

BONANZA GOLDFIELDS CORP.

To the Shareholders of Bonanza Goldfields Corp:

The Quarter ended March 31, 2017 was the first quarter for our new management team at Bonanza Goldfields. We have received calls from many shareholders asking about the plans for your company and will be responding in a series of letters. This letter is about our mines at Chloride, Arizona.

Bonanza Goldfields has been in the mining business for almost a decade. The company attempted to open a mine and processing facility near Congress, Arizona named the "Tarantula Mine." After spending a total of about \$6,000,000 from inception, the company was unable to attract further financing. So back in 2013 it sold the Tarantula Mine to another mining company for stock valued conservatively at \$38,000 by the company's accountants. The company continued evaluating other mining claims to explore, waiting for the market to improve.

On the positive side, the company paid off a majority of its convertible debt at the time of the 2013 Tarantula Mine sale. We expect to extinguish the last \$35,000 of our convertible debt during the second quarter of 2017. Many smaller public companies are only able to raise money by selling convertible debt, which is convertible into common stock at a discount from the prevailing market price. This dilutes the other stockholders. We hope to avoid this in the future.

Bonanza Goldfields has a loyal stockholder base. We have heard from stockholders who have owned BONZ for over 3 years. There are over 23,000 posts about our company on a leading internet discussion forum.

The opportunity at Chloride, Arizona

My wife, Barbara McIntyre Bauman, is responsible for the management of Hondo Minerals Corporation as well as being President of Bonanza Goldfields Corp. Hondo is also a public mining company, but its stock does not trade. Hondo historically focused its efforts on the Chloride mining district near Kingman, Arizona. We have spent a lot of time in Chloride. It is less than 2 hours' drive from our offices in Las Vegas.

Since 2011, our family has owned several other mines at Chloride that were under a 30-year lease to a Texas oil company, recently terminated. We are combining our family's Chloride mines with the Hondo mines and contributing them all to Bonanza Goldfields. Hondo will not miss Chloride as we contributed to Hondo a large Nevada gold property called Thunder Mountain, as well as a Nevada silver property called Mizpah Extension. Hondo will have their hands full in Nevada.

At Chloride, Bonanza Goldfields is going to focus its initial exploration on these three properties: (1) the Towne Mine and (2) the Hercules Mine and (3) the Badger Mine.

The Chloride mining district was discovered around the time of the Civil War. The first mine discovered there was our Towne Mine, which is a gold mine. In recent years, Hondo did trenching to look for additional ore shoots west of the main shaft at the Towne Mine. We intend to continue this program.

During the 1990's, there was also an encouraging drill program at our Hercules and Badger Mines, which found gold, silver, lead and zinc. The geologist recommended further drilling at the intersection of the Badger and Hercules veins. This drilling has not yet been done.

A lot of patience is required in the mining business. Before opening a mine, it is necessary to attract funding to build the mine and a mill or other recovery facility. A bankable feasibility study is required. A feasibility study is based on drill results from multiple campaigns of drilling. Any company that attempts to go straight to mining without completing the initial steps (which are called "exploration and development") is almost certainly doomed to failure.

While Bonanza Goldfields is just beginning the exploration process at Chloride, it is building on the efforts of prior companies at the Towne, Badger and Hercules Mines.

We enjoy some other advantages at Chloride. We have a large flat area east of the Town of Chloride, called the "Terminal Mill-site." There is a road through the mill-site and electric service is close by. It could be an ideal place to build a mill or other recovery facility if further exploration demonstrates an economic mineral deposit at Chloride. We also have an assay office in the Town of Chloride and a house (presently leased out to generate cash) where the mine manager can live.

The 492 acres of mining claims at Chloride that are being contributed to Bonanza Goldfields are all "patented mining claims." That means these mines are private property. They are not on government land. So it should be much less expensive and time-consuming to get permits to mine than if we wanted to mine on land administered by the US Bureau of Land Management (BLM).

But again, our primary focus is on exploration first. If we are able to prove up a mineral deposit that can be mined at a profit, then we can look to all of our other advantages at Chloride.

Annual Meeting

We are going to have an annual meeting in October. The company has not had an annual meeting in a number of years. The meeting will be held at Chloride so that you can see some of our mines and get a first-hand feel for what your company is doing. It gets very hot in Chloride during the summer, but should be pleasant by October. We will provide further details once the plans are finalized.

May 5, 2017

Frederick C. Bauman
General Counsel