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Bonanza Mining Corporation Outlines Three High Priority 3D IP Chargeability Drill Targets on its Shag Property in Southeastern British Columbia

January 25, 2022 – Vancouver, British Columbia: **Bonanza Mining Corporation** ("Bonanza") (TSX-V: BNZ) is pleased to report that the Shag property time domain 3D IP survey report has been received from SJ Geophysics Ltd. In addition, a report has also been received from a ground magnetic survey conducted by SJ Geophysics Ltd. on Bonanza's ShagMag property located approximately 12 km southeast of the Shag property IP survey location.

The ground magnetic survey confirmed a previous airborne magnetic anomaly identified by the Geological Survey of Canada (the "GSC") and a one day follow up ground investigation found it occurs within altered, zebroid textured Cambrian carbonate rocks but no igneous rocks were located. The anomalous area needs to be further explored by expanding the ground magnetic survey area, soil sampling, prospecting and geological mapping to locate a potential igneous body and any associated sulfide mineralization.

The Shag and ShagMag properties are 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. There are two active mines in the area: Baymag Inc. mines magnesite at its Baymag mine on the Cross River approximately 20 km north along strike from the Shag property and CertainTeed Corp. mines gypsum at its Kootenay West mine approximately 45 km southwest of Shag property, near Canal Flats, British Columbia.

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. Since the first zinc-lead showings were discovered on the Shag property in 1977, there have been numerous historical exploration programs conducted on the property by Rio Tinto, Esso Minerals and others, that included soil and rock sampling surveys, IP and VLF-EM geophysical surveys, geological mapping and four diamond drilling programs.

The GSC conducted the above mentioned regional airborne magnetic survey over a large area of southeastern British Columbia and southwestern Alberta and it outlined a 30 km wide magnetic low anomaly that passes under the Shag and ShagMag properties and trends northeasterly for approximately 200 km from Canal Flats, British Columbia to Red Deer, Alberta. This anomaly appears to be a major basement graben or shear fault zone that is named the Red Deer lineament.

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.

The Shag property is geologically similar to the Pine Point lead–zinc mining district of the NWT where Cominco Ltd. found that IP surveys were the most effective geophysical technique for locating lead-zinc deposits since they had high chargeability, and that is the reason why Bonanza decided to conduct a time domain 3D IP survey along the Albert river valley across the northern portion of the Shag property.

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.

On the Shag property only the uppermost beds of the prospective Cathedral formation are exposed in the Albert river valley where the IP survey was conducted and it does not outcrop elsewhere on the property. The main purpose of the 3D IP survey was to locate high chargeability potential zinc-lead mineralized targets in the blind, subsurface Cathedral formation for drill testing in 2022.

The 3D IP survey consisted of surveying 11.9 line km on the Shag grid along 7 survey lines spaced 150 m apart and between 700 m and 2,500 m in length, with a station spacing of 50 m.

The IP survey successfully located three distinct groups of high chargeability anomalies along the Albert river valley within the sub-surface Cathedral formation that have been named the **Southwest**, **Central** and **Northeast** anomalies.

The **Southwest** chargeability anomaly defines an area approximately 1,000 m in length and 400 m in width. Within the **Southwest** anomaly are three approximately north-south to northwest-southeast oriented chargeability bodies, being **C1**, **C2** & **C3** that appear to be separated by distinct north-northwest to south-southeast oriented zones of low chargeability.

The western most **C1** anomaly is approximately 150 m thick vertically and comes to surface near the main Albert valley forestry road. It measures approximately 375 m north-south by 250 m east-west and may continue further north/northwest but is located near the northwestern edge of the survey grid.

The **C2** (middle) anomaly is a large body with an amplitude over 30 ms and is strongest in the south where it is over 400 m thick vertically. In plan the anomaly measures over 600 m north-south and 375 m east-west. The Shag C-3 zinc showing is situated on the southeast side of the C2 chargeability anomaly that comes to surface near the Albert road approximately 200 m southwest of the C3 showing.

The eastern most **C3** anomaly forms a northwest-southeast oriented body approximately 150 m thick vertically and in plan measures 500 m north-south and 250 m east-west. The chargeability body appears to be offset vertically with the south part being deeper. This anomaly lies in part under the Albert road.

The **Central** chargeability anomaly is a semi-circular shaped anomaly that has its highest amplitudes and greatest depth extent on the southeast side of the survey grid where it is approximately 400 m thick vertically. The anomaly decreases in depth extent (thickness) and becomes shallower to the north/northwest and comes to surface both to the south and to the northwest. In plan the anomaly measures approximately 600 m north-south by 250 m east-west and underlies a road accessible logging clear cut.

The **East** anomaly is a strong chargeability anomaly > 40 ms situated at the east edge of the survey grid underneath a road accessible logging clearcut; however to properly model and define its size, the IP grid will need to be extended to the northeast and southeast.

Low resistivity zones are located adjacent to or coincident with the high charegeability **Southwest C1** and **C2** anomalies and the **Central** anomalies. The exception to this is the **Southwest C3** chargeability anomaly that is coincident with the near surface western portion of a large high resistivity anomaly.

The high chargeability anomalies identified by the time domain 3D IP survey 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.

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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