

BONANZA GOLDFIELDS CORP.

SUPPLEMENTAL INFORMATION

Item 1.01 –Entry Material Agreement

Agreement to Acquire Three Subsidiaries Owning Past Producing Mines

On February 27, 2017, the Company entered into an Omnibus Exchange Agreement to acquire three subsidiaries by share exchange with Hondo Minerals Corp and the Bauman family: (1) Nevada Goldfield LLC – from Hondo Minerals, (2) Golden Gem Mines LLC - from Hondo Minerals and the Bauman family and (3) Hercules Mines LLC - from the Bauman family. The Agreement is subject to customary closing conditions and provides for multiple closings.

Nevada Goldfield LLC owns mineral rights to the Montezuma Stonewall group of patented mining claims (60 acres) located 10 miles south of Goldfield, Nevada.

Golden Gem Mines LLC owns mineral rights to 242 acres of patented mining claims in and about Chloride, Arizona, which is 15 miles northwest of Kingman. This includes four (4) mines that produced gold, silver, lead and zinc. They are the Towne, Summit, Golden Gem and Daisy Twin Mines. Golden Gem Mines LLC also owns mineral rights to three unpatented mining claims at Oatman, Arizona, including the Tom Reed Jr. Mine, which was last worked by Fischer Watt in the 1980's.

Hercules Mines LLC owns mineral rights to 250 acres of patented mining claims at Chloride, Arizona, including four (4) mines that produced gold, silver, lead and zinc. They are the Hercules, Badger, Rambler and Payroll Mines.

In exchange for these three subsidiaries, Hondo Minerals Corporation will receive 40,000,000 restricted shares of Bonanza Goldfield common stock. These shares will be held by Hondo for at least one year and then, following receipt of all necessary regulatory approvals, Hondo intends to distribute the shares to its shareholders as a special distribution. The Bauman family will receive 500,000 restricted shares of Series B Preferred Stock. These shares are non-dilutive, as they cannot be converted into common stock for a year, and then are convertible at 100% of market value at that time.

Item 9 – Exhibits

1.01 Share Exchange Agreement dated February 27, 2017

3.01 Certificate of Designation – Series B Preferred Stock

Dated: Las Vegas, Nevada
March 21, 2017

/s/ Barbara McIntyre Bauman
Barbara McIntyre Bauman, President

EXHIBIT 1.01

SHARE EXCHANGE AGREEMENT DATED FEBRUARY 27, 2017

SHARE EXCHANGE AGREEMENT

This **Share Exchange Agreement**, dated as of February 27, 2017, (this “**Agreement**”) by and among **Bonanza Goldfields Corp.**, a Nevada corporation with an address of 6440 Sky Pointe Dr., Ste 140-149, Las Vegas, NV 89131 (“**BONZ**”), **Hondo Minerals Corporation**, a Nevada corporation having an address of 6440 Sky Pointe Dr., Ste 140-149, Las Vegas, NV 89131 (“**HMNC**”), **Middle Verde Development Co., LLC**, an Arizona limited liability company having an address of 6440 Sky Pointe Dr., Ste 140-149, Las Vegas, NV 89131 (“**Middle Verde**”), **Clark Gold & Copper, Inc.**, a Wyoming corporation having an address of 6440 Sky Pointe Dr., Ste 140-149, Las Vegas, NV 89131 (“**Clark Gold**”) and **Clark Copper Mines, LLC**, an Arizona limited liability company having an address of 6440 Sky Pointe Dr., Ste 140-149, Las Vegas, NV 89131 (“**Clark Copper**”). For purposes of this Agreement **BONZ**, **HMNC**, **Middle Verde**, **Clark Gold** and **Clark Copper** are sometimes collectively referred to as the “**Parties**” and individually as a “**Party**.”

RECITALS

WHEREAS, **HMNC** is the owner of one hundred (100) shares of **Nevada Goldfield, LLC** (“**Nevada Goldfield**”), a Nevada limited liability company, which are all of the issued and outstanding shares of Nevada Goldfield. Nevada Goldfield has mineral rights to the *Montezuma – Stonewall* group of 6 patented mining claims comprised of approximately 60 acres in the Cuprite Mining District, located south of Goldfield, Esmeralda County, Nevada; and

WHEREAS, **Middle Verde** is the owner of thirty (30) shares of **Golden Gem Mines, LLC** (“**Golden Gem**”), a Nevada limited liability company; **Clark Gold** is the owner of fifty (50) shares of **Golden Gem** and **HMNC** is the owner of twenty (20) shares of **Golden Gem**. Collectively, **Middle Verde**, **Clark Gold** and **HMNC** are the owners of one hundred (100) shares of **Golden Gem**, which are all of the issued and outstanding shares of **Golden Gem**. **Golden Gem** has mineral rights to the *Golden Gem* group of 6 patented mining claims comprised of approximately 84 acres, the *Daisy Twins* group of 2 patented mining claims, comprised of approximately 38 acres and the *Summit* group of 3 patented mining claims comprised of approximately 60 acres, each located in the Wallapai Mining District, Chloride, Mohave County, Arizona, as well as the *Tom Reed, Jr.* and *Argo* groups of 3 unpatented mining claims, comprised of approximately 60 acres, located in the San Francisco Mining District, Oatman, Mohave County, Arizona; and

WHEREAS, **Clark Copper** is the owner of one hundred (100) shares of **Hercules Mines, LLC** (“**Hercules**”), a Nevada limited liability company, which are all of the issued and outstanding shares of **Hercules**. **Hercules** has mineral rights to the *Badger / Hercules* group of 7 patented mining claims comprised of approximately 131 acres, the *Rambler* patented mining claim (14 acres) and the *Payroll* group of 2 patented mining claims comprised of approximately 39 acres, each located in the Wallapai Mining District, Chloride, Mohave County, Arizona; and

WHEREAS, **HMNC** is the subject of a Court – ordered custodianship in the Eighth District Court, Las Vegas, Nevada, *In the Matter of Hondo Minerals Corporation, a Nevada corporation, Case No. A-16-736569-B*; and

WHEREAS, **BONZ** is the subject of a Court – ordered custodianship in the Eighth District Court, Las Vegas, Nevada, *In the Matter of Bonanza Goldfield Corp., a Nevada corporation, Case No. A-17-749130-P*; and

WHEREAS, **BONZ** desires to acquire all of the outstanding shares of **Nevada Goldfield**, **Golden Gem** and **Hercules** in exchange for newly issued shares of **BONZ** common stock (the “**Share Exchange**” or the “**Transaction**”); and

WHEREAS, it is the intention of the parties that: (i) the Share Exchange shall qualify as a tax-free reorganization under Section 368(a)(1)(B) of the Internal Revenue Code of 1986, as amended (the “**Code**”); and (ii) the Share Exchange shall qualify as a transaction in securities exempt from registration or qualification under the Securities Act of 1933, as amended and in effect on the date of this Agreement (the “**Securities Act**”); and,

WHEREAS, it is the intention of the parties that upon the Closing (as hereinafter defined) **Nevada Goldfield**, **Golden Gem** and **Hercules** shall each become a wholly owned subsidiary of **BONZ**; and,

WHEREAS, the Parties agree that the foregoing Recitals are true and correct and are hereby incorporated into this Agreement by this reference.

NOW, THEREFORE, in consideration of the mutual terms, conditions and other agreements set forth herein, the parties hereto agree as follows:

ARTICLE I

EXCHANGE OF SHARES

Section 1.1 Agreement to Exchange Golden Gem Shares for BONZ Shares. On the Closing Date (as hereinafter defined) and upon the terms and subject to the conditions set forth in this Agreement, (a) Middle Verde shall assign, transfer, convey and deliver to BONZ 30 shares of Golden Gem; (b) Clark Gold shall assign, transfer, convey and deliver to BONZ 50 shares of Golden Gem and (c) HMNC shall assign, transfer, convey and deliver to BONZ 20 shares of Golden Gem (collectively, the "Golden Gem Shares"), constituting all of the issued and outstanding shares of limited liability company membership interest in and to Golden Gem. In consideration and exchange for the Golden Gem Shares, (x) BONZ shall issue to Middle Verde 75,000 restricted shares of BONZ Series B Preferred Stock ("Preferred Stock"), (y) BONZ shall issue to Clark Gold 125,000 restricted shares of BONZ Preferred Stock and (c) BONZ shall issue to HMNC 20,000,000 restricted shares of BONZ common stock.

Section 1.2 Agreement to Exchange Nevada Goldfield Shares for BONZ Shares. On the Closing Date (as hereinafter defined) and upon the terms and subject to the conditions set forth in this Agreement, HMNC shall assign, transfer, convey and deliver to BONZ 100 shares of Nevada Goldfield (the "Nevada Goldfield Shares"), constituting all of the issued and outstanding shares of limited liability company membership interest in and to Nevada Goldfield. In consideration and exchange for the Nevada Goldfield Shares, BONZ shall issue to HMNC 20,000,000 restricted shares of Bonanza Goldfield Corp. common stock, \$0.001 par value, which shares shall be fully paid and non-assessable ("BONZ common stock").

Section 1.3 Agreement to Exchange Hercules Shares for BONZ Shares. On the Closing Date (as hereinafter defined) and upon the terms and subject to the conditions set forth in this Agreement, Clark Copper shall assign, transfer, convey and deliver to BONZ 100 shares of Hercules (the "Hercules Shares"), constituting all of the issued and outstanding shares of limited liability company membership interest in and to Hercules. In consideration and exchange for the Hercules Shares, BONZ shall issue to Clark Copper 300,000 restricted shares of BONZ Preferred Stock.

Section 1.4 Closing and Actions at Closing. The closing of the Share Exchange (the "Closing") shall take place at the offices of Bauman & Associates, 6228 Dartle Street, Las Vegas, NV 89130, at such time and date as the parties hereto shall agree orally or in writing (the "Closing Date"). It is contemplated that there may be three separate Closing Dates, with the share exchanges for Golden Gem, Nevada Goldfield and Hercules occurring on different dates.

Section 1.5 Restrictions on Shares Transferred or Issued Pursuant to this Agreement. None of the BONZ common stock to be issued by BONZ pursuant to this Agreement or the Nevada Goldfield Shares, the Golden Gem Shares or the Hercules Shares to be transferred under this Agreement, have been registered and said shares are being issued or transferred pursuant to a specific exemption under the Securities Act, as well as under certain state securities laws for transactions by an issuer not involving any public offering or in reliance on limited federal pre-emption from such state securities registration laws, based on the suitability and investment representations made by the Parties. The shares of BONZ common stock, the Nevada Goldfield Shares, the Golden Gem Shares and the Hercules Shares must each be held and may not be sold, transferred, or otherwise disposed of for value unless such securities are subsequently registered under the Securities Act or an exemption from such registration is available. The certificates representing the shares of BONZ common stock issued in the Share Exchange, as well as the Nevada Goldfield Shares, the Golden Gem Shares and the Hercules Shares transferred in the Share Exchange, will each bear a legend in substantially the following form so restricting the sale of such securities:

The securities represented by this certificate have not been registered under the Securities Act of 1933, as amended (the "Securities Act"), and are "restricted securities" within the meaning of Rule 144 promulgated under the Securities Act. The securities have been acquired for investment and may not be sold or transferred without complying with Rule 144 in the absence of an effective registration or other compliance under the Securities Act.

