

BONANZA MINING CORPORATION

Summary of 2017 Exploration Work on the MC Property

Property Location

The MC-Dalhousie-Rock of Ages property and adjoining claims are very well located and highly prospective for gold, silver and base metals.

The property is located on the east side of Bear River ridge and along the Bear River valley, approximately 14 km north of Stewart, BC. Highway 37A runs across the property along the east side of the Bear River valley and helicopters are available for charter in Stewart.

Bear River ridge is approximately 20 km long and divides the Bear River valley on the east side from the Salmon River valley on the west side. Ascot's Premier mine project is in the Salmon River valley on the west side of Bear River Ridge and Bonanza's MC/Dalhousie/Rock of Ages property is on the east side of the ridge.

Property Geology and Mineralization

The geology of the MC property is very favorable as it is also underlain mainly by Unuk River formation volcanic rocks that have been intruded by a body of Texas Creek granodiorite along the southern portion as well as the Bitter Creek diorite body and the Portland Canal dike swarm on its eastern side.

A major northwesterly trending shear-fault structure runs across the property parallel to the Portland Canal dikes and the north-south strike of Bear River Ridge is deflected to a southwesterly strike across this major structural dislocation. An extensive zone of quartz-sericite alteration and pyritization occurs along this zone where it crosses the property.

As well several other large east-west striking faults, such as the one near the peak of Mt Shorty Stevenson, cross the property and strike onto the Premier Mine claims on the west side of Bear River Ridge.

Mineral exploration on the MC property dates back to 1910 and it hosts 16 historical mineral occurrences that have been documented in the BC government Minfile Summaries and there are likely many other showings that have not been publicly documented.

There have been 18 separate mineral exploration programs conducted on the property since 1965 that are described in BC Ministry of Mines assessment reports and are publicly available. As well there were many earlier exploration programs

that were conducted from 1910 to 1936 that are documented in Minister of Mines Annual Reports.

Most of this exploration work focused on exploring individual showings rather than comprehensive geological evaluations of the property as a whole. The earliest work consisted of prospecting, trenching and sampling as well as excavating at least 3 tunnels, the longest being over 100 meters long.

Exploration programs since 1965 consisted of geological mapping, prospecting, trenching, soil and rock sampling as well as ground magnetic and VLF geophysical surveys over selected areas of the property.

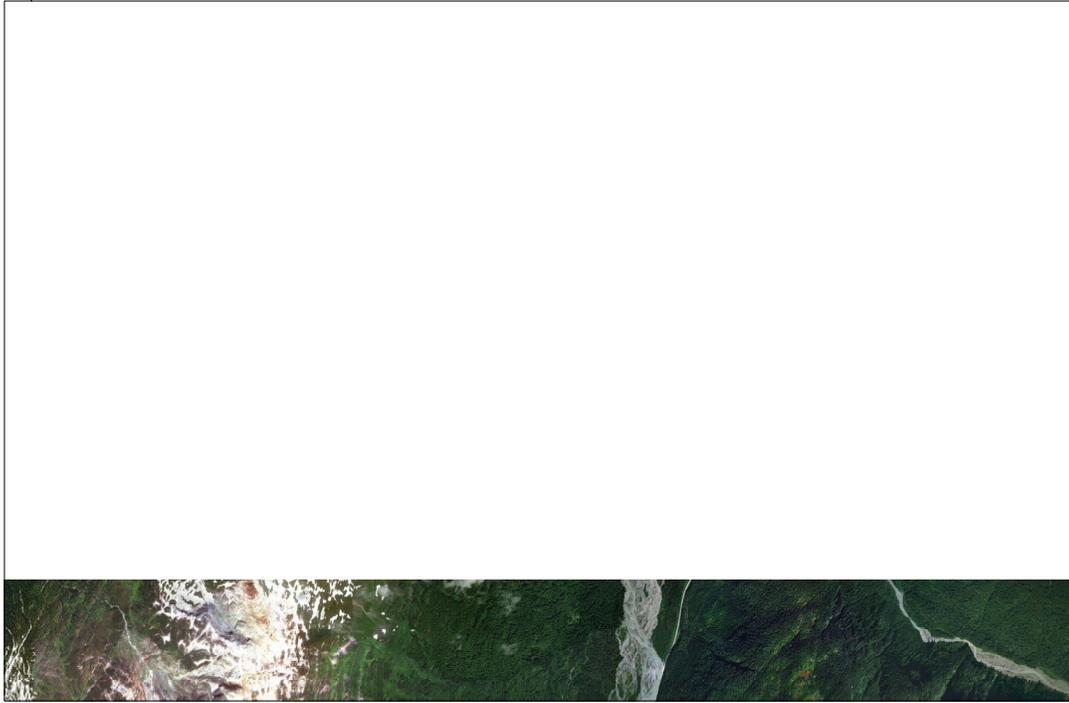
There have only been 4 holes drilled on the property and these were located in two separate areas of mineralization. In 1990 a hole was drilled to test the **Ice 3B showings** but was stopped at 99 meters, short of the target, due to mechanical problems. The bottom 0.2 meter interval of core from this drill hole intersected carbonaceous quartz gangue with disseminated sphalerite and traces of fine galena that assayed 1.79 g/t (0.05oz/t) gold, 343.0 g/t (10 oz/t) silver 9.24% zinc and 0.37% lead.

In 2011, 3 holes totaling 710 meters were drilled from 2 separate collar locations to test the gold-silver-zinc bearing quartz-sulfide **Rock of Ages No 3 vein zone** which had been identified from previous work to host precious and base metal bearing veins and breccia bodies. The drilling encountered hydrothermally altered sericite-chlorite-carbonate-sulfide rich volcanic and sedimentary rocks throughout most of the core and specifically in multiple sections varying in down-hole lengths ranging from 25 m up to 210 meters.

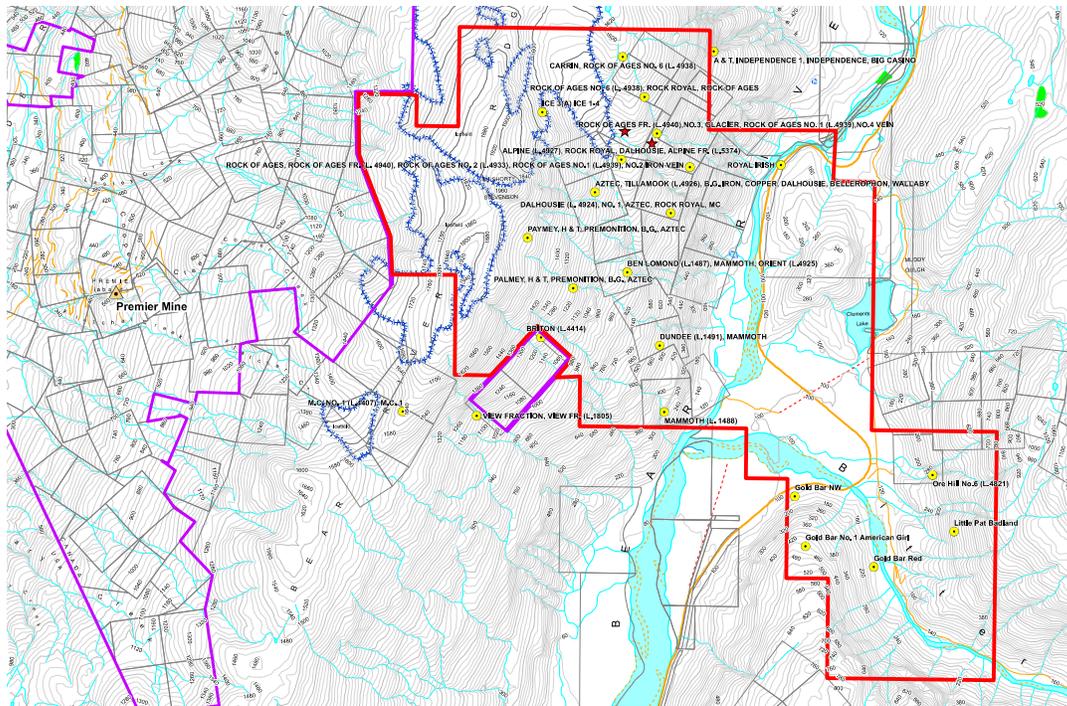
Sulfides consist of mainly of disseminated pyrite ranging from 2 up to 20% with minor <2% sphalerite and trace chalcopyrite. The showing is aligned along a prospective northwesterly trend for approximately 1,200 meters that includes the **Rock of Ages No 2, Dalhousie and Cairn showings** and future work should be expanded and directed towards exploring these showings along the favorable trend.

Multiple narrow sections consisting of feldspar-quartz porphyry intrusive were also identified in the core associated with the altered rocks and an increase in sulfide concentration.

Analysis of 461 core samples returned multiple sections of anomalous gold, silver and zinc values of up to 0.9 meters of 1.03 g/t gold in hole MC-11-02 and 1.8 meters of 1.2% zinc and 2.4 meters of 7.3 g/t silver in hole MC-11-01, within wider sections of anomalous metal contents. The results were encouraging because they indicate the presence of a large hydrothermal mineralizing system.



Location of mineral showings on the MC 1& 2 claims marked by yellow pins



Location of mineral showings on the MC 1& 2 claims marked by yellow dots

There are at least **7 separate areas of mineralization** on the MC 1 & 2 claims.

The **Palmey showings** are located on the southern portion of the property near the northern edge of the Texas Creek intrusive body.

The **Southeast Zone showings** are also located in the southern area of the property along the east side of the Texas Creek granodiorite intrusive body, at a lower elevation and to the east of the Palmey showings.

The **Ice 3A & 3B and Glacier-PRE showings** occur towards the western side of the property at high elevations along the upper slope of Bear River Ridge.

The **Ice 3B** showing is located 300 meters southeast of Mt. Shorty Stevenson and hosts significant silver-gold mineralization associated with galena and sphalerite in quartz-carbonate veins and silicified replacement zones. A drill hole was cored into this mineralized zone in 1990 but failed to reach it's target depth due to mechanical difficulties.

The **Alpine and Aztec showings** are in the west-central part of the property below the Ice showings.

The **Cairn, Rock of Ages No. 2 & No.3 and Dalhousie No. 1 showings** occur in the north-central portion of the property along the Rock of Ages fault zone.

The **Dalhousie No. 1 and No. 2 showings** occur in the central area of the property.

The **A&T showings** are located along the northeastern boundary of the property. Many of these mineral occurrences are shear zone and fault controlled quartz and quartz carbonate veins and breccia zones that contain sulfide minerals, predominantly pyrite, with lesser amounts of chalcopyrite, sphalerite, galena and tetrahedrite. A number of these showings are also associated with larger areas of quartz-sericite-pyrite alteration.

There are several distinct styles of sulfide-quartz mineralization on the property. Some are structurally controlled quartz-sulfide veins occurring along shear zones across widths up to 2 meters while others are quartz-sulfide replacement zones where silicification and pyrite are developed across widths of 100m to 300m. Many of the showings are associated with areas of bleached country rock with secondary sericite, quartz and pyrite adjacent to zones of structural cataclasis.

As well, there are at least two gold enriched massive pyrite, pyrrhotite, chalcopyrite, magnetite and jasper horizons that occur along or near the contact between andesite and rhyolite flows and have been interpreted to be volcanogenic in origin.

Alternatively these horizons may have been favorable beds for replacement or skarn mineralization that could have originated from an underlying intrusive source related to the Texas Creek granodiorite or the Bitter Creek diorite. The structurally controlled quartz sulfide vein mineralization may have been remobilized along structures that intersected the previously mineralized horizons.

If this hypothesis is correct it raises the possibility for porphyry copper-gold mineralization to occur in an underlying intrusive body.

The Red Mountain gold deposit being developed by IDM Mining Ltd. occurs in pyrite-pyrrhotite stockworks within the Hillside Porphyry intrusive body.

The **A & T showings** lie between 700m and 1,000m elevation about 200 meters north of the Rock of Ages showings. Assays reported from these showings include 0.18 oz/t gold, 1.3 oz/t silver and 2.7% copper over 3 feet and 0.02 oz/t gold, 8.6 oz/t silver and 4.6% copper over 5.5 feet. A showing at 900m elevation is an irregular area of chalcopyrite mineralization that occurs in several places over a zone width of about 70 feet.

The **Palmey showings** occur along a fault zone approximately 150 meters south of Dundee creek that contains a significant amount of quartz-sulfide mineralization in places.

The mineralization consists of three main quartz replacement zones from 2 to 15 feet wide that strike northwesterly and dip southwesterly. The two most northerly zones converge towards each other and possibly junction at 1,463 m elevation.

Associated with the quartz and pyrite, are galena, sphalerite and a minor amount of chalcopyrite that is best exposed over a width of 2.5 meters in a trench at 1,200 m elevation. The lead and zinc mineralization in the trench is fairly high grade in but the zone is cut off by a fault immediately below it and the faulted extension has not been located.

The **Ice showings** consist of several silver and gold bearing quartz-sulfide veins that are spatially related to an echelon west and northwest trending fault structures within or adjacent to quartz-sericite-pyrite altered areas. Significantly the **Ice 3B** showing is on the same fault structure as the **Palmey** showings.

Two samples taken from the Ice 3B showings assayed 3.8% lead, 9.4% zinc, 12.0 oz/t silver, 0.121 oz/t gold across 0.5 m and 23.1% lead, 30.6% zinc, 12.8 oz/t silver, 0.042 oz/t gold across 0.5 m. A sample weighing approximately 100 kg returned an assay of 1.47% copper, 35.15% lead, 550 oz/t silver and 0.16 oz/t gold.

The **Southeast Zone** showings occur along and near the west side of the major shear zone that trends northwesterly across the property. Several showings are located at the 800 meter elevation, one of which returned an analysis of 126.4 ppm

silver and 810 ppb gold across 1.0 m, but the highest gold values are from a polymetallic quartz-sulfide vein that is exposed in a 7m long adit at the 336 m elevation. A chip sample from the vein in the adit assayed 1.72 oz/t gold, 8.57 oz/t silver, 0.63% copper, 1.78% lead and 9.99% zinc across 1 meter.

The **Glacier Zone** contains numerous northwest trending lenticular quartz-sulfide fissure veins that are from 0.1 to 1.0 meters wide and are located at the 1,100 to 1,200 meter elevations along the west side of the major shear zone and on strike with the Southeast zone showings.

Two samples taken from Glacier zone veins returned analyses of 5.1 ppm silver, 4.12 ppm gold across 0.9 m and 27.3 ppm silver, 1.58 ppm gold across 0.9 m.

The **Rock of Ages showings** are located at the same elevation as the Glacier showings but along the east side of the major shear zone and in a parallel structure called the forms the Rock of Ages Creek fault zone. The showings consist of 5-15% sphalerite-galena with minor pyrite-chalcopyrite in a gangue of quartz-carbonate. The high silver values are due to tetrahedrite and sulphosalts/electrum. This mineralization is located at the 1,200 to 1,300 meter elevation and occurs in NNW trending, steeply dipping shear zones located adjacent to the Rock of Ages fault zone.

Two samples taken from these showings assayed 0.06% copper, 3.21% lead, 6.54% zinc, 6.48 oz/t silver, 0.362 oz/t gold across 0.3 m and 0.05% copper, 2.66% lead, 5.69% zinc, 8.41 oz/t silver, 0.655 oz/t gold across 0.3 m.

The **Dalhousie No. 1 showing** is located on one of the volcanogenic, replacement horizons and is 37 meters long by 7 meters wide. A blast trench across this zone of the mineralization assayed 0.44 oz/t gold over 6 meters.

Three rock chip samples were taken from the **Dalhousie showings** that are located between elevations of 750 m to 850 meters along the southeast extension of the Rock of Ages fault zone. These samples returned assays of 31,800 ppb gold over 1 meter, 50,400 ppb gold over 0.80 meters and 4,580 ppb gold over 1.0 meters.

Exploration Work in 2017

Exploration fieldwork in 2017 consisted of geophysical surveying as well as collecting soil and rock samples and prospecting. Daily access to the property for all of the fieldwork was by helicopter based in Stewart, BC and the crews were accommodated at the King Edward hotel in Stewart.

