BONANZA BLUE CORP.

INTERIM MANAGEMENT'S DISCUSSION AND ANALYSIS – QUARTERLY HIGHLIGHTS

FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2016

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Introduction

The following interim Management Discussion & Analysis ("Interim MD&A") of Bonanza Blue Corp. ("Bonanza" or the "Company") for the three and nine months ended September 30, 2016 has been prepared to provide material updates to the business operations, liquidity and capital resources of the Company since its last annual management discussion & analysis, being the Management Discussion & Analysis ("Annual MD&A") for the fiscal year ended December 31, 2015. This Interim MD&A does not provide a general update to the Annual MD&A, or reflect any non-material events since date of the Annual MD&A.

This Interim MD&A has been prepared in compliance with section 2.2.1 of Form 51-102F1, in accordance with National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the Company's Annual MD&A, audited annual consolidated financial statements for the years ended December 31, 2015, and December 31, 2014, together with the notes thereto, and unaudited condensed interim consolidated financial statements for the three and nine months ended September 30, 2016, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. The Company's unaudited condensed interim consolidated financial statements and the financial information contained in this Interim MD&A are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and interpretations of the IFRS Interpretations Committee. The unaudited condensed interim consolidated financial statements have been prepared in accordance with International Standard 34, Interim Financial Reporting. Accordingly, information contained herein is presented as of October 17, 2016, unless otherwise indicated.

For the purposes of preparing this Interim MD&A, management, in conjunction with the Board of Directors (the "Board"), considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of Bonanza common shares; (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

Further information about the Company and its operations is available on SEDAR at **www.sedar.com**.

Cautionary Note Regarding Forward-Looking Information

This Interim MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or statements that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this Interim MD&A speak only as of the date of this Interim MD&A or as of the date specified in such statement. The following table outlines certain significant forward-looking statements contained in this Interim MD&A and provides the material assumptions used to develop such forward-looking statements and material risk factors that could cause actual results to differ materially from the forward-looking statements.

Forward-looking statements	Assumptions	Risk factors
The Company will be able to continue its business activities.	The Company has anticipated all material costs and the operating activities of the Company, and such costs and activities will be consistent with the Company's current expectations; the Company will be able to obtain shareholder loans or equity funding when required.	Unforeseen costs to the Company will arise; any particular operating cost increase or decrease from the date of the estimation; and capital markets not being favourable for funding and/or related parties discontinue funding the Company resulting in the Company not being able to obtain financing when required or on acceptable terms.
The Company will be able to carry out anticipated business plans.	The operating activities of the Company for the twelve months ending September 30, 2017, will be consistent with the Company's current expectations.	Sufficient funds not being available; increases in costs; the Company may be unable to retain key personnel.
The Company will be able to complete the Proposed Transaction (as defined below), between Bonanza and CRHC (as described below under the heading "Operational Highlights").	The Proposed Transaction will be effected in accordance with the terms of the Agreement (as defined below).	Failure to obtain shareholder, regulatory or other consents or approvals for the Proposed Transaction. The parties otherwise failing to satisfy the conditions for completing the Proposed Transaction specified in the Agreement including, financing by both CRHC and Bonanza.

Inherent in forward-looking statements are risks, uncertainties and other factors beyond the Company's ability to predict or control. Please also make reference to those risk factors referenced in the "Risk Factors" section below. Readers are cautioned that the above chart does not contain an exhaustive list of the factors or assumptions that may affect the forward-looking statements, and that the assumptions underlying such statements may prove to be incorrect. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this Interim MD&A.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

Description of Business

The Company was incorporated under the laws of the Province of Ontario on August 19, 1985, under the name of McGarry Minerals Ltd. The Company was initially formed in order to acquire an interest in and to explore mineral prospects. In 1989, the Company abandoned its mineral prospects and changed its name to Whittier Capital Inc. and later to Whittier Industries Inc. In 1991, it acquired Best Sports Distribution Ltd., which was engaged in the development and distribution of sporting equipment, and changed its name to TriplePlay Sports Group Inc. During 1994, operations of the Company ceased due to lack of funds and other factors. On August 16, 2000, the name was changed again to the current name, Bonanza Blue Corp., in connection with a corporate reorganization effected to settle indebtedness with creditors.

The Company has no operations and is currently seeking new business opportunities. Success in identifying a suitable new business for the Company is uncertain. Furthermore, the Company has limited working capital to pursue such opportunities. The ability of the Company to continue as a going concern is dependent upon, among other things, its being able to obtain additional financing when required.

Operational Highlights

On June 30, 2016, Bonanza announced 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 Bonanza will acquire all of the issued and outstanding securities of CRHC in exchange for securities of Bonanza (the "Proposed Transaction"). The Agreement was negotiated at arm's length and is dated June 30, 2016. As contemplated by the Agreement, Bonanza and CRHC intend to apply to the Canadian Stock Exchange ("CSE") for the listing of the common shares of the consolidated entity.