Section 1.6 Share Exchange Procedure. The Parties shall exchange the certificates representing the Nevada Goldfield Shares, the Golden Gem Shares and the Hercules Shares, respectively, by delivering such certificate(s) to the transferee duly executed and endorsed in blank (or accompanied by duly executed stock powers duly endorsed in blank), in each case in proper form for transfer.

Section 1.7 Lockup and Leakout Agreement. At the Closing, the Parties will execute and deliver a Lockup and Leakout Agreement with respect to the shares of BONZ common stock issued pursuant to this Agreement, in form and substance reasonably acceptable to the Parties.

Section 1.8 Liquidation and Dissolution of HMNC. Following completion of the exchange under Sections 1.1, 1.2 and 1.3 above and the disposition of HMNC's subsidiaries TMTN LLC and New Direction Mining LLC to one or more third parties, HMNC will adopt and request approval from its controlling shareholders of a Plan of Complete Liquidation and Dissolution pursuant to which the shares of BONZ common stock issued to HMNC under this Agreement will be distributed to the HMNC shareholders as a special liquidating distribution. Said special liquidating distribution shall take place no sooner than one (1) year following the Closing Date hereunder.

ARTICLE II

REPRESENTATIONS AND WARRANTIES OF MIDDLE VERDE AND CLARK GOLD

Middle Verde and Clark Gold each represents, warrants and agrees that all of the statements in the following subsections of this Article II, pertaining to Golden Gem, are true and complete as of the date hereof.

Section 2.1 Corporate Organization

A. GOLDEN GEM is a limited liability company duly organized, validly existing and in good standing under the laws of Nevada, and has all requisite limited liability company power and authority to own its properties and assets and governmental licenses, authorizations, consents and approvals to conduct its business as now conducted and is duly qualified to do business and is in good standing in each jurisdiction in which the nature of its activities makes such qualification and being in good standing necessary, except where the failure to be so qualified and in good standing will not have a Material Adverse Effect on the activities, business, operations, properties, assets, condition or results of operation of GOLDEN GEM. "Material Adverse Effect" means, when used with respect to GOLDEN GEM, any event, occurrence, fact, condition, change or effect, which, individually or in the aggregate, would reasonably be expected to be materially adverse to the business, operations, properties, assets, condition (financial or otherwise), or operating results of GOLDEN GEM, or materially impair the ability of GOLDEN GEM to perform its obligations under this Agreement, excluding any change, effect or circumstance resulting from (i) the announcement, pendency or consummation of the transactions contemplated by this Agreement; or (ii) changes in the U.S. securities markets generally.

B. Copies of the formation documents of GOLDEN GEM, or their equivalent, with all amendments thereto, as of the date hereof (the "GOLDEN GEM Charter Documents"), have been furnished to BONZ, if so requested, and such copies are accurate and complete as of the date hereof. The minute books of GOLDEN GEM are current as required by law, contain the minutes of all meetings of the GOLDEN GEM Managers and its Members from its date of formation to the date of this Agreement, and adequately reflect all material actions taken by the GOLDEN GEM managers and its members. GOLDEN GEM is not in violation of any of the provisions of the GOLDEN GEM Charter Documents.

Section 2.2 Capitalization of GOLDEN GEM.

A. The authorized and issued shares of limited liability company membership interest in GOLDEN GEM consists of 100 shares, all of which are owned by Middle Verde, Clark Gold and HMNC.

B. All of the issued and outstanding shares of GOLDEN GEM immediately prior to this Share Exchange are duly authorized, validly issued, fully paid and non-assessable, and have been issued in compliance with all applicable securities laws and limited liability company laws of Nevada and will have been issued free of preemptive rights of any security holder. The issuance of all of the shares of GOLDEN GEM described in this Section

2.2 have been, or will be, as applicable, in compliance with U.S. federal and state securities laws and state corporate laws and no stockholder of GOLDEN GEM has any right to rescind or bring any claim against GOLDEN GEM for failure to comply with the Securities Act, or state securities laws.

Section 2.3 Shareholders of GOLDEN GEM. Middle Verde, Clark Gold and HMNC are the only shareholders of GOLDEN GEM.

Section 2.4 Managers of GOLDEN GEM. The duly elected or appointed managers of GOLDEN GEM are as set out in Schedule 2.4.

Section 2.5 Financial Statements. GOLDEN GEM has kept all books and records since inception and such financial statements have been prepared in accordance with Generally Accepted Accounting Principles ("GAAP") consistently applied throughout the periods involved. The balance sheets are true and accurate and present fairly as of their respective dates the financial condition of GOLDEN GEM. As of the date of such balance sheets, except as and to the extent reflected or reserved against therein, including but not limited to any previous tax liability GOLDEN GEM had no liabilities or obligations (absolute or contingent) which should be reflected in the balance sheets or the notes thereto prepared in accordance with GAAP, and all assets reflected therein are properly reported and present fairly the value of the assets of GOLDEN GEM, in accordance with GAAP. The statements of operations, stockholders' equity and cash flows reflect fairly the information required to be set forth therein by GAAP. The books and records, financial and otherwise, of GOLDEN GEM are, in all material aspects, complete and correct and have been maintained in accordance with good business and accounting practices. All of GOLDEN GEM's assets are reflected on its financial statements, and GOLDEN GEM has no material liabilities, direct or indirect, matured or unmatured, contingent or otherwise which are not reflected on its financial statements.

Section 2.6 Information. The information concerning GOLDEN GEM set forth in this Agreement is complete and accurate in all material respects and does not contain any untrue statement of a material fact or omit to state a material fact required to make the statements made, in light of the circumstances under which they were made, not misleading.

Section 2.7 Personal Property. GOLDEN GEM possesses, and has good and marketable title of all property necessary for the continued operation of the business of GOLDEN GEM as presently conducted and as represented to BONZ. All such property is used in the business of GOLDEN GEM. All such property is in reasonably good operating condition (normal wear and tear excepted), and is reasonably fit for the purposes for which such property is presently used. All material equipment, furniture, fixtures and other tangible personal property and assets owned or leased by GOLDEN GEM is owned by GOLDEN GEM free and clear of all liens, security interests, charges, encumbrances, and other adverse claims.

Section 2.8 Intellectual Property. GOLDEN GEM represents and warrants that all trademarks and trademark applications, and all patents and patent applications, as set forth in Schedule 2.8, and any trade secrets, and "know-how" held relating to business of GOLDEN GEM, and all other intangible assets, in GOLDEN GEM's possession or that may be reasonably acquired by GOLDEN GEM any other proprietary information and trade secrets relating to the business of GOLDEN GEM (collectively the "Intellectual Property") shall remain the intellectual property of GOLDEN GEM as of the date of Closing of this Agreement and that GOLDEN GEM shall take any steps reasonable to assign or otherwise transfer any Intellectual Property right to BONZ, as necessary to protect BONZ' rights to the same. Further, GOLDEN GEM owns, free and clear of any encumbrance, or has the valid right to sell all Intellectual Property used in its business, as currently conducted. GOLDEN GEM represents that it has not received any written complaint, claim or notice alleging any such infringement, violation or misappropriation. Additionally, GOLDEN GEM has taken reasonable precautions (i) to protect its rights in its Intellectual Property and (ii) to maintain the confidentiality of its trade secrets, know-how and other confidential Intellectual Property, related to the business and to GOLDEN GEM's knowledge, there have been no acts or omissions by the managers, members, employees and agents of GOLDEN GEM, the result of which would be to materially compromise the rights of GOLDEN GEM to apply for or enforce appropriate legal protection of GOLDEN GEM's Intellectual Property.

Section 2.9 Material Contracts and Transactions. Schedule 2.9 attached hereto lists each material contract, agreement, license, permit, arrangement, commitment, instrument or contract to which GOLDEN GEM is a party (each, a "Contract"). Each Contract is in full force and effect, and there exists no material breach or violation of or

default by GOLDEN GEM under any Contract, or any event that with notice or the lapse of time, or both, will create a material breach or violation thereof or default under any Contract by GOLDEN GEM or any of its subsidiaries. The continuation, validity, and effectiveness of each Contract will in no way be affected by the consummation of the Transaction or any of the transactions contemplated in this Agreement. There exists no actual or threatened termination, cancellation, or limitation of, or any amendment, modification, or change to any Contract.

Section 2.10 Subsidiaries. GOLDEN GEM does not have any subsidiaries or agreements of any nature to acquire any subsidiary or to acquire or lease any other business operations.

Section 2.11 Absence of Certain Changes or Events. As of the date of this Agreement, (a) there has not been any material adverse change in the business, operations, properties, assets, or condition (financial or otherwise) of GOLDEN GEM ; and (b) GOLDEN GEM has not: (i) declared or made, or agreed to declare or make, any payment of dividends or distributions of any assets of any kind whatsoever to stockholders or purchased or redeemed, or agreed to purchase or redeem, any of its shares; (ii) made any material change in its method of management, operation or accounting; (iii) entered into any other material transaction other than in the ordinary course of its business; or (iv) made any increase in or adoption of any profit sharing, bonus, deferred compensation, insurance, pension, retirement, or other employee benefit plan, payment, or arrangement made to, for, or with its officers, directors, or employees.

Section 2.12 Litigation and Proceedings. There are no actions, suits, proceedings, or investigations pending or, to the knowledge of GOLDEN GEM after reasonable investigation, threatened by or against GOLDEN GEM or affecting GOLDEN GEM or its properties, at law or in equity, before any court or other governmental agency or instrumentality, domestic or foreign, or before any arbitrator of any kind. GOLDEN GEM does not have any knowledge of any material default on its part with respect to any judgment, order, injunction, decree, award, rule, or regulation of any court, arbitrator, or governmental agency or instrumentality.

Section 2.13 Compliance with Laws and Regulations. To the best of its knowledge, GOLDEN GEM has complied with all applicable statutes and regulations, except to the extent that noncompliance would not materially and adversely affect the business, operations, properties, assets, or condition of GOLDEN GEM or except to the extent that noncompliance would not result in the occurrence of any material liability for GOLDEN GEM. This compliance includes, but is not limited to, the filing of all reports to date with relevant authorities.

Section 2.14 Approval of Agreement. Middle Verde, in its capacity as the Manager of GOLDEN GEM, has authorized the execution and delivery of this Agreement and has approved this Agreement and the transactions contemplated hereby.