The total cost of all the 2017 exploration work programs was \$303,000.

Geophysical Surveying

SJ Geophysics Ltd., located in Vancouver, BC, was contracted by Bonanza Mining Corporation to conduct a program of Volterra 3D Induced Polarization chargeability and resistivity surveying as well as ground magnetic surveying on the MC 1 claim.

Sixteen Minfile occurrences have been identified on the MC 1 mineral claim. Fourteen are associated with metallic or polymetallic quartz-sulfide veins containing gold-silver-zinc which are hosted within volcanic-sedimentary rocks, and two are recorded as occurrences of Kuroko style massive sulfides. The mineralization is associated with increased quantities of sulfides.

The objective of the geophysical IP and magnetic surveys was to map the electrical and magnetic properties of the area and investigate whether the near surface mineralized showings are related to each other by a deeper mineralized system.

IP surveys provide measurements for two parameters: resistivity and chargeability. Resistivity data can delineate both electrically resistive and conductive trends and is often helpful in mapping general geology, both lithology and structures, whereas chargeability data maps polarizable rocks, hopefully disseminated sulfides.

A five man field crew carried out the survey from July 6, 2017 to July 29, 2017, which consisted of 11.3 line km of 3DIP surveying and 9.3 line km of ground magnetic surveying on 5 survey lines oriented approximately north 20 degrees east along the east slopes of Mount Shorty Stevenson.

The steep slopes and dense vegetation on the property as well as foggy and cloudy weather caused the survey work to progress much slower than was planned, this resulted in more field days being required and consequently higher costs to complete the survey.

A major creek gully runs northwesterly across the MC property that cannot be crossed on foot and separated the area surveyed into a northern portion and a southern portion. When the north side of the grid was surveyed four dipoles were laid out on the south side of the gully and similarly when the south side of the grid was surveyed four dipoles were laid out on the north side of the gully, this ensured that data was collected across the gully leaving no gaps in the data between the north and south sides.

Results of the Geophysical Surveys

The following descriptions and discussion of the results of the geophysical surveys are taken directly from the Report on the survey work written by SJ Geophysics for Bonanza Mining.

3D IP Chargeability Results

The chargeability models reflect a shift in the background amplitudes between the northern and southern parts of the grid. The contact between the two separate areas follows the main drainage in the vicinity of station 3600N which is a major fault/shear zone structure that strikes northwesterly across the entire MC 1 claim.

There are two small, near surface and low amplitude chargeability pods immediately southwest of this contact. Both are mapped at the ends of the survey line segments and therefore are poorly constrained.

One, located at 2000E/4000N coincides with the Aztec (79918) Minfile occurrence and the second, located near 2600E/3300N, coincides with the Ben Lamond occurrence. There does not appear to be any other chargeability anomalies mapped on the southern section of the survey grid.

The 3D chargeability inversion model maps two main chargeability anomalies (C1 and C2) below the northern section of the survey grid that could represent disseminated sulfide bodies.

Two of the nearby Minfile showings (Rock of Ages Fr. N (80789) and Dalhousie (80734) are flagged as Kuroko style massive sulfides and a third (Rock of Ages Fr. S(80287) as a mineralized vein system. All three of these Minfile occurrences appear to correlate with narrow pipe-like apophyses that extend up from the large buried chargeability masses.

The **C1** anomaly lies at the southern end of the north section of the survey grid and coincides with very high amplitude magnetic spikes. It appears to be comprised of two buried, possibly connected, lobes.

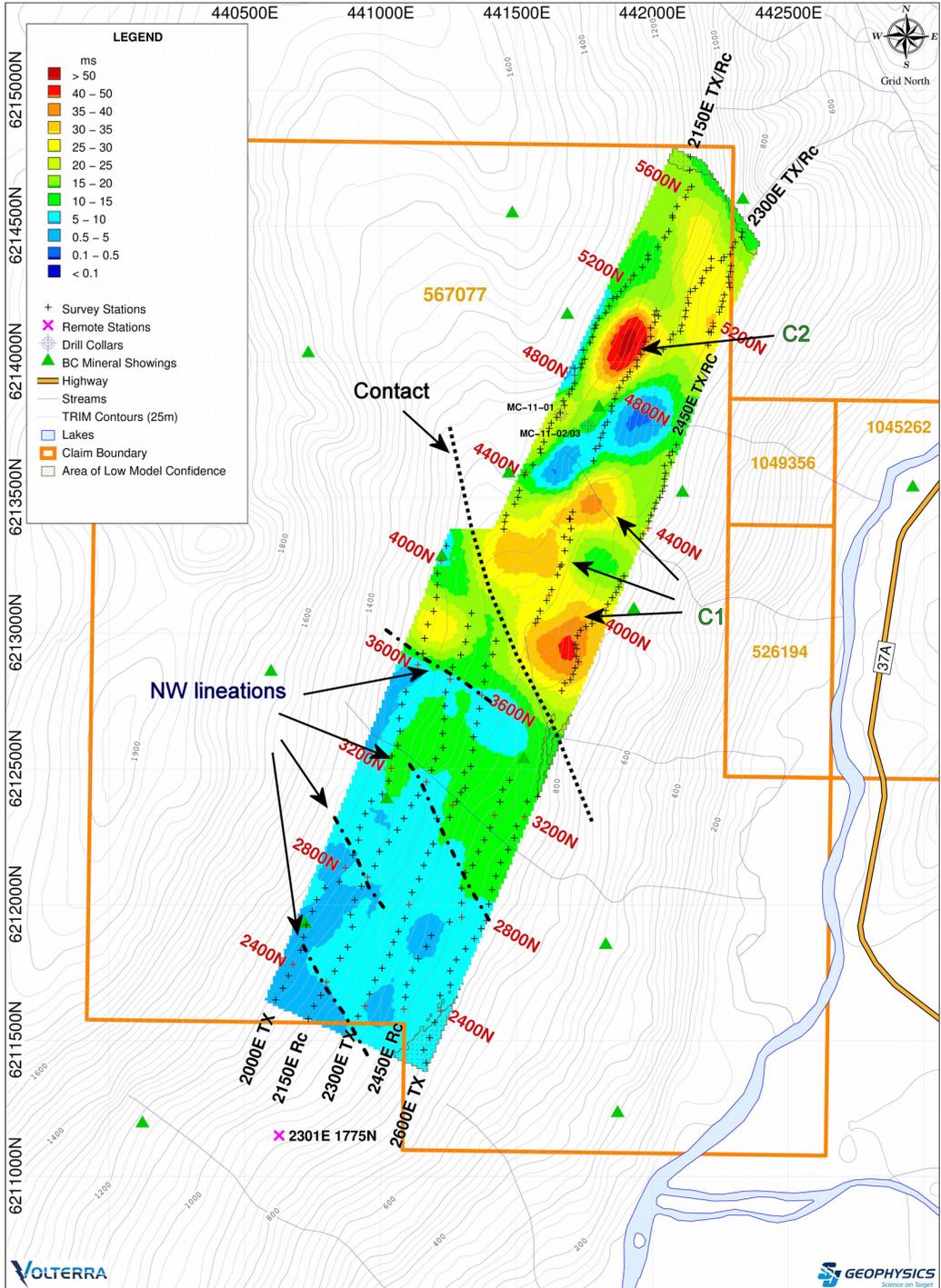
The southern lobe is smaller and closer to surface. It is located near the Dalhousie mineral showing and immediately south of the Rock of Ages #2 copper-gold bearing quartz sulfide vein system.

The northern lobe is larger and could be a north-northwesterly down dip extension of the southern lobe. It appears to be centered some 500 meters below ground surface.

At a depth of 400 meters the **C1** anomaly measures 400 meters by 700 meters in size.

The **C2** anomaly is located to the north of C1 and appears to be closer to the ground surface. The anomaly appears to be spread out for about 900 meters along line 2300E and includes 4 near surface pods.

The southernmost pod lies directly below the Rock of Ages . N Minfile showing. The next pod to the north is notably larger and deeper than the others. This anomaly lies some 300 meters southeast and downslope from Minfile showing Rock of Ages 6 (80740) and appears to be centered approximately 300 meters below ground surface.



Project Information:
 Survey by: SJ Geophysics Ltd.
 Survey Type: Volterra-3DIP
 Survey Date: July 2017
 Inversion by: SJ Geophysics Ltd.
 Inversion Software: UBC-GIF DCIP3D

Instrumentation:
 Receiver: Volterra Acquisition Units
 Transmitter: GDD TX II
 Array Type: Distributed 3DIP

Mapping Information:
 Datum: NAD83
 Projection: UTM Zone 9N
 Inversion Model: ipinv3d_02_UTM_trim.chg
 Colour Classification: Modified Linear
 Mapping Date: 31-Aug-2017

Volterra -3DIP Survey

Bonanza Mining Corporation

Interpreted Chargeability Inversion Model (ms)

MC Claims

Depth: 250m Below Topography

Stewart, B.C., Canada



3D IP Resistivity Results

Four separate resistivity zones, **R1**, **R2**, **R3** & **R4**, were outlined by the survey.

R1 is a high resistivity zone located at the southern end of the south section of the grid. It is different from other features in the area in that it appears to be dipping at a shallow angle to the northeast.

R2 is a broad zone of moderate resistivity immediately north of R1. It is approximately 1.6 km wide and internally appears to be comprised of northwesterly striking bands.

R3 is a narrow (200 m wide) zone of low resistivity that strikes approximately N35W and follows a steep sided drainage named Rock of Ages creek. It is associated with a gap in the IP survey due to inaccessible terrain so it is possible this resistivity response is somewhat questionable. However several of the Minfile showings and localized magnetic spikes are located near the edges of this zone. This zone could represent a fault zone.

R4 is a very high resistivity zone that covers the northern ends of the survey lines on the north section of the grid.

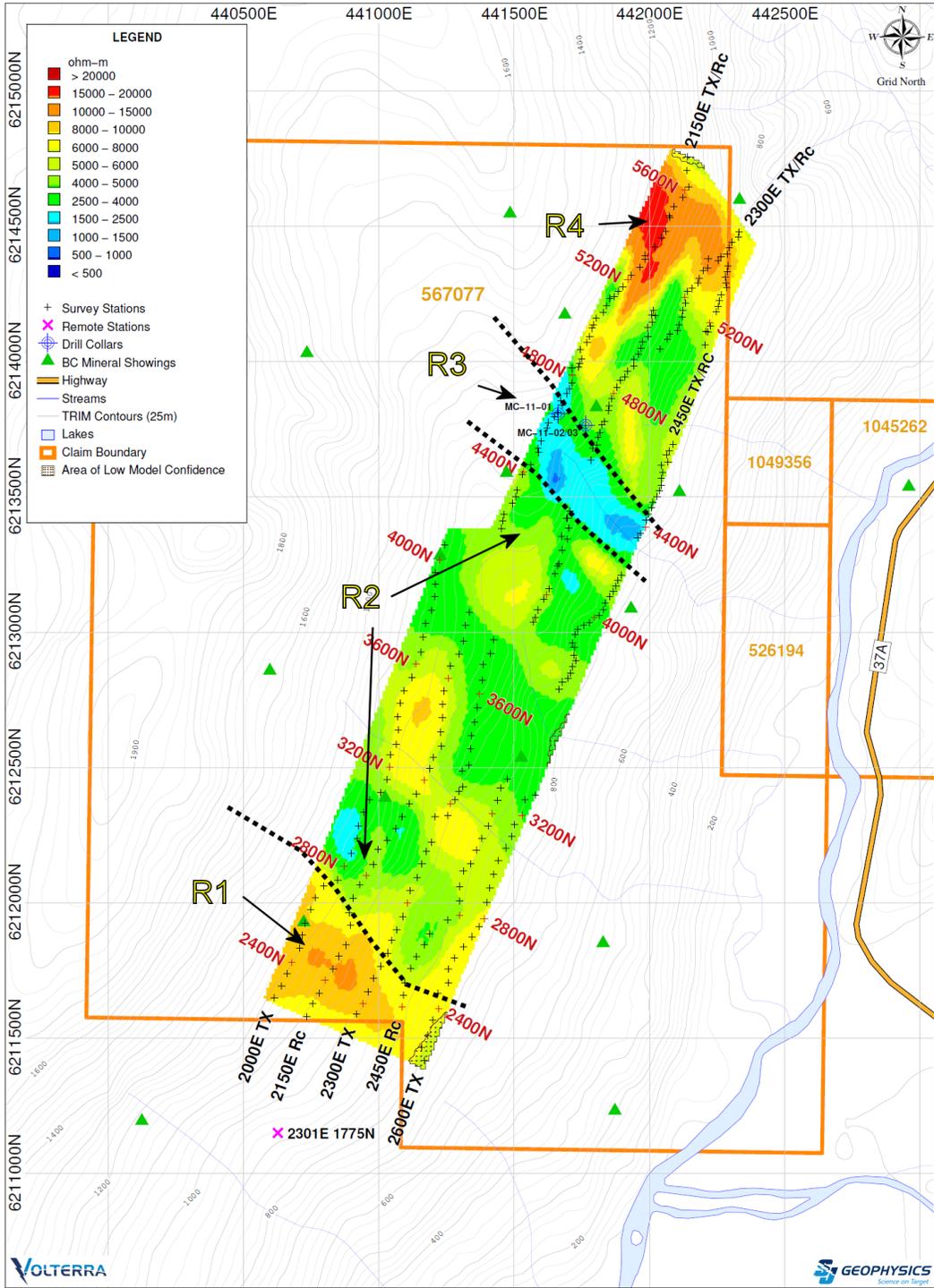
The R4 zone can be further divided and the inversion model suggests it is comprised of three relatively horizontal or shallow westerly dipping high resistivity (12000 ohm-m) layers **R4a**, **R4b** and **R4c**, which outcrop at three distinct elevations.

R4a is located along line 2300E, north of station 5400N at elevation 850 meters. This layer appears to lie directly above the northern lobe of the C2 chargeability anomaly. There are two or more localized resistive zones mapped along this same elevation to the south near grid coordinates 2450E/4500N and 2600E/2400N.

R4b is mapped along line 2150E from station 5200N to the north end of the grid at elevation 1150 meters. It likely outcrops at surface and extends into the hillside. This zone appears to lie above and to the south of the C2 chargeability anomaly.

R4c is mapped from 2300E/4500N to 2150E/5200N at elevation 1250 meters. This trend appears to plunge shallowly down to the south and may be comprised of two zones. From 2300E/4500N to 2150E/4900N it appears as a 200meter wide zone striking close to north where it abruptly changes strike to N20E. It appears to lie directly above the large C1 chargeability pod.

Examination of the conductivity isosurfaces suggests one significant conductive lineation that roughly parallels a 600 meter section of the line 2300E from 2500N to 3100N. There are no similar responses observed on the adjacent lines and it is unclear whether this feature is real or an inversion artifact.



Project Information:
 Survey by: SJ Geophysics Ltd.
 Survey Type: Volterra-3DIP
 Survey Date: July 2017
 Inversion by: SJ Geophysics Ltd.
 Inversion Software: UBC-GIF DCIP3D

Instrumentation:
 Receiver: Volterra Acquisition Units
 Transmitter: GDD TX II
 Array Type: Distributed 3DIP

Mapping Information:
 Datum: NAD83
 Projection: UTM Zone 9N
 Inversion Model: dcinv3d_05_UTM_trim.con
 Colour Classification: Modified Logarithmic
 Mapping Date: 31-Aug-2017

Volterra - 3DIP Survey

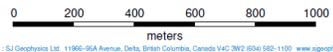
Bonanza Mining Corporation

Interpreted Resistivity Inversion Model (ohm-m)

MC Claims

Depth: 200m Below Topography

Stewart, B.C., Canada



Ground Magnetic Results

Total field magnetic intensity data (TFM) was gathered at 10 meter and 12.5 meter station intervals along most of the IP survey lines. The limited size of the survey and gaps due to inaccessible terrain, particularly on the north section of the survey grid, did not provide a large or consistent enough set of magnetic data to analyze with the 3D inversion technique.