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 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.

Bonanza has called an annual and special meeting of its shareholders to be held on November 11, 2016 for the purpose of approving, among other matters, (i) a consolidation of the issued and outstanding Bonanza common shares on the basis of one "new" Bonanza common share for every 5 "old" Bonanza shares, subject to adjustment in certain events; (ii) a change of name of Bonanza to "CannaRoyalty Corp." or such other name as Bonanza may determine and shall be acceptable to regulatory authorities; and (iii) the election of nominees of CRHC to the Board of Bonanza. Upon closing of the Proposed Transaction, the Board of Bonanza 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, on October 4, 2016 CRHC announced that it had completed its brokered offering of 2,502,000 subscription receipts (the "Subscription Receipts") at a price of $2.00 per Subscription Receipt for total gross proceeds of approximately $5 million (the "Offering") through a syndicate of agents co-led by Clarus Securities Inc. and Sprott Private Wealth LP (together, the

"Co-Lead Agents"), and including Bloom Burton & Co. and KES 7 Capital Inc (collectively with the Co-Lead Agents, the "Agents").

The Subscription Receipts will be automatically converted into common shares in the capital of CRHC ("CRHC Shares") upon collectively, (i) the completion, satisfaction or waiver, as the case may be, of all conditions precedent to the Proposed Transaction set forth in the Agreement, to the satisfaction of the Co-Lead Agents, acting reasonably, other than the filing of the articles of amalgamation; (ii) the receipt of all required shareholder, third party (as applicable) and regulatory approvals in connection with the Proposed Transaction; (iii) the listing of the common shares of Bonanza post-Proposed Transaction (the "Resulting Issuer") on the CSE shall have been conditionally approved; and (iv) the representations and warranties of CRHC in the agency agreement dated effective August 17, 2016, between the Agents and CRHC are true and correct at the closing of the Offering and the date of the release of the Escrowed Proceeds (as defined below), except to the extent that the failure of such representations and warranties to be so true and correct, individually or in the aggregate, would not have a material adverse effect (the "Escrow Release Conditions").

The proceeds from the sale of the Subscription Receipts less 50% of the Agents' Fees (as defined below) and the expenses of the Agents (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 (as defined below), holders of Subscription Receipts will be refunded the gross proceeds paid for the Subscription Receipts and the Subscription Receipts will be cancelled.

The Agents are entitled to receive an aggregate cash fee of 7% percent of the gross proceeds of the Offering (the "Agents' Fee"), of which 50% was paid on the closing 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. The Broker Warrants will be issued on release of the Escrowed Proceeds. 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 proceeds of the Offering are intended to be used by the Resulting Issuer for future acquisitions, general corporate and working capital purposes.

In connection with the Proposed Transaction, Bonanza also intends to undertake an equity financing for gross proceeds of not less than $50,000 and not more than $95,000 in cash (the "Bonanza Financing"). The Bonanza Financing is currently intended to be completed by way of an issuance of subscription receipts, with each subscription receipt entitling the holder to one post-consolidation Bonanza share upon conversion in accordance with its terms. Upon closing of the Proposed Transaction, all securities of CRHC issued in connection with the Offering will automatically be exchanged for post-consolidation Bonanza shares on the same terms as existing CRHC securities.

During the quarter, the Company continued its search for a suitable business or asset to merge with or acquire culminating in the execution of the Agreement with CRHC.

There can be no assurance that the Proposed Transaction will be completed or on the terms currently proposed.

Related Party Transactions

Related parties include the Board, officers, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions. Related party transactions conducted in the normal course of operations are measured at the exchange value (the amount established and agreed to by the related parties).

(a) Bonanza entered into the following transactions with related parties:

Names	Nine Months Ended September 30, 2016 $	Nine Months Ended September 30, 2015 $
Marrelli Support Services Inc. ("Marrelli Support") (i)	8,104	11,000
Total	**8,104**	**11,000**

Names	Three Months Ended September 30, 2016 $	Three Months Ended September 30, 2015 $
Marrelli Support (i)	1,500	1,500
Total	**1,500**	**1,500**

(i) The Chief Financial Officer ("CFO") of Bonanza is the President of Marrelli Support. Fees relate to the CFO function performed.

(b) The following summary outlines amounts owing to related parties. The amounts are unsecured, non-interest bearing and due on demand:

Names	As at September 30, 2016 $	As at December 31, 2015 $
Accounting fees payable to Marrelli Support	18,144	7,684
Advances payable to Brillco Inc. ("Brillco")	29,930	29,930
Advances payable to FSC Abel Financial Inc. ("FSC")	32,000	32,000
Total	**80,074**	**69,614**

(c) To the knowledge of the directors and officers of the Company, as at September 30, 2016, no person or corporation beneficially owned or exercised control or direction over common shares of the Company carrying more than 10% of the voting rights attached to all the common shares of the Company other than as set out below:

Names	Number of common shares	Percentage of outstanding shares
Brillco	1,875,000	23.28%
FSC	1,975,000	24.52%

As at September 30, 2016, directors and officers of the Company controlled 250,000 common shares of the Company or approximately 3.1% of the shares outstanding.