Section 2.15 Valid Obligation. This Agreement and all agreements and other documents executed by Middle Verde and Clark Gold, respectively, in connection herewith constitute the valid and binding obligation of Middle Verde or Clark Gold, as the case may be, enforceable in accordance with its or their terms, except as may be limited by bankruptcy, insolvency, moratorium or other similar laws affecting the enforcement of creditors' rights generally and subject to the qualification that the availability of equitable remedies is subject to the discretion of the court before which any proceeding therefore may be brought.

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF CLARK COPPER

Clark Copper represents, warrants and agrees that all of the statements in the following subsections of this Article III, pertaining to Hercules, are true and complete as of the date hereof.

Section 3.1 Corporate Organization

A. Hercules is a limited liability company duly organized, validly existing and in good standing under the laws of Nevada, and has all requisite limited liability company power and authority to own its properties and assets and governmental licenses, authorizations, consents and approvals to conduct its business as now conducted and is duly qualified to do business and is in good standing in each jurisdiction in which the nature of its activities makes

such qualification and being in good standing necessary, except where the failure to be so qualified and in good standing will not have a Material Adverse Effect on the activities, business, operations, properties, assets, condition or results of operation of Hercules. "**Material Adverse Effect**" means, when used with respect to Hercules, any event, occurrence, fact, condition, change or effect, which, individually or in the aggregate, would reasonably be expected to be materially adverse to the business, operations, properties, assets, condition (financial or otherwise), or operating results of Hercules, or materially impair the ability of Hercules to perform its obligations under this Agreement, excluding any change, effect or circumstance resulting from (i) the announcement, pendency or consummation of the transactions contemplated by this Agreement; or (ii) changes in the U.S. securities markets generally.

B. Copies of the formation documents of Hercules, or their equivalent, with all amendments thereto, as of the date hereof (the "**Hercules Charter Documents**"), have been furnished to HMNC, if so requested, and such copies are accurate and complete as of the date hereof. The minute books of Hercules are current as required by law, contain the minutes of all meetings of the Hercules Managers and its Members from its date of formation to the date of this Agreement, and adequately reflect all material actions taken by the Hercules managers and its members. Hercules is not in violation of any of the provisions of the Hercules Charter Documents.

Section 3.2 Capitalization of Hercules.

A. The authorized and issued shares of limited liability company membership interest in Hercules consists of 100 shares, all of which are owned by Clark Copper.

B. All of the issued and outstanding shares of Hercules immediately prior to this Share Exchange are duly authorized, validly issued, fully paid and non-assessable, and have been issued in compliance with all applicable securities laws and limited liability company laws of Nevada and have been issued free of preemptive rights of any security holder. The issuance of all of the shares of Hercules described in this Section 3.2 have been, or will be, as applicable, in compliance with U.S. federal and state securities laws and state corporate laws and no stockholder of Hercules has any right to rescind or bring any claim against Hercules for failure to comply with the Securities Act, or state securities laws.

Section 3.3 Shareholders of Hercules. Clark Copper is the only shareholder of Hercules.

Section 3.4 Managers of Hercules. The duly elected or appointed managers of Hercules are as set out in Schedule 3.4.

Section 3.5 Financial Statements. Hercules has kept all books and records since inception and such financial statements have been prepared in accordance with Generally Accepted Accounting Principles ("**GAAP**") consistently applied throughout the periods involved. The balance sheets are true and accurate and present fairly as of their respective dates the financial condition of Hercules. As of the date of such balance sheets, except as and to the extent reflected or reserved against therein, including but not limited to any previous tax liability Hercules had no liabilities or obligations (absolute or contingent) which should be reflected in the balance sheets or the notes thereto prepared in accordance with GAAP, and all assets reflected therein are properly reported and present fairly the value of the assets of Hercules, in accordance with GAAP. The statements of operations, stockholders' equity and cash flows reflect fairly the information required to be set forth therein by GAAP. The books and records, financial and otherwise, of Hercules are, in all material aspects, complete and correct and have been maintained in accordance with good business and accounting practices. All of Hercules's assets are reflected on its financial statements, and Hercules has no material liabilities, direct or indirect, matured or unmatured, contingent or otherwise which are not reflected on its financial statements.

Section 3.6 Information. The information concerning Hercules set forth in this Agreement is complete and accurate in all material respects and does not contain any untrue statement of a material fact or omit to state a material fact required to make the statements made, in light of the circumstances under which they were made, not misleading.

Section 3.7 Personal Property. Hercules possesses, and has good and marketable title of all property necessary for the continued operation of the business of Hercules as presently conducted and as represented to BONZ. All such property is used in the business of Hercules. All such property is in reasonably good operating condition (normal wear and tear excepted), and is reasonably fit for the purposes for which such property is presently used. All material

equipment, furniture, fixtures and other tangible personal property and assets owned or leased by Hercules is owned by Hercules free and clear of all liens, security interests, charges, encumbrances, and other adverse claims.

Section 3.8 Intellectual Property. Hercules represents and warrants that all trademarks and trademark applications, and all patents and patent applications, as set forth in Schedule 3.8, and any trade secrets, and "know-how" held relating to business of Hercules, and all other intangible assets, in Hercules's possession or that may be reasonably acquired by Hercules any other proprietary information and trade secrets relating to the business of Hercules (collectively the "**Intellectual Property**") shall remain the intellectual property of Hercules as of the date of Closing of this Agreement and that Hercules shall take any steps reasonable to assign or otherwise transfer any Intellectual Property right to BONZ, as necessary to protect BONZ's rights to the same. Further, Hercules owns, free and clear of any encumbrance, or has the valid right to sell all Intellectual Property used in its business, as currently conducted. Hercules represents that it has not received any written complaint, claim or notice alleging any such infringement, violation or misappropriation. Additionally, Hercules has taken reasonable precautions (i) to protect its rights in its Intellectual Property and (ii) to maintain the confidentiality of its trade secrets, know-how and other confidential Intellectual Property, related to the business and to Hercules's knowledge, there have been no acts or omissions by the managers, members, employees and agents of Hercules, the result of which would be to materially compromise the rights of Hercules to apply for or enforce appropriate legal protection of Hercules's Intellectual Property.

Section 3.9 Material Contracts and Transactions. Schedule 3.9 attached hereto lists each material contract, agreement, license, permit, arrangement, commitment, instrument or contract to which Hercules is a party (each, a "**Contract**"). Each Contract is in full force and effect, and there exists no material breach or violation of or default by Hercules under any Contract, or any event that with notice or the lapse of time, or both, will create a material breach or violation thereof or default under any Contract by Hercules or any of its subsidiaries. The continuation, validity, and effectiveness of each Contract will in no way be affected by the consummation of the Transaction or any of the transactions contemplated in this Agreement. There exists no actual or threatened termination, cancellation, or limitation of, or any amendment, modification, or change to any Contract.

Section 3.10 Subsidiaries. Hercules does not have any subsidiaries or agreements of any nature to acquire any subsidiary or to acquire or lease any other business operations.

Section 3.11 Absence of Certain Changes or Events. As of the date of this Agreement, (a) there has not been any material adverse change in the business, operations, properties, assets, or condition (financial or otherwise) of Hercules; and (b) Hercules has not: (i) declared or made, or agreed to declare or make, any payment of dividends or distributions of any assets of any kind whatsoever to stockholders or purchased or redeemed, or agreed to purchase or redeem, any of its shares; (ii) made any material change in its method of management, operation or accounting; (iii) entered into any other material transaction other than in the ordinary course of its business; or (iv) made any increase in or adoption of any profit sharing, bonus, deferred compensation, insurance, pension, retirement, or other employee benefit plan, payment, or arrangement made to, for, or with its officers, directors, or employees.

Section 3.12 Litigation and Proceedings. There are no actions, suits, proceedings, or investigations pending or, to the knowledge of Hercules after reasonable investigation, threatened by or against Hercules or affecting Hercules or its properties, at law or in equity, before any court or other governmental agency or instrumentality, domestic or foreign, or before any arbitrator of any kind. Hercules does not have any knowledge of any material default on its part with respect to any judgment, order, injunction, decree, award, rule, or regulation of any court, arbitrator, or governmental agency or instrumentality.

Section 3.13 Compliance with Laws and Regulations. To the best of its knowledge, Hercules has complied with all applicable statutes and regulations, except to the extent that noncompliance would not materially and adversely affect the business, operations, properties, assets, or condition of Hercules or except to the extent that noncompliance would not result in the occurrence of any material liability for Hercules. This compliance includes, but is not limited to, the filing of all reports to date with relevant authorities.

Section 3.14 Approval of Agreement. Clark Copper, in its capacity as the Manager of Hercules, has authorized the execution and delivery of this Agreement and has approved this Agreement and the transactions contemplated hereby.

Section 3.15 Valid Obligation. This Agreement and all agreements and other documents executed by Clark Copper in connection herewith constitute the valid and binding obligation of Clark Copper, enforceable in accordance with its or their terms, except as may be limited by bankruptcy, insolvency, moratorium or other similar laws affecting the enforcement of creditors' rights generally and subject to the qualification that the availability of equitable remedies is subject to the discretion of the court before which any proceeding therefore may be brought.

ARTICLE IV

NO REPRESENTATIONS AND WARRANTIES OF HMNC and BONZ

Given the fact that each of HMNC and BONZ is presently the subject of a court-ordered custodianship, HMNC and BONZ are not in a position to make any representation or warranty.

ARTICLE V

CONDITIONS TO THE OBLIGATIONS OF HMNC, MIDDLE VERDE, CLARK GOLD AND CLARK COPPER

The obligations of HMNC, Middle Verde, Clark Gold and Clark Copper to consummate the transactions contemplated by this Agreement are subject to the fulfillment, at or before the Closing Date, of the following conditions, any one or more of which may be waived by HMNC, Middle Verde, Clark Gold or Clark Copper, as the case may be, in their sole discretion:

Section 5.1 Agreements and Covenants. BONZ shall have performed and complied in all material respects with all agreements and covenants required by this Agreement to be performed or complied with on or prior to the Closing Date.

Section 5.2 Consents and Approvals. All consents, waivers, authorizations and approvals of any governmental or regulatory authority, domestic or foreign, and of any other person, firm or corporation, required in connection with the execution, delivery and performance of this Agreement shall be in full force and effect on the Closing Date.

Section 5.3 No Violation of Orders. No preliminary or permanent injunction or other order issued by any court or governmental or regulatory authority, domestic or foreign, nor any statute, rule, regulation, decree or executive order promulgated or enacted by any government or governmental or regulatory authority, which declares this Agreement invalid in any respect or prevents the consummation of the transactions contemplated hereby, or which materially and adversely affects the assets, properties, operations, prospects, net income or financial condition of BONZ shall be in effect; and no action or proceeding before any court or governmental or regulatory authority, domestic or foreign, shall have been instituted or threatened by any government or governmental or regulatory authority, domestic or foreign, or by any other person or entity, which seeks to prevent or delay the consummation of the transactions contemplated by this Agreement or which challenges the validity or enforceability of this Agreement.

