together the “Partners”), today announced a collaboration (the “JV”) to advance a suite of cannabis-based therapies targeting neurological disorders into clinical trials in Canada, in collaboration with Canadian doctors and key opinion leaders.

CannaRoyalty and Aequus have formed this collaboration to clinically advance a number of cannabis-based therapies in partnership with Canadian clinicians to create truly differentiated products supported by clinical data focused on the medical community. The collaboration will leverage CannaRoyalty’s deep expertise in identifying, funding and commercializing cannabis related products in California and Aequus’ expertise in clinical development and drug delivery, and commercializing differentiated therapeutics in Canada.

CannaRoyalty intends to contribute its 10% equity stake in Bodhi Research & Development Inc. (“Bodhi”) into the JV in exchange for an initial ownership position in the JV, subject to conditions and approvals. CannaRoyalty made a \$250,000 investment in Bodhi in 2016 in exchange for 10% equity in the company. Bodhi has completed a research trial into the use of cannabis in the treatment of concussion and post-concussive syndrome. The JV has been identifying additional capital from third-party investors that will be invested directly into the collaboration and used to advance those clinical trial programs that the Partners agree to fund.

“We see a significant opportunity for validated, research-based data regarding cannabinoid-based treatments and commend the group at Bodhi for the progress they have made to date,” said Marc Lustig, CEO of CannaRoyalty. “In the near-term, the JV will provide Bodhi with the drug development and commercial expertise to progress its research toward further validation and commercialization, while freeing-up our in-house team to continue building our leading platform of value-add cannabis businesses in California. I intend to commit significant personal capital as a lead third-party investor and I expect CannaRoyalty shareholders to benefit in several ways from the JV: continued progress at Bodhi; exposure to an expanded range of cannabis-based therapies targeted at neurological disorders; the potential for CannaRoyalty to introduce proven in-house and investee products to the JV over time; and the potential to introduce JV-developed products through CannaRoyalty’s growing distribution network.”

Doug Janzen, CEO of Aequus added, “Aequus and CannaRoyalty have complementary business models and geographic focuses, and we are excited about the potential for this collaboration to offer patients in Canada and California differentiated and clinically validated cannabis-based therapeutics targeting a number of neurological conditions. We have been in discussions with Canadian clinicians with extensive experience in treating patients with cannabis-based therapies for their neurological and pain-based conditions. We see the opportunity to collaborate with these clinicians to identify and advance the most efficacious formulations into clinical trials to validate safety and efficacy.”

Mr. Janzen continued, “In a 2017 survey we completed with 400 specialists and general practitioners in Canada and the US, the lack of clinical safety and efficacy data and dosing data were the top reasons why clinicians were reluctant to recommend cannabis to their patients. We see a clear opportunity through this JV with CannaRoyalty to meet the requests of the clinical community by providing improved forms of dosing, clinical data showing safety and efficacy, and then working closely to commercialize these validated products in Canada through our existing sales infrastructure and relationships with Licensed Producers and potentially elsewhere, where Aequus and CannaRoyalty and our various partners operate.”

About Bodhi

Bodhi Research and Development, Inc. is an Ontario-based research company that is conducting research trials for exploring the use of cannabis in the treatment of concussions and post-concussive syndromes. Bodhi's research has been done in collaboration with some of the world's foremost experts in concussions and pain management.

About CannaRoyalty

CannaRoyalty is an active investor and operator in the legal cannabis industry. Our focus is building and supporting a diversified portfolio of growth-ready assets in high-value segments of the cannabis sector, including research, consumer brands, devices and intellectual property. Our management team combines a hands-on understanding of the cannabis industry with seasoned financial know-how, assembling a platform of holdings via royalty agreements, equity interests, secured convertible debt, licensing agreements and its own branded portfolio. CannaRoyalty's shares trade on the Canadian Stock Exchange (CSE) under the symbol CRZ and internationally on the OTCQX under the symbol CNNRF.

About Aequus Pharmaceuticals Inc.

Aequus Pharmaceuticals Inc. (TSX-V:AQS, OTCQB:AQSZF) is a growing specialty pharmaceutical company focused on developing and commercializing high quality, differentiated products. Aequus' development stage pipeline includes several products in neurology and psychiatry with a goal of addressing the need for improved medication adherence through enhanced delivery systems. With a focus in neurology and other specialty areas, our most recent addition to the development pipeline was a long-acting form of medical cannabis, where there is a high need for a consistent, predictable and pharmaceutical-grade delivery of products for patients. Aequus intends to commercialize its internal programs in Canada alongside its current portfolio of marketed established medicines and will look to form strategic partnerships that would maximize the reach of its product candidates worldwide. Aequus plans to build on its Canadian commercial platform through the launch of additional products that are either created internally or brought in through an acquisition or license; remaining focused on highly specialized therapeutic areas. For further information, please visit www.aequuspharma.ca.

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Forward Looking Statements

Statements in this news release that are forward-looking statements are subject to various risks and uncertainties concerning the specific factors disclosed here and elsewhere in CannaRoyalty's and Aequus' periodic filings with Canadian securities regulators. When used in this news release, words such as "will, could, plan, estimate, expect, intend, may, potential, believe, should," and similar expressions, are forward- looking statements.

Forward-looking statements may include, without limitation, statements including the CannaRoyalty's and Aequus' expectations with respect to pursuing new opportunities and future growth and other statements of fact.

Although CannaRoyalty and Aequus have attempted to identify important factors that could cause actual results, performance or achievements to differ materially from those contained in the forward-looking statements, there can be other factors that cause results, performance or achievements not to be as anticipated, estimated or intended, including, but not limited to: dependence on obtaining regulatory approvals; investing in target companies or projects which have limited or no operating history and are engaged in activities currently considered illegal under US Federal Laws; changes in laws; limited operating history; reliance on management; requirements for additional financing; competition; hindering market growth and state adoption due to inconsistent public opinion and perception of the medical-use and adult-use marijuana industry and; regulatory or political change.

There can be no assurance that such information will prove to be accurate or that management's expectations or estimates of future developments, circumstances or results will materialize. As a result of these risks and uncertainties, the results or events predicted in these forward-looking statements may differ materially from actual results or events.

Accordingly, readers should not place undue reliance on forward-looking statements. The forward-looking statements in this news release are made as of the date of this release. CannaRoyalty and Aequus disclaim any intention or obligation to update or revise such information, except as required by applicable law, and CannaRoyalty and Aequus do not assume any liability for disclosure relating to any other company

mentioned herein.