

BONANZA BLUE CORP.

FORM 51-102F3

MATERIAL CHANGE REPORT

1. Name and Address of Company

Bonanza Blue Corp.
36 Toronto Street, Suite 1000
Toronto, Ontario M5C 2C5

2. Date(s) of Material Change(s)

June 30, 2016

3. News Release

Press release attached as Schedule A hereto was released through the facilities of the Marketwired disclosure network on June 30, 2016.

4. Summary of Material Change

Bonanza Blue Corp. (the "Company") entered into a binding letter agreement with privately held Cannabis Royalties & Holdings Corp. ("CRHC") to effect a business combination which, if completed, would constitute a reverse take-over of the Company by CRHC.

5. Full Description of the Material Changes

See press release attached as Schedule A hereto.

6. Reliance on Confidentiality Provisions of Subsection 7.1(2) or (3) of National Instrument 51-102

Not applicable.

7. Omitted Information

Not applicable.

8. Executive Officers

The following executive officer of Bonanza Blue Corp. may be contacted for additional information:

Carmelo Marrelli
Chief Financial Officer
Bonanza Blue Corp.
36 Toronto Street, Suite 1000
Toronto, Ontario M5C 2C5
Canada

Tel: (416) 848-0106
Fax: (416) 361-0923

9. Date of Report

July 5, 2016

SCHEDULE "A"

NEWS RELEASE

BONANZA BLUE CORP. ENTERS INTO BINDING AGREEMENT WITH CANNABIS ROYALTIES & HOLDINGS CORP. TO COMPLETE REVERSE TAKE-OVER

Toronto, Ontario, June 30, 2016 – Bonanza Blue Corp. (the “**Company**” or “**BB**”) is pleased to announce that it has entered into a binding agreement (the “**Agreement**”) with Cannabis Royalties & Holdings Corp. (“**CRHC**”) which outlines the general terms and conditions of a proposed transaction pursuant to which BB will acquire all of the issued and outstanding securities of CRHC in exchange for securities of BB. The proposed transaction is anticipated to be carried out by way of a three-cornered amalgamation (the “**Amalgamation**”) or other similar transaction, pursuant to which CRHC will become a wholly-owned subsidiary of BB or otherwise combine its corporate existence with that of BB (the “**Proposed Transaction**”). As a result of the Proposed Transaction, the Company will continue on with the business of CRHC under the name “CannaRoyalty Corp.” The Agreement was negotiated at arm’s length and is dated June 30, 2016.

BB is a reporting issuer in the Province of Ontario and its common shares (the “**BB Shares**”) are not currently listed on any exchange or market. As contemplated by the Agreement, BB and CRHC intend to apply to the Canadian Stock Exchange (“**CSE**”) for the listing of the common shares of the consolidated entity (the “**Listing**”). BB has no commercial operations and has no assets other than cash.

CRHC is a privately held company incorporated pursuant to the Canada Business Corporations Act. CRHC provides an integrated approach to the legal cannabis sector with a focus on three key verticals: brands and intellectual property, delivery systems and devices, and extraction. CRHC contributes strategic capital and expertise to maximize the return potential of its diversified portfolio of assets and holdings.

The parties intend to enter into an amalgamation agreement (the “**Amalgamation Agreement**”) to effect the Amalgamation, with such Amalgamation Agreement to include the terms and conditions set out in the Agreement and such other terms and conditions customary for transactions of this nature. The Proposed Transaction is subject to, among other things, receipt of the requisite shareholder approvals, regulatory approval, including approval of the CSE, and additional conditions, as described in the Agreement.

Prior to the completion of the Proposed Transaction, BB will call a meeting of its shareholders for the purpose of approving, among other matters, (i) a consolidation of the issued and outstanding BB common shares on the basis of one “new” BB common share for every 5 “old” BB Shares (the “**Consolidation**”), subject to adjustment in certain events; (ii) a change of name of BB to “CannaRoyalty Corp.” or such other name as CRHC may determine and shall be acceptable to regulatory authorities; (iii) the election of nominees of CRHC to the board of directors of BB; and (iv) if required by the CSE or otherwise due to the structure of the Proposed Transaction, the approval of the Proposed Transaction. Upon closing of the Proposed Transaction, the board of directors of BB will be reconstituted in a manner that complies with the requirements of the CSE and applicable securities laws. CRHC shall be entitled to all nominees on the reconstituted board, subject to the receipt of applicable regulatory approvals.

In connection with the Proposed Transaction, CRHC intends to undertake one or more equity financings (the “**CRHC Financing**”). Further information regarding such financing(s) will be available in due course. In connection with the Proposed Transaction, BB also intends to undertake an equity financing for gross proceeds of not less than C\$50,000 in cash (the “**BB Financing**”). The BB Financing will be completed by way of an issuance of subscription receipts, with each subscription receipt entitling the holder to one post-consolidation BB share upon conversion in accordance with its

terms. Upon closing of the Proposed Transaction, all securities of CRHC issued in connection with the CRHC Financing will automatically be exchanged for post-consolidation BB shares on the same terms as existing CRHC securities.

Further Information

A copy of the Agreement has been filed on the Company's SEDAR profile at www.sedar.com. Further details about the Proposed Transaction and the resulting issuer will be provided in a comprehensive news release when the parties enter into an Amalgamation Agreement and in the disclosure document to be prepared and filed in respect of the Proposed Transaction.

Investors are cautioned that, except as disclosed in the disclosure document to be prepared in connection with the Proposed Transaction, any information released or received with respect to the Proposed Transaction may not be accurate or complete and should not be relied upon.

For further information please contact:

Eric Klein, President & Chief Executive Officer of BB, at erklein25@gmail.com or (416) 725- 7570; or Marc Lustig, the Chief Executive Officer of CRHC, at mlustig@cannabisroyalties-hc.com.

The CSE has in no way passed upon the merits of the Proposed Transaction or the listing of the BB Shares, and has neither approved nor disapproved the contents of this news release. Approval of the CSE for the listing of the BB shares will be subject to, among other things, the resulting issuer satisfying the listing requirements of the CSE. There can be no assurance that the approval of the CSE regarding the listing of the BB shares will be obtained.

This news release does not constitute an offer to sell or a solicitation of an offer to sell any of the securities in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws and may not be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

All information contained in this news release with respect to BB and CRHC was supplied by the parties, respectively, for inclusion herein, and BB and its directors and officers have relied on CRHC for any information concerning such party.

Forward-Looking Information

This news release contains forward-looking information based on current expectations. Statements about, among other things, the closing of the Proposed Transaction, expected terms of the Proposed Transaction, the number of securities of BB that may be issued in connection with the Proposed Transaction, the ownership ratio of the resulting issuer post-closing, the CRHC Financing, the BB Financing, the Consolidation, shareholder approval and the parties' ability to satisfy closing conditions and receive necessary approvals are all forward-looking information. These statements should not be read as guarantees of future performance or results. Such statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from those implied by such statements. Although such statements are based on management's reasonable assumptions, there can be no assurance that the Proposed Transaction will occur or that, if the Proposed Transaction does occur, it will be completed on the terms described above. BB and CRHC assume no responsibility to update or revise forward-looking information to reflect new events or circumstances unless required by applicable law.