Section 5.4 No Material Adverse Effect. There shall not have been any event, occurrence or development that has resulted in or could result in a Material Adverse Effect on or with respect to BONZ.

Section 5.5 Settlement or Cancellation of BONZ Payables to Former Professionals and Former CEO. Prior management of BONZ has indicated that approximately \$384,000 is owing to the former attorney for BONZ, the former accountants for BONZ and the former CEO of BONZ (collectively, the "BONZ Insider Claims"). Closing is subject to the settlement or cancellation of the BONZ Insider Claims for no more than an aggregate total of BONZ common stock acceptable to the Parties and the claimants.

Section 5.6 Settlement of Payable to Transfer Online. BONZ owes approximately \$16,000 to its stock transfer agent. Closing is subject to settlement or restructuring of this payable on terms acceptable to the Parties.

Section 5.7 Posting of Reports on OTCMarkets Website. Closing is subject to BONZ' approval by OTCMarkets to post reports on its website and the posting by BONZ of annual reports and disclosure statements for the 4th calendar

quarter of 2013 and the 2014, 2015 and 2016 calendar years, it being the intention of BONZ to adopt a calendar fiscal year effective January 1, 2014.

Section 5.8 No Trading Suspension. The SEC shall not have suspended trading in BONZ common stock.

Section 5.9 Termination of HMNC Custodianship. The Nevada Eighth District Court in and for Clark County shall have granted the Custodian's motion for termination of the HMNC custodianship.

ARTICLE VI

CONDITIONS TO THE OBLIGATIONS OF BONZ

The obligations of BONZ to consummate the transactions contemplated by this Agreement are subject to the fulfillment, at or before the Closing Date, of the following conditions, any one or more of which may be waived by BONZ, as the case may be, in their sole discretion:

Section 6.1 Representations and Warranties of Middle Verde, Clark Gold and Clark Copper. All representations and warranties made by Middle Verde, Clark Gold and Clark Copper in this Agreement shall be true and correct in all material respects on and as of the Closing Date.

Section 6.2 Agreements and Covenants. Middle Verde, Clark Gold, Clark Copper and HMNC each shall have performed and complied in all material respects with all agreements and covenants required by this Agreement to be performed or complied with on or prior to the Closing Date.

Section 6.3 Consents and Approvals. All consents, waivers, authorizations and approvals of any governmental or regulatory authority, domestic or foreign, and of any other person, firm or corporation, required in connection with the execution, delivery and performance of this Agreement shall be in full force and effect on the Closing Date.

Section 6.4 No Violation of Orders. No preliminary or permanent injunction or other order issued by any court or governmental or regulatory authority, domestic or foreign, nor any statute, rule, regulation, decree or executive order promulgated or enacted by any government or governmental or regulatory authority, which declares this Agreement invalid in any respect or prevents the consummation of the transactions contemplated hereby, or which materially and adversely affects the assets, properties, operations, prospects, net income or financial condition of GOLDEN GEM shall be in effect; and no action or proceeding before any court or governmental or regulatory authority, domestic or foreign, shall have been instituted or threatened by any government or governmental or regulatory authority, domestic or foreign, or by any other person or entity, which seeks to prevent or delay the consummation of the transactions contemplated by this Agreement or which challenges the validity or enforceability of this Agreement.

Section 6.5 No Material Adverse Effect. There shall not have been any event, occurrence or development that has resulted in or could result in a Material Adverse Effect on or with respect to Middle Verde, GOLDEN GEM or Hercules.

ARTICLE VII

SURVIVAL AND INDEMNIFICATION

Section 7.1 Survival of Provisions. The respective representations, warranties, covenants and agreements of each of the parties to this Agreement (except covenants and agreements which are expressly required to be performed and are performed in full on or before the Closing Date) shall expire six (6) months after the Closing Date (the "Survival Period"). The right to indemnification, payment of damages or other remedy based on such representations, warranties, covenants, and obligations will not be affected by any investigation conducted with respect to, or any

knowledge acquired (or capable of being acquired) at any time, whether before or after the execution and delivery of this Agreement, with respect to the accuracy or inaccuracy of or compliance with, any such representation, warranty, covenant, or obligation. The waiver of any condition based on the accuracy of any representation or warranty, or on the performance of or compliance with any covenant or obligation, will not affect the right to indemnification, payment of damages, or other remedy based on such representations, warranties, covenants, and obligations.

ARTICLE VIII

MISCELLANEOUS PROVISIONS

Section 8.1 Successors and Assigns. This Agreement shall inure to the benefit of, and be binding upon, the parties hereto and their respective successors and assigns; provided that no party shall assign or delegate any of the obligations created under this Agreement without the prior written consent of the other parties.

Section 8.2 Fees and Expenses. Except as otherwise expressly provided in this Agreement, all legal and other fees, costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by each Party, as incurred respectively.

Section 8.3 Notices. All notices and other communications given or made pursuant hereto shall be in writing and shall be deemed to have been given or made if in writing and delivered personally or 7 days after being sent by registered or certified mail (postage prepaid, return receipt requested) to the parties at the addresses set forth in the Preamble of this Agreement, or to such other persons or at such other addresses as shall be furnished by any party by like notice to the others, and such notice or communication shall be deemed to have been given or made as of the date so delivered or mailed. No change in any of such addresses shall be effective insofar as notices under this Section 8.3 are concerned unless notice of such change shall have been given to such other party hereto as provided in this Section 8.3.

Section 8.4 Entire Agreement. This Agreement, together with the exhibits hereto, represents the entire agreement and understanding of the parties with reference to the transactions set forth herein and no representations or warranties have been made in connection with this Agreement other than those expressly set forth herein or in the exhibits, certificates and other documents delivered in accordance herewith. This Agreement supersedes all prior negotiations, discussions, correspondence, communications, understandings and agreements between the parties relating to the subject matter of this Agreement and all prior drafts of this Agreement, all of which are merged into this Agreement. No prior drafts of this Agreement and no words or phrases from any such prior drafts shall be admissible into evidence in any action or suit involving this Agreement.

Section 8.5 Severability. This Agreement shall be deemed severable, and the invalidity or unenforceability of any term or provision hereof shall not affect the validity or enforceability of this Agreement or of any other term or provision hereof. Furthermore, in lieu of any such invalid or unenforceable term or provision, the parties hereto intend that there shall be added as a part of this Agreement a provision as similar in terms to such invalid or unenforceable provision as may be possible so as to be valid and enforceable.

Section 8.6 Titles and Headings. The Article and Section headings contained in this Agreement are solely for convenience of reference and shall not affect the meaning or interpretation of this Agreement or of any term or provision hereof.

Section 8.7 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original and all of which together shall be considered one and the same agreement. Fax and PDF copies shall be considered originals for all purposes.

Section 8.8 Convenience of Forum; Consent to Jurisdiction. The parties to this Agreement, acting for themselves and for their respective successors and assigns, without regard to domicile, citizenship or residence, hereby expressly and irrevocably elect as the sole judicial forum for the adjudication of any matters arising under or in connection with this Agreement, and consent and subject themselves to the jurisdiction of, the courts of the State of Nevada, and/or the U.S. District Court for Nevada, in each case located in Clark County, Nevada, in respect of any matter arising under this Agreement. Service of process, notices and demands of such courts may be made upon any party to this

Agreement by personal service at any place where it may be found or giving notice to such party as provided in Section 8.3.

Section 8.9 Enforcement of the Agreement. The parties hereto agree that irreparable damage would occur if any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the parties shall be entitled to an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions hereto, this being in addition to any other remedy to which they are entitled at law or in equity.

Section 8.10 Governing Law. This Agreement shall be governed by and interpreted and enforced in accordance with the laws of the State of Nevada without giving effect to the choice of law provisions thereof.

Section 8.11 Amendments and Waivers. Except as otherwise provided herein, no amendment of any provision of this Agreement shall be valid unless the same shall be in writing and signed by all of the parties hereto. No waiver by any party of any default, misrepresentation, or breach of warranty or covenant hereunder, whether intentional or not, shall be deemed to extend to any prior or subsequent default, misrepresentation, or breach of warranty or covenant hereunder or affect in any way any rights arising by virtue of any such prior or subsequent occurrence.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

BONANZA GOLDFIELDS CORP.,
A Nevada corporation

Per:


Name: Barbara McIntyre Bauman
Title: President and CEO


HONDO MINERALS CORPORATION,
A Nevada corporation

Per:



Name: Barbara McIntyre Bauman
Title: President and CEO

MIDDLE VERDE DEVELOPMENT, LLC
An Arizona limited liability company


Per:


Name: Frederick C. Bauman
Title: Manager

CLARK GOLD & COPPER, INC.,
A Wyoming corporation

Per: 
Name: Frederick C. Bauman
Title: President

CLARK COPPER MINES, LLC,
An Arizona limited liability company
By its manager: SEARCHLIGHT STRATEGIC RESOURCES, LLC,
An Arizona limited liability company
By its manager: McINTYRE & BAUMAN GROUP, LLC,
An Arizona limited liability company
By its manager: SEARCHLIGHT EXPLORATION, LLC,
An Arizona limited liability company

Per: 
Name: Frederick C. Bauman
Title: Manager

DISCLOSURE SCHEDULES
to the
SHARE EXCHANGE AGREEMENT
By and Among
BONANZA GOLDFIELDS CORP.,
HONDO MINERALS CORPORATION,
MIDDLE VERDE DEVELOPMENT CO., LLC,
CLARK GOLD & COPPER, INC.
AND
CLARK COPPER MINES, LLC.

These Disclosure Schedules have been prepared pursuant to the **Share Exchange Agreement** (the “**Agreement**”) by and among **BONANZA GOLDFIELDS CORP.**, a Nevada corporation, **HONDO MINERALS CORPORATION**, a Nevada corporation, **MIDDLE VERDE DEVELOPMENT CO., LLC**, an Arizona limited liability company, **CLARK GOLD & COPPER, INC.**, a Wyoming corporation and **CLARK COPPER MINES, LLC.**, an Arizona limited liability company. Except as otherwise defined herein, capitalized terms used herein will have the same meaning given to them in the Share Exchange Agreement. Schedule and paragraph numbers herein correspond to the Section and Subsection numbering in applicable Article of the Share Exchange Agreement. Section and Subsection headings contained herein are included for purposes of identifying the relevant disclosures and for the convenience of the reader and are not intended to supplement or modify the meaning of the disclosures in any way.