The Company is not aware of any arrangements that may at a subsequent date result in a change in control of the Company.

Major Operating Milestones

None

Trends

Management regularly monitors economic conditions and estimates their impact on the Company's operations and incorporates these estimates in both short-term operating and longer-term strategic decisions. During the nine months ended September 30, 2016, equity markets in Canada, and in particular for resource stocks, have showed very encouraging signs of improvement, with resource prices and related equities increasing significantly during this period. Strong equity markets and resource prices are favourable conditions for completing a public merger or acquisition transaction of the type being sought by the Company, and the Company is encouraged by these developments after a long period of extremely difficult equity markets. Apart from these and the risk factors noted under the heading "Risk Factors", management is not aware of any other trends, commitments, events or uncertainties that would have a material effect on the Company's business, financial condition or results of operations.

Financial Highlights

Financial Performance

For the three months ended September 30, 2016, the Company reported a loss of $18,466 versus a loss of $2,716 in the corresponding period in 2015. No revenue was recorded in either period.

Expenses in the comparative period related primarily to corporate overhead charges to keep the Company compliant with its public company reporting and disclosure obligations and expenses in the current period included those costs as well as additional professional fees to pursue the Proposed Transaction with CRHC.

For the three months ended September 30, 2016, professional fees were $16,580 representing an increase of $15,694 compared to $886 for the corresponding period in 2015. The increase is related to legal costs incurred to pursue the Proposed Transaction with CRHC. Office and general costs were $1,886 representing a marginal increase of $56 compared to $1,830 for the corresponding period in 2015.

At September 30, 2016, the Company had assets of $5,790 and shareholders' deficit of $130,090. This compares with assets of $6,036 and shareholders' deficit of $93,672 at December 31, 2015. At September 30, 2016, the Company had $135,880 of current liabilities, compared to $99,708 of current liabilities at December 31, 2015

Cash Flow

At September 30, 2016, the Company had a working capital deficiency of $130,090, compared to a working capital deficiency of $93,672 at December 31, 2015. The Company had cash of $5,551 at September 30, 2016, compared to $5,769 at December 31, 2015, a decrease of $218, primarily due to the payment of public company reporting costs. The Bonanza Financing (see "Operational Highlights" above) is intended to fund the payment of outstanding liabilities.

Liquidity and Financial Position

As at September 30, 2016, the Company had a working capital deficiency of $130,090. It is anticipated that the proposed Bonanza Financing will provide the Company with funds to satisfy some of the Company's outstanding liabilities. Recently, the activities of the Company have been funded by a non-brokered private placement that was completed on February 25, 2014, raising gross proceeds of $40,000 from related parties. There can be no assurance that additional financing from related parties or others will be available at all, or on terms acceptable to the Company.

Outlook

The Company plans to pursue the completion of the Proposed Transaction with CRHC. See "Operational Highlights" above.

Risk Factors

At the present time, the Company does not hold any interest in an active operating business or asset. The Company's viability and potential success lie in its ability to develop, exploit and generate revenue from a future asset or business acquisition. Revenues, profitability and cash flow from any future asset or business acquisition involving the Company are difficult to predict and will be influenced by factors unknown to management at the present time. The Company has limited financial resources and there is no assurance that it will be able to obtain adequate financing in the future or that the terms of any such financing will be favourable. Failure to obtain such additional financing could result in delay or indefinite postponement of future business activities of the Company with the possible dilution or loss of such business activities.

Additionally, directors and officers of the Company may also serve as directors and/or officers of other public companies from time to time.

Consequently, such directors and officers will be dividing their time between their duties to the Company and their duties to their other reporting issuers.

The Company has not purchased "key-man" insurance, nor has it entered into non-competition and non-disclosure agreements with management and has no current plans to do so.

Disclosure of Internal Controls

Management has established processes to provide it with sufficient knowledge to support representations that it has exercised reasonable diligence to ensure that (i) the unaudited condensed interim consolidated financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the unaudited condensed interim consolidated financial statements, and (ii) the unaudited condensed interim consolidated financial statements fairly present in all material respects the financial condition, results of operations and cash flow of the Company, as of the date of and for the periods presented.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109, Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the Venture Issuer Basic Certificate filed by the Company does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers filing such certificate are not making any representations relating to the establishment and maintenance of:

(i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

(ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's generally accepted accounting principles (IFRS).

The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in such certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.