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Bonanza Mining Corporation Shag Property Seismic Survey Outlines Correlating Seismic Anomalies with the Three High Priority 3D IP Chargeability Targets Previously Defined on its Shag Property in Southeastern B.C.

February 1, 2022 – Vancouver, British Columbia: **Bonanza Mining Corporation** ("Bonanza") (TSX-V: BNZ) is pleased to report that the Shag property seismic survey report has been received from Panther Geoscience Ltd. The seismic survey was conducted in October 2021 by Calgary-based Eagle Canada Seismic Services ULC and consisted of one seismic line 7 km long that was run along the Albert river forest service road (AFSR) across the northern part of the Shag property and passing through the 3D IP survey grid (see Bonanza's January 24, 2022 news release).

On the Shag property only the uppermost beds of the prospective Cathedral formation are exposed in the Albert river valley where the IP and seismic surveys were conducted and it does not outcrop elsewhere on the property. The main purpose of the seismic survey 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 in 2022.

The seismic dataset acquired is the 2D type and extends for approximately 7 km along the AFSR centred near the mouth of Shag creek and imaged the underlying bedrock to a depth of approximately 4,000 metres (m). Importantly it achieved the goal of successfully showing strong reflectors at the top and base of the Cathedral formation indicating it is about 600 m thick and thinning westward. Three seismic anomalies were also outlined in the Cathedral formation, two of which correlate with high chargeability 3D IP anomalies.

The seismic data acquired consisted of two major equipment components, the recording apparatus and the energy source. The recording apparatus consisted of a single component (P-wave) geophone linked to a solid-state data storage module and a lithium-ion battery. These wireless systems were planted immediately adjacent to the road at regularly pre-determined 10 m intervals. The energy source used is referred to as a Vibroseis (Vibe) and is the global standard for reflection seismology. The Vibe is a large wheeled vehicle with a large centralized baseplate that contacts the ground surface. This baseplate is driven up and down with an approximate 20 tonne force precisely controlled by hydraulics matching a pre-determined digital output signal.

Vibes provide distinct advantages over a multitude of other seismic sources that include minimal environmental impact, flexibility, rapid deployment, statistical noise attenuation, drastically cheaper cost per source point and geographic tunability.

Interpretation of the high quality seismic imaging data yielded considerable insight into the subsurface geology of the Shag property. Impressively the seismic survey effectively imaged the major components of a multi-cycle middle Cambrian reef environment and the Cathedral formation in particular shows an excellent sequence of eastward migrating reef building from the Chancellor formation shale basin on the western side of the Shag property.

The basinal Chancellor shale units to the west are characterized by a very thick sequence of relatively thin parallel reflectors. Moving eastward within the Cathedral formation a near vertical boundary is encountered that terminates the sequence of parallel reflectors and transitions to a more massive character with few of the long-lived coherent reflectors. This boundary is considered fore reef and to the east of the fore reef are at least three major reef building cycles that are all characterized by very high reflectivity strengths and dome-shaped morphology. Greater reflector strength suggests improved dolomitization and possibly associated lead-zinc mineralization. The reef crests are encased within a mass of incoherent low energy reflectors that are considered back reef deposits that migrated eastward with sea transgression.

The three interpreted reef crests, named anomalies **A1**, **A2** and **B1**, are considered to be primary locales for lead-zinc deposition and they all lie within the Cathedral formation between 240 m and 530 m below the ground surface and considered to be high priority drill targets.

The **A1** anomaly is 460 m wide and lies at a depth between 280 m and 530 m below surface, the **A2** anomaly is 905 m wide and lies at a depth between 240 m to 480 m below surface and the **B1** anomaly is 190 m wide and lies at a depth between 340 m and 400 m below surface.

Associated with the three reef crests anomalies are structural "drop down" elements that occur from the base to the top of the Cathedral formation with some subtle expression at surface. At the base of these "drop down" elements there is evidence of what could be dissolution features characterized by circular regions with a lack of reflectors. It is hypothesized that these drop down events faulted the geology and may have produced conduits for mineral rich fluids to access the previously dolomitized reef crests.

Panther Geoscience Ltd additionally imported the Shag property 3D IP survey chargeability data in to the seismic section via georeferenced maps and scale matched chargeability sections. Although the physical properties that were compared were completely different, the exercise offered a unique opportunity to independently validate the results with each other.

This comparison showed there are correlating anomalies found in the IP and seismic datasets that are positioned at similar geographic and depth coordinates. Specifically seismic anomalies **A1** and **B1** correlate well with the **Southwest** and **Central** high chargeability IP anomalies. The largest seismic anomaly **A2** cannot be correlated to any IP anomaly because it lies east of the geographic area of the IP survey grid that needs to be extended further east.

The coincident seismic and high chargeability IP anomalies are very significant, high priority road accessible drill targets that Bonanza intends to drill test later this year and in respect of which Bonanza last November submitted a Notice of Work application to conduct the drill program to the BC government.

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.

The Shag property has 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 Pine Point district MVT 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 which occur in the Eldon and Waterfowl formations which are well exposed on the property higher in the stratigraphic section than the Cathedral formation. The Cathedral formation hosts the past producing Monarch and Kicking Horse mines ~100 km along-strike near Field, British Columbia and is the most prospective middle Cambrian formation in the district.

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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