GOLDEN GEM MINES, LLC

SCHEDULE 2.4

MANAGER OF GOLDEN GEM

Middle Verde Development Co., LLC

SCHEDULE 2.8

INTELLECTUAL PROPERTY

None

SCHEDULE 2.9

MATERIAL CONTRACTS

<u>With:</u>	<u>Dated:</u>	<u>Material Terms/Description:</u>
Searchlight Exploration, LLC	11/30/2016	Option Agreement – Oatman Gold Project (Tom Reed Jr. and Argo Mines)
Clark Gold & Copper, Inc.	01/04/2017	Option Agreement (Towne Mine)
Middle Verde Development Co., LLC	01/04/2017	Option Agreement (Golden Gem Mine)
Middle Verde Development Co., LLC	01/04/2017	Option Agreement (Daisy Twins Mine)
Middle Verde Development Co., LLC	01/04/2017	Option Agreement (Summit Mine)

HERCULES MINES, LLC

SCHEDULE 3.4

MANAGER OF HERCULES

Clark Copper Mines, LLC

SCHEDULE 3.8

INTELLECTUAL PROPERTY

None

SCHEDULE 3.9

MATERIAL CONTRACTS

<u>With:</u>	<u>Dated:</u>	<u>Material Terms/Description:</u>
Clark Copper Mines, LLC	02/02/2017	Option Agreement (Chloride Properties)

NEVADA GOLDFIELD, LLC

MANAGER OF NEVADA GOLDFIELD

Hondo Minerals Corporation

INTELLECTUAL PROPERTY

None

MATERIAL CONTRACTS

<u>With:</u>	<u>Dated:</u>	<u>Material Terms/Description:</u>
Clark Gold & Copper, Inc.	11/31/2016	Option Agreement (Montezuma Stonewall Property)

EXHIBIT 3.01

CERTIFICATE OF DESIGNATION – SERIES B PREFERRED STOCK

CERTIFICATE OF DESIGNATION, PREFERENCES AND RIGHTS
of
SERIES B CONVERTIBLE PREFERRED STOCK
of
BONANZA GOLDFIELDS CORP.
(Pursuant to NRS 78.1955)

Bonanza Goldfields Corp., a corporation organized and existing under the laws of the State of Nevada (the "**Corporation**"), hereby certifies that the Board of Directors of the Corporation (the "**Board of Directors**" or the "**Board**"), pursuant to authority of the Board of Directors as required by Section 78.1955 of the Nevada Revised Statutes, and in accordance with the provisions of its Certificate of Incorporation and Bylaws, each as amended and restated through the date hereof, has and hereby authorizes a series of the Corporation's previously authorized Preferred Stock, par value \$0.001 per share (the "**Preferred Stock**"), and hereby states the designation and number of shares, and fixes the relative rights, preferences, privileges, powers and restrictions thereof, as follows:

I. DESIGNATION AND AMOUNT

The designation of this series, which consists of 1,000,000 shares of Preferred Stock, is the Series B Convertible Preferred Stock (the "**Series B Preferred Stock**") and the face amount shall be One Dollar (\$1.00) per share (the "**Face Amount**").

II. CERTAIN DEFINITIONS

For purposes of this Certificate of Designation, in addition to the other terms defined herein, the following terms shall have the following meanings:

A. "**business day**" means any day, other than a Saturday or Sunday or a day on which banking institutions in the State of California are authorized or obligated by law, regulation or executive order to close.

B. [RESERVED]

C. "**Closing Sales Price**" means, for any security as of any date, the last sales price of such security on the principal trading market where such security is listed or traded as reported by Bloomberg Financial Markets (or a comparable reporting service of national reputation selected by the Corporation and reasonably acceptable to the Majority Holders if Bloomberg Financial Markets is not then reporting closing sales prices of such security) (collectively, "**Bloomberg**"), or if the foregoing does not apply, the last reported sales price of such security on a national exchange or in the over-the-counter market on the electronic bulletin board for such security as reported by Bloomberg, or, if no such price is reported for such security by Bloomberg, the average of the bid prices of all market makers for such security as reported in the "pink sheets" by the National Quotation Bureau, Inc., in each case for such date or, if such date was not a trading day for such security, on the next preceding date that was a trading day. If the Closing Sales Price cannot be calculated for such security as of either of such dates on any of the foregoing bases, the Closing Sales Price of such security on such date shall be the fair market value as reasonably determined by an investment banking firm selected by the Corporation and reasonably acceptable to the Majority Holders, with the costs of such appraisal to be borne by the Corporation.

D. "**Conversion Date**" means, for any Optional Conversion (as defined in Article IV.A below), the date specified in the notice of conversion in the form attached hereto (the "**Notice of Conversion**"), so long as a copy of the Notice of Conversion is faxed (or delivered by other means resulting in notice) to the Corporation before 11:59 p.m., San Francisco time, on the Conversion Date indicated in the Notice of Conversion; *provided, however*, that if the Notice of Conversion is not so faxed or otherwise delivered before such time, then the Conversion Date shall be the date the holder faxes or otherwise delivers the Notice of Conversion to the Corporation.

E. "**Conversion Price**" one hundred percent (100%) of the average Closing Sales Price of the Corporation's common stock for the ten trading days immediately prior to the Conversion Date.

F. **"Default Cure Date"** means, as applicable, (i) with respect to a Conversion Default described in clause (i) of Article VI.A, the date the Corporation effects the conversion of the full number of shares of Series B Preferred Stock, (ii) with respect to a Conversion Default described in clause (ii) of Article VI.A, the date the Corporation issues shares of Common Stock subject to an effective registration statement in satisfaction of all conversions of Series B Preferred Stock in accordance with Article IV, or (iii) with respect to either type of a Conversion Default, the date on which the Corporation redeems shares of Series B Preferred Stock held by such holder pursuant to Article VI.A.

G. **"Dividend"** means initially an amount equal to $(\text{Rate}) \times (\text{N}/365) \times (\text{Face Amount})$, where the **"Rate"** shall initially be equal to .05 (subject to adjustment as provided below) and **"N"** means the number of days from the Dividend Commencement Date (as defined in Article III.A below) or the date that the last payment of the Dividend was made in full, as applicable.

H. **"Excluded Issuance"** means (i) the issuance of Common Stock upon the exercise or conversion of any Convertible Securities or Purchase Rights outstanding on the Issuance Date and disclosed in Section 3(c) of the Disclosure Schedule to the Subscription Agreement in accordance with the terms of such Convertible Securities and Purchase Rights as of such date; (ii) the grant of options to purchase Common Stock, with exercise prices not less than the market price of the Common Stock on the date of grant, which are issued to employees, officers, directors or consultants of the Corporation for the primary purpose of soliciting or retaining their employment or service pursuant to an equity compensation plan approved by the Corporation's Board of Directors, and the issuance of Common Stock upon the exercise thereof; (iii) the conversion of the Series B Preferred Stock, (iv) the issuance of securities in connection with a bona fide public offering at an offering price per share (prior to underwriter's commissions and discounts) of not less than the Conversion Price that is underwritten by a nationally recognized underwriting firm, or (v) the issuance of securities in connection with an acquisition or a strategic financing with a software company, the primary purpose of which, in the reasonable judgment of the Board of Directors, is not to raise additional capital.

I. **"Issuance Date"** means the date of the closing under the Subscription Agreement by and among the Corporation and the purchasers named therein (the **"Subscription Agreement"**), pursuant to which the Corporation issues, and such purchasers purchase, shares of Series B Preferred Stock upon the terms and conditions stated therein.

J. **"Majority Holders"** means the holders of a majority of the then outstanding shares of Series B Preferred Stock.

K. [RESERVED]

L. **"trading day"** means any day on which the principal United States securities exchange or trading market where the Common Stock is then listed or traded, is open for trading.

III. DIVIDENDS

A. Dividends on the Series B Preferred Stock shall accrue and shall be cumulative from the date of the first anniversary of the Issuance Date (the **"Dividend Commencement Date"**). For each outstanding share of Series B Preferred Stock, Dividends shall be payable cumulatively, at the applicable Rate, (a) upon any conversion for each share of Series B Preferred Stock, and (b) within thirty (30) days following December 31 of each year (each, a **"Dividend Payment Date"**), commencing on December 31, 2017 and continuing until such share is fully converted or fully redeemed, except that if any Dividend Payment Date is not a business day, then such Dividend Payment Date shall be the immediately preceding business day. Payment of the Dividend shall be made at the Corporation's election (subject to the limitations set forth in Article XIV below) (i) in cash, or (ii) if all of the Required Stock Dividend Conditions (as defined below) are satisfied, in such number of shares of Series B Preferred Stock determined by dividing the amount of the Dividend by the Face Amount.

B. The **"Required Stock Dividend Conditions"** shall consist of the following:

(i) a registration statement covering the shares of Common Stock issuable upon conversion of the Series B Preferred Stock to be issued as a Dividend shall have been filed by the Corporation and declared effective by the United States Securities and Exchange Commission, and such registration statement continues to be effective up through and including the date of each such Dividend;

(ii) all shares of Common Stock issuable upon conversion of the Series B Preferred Stock to be issued as a Dividend are then (a) authorized for issuance, (b) registered under the Securities Act of 1933, as amended (the "**Securities Act**"), for resale by the holders and (c) listed or traded on the New York Stock Exchange ("**NYSE**"), the American Stock Exchange ("**AMEX**"), the Nasdaq National Market ("**NNM**"), or the OTCMarkets Market ("**SmallCap**") (or the successor to any of them);

(iii) no Redemption Event (as defined in Article VII.A below) shall have occurred without having been cured; and

(iv) all amounts, if any, then accrued or payable under this Certificate of Designation shall have been paid.

IV. CONVERSION

A. Conversion at the Option of the Holder. Subject to the limitations on conversions contained in Article XIV, each holder of shares of Series B Preferred Stock may, at any time following the first anniversary of the issuance of the shares and from time to time, convert (an "**Optional Conversion**") each of its shares of Series B Preferred Stock into a number of fully paid and non-assessable shares of Common Stock determined in accordance with the following formula:

Face Amount Conversion Price

; provided, however, that any Optional Conversion must involve the issuance of at least 1,000 shares of Common Stock.

B. Mechanics of Conversion. In order to effect an Optional Conversion, a holder shall: (i) fax (or otherwise deliver) a copy of the fully executed Notice of Conversion to the Corporation (Attention: Secretary) and (ii) surrender or cause to be surrendered the original certificates representing the Series B Preferred Stock being converted (the "**Preferred Stock Certificates**"), duly endorsed, along with a copy of the Notice of Conversion as soon as practicable thereafter to the Corporation. Upon receipt by the Corporation of a facsimile copy of a Notice of Conversion from a holder, the Corporation shall promptly send, via facsimile, a confirmation to such holder stating that the Notice of Conversion has been received, the date upon which the Corporation expects to deliver the Common Stock issuable upon such conversion and the name and telephone number of a contact person at the Corporation regarding the conversion. The Corporation shall not be obligated to issue shares of Common Stock upon a conversion unless either the Preferred Stock Certificates are delivered to the Corporation as provided above, or the holder notifies the Corporation that such Preferred Stock Certificates have been lost, stolen or destroyed and delivers the documentation to the Corporation required by Article XV.B hereof.