The magnetic data is relatively noisy, with high frequency variations mapped along the lines. This response is typical of the volcanoclastic rocks underlying the property. This volatility is more pronounced across the northern section of the survey grid.

Although there are numerous high and low amplitude, single station magnetic spikes the data appears to be reliable and of high quality. Unfortunately the survey lines are too far apart to confidently correlate these high amplitude magnetic spikes across the lines.

However the general appearance of the responses suggests that in the southern half of the survey grid, narrow magnetic trends primarily delineate northwest striking features and a couple of east-west trends. In the northern half of the survey grid, small magnetic lows appear to delineate isolated pods.

The magnetic results on the north half of the survey grid support the conclusions from previous work that high magnetic susceptibility rocks are exposed or lie directly below the ground surface. The previous work discovered that the extreme magnetic highs may be related to cross cutting dikes. More detailed magnetic surveying will be required to properly map these anomalies in order to determine whether they occur as isolated pods or comprise larger structures.

There is a distinct shift in the magnetic intensity from lows of (<55750nT) in the southern half of the survey grid to highs of (>55850nT) on the northern half. The precise location of this contact is not clearly delineated, but it appears to run roughly east-west in the vicinity of station 3600N (UTM northing 6,213,000N).

This implies there may be a lithological contact in this area, which is also the location of the large fault zone, marked by a deeply incised glacier filled gully, which runs across the entire MC 1 claim and separates the survey grid into southern and northern halves.

The southern ends of the survey lines 2600E and 2450E skirt the edge of a mapped occurrence of the Texas Creek intrusion that straddles the southern edge of the MC 1 claim. While there are a couple of small magnetic highs that appear to correlate with this feature, one at the south end of line 2600E and another that crosses three lines (2600E, 2450E and 2300E near station 3200N) insufficient data was acquired in this area to confidently associate these responses with the known intrusion.

The interpretation of the magnetic data is that there are small, localized magnetic highs scattered across the area delineate narrow northwesterly and easterly oriented surface trends.

A 3D inversion of the magnetic data was subsequently run on the southern half of the survey grid. This was done because soil sampling in the area had outlined a significant lead, zinc, copper, silver +/- gold anomaly that coincides with the main magnetic anomaly, centered at station 3200N on lines 2300E and 2450E.

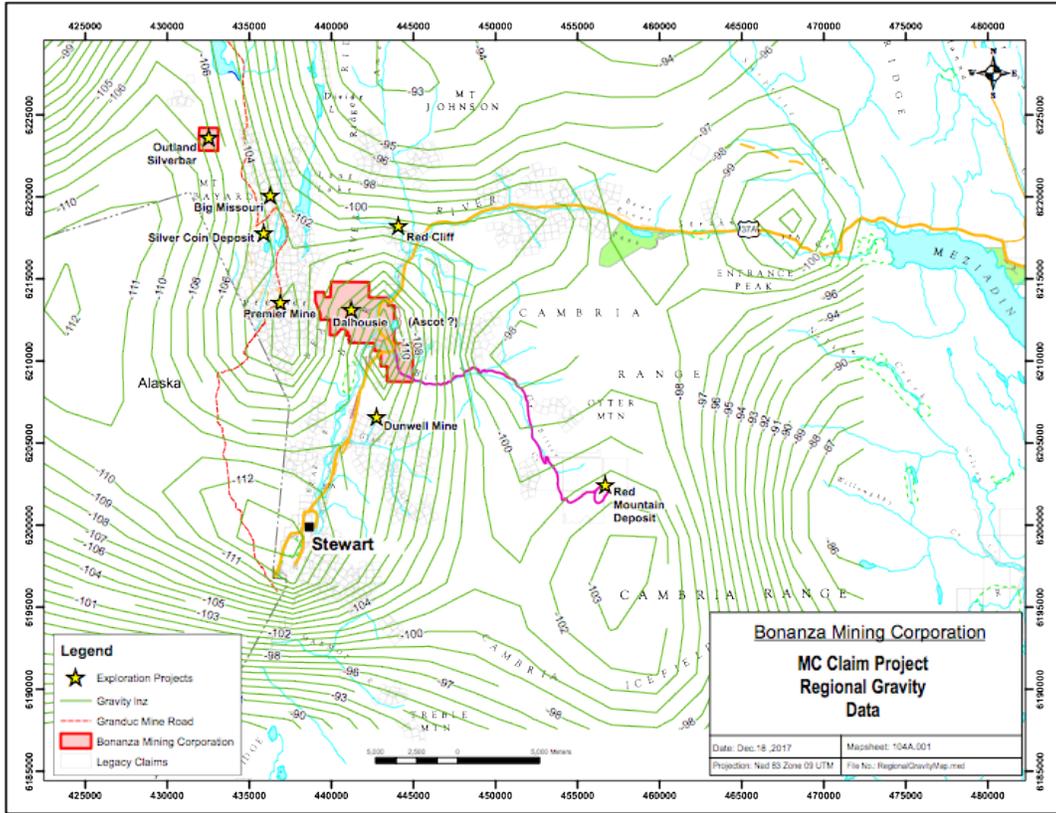
The main magnetic anomaly, a 200 meter diameter 500nT high centered at 445350E/6212375N (Line 2450E, station 3220), models as a small plug of high susceptibility material. The modeling suggests this plug outcrops and has a limited depth extent, on the order of 35-40 meters. However the magnetic survey coverage there is limited and the anomaly is not fully delineated. Additional surveying, most critically to the south and east, is required to define the edges of this anomaly.

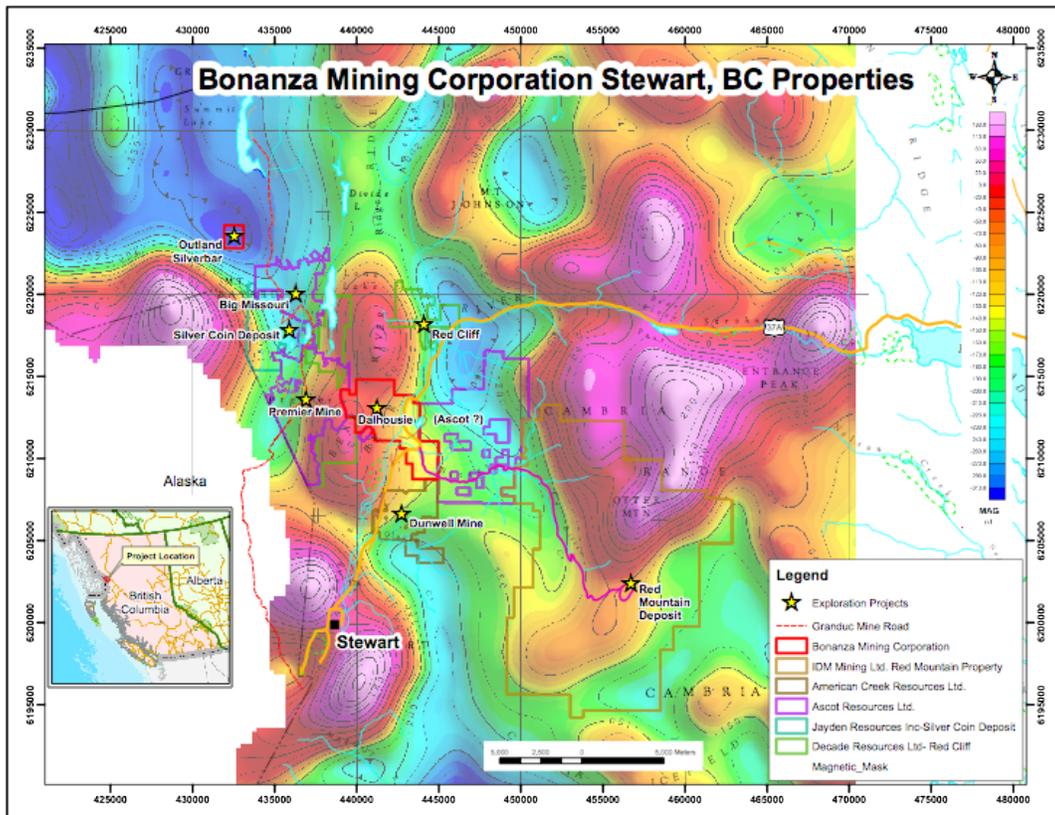
This information is critical to determining whether the anomaly reflects the northern edge of the large Texas Creek intrusion that occurs there, or is an isolated feature. If it represents an isolated body, the additional data will also help determine the geometry, attitude and depth extent of the source.

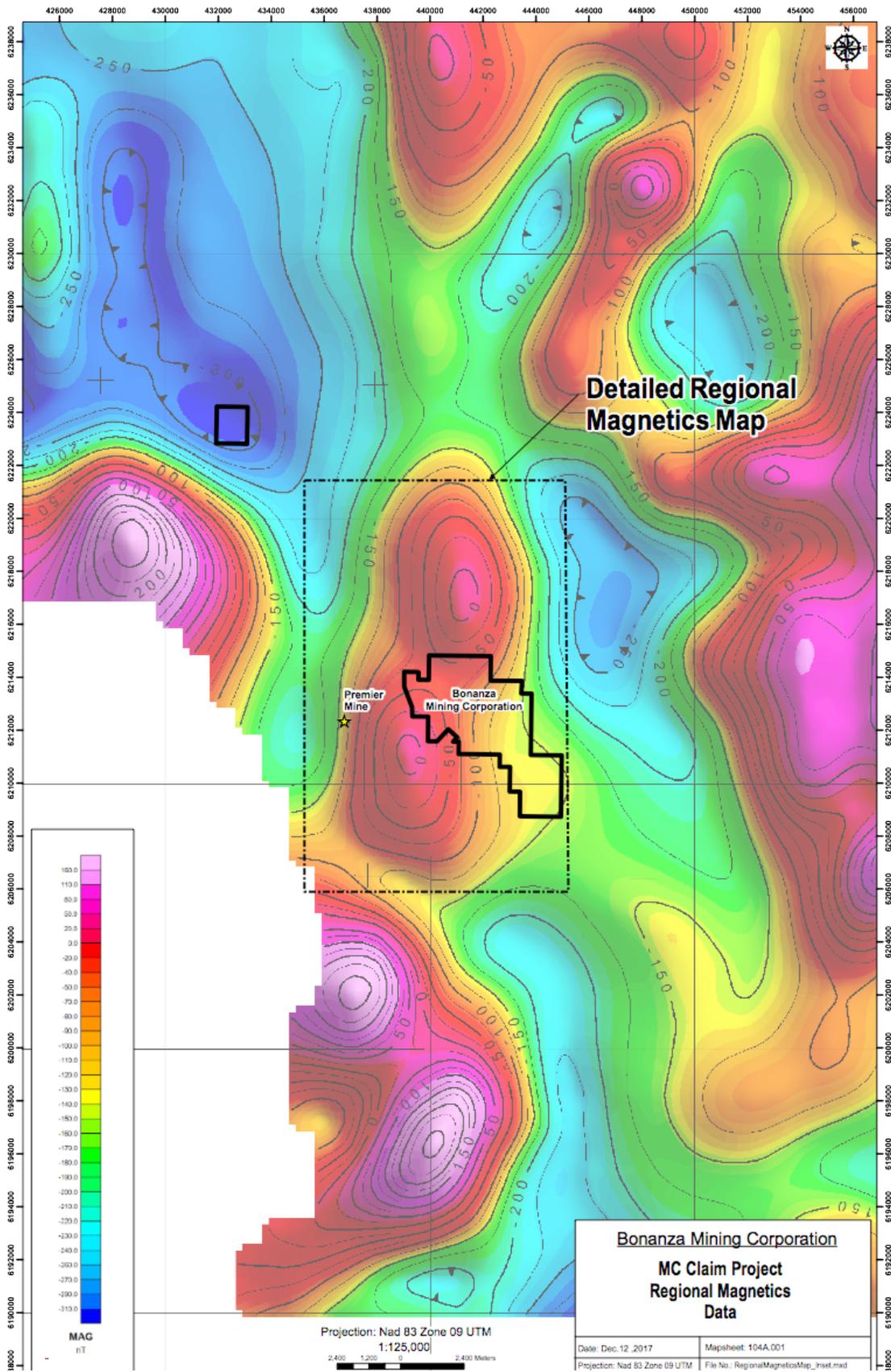
A close examination of the magnetic profiles across this anomaly show it is comprised of a number of closely spaced, high amplitude peaks as opposed to a single broad anomaly. This could be indicating the anomaly is due to a concentration of the narrow surface linears seen in the area, and not a separate body as inferred by the inversion model.

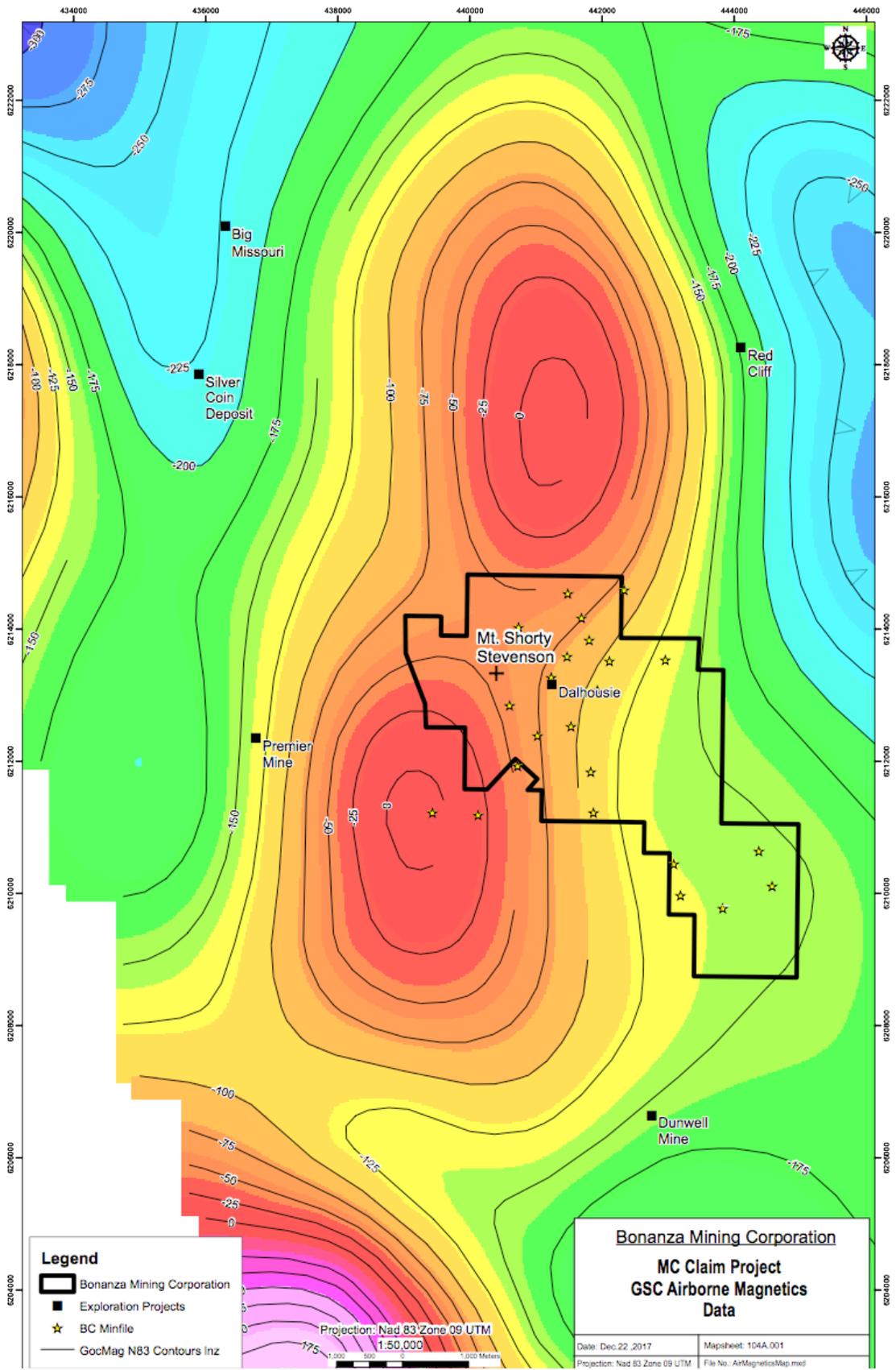
From a regional perspective the survey grid is positioned within a northeast elongated magnetic high approximately 15km long and 5 km wide.

