

NEWS RELEASE

NOT FOR DISTRIBUTION TO UNITED STATES NEWSWIRE SERVICES OR FOR
DISSEMINATION IN THE UNITED STATES

BONANZA BLUE AND CANNABIS ROYALTIES & HOLDINGS ANNOUNCE SUBSCRIPTION RECEIPTS OFFERING IN CONNECTION WITH BUSINESS COMBINATION

Toronto, Ontario, August 18, 2016 – Bonanza Blue Corp. (the “Company” or “BB”) and Cannabis Royalties & Holdings Corp. (“CRHC”) are pleased to announce that CRHC has entered into an engagement letter with a syndicate of agents co-lead by Clarus Securities Inc. (“Clarus”) and Sprott Private Wealth LP. (“Sprott” and, together with Clarus, the “Co-Lead Agents”), and including Bloom Burton & Co. and KES 7 Capital Inc. (collectively with the Co-Lead Agents, the “Agents”) in connection with a “best efforts” agency offering of a minimum of 2,500,000 subscription receipts of CRHC (the “Subscription Receipts”) at a price of \$2.00 per Subscription Receipt for total minimum gross proceeds of \$5 million (the “Offering”).

The Offering is being completed in connection with the proposed business combination of the Company and CRHC (the “Proposed Transaction”), which is described further in the press release of the Company dated June 30, 2016. If the Proposed Transaction is successfully completed, the Company will continue with the business of CRHC under the name “CannaRoyalty Corp.” (the “Resulting Issuer”). The Company and CRHC intend to apply to the Canadian Securities Exchange (“CSE”) for the listing of the common shares of the Resulting Issuer.

The Subscription Receipts will be automatically converted into common shares in the capital of CRHC (“CRHC Shares”) upon (a) the completion or satisfaction of all conditions precedent to the Proposed Transaction set forth in the agreement dated June 30, 2016 between the Company and CRHC (the “Agreement”) shall have occurred or been waived, other than the filing of the articles of amalgamation, and (b) the receipt of all required shareholder, third party (as applicable) and regulatory approvals in connection with the Proposed Transaction, including for the listing of the common shares of the Resulting Issuer on the Canadian Securities Exchange (the “Escrow Release Conditions”). The proceeds from the sale of the Subscription Receipts (the “Escrowed Proceeds”) will be deposited in escrow until the Escrow Release Conditions have been satisfied. Upon the successful completion of the Proposed Transaction, the CRHC Shares, including those issued pursuant to conversion of the Subscription Receipts, will be exchanged for common shares of the Resulting Issuer. If the Escrow Release Conditions have not been satisfied within 3 months of the Closing Date, holders of Subscription Receipts will be refunded the gross proceeds paid for the Subscription Receipts, plus any accrued interest, and the Subscription Receipts will be cancelled.

The Agents will receive a cash fee of 7% percent of the gross proceeds of the Offering (the “Agents’ Fee”), of which 50% will be paid on the closing date of the Offering (the “Closing Date”) and the remaining 50% will be paid upon the release of the Escrowed Proceeds. The Agents will also be reimbursed for their fees and expenses incurred in connection with the Offering. As additional consideration for the services of the Agents, CRHC has agreed to issue to the Agents such number of non-transferable broker warrants (the “Broker Warrants”) as is equal to 7% percent of the number of Subscription Receipts sold pursuant to the Offering. Each Broker Warrant shall entitle the holder to acquire, at any time during the period that is two years from the Closing Date, one common share of the Resulting Issuer at an exercise price of \$2.00 per common share.

The Subscription Receipts will be offered pursuant to prospectus exemptions in the provinces of British Columbia, Alberta, and Ontario. The proceeds of the Proposed Transaction are intended to be used by the Resulting Issuer for future acquisitions, general corporate and working capital purposes.

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 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 common shares of the Resulting Issuer, and has neither approved nor disapproved the contents of this news release. Approval of the CSE for the listing of the common shares of the Resulting Issuer 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 common shares of the Resulting Issuer 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 Offering and the Proposed Transaction, the terms and use of proceeds from the Offering 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.