(i) Delivery of Common Stock Upon Conversion. Upon the surrender of Preferred Stock Certificates accompanied by a Notice of Conversion, the Corporation (itself, or through its transfer agent) shall, no later than the later of (a) the second business day following the Conversion Date and (b) the business day following the date of such surrender (or, in the case of lost, stolen or destroyed certificates, after provision of indemnity pursuant to Article XV.B) (the "**Delivery Period**"), issue and deliver (i.e., deposit with a nationally recognized overnight courier service postage prepaid) to the holder or its nominee (x) that number of shares of Common Stock issuable upon conversion of such shares of Series B Preferred Stock being converted and (y) a certificate representing the number of shares of Series B Preferred Stock not being converted, if any. Notwithstanding the foregoing, if the Corporation's transfer agent is participating in the Depository Trust Company ("**DTC**") Fast Automated Securities Transfer program, and so long as the certificates therefor do not bear a legend (pursuant to the terms of the Subscription Agreement) and the holder thereof is not then required to return such certificate for the placement of a legend thereon (pursuant to the terms of the Subscription Agreement), the Corporation shall cause its

transfer agent to promptly electronically transmit the Common Stock issuable upon conversion to the holder by crediting the account of the holder or its nominee with DTC through its Deposit Withdrawal Agent Commission system ("**DTC Transfer**"). If the aforementioned conditions to a DTC Transfer are not satisfied, the Corporation shall deliver as provided above to the holder physical certificates representing the Common Stock issuable upon conversion. Further, a holder may instruct the Corporation to deliver to the holder physical certificates representing the Common Stock issuable upon conversion in lieu of delivering such shares by way of DTC Transfer.

(ii) Taxes. The Corporation shall pay any and all taxes that may be imposed upon it with respect to the issuance and delivery of the shares of Common Stock upon the conversion of the Series B Preferred Stock.

(iii) No Fractional Shares. If any conversion of Series B Preferred Stock would result in the issuance of a fractional share of Common Stock (aggregating all shares of Series B Preferred Stock being converted pursuant to a given Notice of Conversion), such fractional share shall be payable in cash based upon the ten day average Closing Sales Price of the Common Stock at such time, and the number of shares of Common Stock issuable upon conversion of the Series B Preferred Stock shall be the next lower whole number of shares. If the Corporation elects not to, or is unable to, make such a cash payment, the holder shall be entitled to receive, in lieu of the final fraction of a share, one whole share of Common Stock.

(iv) Conversion Disputes. In the case of any dispute with respect to a conversion, the Corporation shall promptly issue such number of shares of Common Stock in accordance with subparagraph (i) above as are not disputed. If such dispute involves the calculation of the Conversion Price, and such dispute is not promptly resolved by discussion between the relevant holder and the Corporation, the Corporation shall submit the disputed calculations to an independent outside accountant via facsimile within three business days of receipt of the Notice of Conversion. The accountant, at the Corporation's sole expense, shall promptly audit the calculations and notify the Corporation and the holder of the results no later than three business days from the date it receives the disputed calculations. The accountant's calculation shall be deemed conclusive, absent manifest error. The Corporation shall then issue the appropriate number of shares of Common Stock in accordance with subparagraph (i) above.

(v) Payment of Accrued Amounts. Upon conversion of any shares of Series B Preferred Stock, all amounts then accrued or payable on such shares under this Certificate of Designation (including, without limitation, all Dividends) through and including the Conversion Date shall be paid by the Corporation in cash or, in the case of any Dividend, in the manner described in Article III.

C. [RESERVED]

D. Optional Redemption by the Corporation.

(i) The Corporation shall have the following rights to redeem shares of the Series B Preferred Stock:

(a) The Corporation shall have the right at any time prior to conversion to redeem any shares of Series B Preferred Stock not previously converted, at a price per share of Series B Preferred Stock equal to the Face Amount plus an amount equal to (x) the Face Amount multiplied by (y) .05.

(b) Any redemption by the Corporation (i) shall be in accordance with a redemption schedule included in the Subscription Agreement entered into with respect to the shares that are being redeemed or (ii) upon the mutual agreement of the Corporation and the shareholder.

(ii) Any redemption made by the Corporation pursuant to this Article IV.D (the "**Company Redemption**") shall be made by providing thirty (30) days' advance written notice (the "**Company Redemption Notice**") to the holders of shares of Series B Preferred Stock.

(iii) The Corporation may not deliver to a holder a Company Redemption Notice unless on or prior to the date of delivery of such Company Redemption Notice, the Corporation shall have segregated

on the books and records of the Corporation an amount of cash sufficient to pay all amounts to which the holders of shares of Series B Preferred Stock are entitled upon such redemption pursuant to Article IV.D(i). Any Company Redemption Notice delivered shall be irrevocable and shall be accompanied by a statement executed by a duly authorized officer of the Corporation.

(iv) The price per share of Series B Preferred Stock required to be paid by the Corporation pursuant to Article IV.D(i) (the “**Company Redemption Amount**”) shall be paid in cash to the holders whose Series B Preferred Stock is being redeemed within five (5) business days of the effective date of the Company Redemption (the “**Company Redemption Date**”); *provided, however*, that the Corporation shall not be obligated to deliver any portion of the Company Redemption Amount until either the Preferred Stock Certificates being redeemed are delivered to the office of the Corporation or the holder notifies the Corporation that such certificates have been lost, stolen or destroyed and delivers the appropriate documentation in accordance with Article XV.B hereof. Notwithstanding anything herein to the contrary, in the event that the Preferred Stock Certificates representing the shares of Series B Preferred Stock being redeemed are not delivered to the Corporation or the transfer agent or the holder fails to notify the Corporation or the transfer agent that such certificates have been lost, stolen or destroyed and fails to deliver the appropriate documentation in accordance with Article XV.B hereof prior to the fifth business day following the Company Redemption Date, then the redemption of the Series B Preferred Stock pursuant to this Article IV.D shall still be deemed effective as of the Company Redemption Date, but the Company Redemption Amount shall be paid in cash to the holder whose shares of Series B Preferred Stock are being redeemed only within five (5) business days of the date the Preferred Stock Certificates representing such shares are actually delivered to the Corporation or the transfer agent or the holder notifies the Corporation that such Preferred Stock Certificates have been lost, stolen or destroyed and delivers the documentation to the Corporation required by Article XV.B hereof.

(v) Notwithstanding the delivery of a Company Redemption Notice, a holder may convert some or all of its shares of Series B Preferred Stock subject to such Company Redemption Notice by the delivery prior to the Company Redemption Date of a Notice of Conversion to the Corporation and otherwise complying with all requirements set forth in Article IV.B. In the event a holder would be precluded from converting any shares of Series B Preferred Stock subject to a Company Redemption Notice due to the limitation contained in Article XIV, the Company Redemption Date, for such holder only, shall automatically be extended by that number of days by which such holder is so precluded; *provided, however*, that in no event shall the Company Redemption Date be extended by more than sixty (60) days.

V. [RESERVED]

shares of Common Stock issuable upon conversion (including any Dividend payable thereon) of such holder's shares of Series B Preferred Stock. If the Corporation fails to redeem any of such shares within five business days after its receipt of such Redemption Notice, then such holder shall be entitled to the remedies provided in Article VII.C.

VI. FAILURE TO SATISFY CONVERSIONS

A. Conversion Defaults. If, at any time, (i) a holder of shares of Series B Preferred Stock submits a Notice of Conversion and the Corporation fails for any reason to deliver, on or prior to the fifth business day following the expiration of the Delivery Period for such conversion, such number of shares of Common Stock, which shares shall be subject to an effective registration statement, to which such holder is entitled upon such conversion, or (ii) the Corporation provides written notice to any holder of Series B Preferred Stock (or makes a public announcement via press release) at any time of its intention not to issue shares of Common Stock, which shares shall be subject to an effective registration statement, upon exercise by any holder of its conversion rights in accordance with the terms of this Certificate of Designation (each of (i) and (ii) being a “**Conversion Default**”), then the holder may elect, at any time and from time to time prior to the Default Cure Date for such Conversion Default, by delivery of a Redemption Notice to the Corporation, to have all or any portion of such holder's outstanding shares of Series B Preferred Stock redeemed by the Corporation for cash, at an amount per share equal to the Redemption Amount (as defined in Article VII.B). If the Corporation fails to redeem any of such shares within five business days after its receipt of such Redemption Notice, then such holder shall be entitled to the remedies provided in Article VII.C.

B. Buy-In Cure. Unless the Corporation has notified the applicable holder in writing prior to the delivery by such holder of a Notice of Conversion that the Corporation is unable to honor conversions, if (i) (a) the Corporation fails to promptly deliver during the Delivery Period shares of Common Stock to a holder upon a conversion of shares of Series B Preferred Stock or (b) there shall occur a Legend Removal Failure (as defined in Article VII.A(iii) below) and (ii) thereafter, such holder purchases (in an open market transaction or otherwise) shares of Common Stock to make delivery in satisfaction of a sale by such holder of the unlegended shares of Common Stock (the "**Sold Shares**") which such holder anticipated receiving upon such conversion (a "**Buy-In**"), the Corporation shall pay such holder, in addition to any other remedies available to the holder, the amount by which (x) such holder's total purchase price (including brokerage commissions, if any) for the unlegended shares of Common Stock so purchased exceeds (y) the net proceeds received by such holder from the sale of the Sold Shares. For example, if a holder purchases unlegended shares of Common Stock having a total purchase price of \$11,000 to cover a Buy-In with respect to shares of Common Stock it sold for \$10,000, the Corporation will be required to pay the holder \$1,000. A holder shall provide the Corporation written notification and supporting documentation indicating any amounts payable to such holder pursuant to this Article VI.B.

VII. [RESERVED]

VIII. RANK

All shares of the Series B Preferred Stock shall rank (i) prior to the Corporation's Common Stock and any class or series of capital stock of the Corporation hereafter created (unless, with the consent of the Majority Holders obtained in accordance with Article XII hereof, such class or series of capital stock specifically, by its terms, ranks senior to or *pari passu* with the Series B Preferred Stock) (collectively with the Common Stock, "**Junior Securities**"); (ii) *pari passu* with any class or series of capital stock of the Corporation hereafter created (with the written consent of the Majority Holders obtained in accordance with Article XII hereof) specifically ranking, by its terms, on parity with the Series B Preferred Stock (the "**Pari Passu Securities**"); and (iii) junior to any class or series of capital stock of the Corporation hereafter created (with the written consent of the Majority Holders obtained in accordance with Article XII hereof) specifically ranking, by its terms, senior to the Series B Preferred Stock (collectively, the "**Senior Securities**"), in each case as to distribution of assets upon liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary.