A regional gravity map of the Stewart area is shown next but its' significance is unclear as the data points are quite widespread and the contours are an inexact extrapolation.









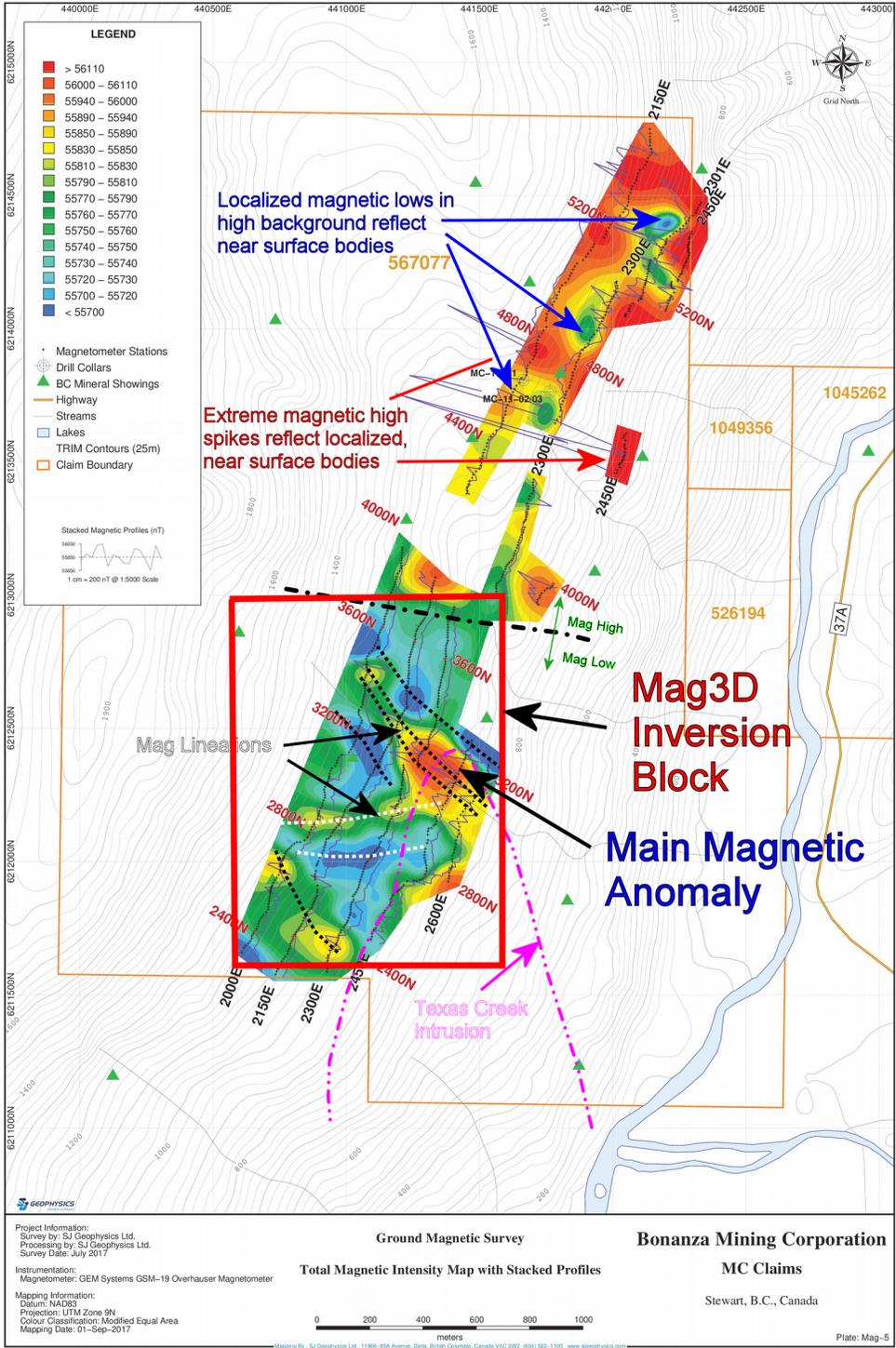
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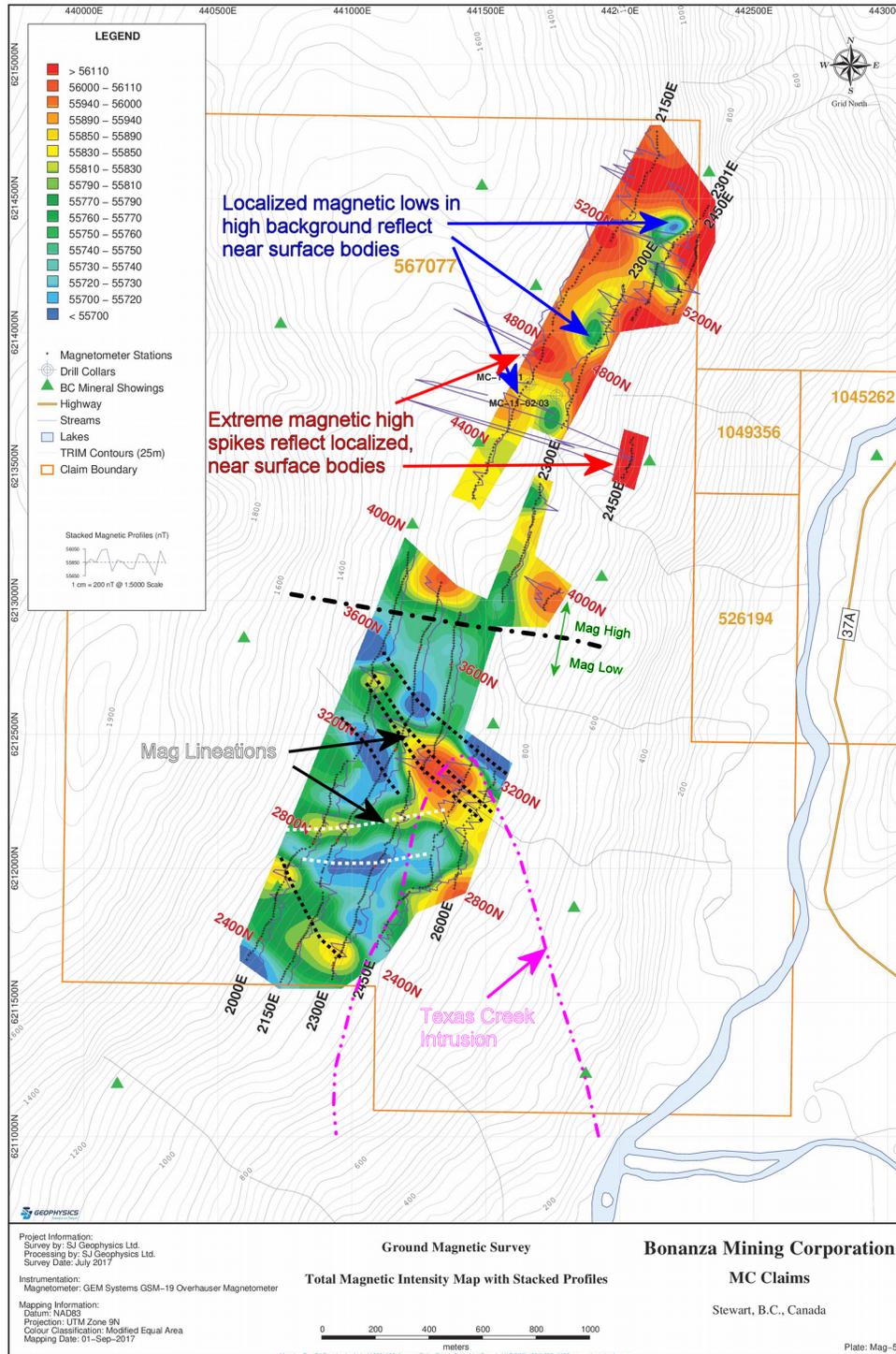
- Bonanza Mining Corporation
- Exploration Projects
- BC Minfile
- GocMag N83 Contours 1mz

Bonanza Mining Corporation
MC Claim Project
GSC Airborne Magnetis Data

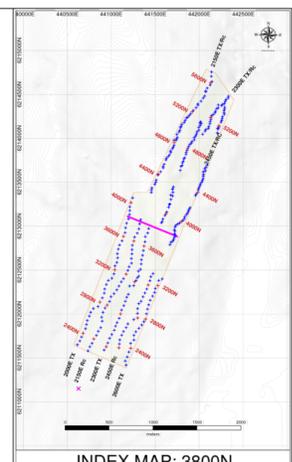
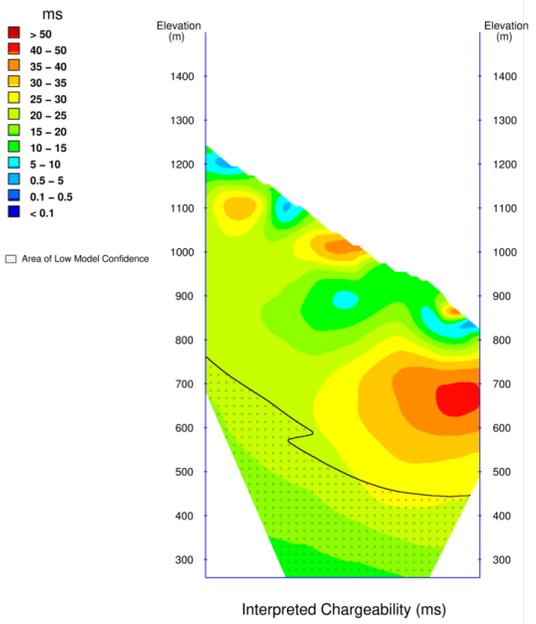
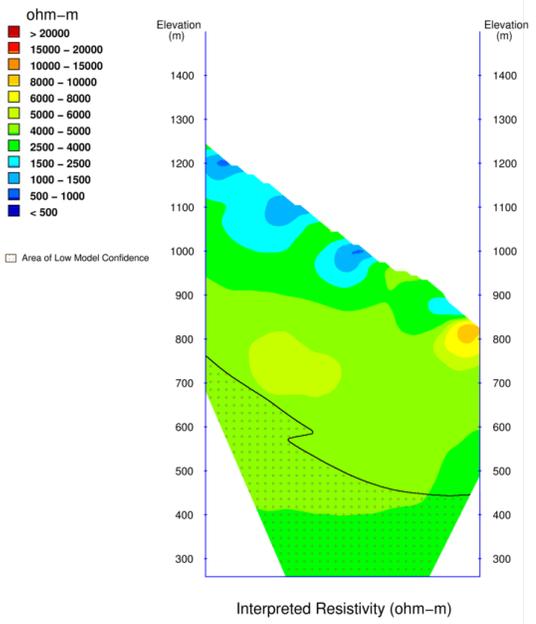
Date: Dec.22 .2017	Mapsheet: 104A.001
Projection: Nad 83 Zone 09 UTM	File No.: AirMagnetisMap.mxd

Projection: Nad 83 Zone 09 UTM
 1:50,000
 1:500 1:1000 1:2000 Meters





The following 8 maps are east-west sections through the chargeability and resistivity data and anomalies at 200 meter intervals from section lines 3800N to 5200N.

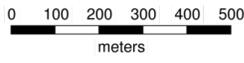


Project Information:
 Survey by: SJ Geophysics Ltd.
 Survey Type: Volterra-3DIP
 Survey Date: July 2017
 Inversion by: SJ Geophysics Ltd.
 Inversion Software: UBC-GIF DCIP3D

Instrumentation:
 Receiver: Volterra Acquisition Units
 Transmitter: GDD TX II
 Array Type: Distributed SDIP
 Apparent Chargeability Integration : 200-1800ms

Mapping Information:
 Index Map Datum: NAD83
 Index Map Projection: UTM Zone 9N
 Section Map Projection: Local Coordinate System
 Chargeability Inversion Model: ipinv3d_02_UTM_trim.chg
 Resistivity Inversion Model: dcinv3d_05_UTM_trim.con
 Mapping Date: 09-Nov-2017

Colour Classification:
 Resistivity: Modified Logarithmic
 Chargeability: Modified Linear



Bonanza Mining Corporation

MC Claims

Stewart, B.C., Canada

Volterra-3DIP Survey

3D Inversion Models

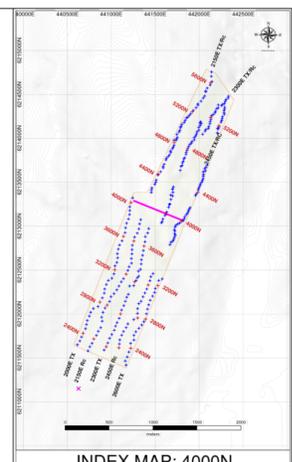
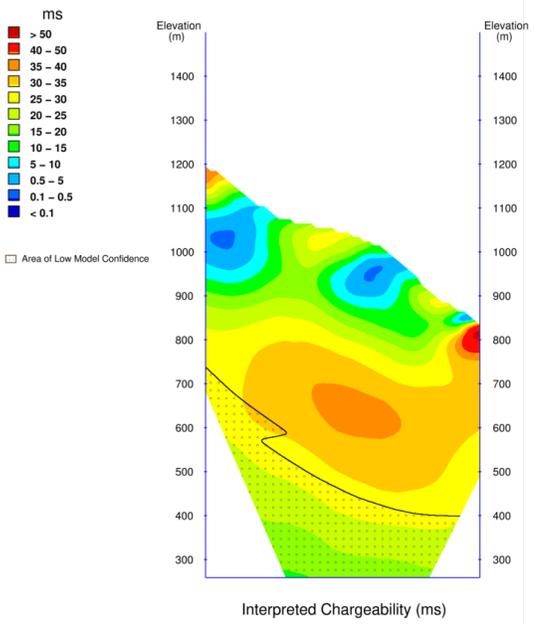
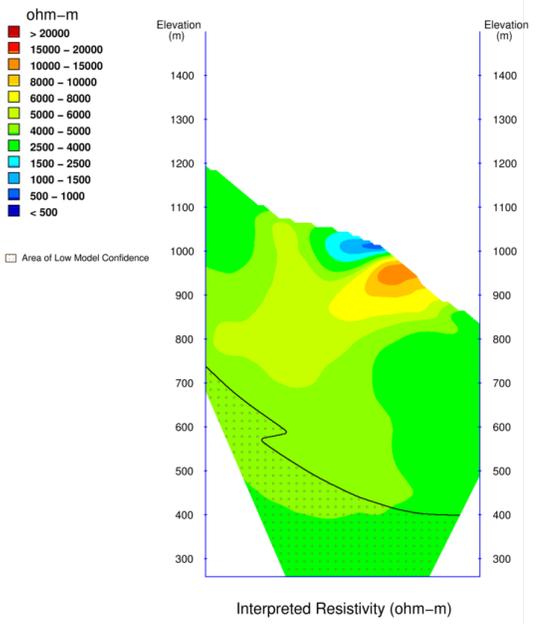
of

Interpreted

Resistivity & Chargeability

Cross Section: 3800N



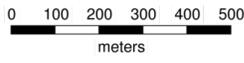


Project Information:
 Survey by: SJ Geophysics Ltd.
 Survey Type: Volterra-3DIP
 Survey Date: July 2017
 Inversion by: SJ Geophysics Ltd.
 Inversion Software: UBC-GIF DCIP3D

Instrumentation:
 Receiver: Volterra Acquisition Units
 Transmitter: GDD TX II
 Array Type: Distributed SDIP
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Mapping Information:
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 Index Map Projection: UTM Zone 9N
 Section Map Projection: Local Coordinate System
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 Mapping Date: 09-Nov-2017

Colour Classification:
 Resistivity: Modified Logarithmic
 Chargeability: Modified Linear



