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Bonanza Mining Corporation announces Closing of Private Placement and Mobilization of a Drill to the Shag Property

October 31, 2022 – Vancouver, British Columbia: **Bonanza Mining Corporation** ("Bonanza") (TSX-V: BNZ) announces the following:

Closing of Private Placement

The closing of the following private placement, as originally announced on September 20, 2022:

(a) 3,000,000 flow-through units at a price of $0.10 per unit, for gross proceeds of $300,000 (an increase from the $250,000 announced in the September 20, 2022 news release), which will qualify for the 30% Critical Mineral and Exploration Tax Credit ("CMETC"), each flow-through unit consisting of one CMETC eligible flow-through share and one share purchase warrant, with each warrant entitling the holder to purchase one additional common share at a price of $0.15 until October 27, 2024; and

(b) 636,000 ordinary units at $0.07 per unit, for gross proceeds of $44,520, each unit consisting of one common share and one share purchase warrant, with each warrant entitling the holder to purchase one additional common share at a price of $0.15 until October 27, 2024.

Bonanza paid the following compensation to Leede Jones Gable Inc in connection with the closing of this private placement:

(a) cash consideration of $4,500;

(b) the issuance of 48,000 common shares at a deemed price of $0.10 per share; and

(c) the issuance of 93,000 finder warrants, each entitling the holder to purchase one common share at a price of $0.15 until October 27, 2024.

All shares issued pursuant to this private placement, including any shares that may be issued pursuant to the exercise of the warrants forming part of the flow-through units, the ordinary units or the finder warrants, are subject to a hold period in Canada until February 28, 2023.

Mobilization of a Drill to the Shag Property

The **Shag property** is situated in the Rocky Mountains of southeastern British Columbia approximately 24 km due east of Radium Hot Springs and 35 km northeast of the town of Canal Flats and can be readily accessed by good logging roads from both of those towns. It hosts twenty separate lead, zinc and silver strataform MVT style mineral occurrences hosted within three separate horizons in middle Cambrian age dolostone formations along a carbonate platform to shale basin transgressive-regressive reef complex margin.

The style of lead-zinc mineralization on the **Shag property** and its geological basin margin setting are similar to the NWT Pine Point district lead-zinc mineralization that is also within a transgressive/regressive barrier reef complex

along a shale basin margin. At Pine Point numerous deposits were formed in Devonian age carbonate rocks above a basement fault named the Great Slave Shear Zone.

There are three zinc-lead mineralized transgressive – regressive carbonate horizons known on the **Shag property** that occur in the Eldon and Waterfowl formations which are well exposed on the property higher in the stratigraphic section deeper than the Cathedral formation. The Cathedral formation hosts the past producing Monarch and Kicking Horse zinc–lead mines ~100 km along strike near Field, British Columbia and is the most prospective middle Cambrian formation in the district.

On the **Shag property** only the uppermost beds of the prospective Cathedral formation are exposed in the Albert river valley where 3DIP and seismic surveys were conducted in 2021 and it does not outcrop elsewhere on the property. The main purpose of those surveys was to locate the top and the base of the Cathedral formation and potential zinc-lead mineralized targets in the blind, subsurface Cathedral formation for drill testing.

A diamond drill has been mobilized to the **Shag property** to core initial drill holes that will test previously reported coincident 3D IP chargeability and seismic anomalies that were discovered in 2021 by a 3D IP survey and a separate vibroseis seismic survey along the Albert river valley.

The 3D IP survey was conducted by SJ Geophysics Ltd and consisted of surveying 11.9 line km along 7 survey lines spaced 150 meters apart and between 700 meters and 2,500 meters long with a station spacing of 50 meters. The IP survey located 3 separate high chargeability anomalies named the **Southwest**, **Central** and **Northeast** anomalies.

The **Southwest** chargeability anomaly defines an area measuring 1,000 meters in length and 400 meters in width that is made up of three separate high chargeability bodies **C1**, **C2** and **C3**. The **C2** anomaly is a large target over 400 meters thick vertically and 600 meters north-south by 375 meters east-west and the initial drill holes are designed to test this chargeability target.

The vibroseis seismic survey consisted of one seismic line 7 km long that was run along the Albert river forest service road across the northern part of the Shag property passing through the 3D IP survey grid.

Interpretation of the high quality seismic imaging data effectively imaged the major components of a multi cycle middle Cambrian platform margin reef environment and the Cathedral carbonate formation shows an excellent sequence of migrating reef building eastward from the Chancellor formation shale basin on the western side of the **Shag property**.

Three interpreted reef crest seismic anomalies **A1**, **A2** and **B1** were outlined and are considered to be primary locales for lead-zinc deposition and they all lie within the Cathedral formation. Seismic anomaly **A1** correlates well with the location of the **Southwest** high chargeability IP target **C2** and supports the interpretation that it is a high priority drill target.

Qualified Person

Technical information in this news release has been approved by Christopher Graf, P. Eng., the Vice-President Exploration, as well as a Director of Bonanza and a Qualified Person for the purposes of National Instrument 43-101.

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Cautionary Statements

This press release contains "forward-looking information" within the meaning of applicable securities laws. Readers are cautioned to not place undue reliance on forward-looking information. Actual results and developments may differ materially from those contemplated by these statements. The statements in this press release are made as of the date of this press release. Bonanza undertakes no obligation to update forward-looking information, except as required by securities laws.

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