IX. LIQUIDATION PREFERENCE

A. If the Corporation shall commence a voluntary case under the U.S. Federal bankruptcy laws or any other applicable bankruptcy, insolvency or similar law, or consent to the entry of an order for relief in an involuntary case under any law or to the appointment of a receiver, liquidator, assignee, custodian, trustee, sequestrator (or other similar official) of the Corporation or of any substantial part of its property, or make an assignment for the benefit of its creditors, or admit in writing its inability to pay its debts generally as they become due, or if a decree or order for relief in respect of the Corporation shall be entered by a court having jurisdiction in the premises in an involuntary case under the U.S. Federal bankruptcy laws or any other applicable bankruptcy, insolvency or similar law resulting in the appointment of a receiver, liquidator, assignee, custodian, trustee, sequestrator (or other similar official) of the Corporation or of any substantial part of its property, or ordering the winding up or liquidation of its affairs, and any such decree or order shall be unstayed and in effect for a period of 90 consecutive days and, on account of any such event, the Corporation shall liquidate, dissolve or wind up, or if the Corporation shall otherwise liquidate, dissolve or wind up (each a "**Liquidation Event**"), no distribution shall be made to the holders of any shares of capital stock of the Corporation (other than Senior Securities pursuant to the rights, preferences and privileges thereof, if any) upon liquidation, dissolution or winding up unless prior thereto the holders of shares of Series B Preferred Stock shall have received the Liquidation Preference with respect to each share of Series B Preferred Stock. If, upon the occurrence of a Liquidation Event, the assets and funds available for distribution among the holders of the Series B Preferred Stock and holders of *Pari Passu Securities*, if any, shall be insufficient to permit the payment to such holders of the preferential amounts payable thereon, then the entire assets and funds of the Corporation legally available for distribution to the Series B Preferred Stock and the *Pari Passu Securities*, if any, shall be distributed ratably among such shares in proportion to the ratio that the Liquidation Preference payable on each such share bears to the aggregate Liquidation Preference payable on all such shares.

B. The purchase or redemption by the Corporation of stock of any class, in any manner permitted by law, shall not, for the purposes hereof, be regarded as a liquidation, dissolution or winding up of the Corporation.

C. The "Liquidation Preference" with respect to a share of Series B Preferred Stock means the greater of (i) an amount equal to (x) the Face Amount, divided by (y) the Conversion Price, multiplied by (z) the Closing Sales Price of the Common Stock on the date of the Liquidation Event; or (ii) an amount equal to the Face Amount thereof plus 5% (five percent) of the Face Amount, less the amount of any Dividends paid to holders of shares of Series B Preferred Stock during the calendar year in which the Liquidation Event occurs, which subtracted amount shall not exceed 5% of the Face Amount. The Liquidation Preference with respect to any *Pari Passu* Securities, if any, shall be as set forth in the Certificate of Designation filed in respect thereof.

D. [RESERVED]

X. ADJUSTMENTS TO THE CONVERSION PRICE

The Conversion Price shall be subject to adjustment from time to time as follows:

A. Stock Splits, Stock Dividends, Etc. If, at any time on or after the Issuance Date, the number of outstanding shares of Common Stock is increased by a stock split, stock dividend, combination, reclassification or other similar event, the Conversion Price shall be proportionately reduced, or if the number of outstanding shares of Common Stock is decreased by a reverse stock split, combination, reclassification or other similar event, the Conversion Price shall be proportionately increased. In such event, the Corporation shall notify the Corporation's transfer agent of such change on or before the effective date thereof.

B. Merger, Consolidation, Etc. If, at any time after the Issuance Date, there shall be (i) any reclassification or change of the outstanding shares of Common Stock (other than a change in par value, or from par value to no par value, or from no par value to par value, or as a result of a subdivision or combination), (ii) any consolidation or merger of the Corporation with any other entity (other than a merger in which the Corporation is the surviving or continuing entity and its capital stock is unchanged), (iii) any sale or transfer of all or substantially all of the assets of the Corporation or (iv) any share exchange or other transaction pursuant to which all of the outstanding shares of Common Stock are converted into other securities or property (each of (i) - (iv) above being a "**Corporate Change**"), then the holders of Series B Preferred Stock shall thereafter have the right to receive upon conversion, in lieu of the shares of Common Stock otherwise issuable, such shares of stock, securities and/or other property as would have been issued or payable in such Corporate Change with respect to or in exchange for the number of shares of Common Stock which would have been issuable upon conversion had such Corporate Change not taken place (without giving effect to the limitations contained in Article XIV), and in any such case, appropriate provisions (in form and substance reasonably satisfactory to the Majority Holders) shall be made with respect to the rights and interests of the holders of the Series B Preferred Stock to the end that the economic value of the shares of Series B Preferred Stock are in no way diminished by such Corporate Change and that the provisions hereof (including, without limitation, in the case of any such consolidation, merger or sale in which the successor entity or purchasing entity is not the Corporation, an immediate adjustment of the Conversion Price so that the Conversion Price immediately after the Corporate Change reflects the same relative value as compared to the value of the surviving entity's common stock that existed between the Conversion Price and the value of the Corporation's Common Stock immediately prior to such Corporate Change) shall thereafter be applicable, as nearly as may be practicable in relation to any shares of stock or securities thereafter deliverable upon the conversion thereof. The Corporation shall not effect any Corporate Change unless (i) each holder of Series B Preferred Stock has received written notice of such transaction at least 30 days prior thereto, but in no event later than 15 days prior to the record date for the determination of stockholders entitled to vote with respect thereto, (ii) if required by Section 4(i) of the Subscription Agreement, the consent of the Purchasers (as such term is defined in the Subscription Agreement) shall have been obtained in accordance with such Section 4(i), and (iii) the resulting successor or acquiring entity (if not the Corporation) assumes by written instrument (in form and substance reasonable satisfactory to the Majority Holders) the obligations of this Certificate of Designation (including, without limitation, the obligation to make payments of Dividend accrued but unpaid through the date of such consolidation, merger or sale and accruing thereafter). The above provisions and shall apply regardless of whether or not there would have been a sufficient number of shares of Common Stock authorized and available for issuance upon conversion of the shares of Series B Preferred Stock outstanding as of the date of such

transaction, and shall similarly apply to successive reclassifications, consolidations, mergers, sales, transfers or share exchanges.

C. Distributions. If, at any time after the Issuance Date, the Corporation shall declare or make any distribution of its assets (or rights to acquire its assets) to holders of Common Stock as a partial liquidating dividend, by way of return of capital or otherwise (including any dividend or distribution to the Corporation's stockholders in cash or shares (or rights to acquire shares) of capital stock of a subsidiary (*i.e.*, a spin-off)) (a "**Distribution**"), then the holders of Series B Preferred Stock shall be entitled, upon any conversion of shares of Series B Preferred Stock after the date of record for determining stockholders entitled to such Distribution (or if no such record is taken, the date on which such Distribution is declared or made), to receive the amount of such assets that would have been payable to the holder with respect to the shares of Common Stock issuable upon such conversion (without giving effect to the limitations contained in Article XIV) had such holder been the holder of such shares of Common Stock on the record date for the determination of stockholders entitled to such Distribution (or if no such record is taken, the date on which such Distribution is declared or made).

D. Convertible Securities and Purchase Rights. If, at any time after the Issuance Date, the Corporation issues any securities or other instruments that are convertible into or exercisable or exchangeable for Common Stock ("**Convertible Securities**") or options, warrants or other rights to purchase or subscribe for Common Stock or Convertible Securities ("**Purchase Rights**") pro rata to the record holders of the Common Stock, whether or not such Convertible Securities or Purchase Rights are immediately convertible, exercisable or exchangeable, then the holders of Series B Preferred Stock shall be entitled, upon any conversion of shares of Series B Preferred Stock after the date of record for determining stockholders entitled to receive such Convertible Securities or Purchase Rights (or if no such record is taken, the date on which such Convertible Securities or Purchase Rights are issued), to receive the aggregate number of Convertible Securities or Purchase Rights that such holder would have received with respect to the shares of Common Stock issuable upon such conversion (without giving effect to the limitations contained in Article XIV) had such holder been the holder of such shares of Common Stock on the record date for the determination of stockholders entitled to receive such Convertible Securities or Purchase Rights (or if no such record is taken, the date on which such Convertible Securities or Purchase Rights were issued). If the right to exercise or convert any such Convertible Securities or Purchase Rights would expire in accordance with their terms prior to the conversion of the Series B Preferred Stock, then the terms of such Convertible Securities or Purchase Rights shall provide that such exercise or convertibility right shall remain in effect until 30 days after the date the holder of Series B Preferred Stock receives such Convertible Securities or Purchase Rights pursuant to the conversion hereof.

E. Other Action Affecting Conversion Price. If, at any time after the Issuance Date, the Corporation takes any action affecting the Common Stock that would be covered by Article X.A through E, but for the manner in which such action is taken or structured, which would in any way diminish the value of the Series B Preferred Stock, then the Conversion Price shall be adjusted in such manner as the Board of Directors of the Corporation shall in good faith determine to be equitable under the circumstances.

F. Notice of Adjustments. Upon the occurrence of each adjustment or readjustment of the Conversion Price pursuant to this Article X amounting to a more than one percent (1%) change in such Conversion Price, or any change in the number or type of stock, securities and/or other property issuable upon conversion of the Series B Preferred Stock, the Corporation, at its expense, shall promptly compute such adjustment or readjustment or change and prepare and furnish to each holder of Series B Preferred Stock a certificate setting forth such adjustment or readjustment or change and showing in detail the facts upon which such adjustment or readjustment or change is based. The Corporation shall, upon the written request at any time of any holder of Series B Preferred Stock, furnish to such holder a like certificate setting forth (i) such adjustment or readjustment or change, (ii) the Conversion Price at the time in effect and (iii) the number of shares of Common Stock and the amount, if any, of other securities or property which at the time would be received upon conversion of a share of Series B Preferred Stock.

XI. VOTING RIGHTS

The holders of the Series B Preferred Stock shall have no voting power whatsoever, except as otherwise provided by the Nevada Revised Statutes (the "**NRS**"), in this Article XI and in Article XII below.