Bonanza Mining Corporation

MC Claims

Stewart, B.C., Canada

Volterra-3DIP Survey

3D Inversion Models

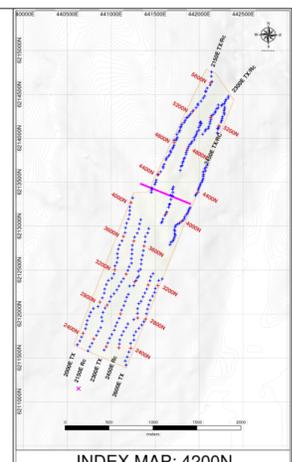
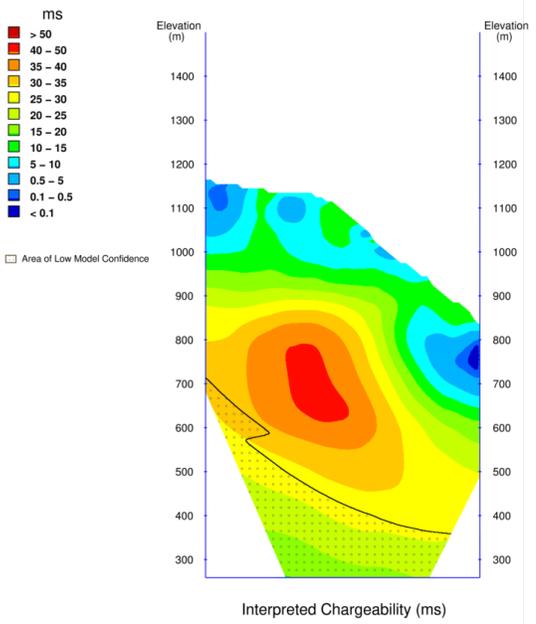
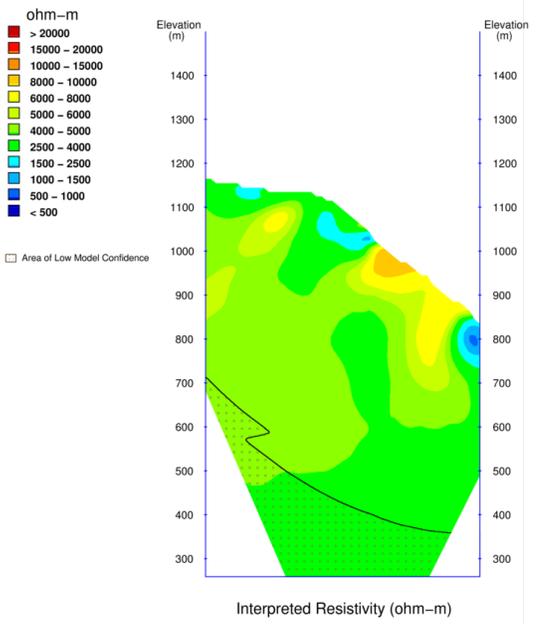
of

Interpreted

Resistivity & Chargeability

Cross Section: 4000N



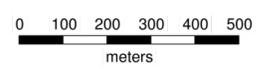


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 Survey Type: Volterra-3DIP
 Survey Date: July 2017
 Inversion by: SJ Geophysics Ltd.
 Inversion Software: UBC-GIF DCIP3D

Instrumentation:
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Mapping Information:
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Colour Classification:
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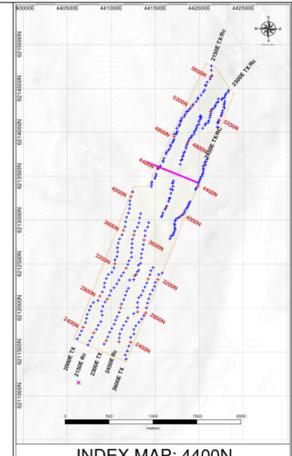
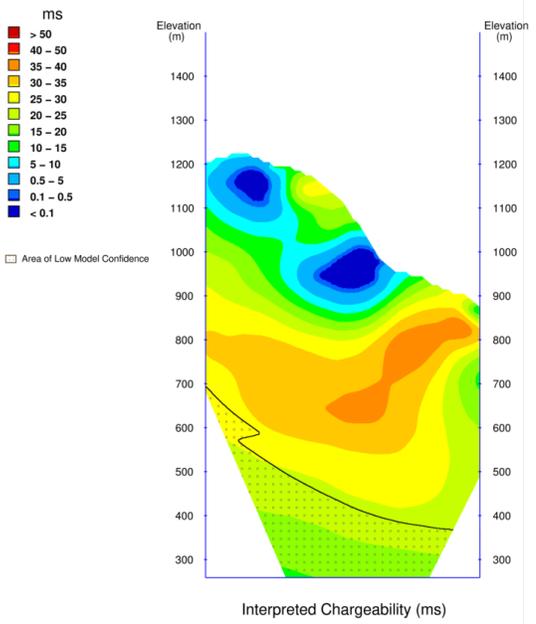
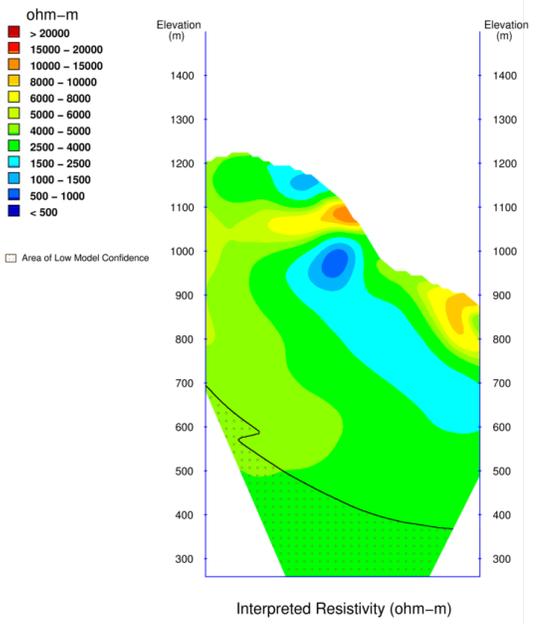


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MC Claims
 Stewart, B.C., Canada

Volterra-3DIP Survey
3D Inversion Models
 of
Interpreted
Resistivity & Chargeability

Cross Section: 4200N



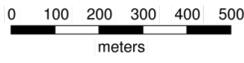


Project Information:
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 Survey Type: Volterra-3DIP
 Survey Date: July 2017
 Inversion by: SJ Geophysics Ltd.
 Inversion Software: UBC-GIF DCIP3D

Instrumentation:
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 Transmitter: GDD TX II
 Array Type: Distributed SDIP
 Apparent Chargeability Integration : 200-1800ms

Mapping Information:
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 Index Map Projection: UTM Zone 9N
 Section Map Projection: Local Coordinate System
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 Mapping Date: 09-Nov-2017

Colour Classification:
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 Chargeability: Modified Linear

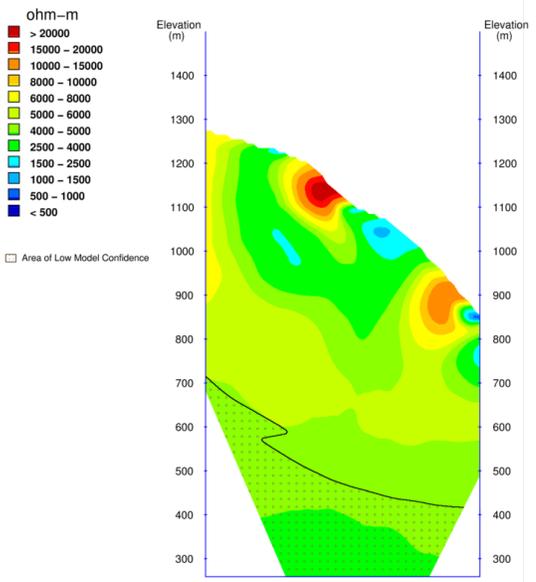


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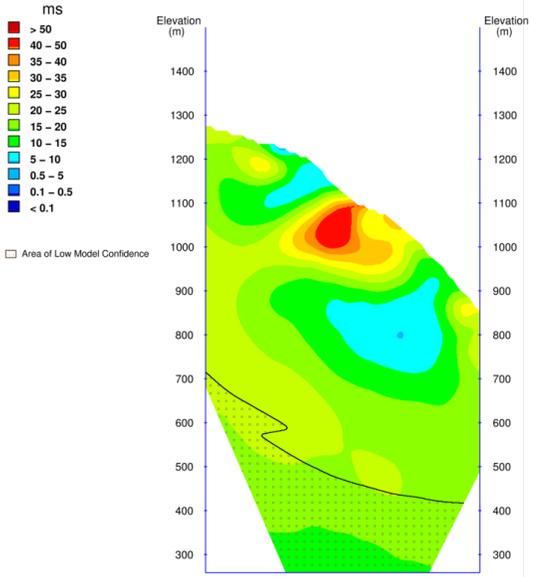
Volterra-3DIP Survey
3D Inversion Models
 of
Interpreted
Resistivity & Chargeability

Cross Section: 4400N

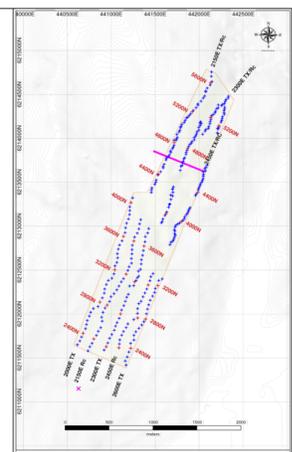




Interpreted Resistivity (ohm-m)



Interpreted Chargeability (ms)



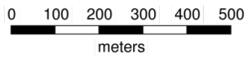
INDEX MAP: 4600N

Project Information:
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 Survey Type: Volterra-3DIP
 Survey Date: July 2017
 Inversion by: SJ Geophysics Ltd.
 Inversion Software: UBC-GIF DCIP3D

Instrumentation:
 Receiver: Volterra Acquisition Units
 Transmitter: GDD TX II
 Array Type: Distributed SDIP
 Apparent Chargeability Integration : 200-1800ms

Mapping Information:
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 Index Map Projection: UTM Zone 9N
 Section Map Projection: Local Coordinate System
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 Mapping Date: 09-Nov-2017

Colour Classification:
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 Chargeability: Modified Linear

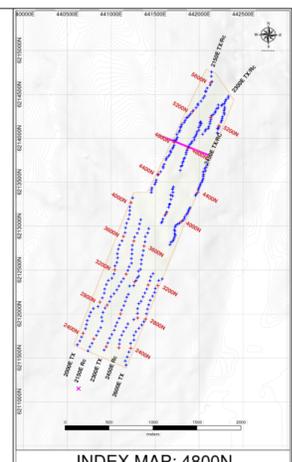
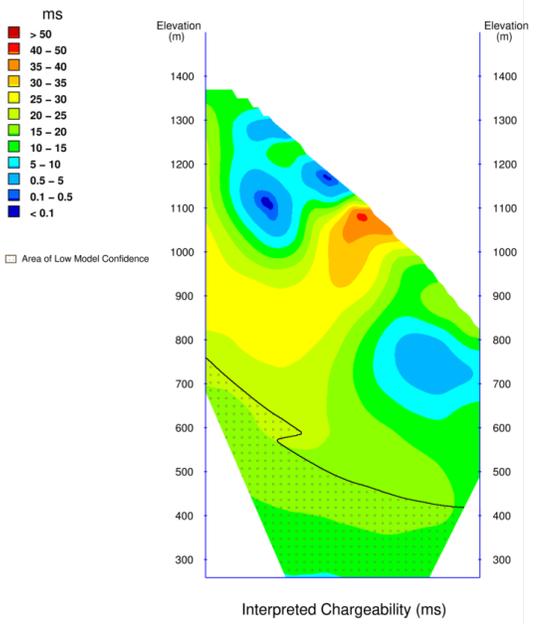
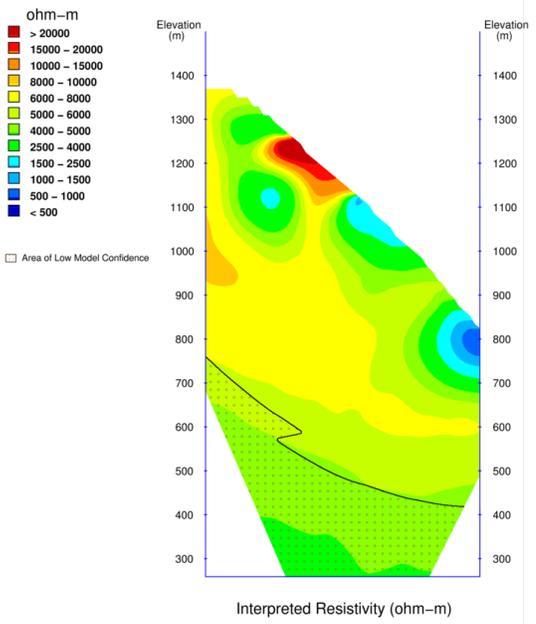


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Volterra-3DIP Survey
3D Inversion Models
 of
Interpreted
Resistivity & Chargeability

Cross Section: 4600N



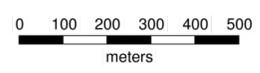


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 Survey Type: Volterra-3DIP
 Survey Date: July 2017
 Inversion by: SJ Geophysics Ltd.
 Inversion Software: UBC-GIF DCIP3D

Instrumentation:
 Receiver: Volterra Acquisition Units
 Transmitter: GDD TX II
 Array Type: Distributed SDIP
 Apparent Chargeability Integration : 200-1800ms

Mapping Information:
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 Mapping Date: 09-Nov-2017

Colour Classification:
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 Chargeability: Modified Linear



Bonanza Mining Corporation

MC Claims

Stewart, B.C., Canada

Volterra-3DIP Survey

3D Inversion Models

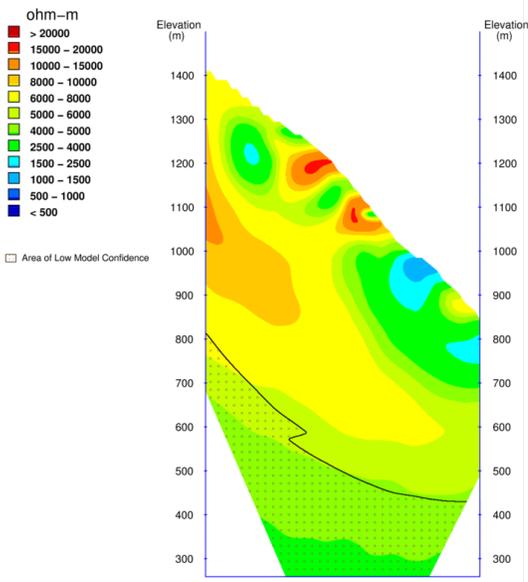
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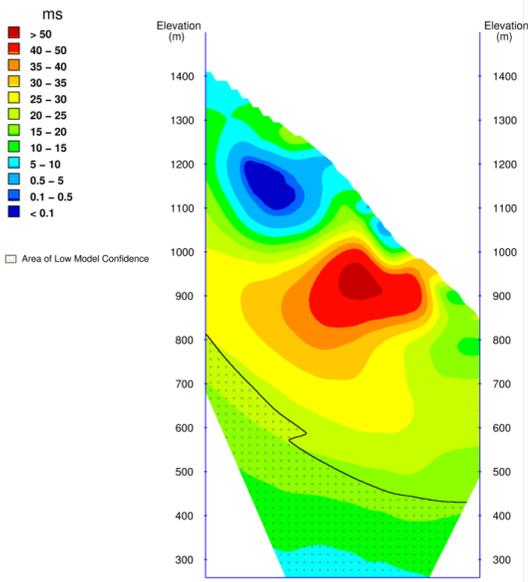
Resistivity & Chargeability

Cross Section: 4800N

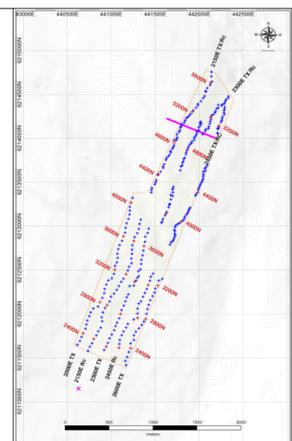




Interpreted Resistivity (ohm-m)



Interpreted Chargeability (ms)



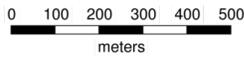
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Project Information:
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 Survey Type: Volterra-3DIP
 Survey Date: July 2017
 Inversion by: SJ Geophysics Ltd.
 Inversion Software: UBC-GIF DCIP3D

Instrumentation:
 Receiver: Volterra Acquisition Units
 Transmitter: GDD TX II
 Array Type: Distributed SDIP
 Apparent Chargeability Integration : 200-1800ms

Mapping Information:
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 Index Map Projection: UTM Zone 9N
 Section Map Projection: Local Coordinate System
 Chargeability Inversion Model: ipinv3d_02_UTM_trim.chg
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 Mapping Date: 09-Nov-2017

Colour Classification:
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 Chargeability: Modified Linear

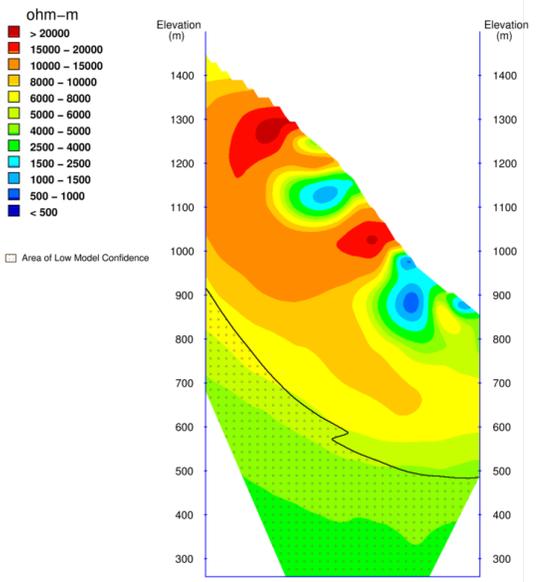


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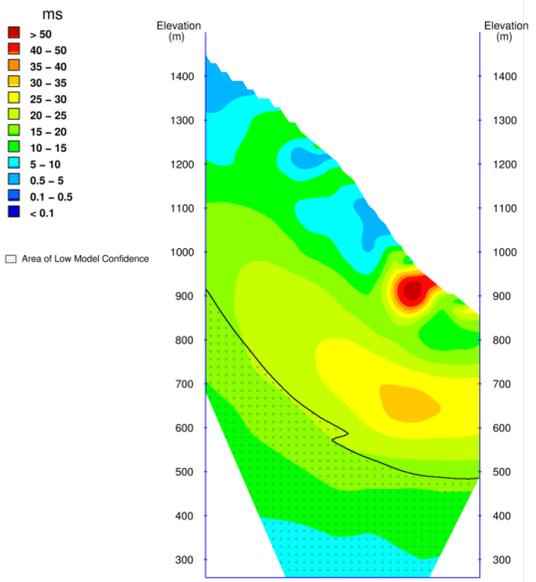
Volterra-3DIP Survey
3D Inversion Models
 of
Interpreted
Resistivity & Chargeability

Cross Section: 5000N

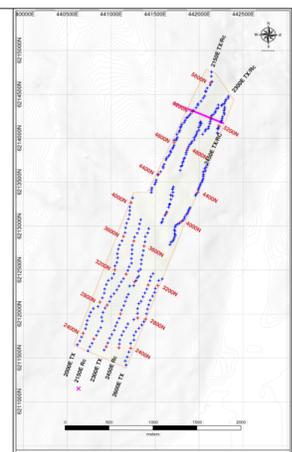




Interpreted Resistivity (ohm-m)



Interpreted Chargeability (ms)



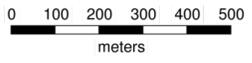
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Project Information:
 Survey by: SJ Geophysics Ltd.
 Survey Type: Volterra-3DIP
 Survey Date: July 2017
 Inversion by: SJ Geophysics Ltd.
 Inversion Software: UBC-GIF DCIP3D

Instrumentation:
 Receiver: Volterra Acquisition Units
 Transmitter: GDD TX II
 Array Type: Distributed SDIP
 Apparent Chargeability Integration : 200-1800ms

Mapping Information:
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 Section Map Projection: Local Coordinate System
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 Resistivity Inversion Model: dcinv3d_05_UTM_trim.con
 Mapping Date: 09-Nov-2017

Colour Classification:
 Resistivity: Modified Logarithmic
 Chargeability: Modified Linear



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Volterra-3DIP Survey
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 of
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Resistivity & Chargeability
 Cross Section: 5200N



Soil and Rock sampling surveys

Hendex Exploration Services Ltd, located in Prince George, BC was contracted by Bonanza Mining Corporation to conduct a soil sampling program on the southern half of the survey grid, roughly along the geophysical survey lines. No soil sampling was conducted on the northern half of the geophysical survey grid due to the very steep slopes and consequently little soil development.

A three man crew carried out this work from July 18-21, 2017 and collected a total of 126 soil samples but no rock samples. All of the soil samples had their GPS coordinates recorded but were not flagged.

Subsequently a second soil sampling/prospecting crew was contracted by Bonanza from CJL Enterprises Ltd. in Smithers, BC to collect soil samples along a line on the northern half of the geophysical survey grid as well as along 2 new lines at higher elevations on the southern half of the survey grid. This crew also carried out prospecting and rock sampling, mainly on the southern half of the grid.

A two man crew carried out this work from September 3-8, 2017 and collected a total of 126 soil samples and 21 rock samples. All of the samples had their GPS coordinates recorded but were not flagged.

The soil samples were delivered to the Bureau Veritas Mineral Laboratories analytical lab in Vancouver, BC where they were analyzed by ICP-ES/ICP-MS for 34 elements including lead, zinc, copper silver, arsenic and mercury, gold was analyzed by ICP-ES fire assay fusion.

The rock samples were also sent to the Bureau Veritas lab in Vancouver where they were analyzed by ICP-MS for 34 elements and gold by ICP-MS fire assay fusion.

Results of the Soil Sampling Surveys

One significant and two smaller lead, zinc, copper, silver and gold soil anomalies were outlined on the southern half of the survey grid from analysis of the soil samples Hendex had collected.

The most significant anomaly is defined by the coincident >300ppm lead, >300ppm zinc, >50ppm copper, >3ppm silver, > 50 ppb gold, > 4000ppm manganese and >4% iron contours. It extends in an east-west direction across all of the soil survey lines for a distance of 500 meters and is not closed off. It measures from 100 meters to 300 meters in the north-south direction and is closed off.

When these analytical results were plotted on maps and the anomaly was shown to be open upslope to the west, Bonanza contracted CJL Enterprises to conduct a follow up soil and rock sampling program, primarily to collect soil samples along two lines across the western projection of the anomaly above the previous sampling lines. As

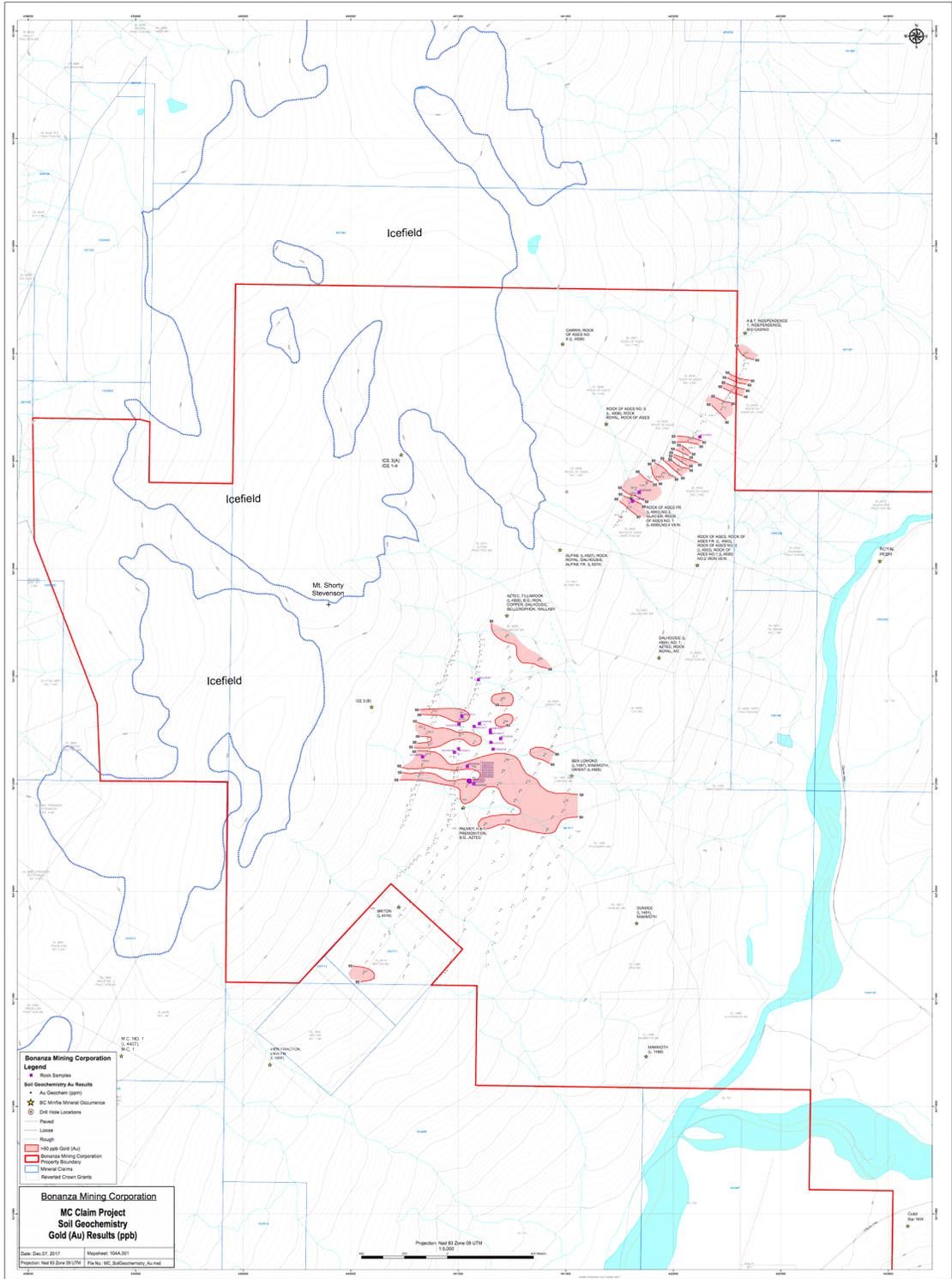
well one soil sample line was conducted on the northern part of the survey grid, roughly along the 1,200 meter topographical contour.

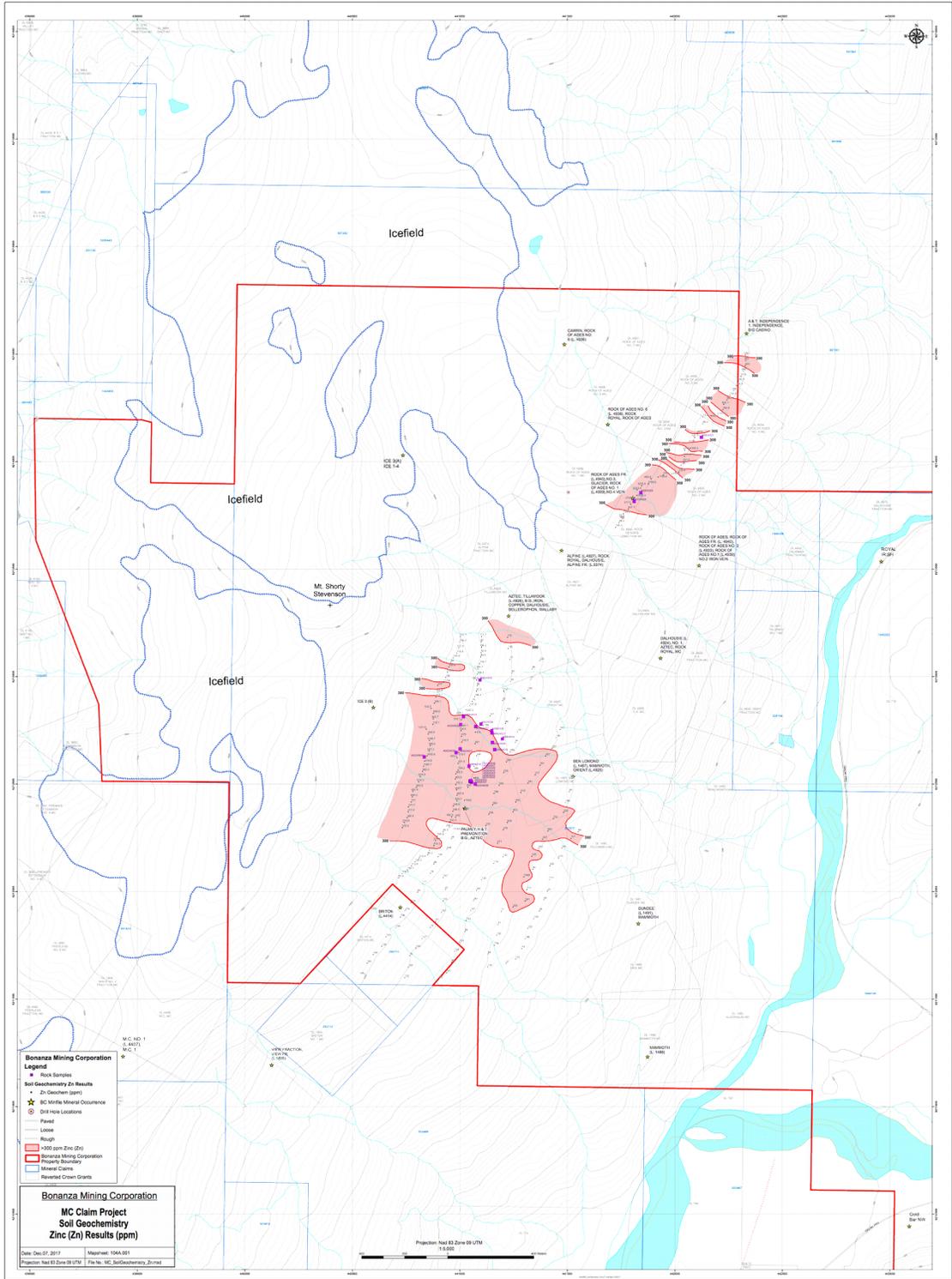
A total of 126 soil samples and 27 rock grab and chip samples were collected during the CJL program and submitted to the Bureau Veritas laboratory for 34 element plus gold ICP_MS analysis.