Notwithstanding the above, the Corporation shall provide each holder of Series B Preferred Stock with prior notification of any meeting of the stockholders (and copies of proxy materials and other information sent to stockholders). If the Corporation takes a record of its stockholders for the purpose of determining stockholders entitled to (i) receive payment of any dividend or other distribution, any right to subscribe for, purchase or otherwise acquire (including by way of merger, consolidation or recapitalization) any share of any class or any other securities or property, or to receive any other right, or (ii) to vote in connection with any proposed sale, lease or conveyance of all or substantially all of the assets of the Corporation, or any proposed merger, consolidation, liquidation, dissolution or winding up of the Corporation, the Corporation shall mail a notice to each holder of Series B Preferred Stock, at least 15 days prior to the record date specified therein (or 45 days prior to the consummation of the transaction or event, whichever is earlier, but in no event earlier than public announcement of such proposed transaction), of the date on which any such record is to be taken for the purpose of such vote, dividend, distribution, right or other event, and a brief statement regarding the amount and character of such vote, dividend, distribution, right or other event to the extent known at such time.

To the extent that under the NRS the vote of the holders of the Series B Preferred Stock, voting separately as a class or series, as applicable, is required to authorize a given action of the Corporation, the affirmative vote or consent of the holders of at least a majority of the then outstanding shares of the Series B Preferred Stock represented at a duly held meeting at which a quorum is present or by written consent of the Majority Holders (except as otherwise may be required under the NRS) shall constitute the approval of such action by the class. To the extent that under the NRS holders of the Series B Preferred Stock are entitled to vote on a matter with holders of Common Stock, voting together as one class, each share of Series B Preferred Stock shall be entitled to a number of votes equal to the number of shares of Common Stock into which it is then convertible (subject to the limitations contained in Article XIV.B) using the record date for the taking of such vote of stockholders as the date as of which the Conversion Price is calculated.

If in connection with any Liquidation Event, the holders of the Series B Preferred Stock are entitled to vote to approve such Liquidation Event as a class, then the holders of such Series B Preferred Stock shall agree to vote their shares in favor of the Liquidation Event, conditioned on the receipt by all holders of Series B Preferred Stock of their respective Liquidation Preference, in full.

XII. PROTECTION PROVISIONS

So long as any shares of Series B Preferred Stock are outstanding, the Corporation shall not take any of the following corporate actions (whether by merger, consolidation or otherwise) without first obtaining the approval (by vote or written consent, as provided by the NRS) of the Majority Holders:

- (i) alter or change the rights, preferences or privileges of the Series B Preferred Stock;

Notwithstanding the foregoing, no change pursuant to this Article XII shall be effective to the extent that, by its terms, it applies to less than all of the holders of shares of Series B Preferred Stock then outstanding.

XIII. [RESERVED]

XIV. LIMITATIONS ON CERTAIN CONVERSIONS AND PAYMENT OF DIVIDENDS

The conversion of shares of Series B Preferred Stock and the payment of Dividends in shares of Series B Preferred Stock shall be subject to the following limitations (each of which limitations shall be applied independently):

- A. [RESERVED]

B. Restrictions on Conversion and Payment of Dividends in Shares of Series B Preferred Stock. In no event shall the Corporation issue Series B Preferred Stock to any holder of Series B Preferred Stock as payment of any Dividend, and in no event shall a holder of shares of Series B Preferred Stock of the Corporation have the right to convert shares of Series B Preferred Stock into shares of Common Stock to the extent that such payment of Dividend or right to effect such conversion would result in the holder and its affiliates together beneficially owning

more than 4.99% of the outstanding shares of Common Stock. For purposes of this Paragraph B, beneficial ownership shall be determined in accordance with Section 13(d) of the Exchange Act and Regulation 13D-G thereunder. The restriction contained in this Paragraph B may not be altered, amended, deleted or changed in any manner whatsoever unless the holders of a majority of the outstanding shares of Common Stock and the Majority Holders shall approve, in writing, such alteration, amendment, deletion or change. In the event the Corporation is prohibited from issuing Series B Preferred Stock to any holder of Series B Preferred Stock as payment of any Dividend, it shall pay such Dividend to such holder in cash.

XV. MISCELLANEOUS

A. Cancellation of Series B Preferred Stock. If any shares of Series B Preferred Stock are converted pursuant to Article IV or redeemed or repurchased by the Corporation, the shares so converted or redeemed shall be canceled, shall return to the status of authorized, but unissued Preferred Stock of no designated series, and shall not be issuable by the Corporation as Series B Preferred Stock.

B. Lost or Stolen Certificates. Upon receipt by the Corporation of (i) evidence of the loss, theft, destruction or mutilation of any Preferred Stock Certificate(s) and (ii) (y) in the case of loss, theft or destruction, indemnity (without any bond or other security) reasonably satisfactory to the Corporation, or (z) in the case of mutilation, the Preferred Stock Certificate(s) (surrendered for cancellation), the Corporation shall execute and deliver new Preferred Stock Certificate(s) of like tenor and date at cost to holder. However, the Corporation shall not be obligated to reissue such lost, stolen, destroyed or mutilated Preferred Stock Certificate(s) if the holder contemporaneously requests the Corporation to convert such Series B Preferred Stock.

C. [RESERVED]

D. [RESERVED]

E. Payment of Cash; Defaults. Whenever the Corporation is required to make any cash payment to a holder under this Certificate of Designation (as payment of any Dividend, upon redemption or otherwise), such cash payment shall be made to the holder within five business days after delivery by such holder of a notice specifying that the holder elects to receive such payment in cash and the method (e.g., by check, wire transfer) in which such payment should be made and any supporting documentation reasonably requested by the Corporation to substantiate the holder's claim to such cash payment or the amount thereof. If such payment is not delivered within such five business day period, such holder shall thereafter be entitled to interest on the unpaid amount at a per annum rate equal to the lower of eighteen percent (18%) and the highest interest rate permitted by applicable law until such amount is paid in full to the holder.

F. Status as Stockholder. Upon submission of a Notice of Conversion by a holder of Series B Preferred Stock, (i) the shares covered thereby (other than the shares, if any, which cannot be issued because their issuance would exceed the Company's authorized shares of Common Stock under its Articles of Incorporation) shall be deemed converted into shares of Common Stock and (ii) the holder's rights as a holder of such converted shares of Series B Preferred Stock shall cease and terminate, excepting only the right to receive certificates for such shares of Common Stock and to any remedies provided herein or otherwise available at law or in equity to such holder because of a failure by the Corporation to comply with the terms of this Certificate of Designation. Notwithstanding the foregoing, if a holder has not received certificates for all shares of Common Stock prior to the sixth business day after the expiration of the Delivery Period with respect to a conversion of Series B Preferred Stock for any reason, then (unless the holder otherwise elects to retain its status as a holder of Common Stock by so notifying the Corporation within five business days after the expiration of such six business day period after expiration of the Delivery Period) the holder shall regain the rights of a holder of Series B Preferred Stock with respect to such unconverted shares of Series B Preferred Stock and the Corporation shall, as soon as practicable, return such unconverted shares to the holder. In all cases, the holder shall retain all of its rights and remedies for the Corporation's failure to convert Series B Preferred Stock.

G. Remedies Cumulative. The remedies provided in this Certificate of Designation shall be cumulative and in addition to all other remedies available under this Certificate of Designation, at law or in

equity (including a decree of specific performance and/or other injunctive relief), and nothing herein shall limit a holder's right to pursue actual damages for any failure by the Corporation to comply with the terms of this Certificate of Designation. The Corporation acknowledges that a breach by it of its obligations hereunder will cause irreparable harm to the holders of Series B Preferred Stock and that the remedy at law for any such breach may be inadequate. The Corporation therefore agrees, in the event of any such breach or threatened breach, that the holders of Series B Preferred Stock shall be entitled, in addition to all other available remedies, to an injunction restraining any breach, without the necessity of showing economic loss and without any bond or other security being required.

H. Waiver. Notwithstanding any provision in this Certificate of Designation to the contrary, any provision contained herein and any right of the holders of Series B Preferred Stock granted hereunder may be waived as to all shares of Series B Preferred Stock (and the holders thereof) upon the written consent of the Majority Holders, unless a higher percentage is required by applicable law, in which case the written consent of the holders of not less than such higher percentage of shares of Series B Preferred Stock shall be required.

I. Notices. Any notices required or permitted to be given under the terms hereof shall be sent by certified or registered mail (return receipt requested) or delivered personally, by nationally recognized overnight carrier or by confirmed facsimile transmission, and shall be effective five days after being placed in the mail, if mailed, or upon receipt or refusal of receipt, if delivered personally or by nationally recognized overnight carrier or confirmed facsimile transmission, in each case addressed to a party. The addresses for such communications are (i) if to the Corporation to Bonanza Goldfields Corp., 6440 Sky Pointe Dr., Ste 140-149, Las Vegas, NV 89131, Attention: Barbara McIntyre Bauman, and (ii) if to any holder to the address set forth under such holder's name on the execution page to the Subscription Agreement, or such other address as may be designated in writing hereafter, in the same manner, by such person.

IN WITNESS WHEREOF, this Certificate of Designation is executed on behalf of the Corporation this 17th day of March, 2017.

BONANZA GOLDFIELDS CORP.

By: _____
Name: Barbara McIntyre Bauman
Title: President and CEO

NOTICE OF CONVERSION

(To be Executed by the Registered Holder in order to Convert the Series B Preferred Stock)

The undersigned hereby irrevocably elects to convert _____ shares of Series B Preferred Stock (the "**Conversion**"), represented by Stock Certificate No(s). _____ (the "**Preferred Stock Certificates**"), into shares of common stock ("**Common Stock**") of Bonanza Goldfields Corp. (the "**Corporation**") according to the conditions of the Certificate of Designation, Preferences and Rights of Series B Convertible Preferred Stock (the "**Certificate of Designation**"), as of the date written below. If securities are to be issued in the name of a person other than the undersigned, the undersigned will pay all transfer taxes payable with respect thereto. No fee will be charged to the holder for any conversion, except for transfer taxes, if any. Each Preferred Stock Certificate is attached hereto (or evidence of loss, theft or destruction thereof).

Except as may be provided below, the Corporation shall electronically transmit the Common Stock issuable pursuant to this Notice of Conversion to the account of the undersigned or its nominee (which is _____) with DTC through its Deposit Withdrawal Agent Commission System ("**DTC Transfer**").

In the event of partial exercise, please reissue a new stock certificate for the number of shares of Series B Preferred Stock which shall not have been converted.

The undersigned acknowledges and agrees that all offers and sales by the undersigned of the securities issuable to the undersigned upon conversion of the Series B Preferred Stock have been or will be made only pursuant to an effective registration of the transfer of the Common Stock under the Securities Act of 1933, as amended (the "**Act**"), or pursuant to an exemption from registration under the Act.

- ☐ In lieu of receiving the shares of Common Stock issuable pursuant to this Notice of Conversion by way of DTC Transfer, the undersigned hereby requests that the Corporation issue and deliver to the undersigned physical certificates representing such shares of Common Stock.

Date of
Conversion: _____

Applicable Conversion
Price: _____

Signature: _____

Name: _____

Address: _____