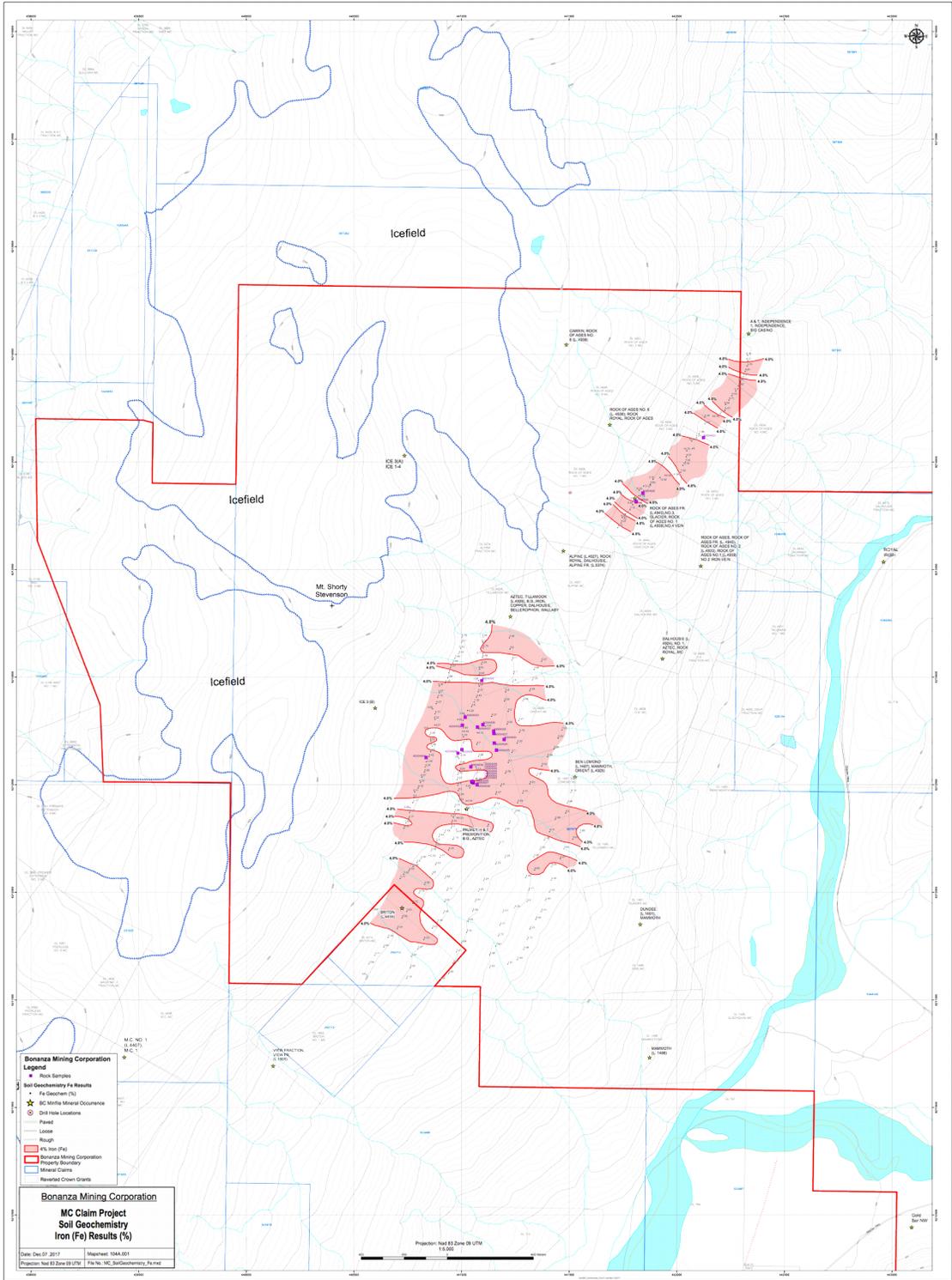
The CJL soil sample analytical results from the 2 lines they ran upslope of the multi-element anomaly, outlined by the Hendex sampling, were also highly anomalous and show the anomaly is still open and continues further upslope of the highest CJL soil line.

Also when the magnetic plan map of the southern half of the geophysical survey was completed it showed that the location of the soil anomaly was coincident with the main magnetic anomaly and might be the source of the mineralization.

SJ Geophysics was then requested to run a 3D inversion of the magnetic data to create a better interpretation and model for the magnetic anomaly and the results of the 3D inversion are discussed in the Ground Magnetic Results section of this report.







Results of Prospecting and Rock Sampling

Prospecting work during the CJL Enterprises program located numerous quartz-carbonate polymetallic sulfide veins within the anomaly, several of which had been previously trenched by earlier exploration work.

The analytical/assay results from the 27 rock samples returned values up to 10.5 g/t gold, 1,503 g/t silver, 5.31% lead, 5.72% zinc and 6,693 ppm (.67%) copper. Descriptions of these rock samples are in the following table.

There were six separate samples that contained > 1.0 g/t gold and fifteen separate samples that contained > 20 g/t silver, all of these samples were collected from mineralized zones on the southern part of the property.

Rock sample **A0004533** had the highest gold assay of 10.5 g/t gold as well as 36 g/t silver and was collected from a large gossan 75 meters long by 20 meters wide, in siliceously altered gray volcanics with very fine disseminated pyrite.

Rock sample **A0004549** contained the next highest gold value of 8.7 g/t gold as well as 78.6g/t silver and was collected from an area that contains at least three major quartz veins up to 30 cm wide with numerous smaller cross cutting quartz veins veins from 10 to 15 cm wide.

The sample was collected from the center vein that is 30 cm wide and contains a 15 cm wide horizon containing high-grade coarse galena and trace chalcopryrite. The veins exhibit massive, brecciated, wispy and colloform textures. Minor quartz-carbonate veins are present as well and the zone is possibly the continuation of the zone that contains some old workings.

Rock sample **A0004539** contained the third highest gold value of 4.04 g/t gold as well as 21 g/t silver and was a 1.0 meter chip sample from an old hand trench 2.1 m long and 2 m deep at the southeastern part of an area of old workings.

This trench cuts through a very siliceous volcanic gossan with numerous quartz veins carrying variable amounts of very fine grained galena and possible sphalerite to massive coarse grained galena, chalcopryrite and trace sphalerite. The zone pinches to the southeast to about 45 cm and flares out to the northwest. The weathered surface is very rusty and contains large pockets of limonite with decomposing pyrite.

Rock sample **A0004542** contained the fourth highest gold value of 2.86 g/t gold as well as 34 g/t silver and was a grab sample collected from outcrop of a galena, chalcopryrite and sphalerite rich zone with brecciated fragments of country rock.

Rock sample **A0004543** contained the fifth highest gold value of 1.4 g/t gold as well as 27.8 g/t silver and was a 1.0 meter chip sample from a zone that siliceous gray volcanics, basalt flows, bleached volcanic horizons and intermingled quartz veins and siliceously altered zones with massive to disseminated galena, chalcopyrite and sphalerite.

Rock sample **A0004532** contained 1,503 g/t silver (~50 oz/t) as well as 1.2 g/t gold, but only 369 ppm copper, 68 ppm antimony, 0.44% lead and 1.27% zinc. These low copper-lead-zinc results are indicate there are not a lot of copper-lead-zinc sulfide minerals such as chalcopyrite, galena, sphalerite or tetrahedrite in the sample that could host the silver.

Similarly the relatively low to moderate antimony content does not indicate the silver is contained in silver-antimony minerals such as pyrargyrite or stephanite. It is therefore most likely the silver is contained in argentite, which is a silver sulfide mineral, or is present as native silver.

The samples containing the second to fifth highest gold values and the sample containing 1,503 g/t silver were collected along what appears to be the same mineralized system over a strike length of about 300 meters and it strikes northwesterly at approximately 310 degrees.

Table of Rock Sample Descriptions

Sample ID Easting Northing Elevation

Rock sample **A0004523** 442,124 6,214,113 1000m

Outcrop 320°/84° Rusty weathered surface, grey volcanics with 2-3% disseminated pyrite and possible chalcopyrite.

Rock sample **A0004524** 441,811 6,213,815 1109m

Float Large angular float boulder of siliceous, grey volcanics. 2-3% pyrite as small veins and 1cm wide blebs. The cut rock shows a very interesting texture, with the siliceously altered mudstone horizons slightly folded then broken and offset. The fractured clasts were then cemented with fine grained, grey sulphides, primarily pyrite.

Rock sample **A0004525** 441,842 6,213,856 1099

Outcrop Very rusty irregular zone of very fine grained, grey volcanics with 3-5% disseminated pyrite.

Rock sample **A0004526** 441,152 6,212,694 1180m

Outcrop Trend 336 Center of quartz swarm with up to nine veins over an area of 50

meters wide and 90 meters in length. The individual veins are cross cut by smaller veins and vein sets with irregular strikes. The system is hosted in siliceous, fine grained, grey volcanics. Veins pinch and swell with locally high grade galena and chalcopyrite with lesser bornite and possible sphalerite occurring as contact selvages and pods within barren quartz. Sample A0004526 is from a 50cm wide vein with a 20cm wide high grade core containing 5% coarse grained galena, chalcopyrite and bornite.

Rock sample **A0004527** 441,150 6,212,739 1206m

Outcrop Trend 360° 40cm wide quartz vein with 1-2% very coarse grained galena. A 15cm wide quartz vein trending at 15° appears to have been cut by 40cm wide vein trending 360°.

Rock sample **A0004528** 441,149 6,212,749 1217m

Outcrop 10 meters north of previous sample along same 40cm wide quartz vein. The zone is marked with a heavier rust stained weathered surface with minor intense zones of malachite and azurite. Fresh face contains 5% coarse grained galena and chalcopyrite. Veins are buried to the north by scree slope.

Rock sample **A0004529** 441,094 6,212,984 1283m

Rusty sheared volcanic horizon 15 meters wide. Siliceous, fine grained volcanic unit with localized limonitic patches. Weathering penetrates to 15cm with fractures weathered to 5cm. Fresh volcanic rock contains 1-2% very fine grained disseminated pyrite with limonite within the weathered sections. The hill contains numerous pods and horizons indential to this unit.

Rock sample **A0004530** 440,983 6,212,648 1287m

Outcrop 116°/64°, A 12cm wide quartz vein in a large spine within a steeply dipping creek draw. The spine contains two such veins that are locally mineralized and pinch and swell along strike. After locating the old workings I need to see if this system lines up with the workings, making this an extension.

Rock sample **A0004531** 441,002 6,212,664 1274m

Float 15 lb cobble sized float of fine grained grey volcanic host with 85% quartz-carbonate veins. Vein contains small vugs that are infilled with calcite and coarse grained galena. Two small pods to 1cm diameter consisting of coarse to very fine grained galena within the outer margins of the vein. A 1cm wide vein within the volcanic unit is surrounded by a sericite alteration halo that extended 1cm on either side of the vein.

Rock sample **A0004532** 441,004 6,212,777 1283m

Float 7 lbs cobble of quartz-carbonate vein with 5% chalcopyrite-pyrite-galena.

Weathered surface is vuggy and moderately rusty. The area has a number of mineralized float samples, but prospecting above this zone shows no indications of mineralization in place. The area is 95% lichen covered outcrop, and the mineralized zone should be nearby due to the angular condition of the outcrop.

Rock sample **A0004533** 441,017 6,212,814 1281m

Outcrop Trend 343° Large gossan 75 meters long by 20 meters wide trending north-northwest. Siliceously altered gray volcanics with very fine grained disseminated pyrite. Locally limonitic along weathered edges and fracture plains and also within unaltered volcanic rock as elongated blebs.

Rock sample **A0004534** 441,198 6,212,711 1172m

Outcrop 345°/90° 45cm wide quartz vein with a 10cm wide horizon with rusty weathered surface containing 5% coarse grained galena with angular limonitic

Rock sample **A0004535** 441,162 6,212,661 1160m

Outcrop Trend 296° 15cm wide quartz vein with minor chalcopyrite. Sample is the lowermost section of the veining system before the scree slope masks all the outcrop.

Rock sample **A0004536** 441,099 6,212,780 1224m

Outcrop Trend 322° 35cm wide quartz vein with just a slight rusty weathered surface. Large rusty/limonitic pockets in fresh rock with zones of coarse grained chalcopyrite and galena.

Rock sample **A0004537** 441,074 6,212,768 1228m

Outcrop on a small ridge in scree slope that is a siliceous zone in northwest trending gossan. Chloritic volcanics with small quartz veinlets. Sample contains 1-2% disseminated pyrite and possible chalcopyrite.

Rock sample **A0004538** 441,043 6,212,583 1190m

Outcrop 160°/52° 25cm wide quartz vein that appears to be a swell within the system. Sample of quartz with small (2mm wide) veinlets of fine grained pyrite and disseminated fine grained chalcopyrite. Small patches of coarse grained chalcopyrite and galena are also present.

Rock sample **A0004539** 441,072 6,212,501 1203m

1.0m Chip 130°/72° Lowest (southeastern) part of old workings. The sample is from an old hand trench 7ft wide and 6ft deep. The trench cuts through a very siliceous volcanic gossan with numerous quartz veins carrying variable amounts of very fine grained galena

and possible sphalerite to massive coarse grained galena, chalcopyrite and trace sphalerite. Then zone pinches to the southeast to about 45cm and flares out to the northwest. The weathered surface is very rusty and contains large pockets of limonite with decomposing pyrite.

Rock sample **A0004540** 441,055 6,212,510 1203m

1.5m Chip 20 meters uphill at 297° a second hand trench was discovered. This trench cut through 3 meters of siliceous, fine grained, grey volcanics with quartz veins and replacement zones containing trace to massive zones of fine to coarse grained galena, chalcopyrite, pyrite and sphalerite. A subtle zonation of pyrite grading to galena was noticed in this sample.

Rock sample **A0004541** 441,054 6,212,510 1203m

1.5m Chip Continuation from previous sample. The zone becomes more siliceous with an increase in galena. Sample includes zones of fine to coarse grained galena, chalcopyrite, sphalerite and possible bornite.

Rock sample **A0004542** 441,048 6,212,514 1206m

Outcrop Trend 317° 8 meters uphill at 300° from previous chip samples the zone flares out to 6 meters wide with larger zones of siliceous volcanics between the mineralized quartz veins. This sample was a grab from outcrop of a galena, chalcopyrite and sphalerite rich zone with brecciated fragments of country rock. The zone appears to truncate to the north but mineralized float samples above zone were located.

Rock sample **A0004543** 441,048 6,212,513 1207m

1.0m chip sample starting from southwestern extent of mineralized zone sampling to the northeast. Zone contains siliceous grey volcanics, basaltic flows, bleached volcanic horizons and intermingled quartz veins and siliceously altered zones with massive to disseminated galena, chalcopyrite and sphalerite.

Rock sample **A0004544** 441,049 6,212,513 1206m

1.0m chip sample continuation from previous sample. Zone contains siliceous grey volcanics, basaltic flows, bleached volcanic horizons and intermingled quartz veins and siliceously altered zones with massive to disseminated galena, chalcopyrite and sphalerite.

Rock sample **A0004545** 441,050 6,212,514 1206m

1.0m chip sample continuation from previous sample. Zone contains siliceous grey volcanics, basaltic flows, bleached volcanic horizons and intermingled quartz veins and siliceous zones with massive to disseminated galena, chalcopyrite and sphalerite.

Rock sample **A0004546** 441,050 6,212,515 1205m

1.0m chip sample continuation from previous sample. Zone contains siliceous grey volcanics, basaltic flows, bleached volcanic horizons and intermingled quartz veins and siliceously altered zones with massive to disseminated galena, chalcopyrite and sphalerite.

Rock sample **A0004547** 441,051 6,212,515 1205m

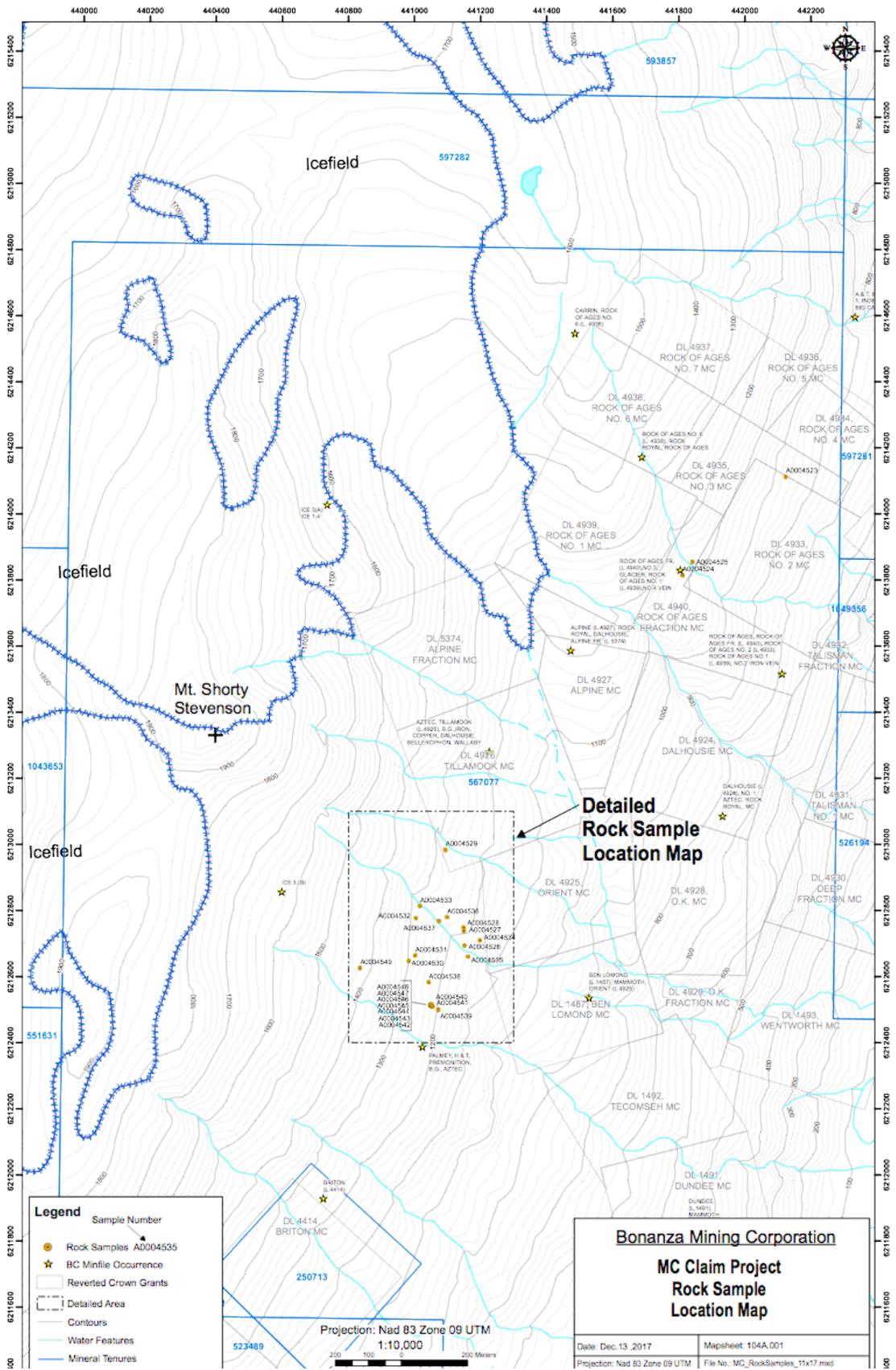
1.0m chip sample continuation from previous sample. Zone contains siliceous grey volcanics, basaltic flows, bleached volcanic horizons and intermingled quartz veins and siliceously altered zones with massive to disseminated galena, chalcopyrite and sphalerite.

Rock sample **A0004548** 441,052 6,212,516 1205m

1.0m chip sample continuation from previous sample. Zone contains siliceous grey volcanics, basaltic flows, bleached volcanic horizons and intermingled quartz veins and siliceously altered zones with massive to disseminated galena, chalcopyrite and sphalerite.

Rock sample **A0004549** 440,835 6,212,627 1420m

Outcropping veins oriented at 130°/38° within a sea of scree. Area contains at least three major quartz veins to 30cm with numerous smaller (10-15cm wide), cross cutting quartz veins. The veins appear to be following the fracture sets within the host volcanic unit. The main vein sets are 130° and 86°. Sample from center vein that is 30cm wide within which is a 15cm wide horizon containing high grade, coarse galena and trace chalcopyrite. The veins exhibit massive, brecciated, wispy and colloform textures. Minor quartz carbonate veins are present as well. This is possibly the continuation of the zone containing the old workings.



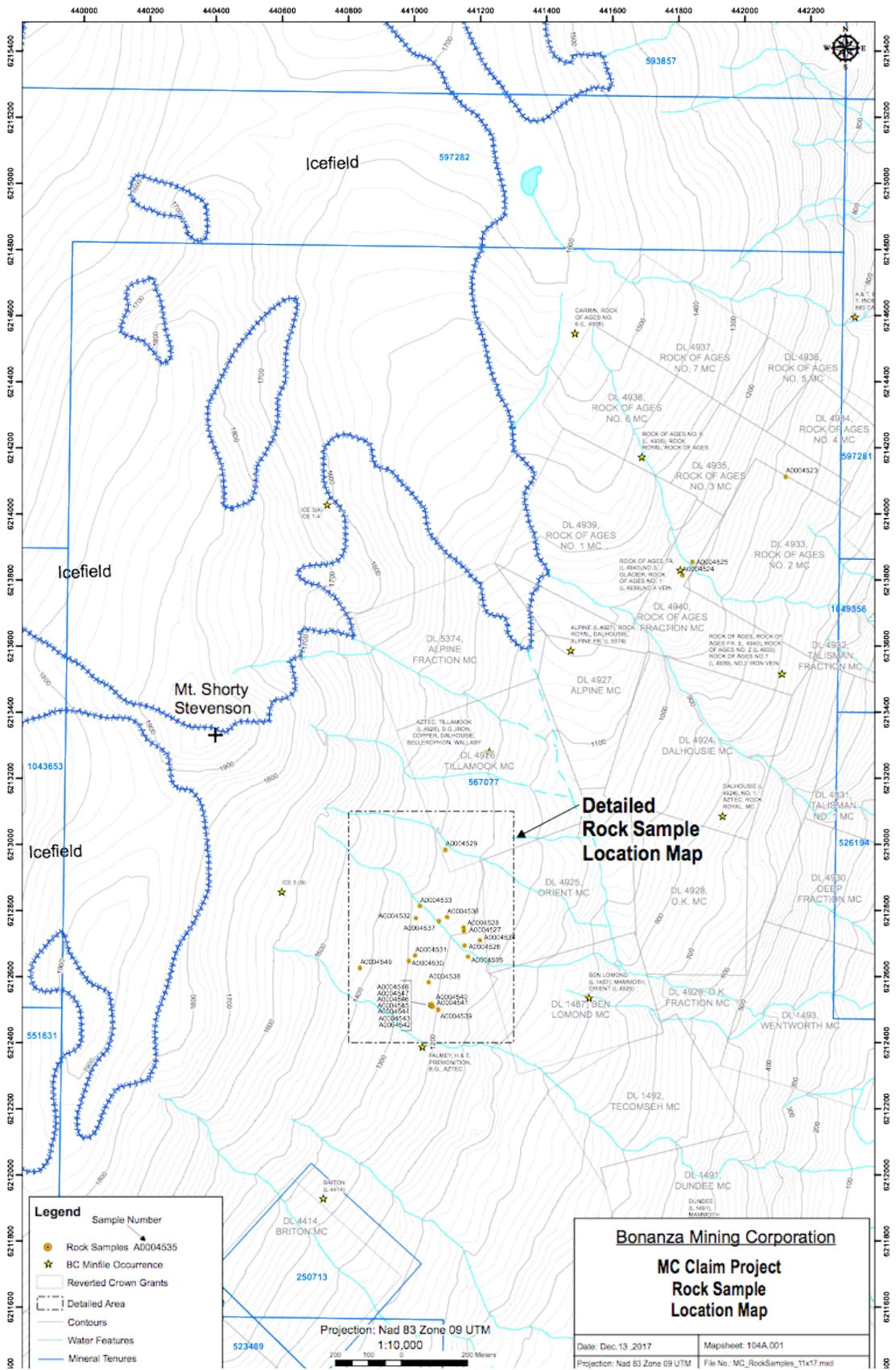
Legend

- Sample Number
- Rock Samples A0004535
- ★ BC Minfile Occurrence
- ▭ Reverted Crown Grants
- ▭ Detailed Area
- Contours
- Water Features
- Mineral Tenures

Bonanza Mining Corporation
MC Claim Project
Rock Sample
Location Map

Date: Dec.13 .2017 Mapsheet: 104A.001
 Projection: Nad 83 Zone 09 UTM File No.: MC_RockSamples_11x17.mxd

Projection: Nad 83 Zone 09 UTM
 1:10,000
 0 100 200 300 Meters





Summary

Geophysical Survey

The following summary and recommendations are taken directly from the Report on the survey written by SJ Geophysics for Bonanza Mining Corporation.

All three parameters, magnetics, chargeability and resistivity suggest a lithological change between the southern and northern halves of the survey grid. The southern half is characterized by lower resistivity, lower chargeability and lower magnetic intensity than the northern half. The boundary between these two areas coincides with a major fault structure that runs northwesterly across the entire MC 1 claim and is a deeply incised gully that hosts a small glacier.

Two high chargeability zones are mapped in the northern part of the survey grid near 300 meters depth. These may be reflecting disseminated or semi-massive sulfide bodies and could be related to the vein systems mapped at the surface. Inversion modeling suggests narrow apophyses may extend up from these bodies and approach the ground surface.

The R3 resistivity anomaly is a 200-300 meter wide zone of anomalously low resistivity that crosses the grid in the vicinity of station 4400N. This anomaly may be reflecting a fault zone that is associated with several of the known mineralized vein systems. If this relationship can be confirmed it may provide a tool for directing further exploration along strike both to the northwest and southeast.

Recommendations

1.) Geological mapping is recommended to identify the source of the high resistivity layers R4a, R4b and R4c. This information will help determine whether these features are in some manner related to the target mineralization. From previous mapping it is most likely these layers are 3 separate, siliceous volcanic beds.

2.) Chargeability anomalies C1 and C2 are both comprised of a large and deep body with small, apophyses extending to the surface. One possible interpretation is that the deep anomalies represent large buried masses of disseminated to semi-massive sulfides and the surface features are representing small, localized zones that originated from them. No evidence has been found that suggests these deep bodies have already been tested. It is likely that drilling will be required.

Considering the steep terrain, finding suitable sites to access and construct drilling platforms will play a major role in determining the most efficient way to drill. A preferred scenario to help minimize the length of the holes would be to collar them downslope to the southeast of the targets and angle their azimuths to the northwest to intersect the interpreted targets.

Initial holes should target the center of the high chargeability bodies, but multiple holes will likely be required in order to identify and delineate them. If these targets reflect sulfide mineralization, it is possible that the highest chargeability zones may be associated with high pyrite concentrations and economic mineralization may be found around the periphery of chargeability anomalies.

Two targets have been selected that represent the interpreted centers of the large, buried chargeability anomalies.

The C1 anomaly center is located at UTM grid coordinates 441590E / 6213390N / 710 meters asl. This point is approximately 400 meters below ground surface at 1120 meters asl.

The C2 anomaly center is located at UTM grid coordinates 441895E / 6214027N / 900 meters asl. This point is approximately 265 meters below the ground surface at 1165 meters asl.

The drill hole azimuths, dips and lengths will need to be calculated to intersect these targets once suitable drill collar locations have been established.

3.) The main magnetic anomaly on the southern half of the survey grid is located at the northern edge of a body of Texas Creek granodiorite and appears to have several northwest striking dikes emanating from it that run through the multi-element soil and rock sample anomalous area.

This is potentially significant as gold-silver mineralization at the Premier mine occurs around bodies of Texas Creek granodiorite and associated dikes.

The main mineralized copper-pyrite-gold bearing showings at the Dalhousie area in the northern half of the survey grid also contain a considerable amount of magnetite and a ground magnetic survey conducted by a previous explorer traced the magnetite mineralization for at least 1 km.

It is possible that the C 1 chargeability anomaly is due to magnetite which may be significant as the main Dalhousie showing assayed 0.7 oz/t gold across 6 meters.

Soil and Rock Sampling Surveys

The soil and rock sampling surveys have outlined a significant zone of gold and silver mineralization and lead, zinc and copper sulfides associated with quartz-carbonate veining and brecciation on the southern half of the survey area.

The soil anomaly is over 300 meters long in a northwest trend and is open along strike. Significantly this soil anomaly is coincident with a ground magnetic anomaly that follows the strike of the mineralized zone and the magnetic anomaly is situated

at the northern edge of an intrusive body of Texas Creek granodiorite which is a setting similar to the location of gold-silver mineralization at the Premier mine.

Recommendations for 2018 Exploration Work

1.) Line Cutting

The 2017 geophysical, soil and rock sampling surveying, as well as prospecting, was hampered by the dense vegetation cover over the lower elevations of the mineralized areas both on the northern and southern parts of the property.

In order to provide access to lower elevations below the areas surveyed in 2017 a number of cut lines need to be made at the start of the 2018 fieldwork.

At least four cut lines will be required, two on the northern part and two on the southern part of the property.

2.) Geophysical Surveying

These lines will then be geophysically surveyed by 3D IP and magnetics and the new data will be added to the geophysical data obtained in 2017. This is important as the 2017 magnetic data did not cover a broad enough area to do 3d inversion analysis of the anomalous areas that were found.

It will also be important to conduct 3d IP surveying on lines below the 2017 lines in order to cover the Dalhousie and Rock of Ages N. mineral showings

3.) Soil and Rock Sampling and Prospecting

Several additional soil sample lines need to be sampled at higher elevations above the main multi-element soil anomaly outlined on the southern half of the property in 2017 as this anomaly is open upslope.

As well at least one new soil sample line needs to be sampled at a lower elevation below the main soil anomaly.

Rock sampling and prospecting needs to be done along the main soil anomaly where the showings were sampled in 2017 as well as at both higher and lower elevations along the mineralized trend. The historic Ice 3B showing is located at a higher elevation directly above the strike of the soil anomaly and this showing area needs to be prospected and rock sampled.

The main magnetic anomaly that occurs within the lower part of the soil anomaly needs to be prospected.

Prospecting needs to be carried out along the cut lines on the northern part of the property in order to locate the Dalhousie and Rock of Ages showings and these showings need to be rock sampled.

One or two soil lines need to be sampled on the northern part of the property along the cut lines in order to investigate the potential of the Dalhousie-Rock of Ages N. mineralized area.

4.) Geological Mapping

A compilation map needs to be created that shows all of the important previous exploration data for the property that are located in BC government assessment reports, including rock and soil sample results, locations of mineral showings and areas that have been geologically mapped.

Geological mapping needs to be conducted on both the northern and southern parts of the property as there presently is no modern government geological map or any other geological map of that covers the area.

The mapping needs to be directed towards correlating the volcanic stratigraphy on the property, which lies along the top and east side of Bear River Ridge, with members of the Hazelton Group and particularly with the detailed stratigraphy mapped at the Premier mine area on the west side of Bear River Ridge.

One key aspect of the mapping will be to investigate whether the “Premier Porphyry” volcanic marker formation, that is intimately associated with mineralization at the Premier mine, occurs on the property.

As well previous workers have found several thin limestone layers near the Dalhousie showings area and along the lowest rock outcrops at the base of Bear River Ridge, that need to be relocated and sampled for fossils.

The geophysical data suggests that there is a geological difference between the rocks on the north part of the property and those on the south part and geological mapping needs to be directed towards attempting to correlate the stratigraphy between the northern and southern parts of the property.

The boundary between these two areas is the large fault structure that has a small glacier in it and the geology of this fault zone needs to be investigated.

A geological map included in BC Ministry of Mines Bulletin 58 “Geology and Mineral Deposits of the Stewart Area, BC” shows a body of intrusive Texas Creek granodiorite outcropping on the southern part of the property.

Geological mapping needs to be conducted to confirm that the rocks truly are a body of the Texas Creek rocks. This mapping priority also needs to investigate the geology

of the main magnetic anomaly that occurs at the northern edge of the Texas Creek body.

5.) Diamond Drilling Phase One

A phase one drill program totaling 3,000 meters of coring is required. A phase two drill program may also be required depending on the results of the phase one program.

A number of NQ size diamond drill holes need to be cored both on the north and south parts of the property.

On the northern part of the property at least four holes need to be drilled to explore the C1 chargeability anomaly and at least two holes need to be drilled to explore the C 2 chargeability anomaly.

These four drill holes will have to average about 500 meters long, for a total of at least 2,000 meters of drilling.

As well at least two shorter 100 meter long drill holes need to be cored at the Dalhousie showing to explore its' potential, for a total of 200 meters of drilling.

On the southern part of the property at least four holes need to be drilled to explore the potential of the main soil anomaly and mineral showings.

These four holes will only need to average about 200 meters long, for a total of about 800 meters of drilling.

A very preliminary rough estimate of the total cost of all the recommended 2018 exploration work is approximately \$600,000.

Chris Graf P.Eng.,

President
Bonanza Mining Corporation

December 30, 2017