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Califfi Capital Corp. Announces Proposed Qualifying Transaction

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June 18, 2020 - Vancouver, British Columbia: Califfi Capital Corp. (the "Corporation" or "Califfi") (TSXV: CFI.P) is pleased to announce that it has entered into a letter of intent dated June 16, 2020 negotiated on an arm's-length basis to acquire all of the issued and outstanding shares of Bonanza Mining Corporation ("Bonanza"), a private British Columbia mineral exploration company which holds certain mineral property interests in British Columbia, including the MC Project (details below) (the "Proposed Transaction"). The letter of intent provides that it will be superceded and replaced with a more formal definitive agreement that will contain standard representations and warranties for agreements of a like nature. The letter of intent and the more formal definitive agreement are hereinafter referred to collectively as the "Agreement".

Pursuant to the Agreement, Califfi will acquire 100% of the issued and outstanding shares of Bonanza from the holders thereof for consideration consisting of two (2) Califfi Shares (as defined below) for each one (1) Bonanza Share (as defined below) issued and outstanding as of the Closing (the "Purchase Price"). The only 10% or greater shareholder of the resulting entity (the "Resulting Issuer") will be Alfredo De Lucrezia, a resident of British Columbia and currently the President, Chief Executive Officer and a Director of Califfi.

Califfi was incorporated on November 24, 2016 under the laws of British Columbia, is a reporting issuer in the provinces of British Columbia and Alberta, and is a "capital pool company" (a "CPC") under the policies of the TSX Venture Exchange (the "Exchange"). The transaction contemplated by the Agreement will constitute Califfi's "Qualifying Transaction" as defined under Exchange Policy 2.4. The acquisition of Bonanza will be carried out by parties dealing at arm's length to one another and therefore will not be considered to be a "Non-Arm's Length Qualifying Transaction", as such term is defined under the policies of the Exchange. As result, a formal meeting of Califfi's shareholders to approve the Proposed Transction is not required, although receipt of Exchange acceptance will be a condition of closing.

In connection with the Proposed Transaction, Califfi intends to carry out certain concurrent transactions, including the Financing (as defined below). On the closing of the Proposed Transaction and the Financing (the "Closing"), the Resulting Issuer will be listed on Tier 2 of the Exchange under the "Mining Issuer" industry segment and will change senior management and directors (details below), and will change its name to complement the business of the Resulting Issuer.

The Proposed Transaction

Subject to Exchange acceptance, the completion of the Financing (as described below), and the satisfaction of other conditions contained or to be contained in the Agreement, Califfi will issue on Closing to the Bonanza shareholders two (2) Califfi Shares at a deemed price of C$0.15 per Califfi Share for each one (1) Bonanza Share issued and outstanding as of the Closing in satisfaction of the Purchase Price (there currently being 7,095,001

Bonanza Shares issued and outstanding, with up to an additional 1,000,000 Bonanza Shares expected to be issued pursuant to an interim financing Bonanza expects to complete by July 10, 2020.)

The MC Project, Skeena Mining District, British Columbia

The MC property comprises 903.31 hectares in the heart of the Stewart mining camp 12 kilometers north of the town of Stewart B.C. just 3 kilometers east of Ascot Gold Corp's Premier mine. Ascot has recently filed a feasibility study to restart the Premier mill. The property can be accessed off paved highway 37A and a BC Hydro transmission line crosses it. The MC property hosts 17 historical mineral occurrences and a large undrilled polymetallic gold-silver-lead-zinc-copper soil anomaly and two significant, undrilled Volterra 3D IP chargeability anomalies that have been developed by Bonanza from grass roots exploration since 2017. Both the soil and IP anomalies are now drill ready.

The large soil anomaly was developed on contour lines roughly 100 meters apart with 50 meter sample spacing and occurs within a complex gossanous alteration and structural deformation zone associated with a ground magnetic anomaly and one or more cross cutting igneous dikes as well as numerous quartz-carbonate polymetallic mineral showings. The soil anomaly is ~ 1,000 meters long by ~300 meters wide and is open ended both to the west and east. The assay results from 24 rock samples selected from various mineral showings associated with the soil anomaly returned values up to 10.5 g/t gold, 1,503 g/t silver, 5.3 % lead, 5.7 % zinc and .67 % copper. Six of the rock samples contained > 1.0 g/t gold and > 20 g/t silver.

The largest IP chargeability anomaly C-1 measures 400 meters by 700 meters in size and comes to surface on its eastern side near the historical Dalhousie workings, but appears to be centered further west at a depth of ~ 500 meters. BC assessment report #7841 reported a trench blasted across a zone of quartz, pyrite, chalcopyrite and magnetite mineralization at the Dalhousie workings assayed 0.43 oz/t gold over 6 meters, but this assay result has not been confirmed by Bonanza. The second IP anomaly C-2 appears to be spread out for about 900 meters along strike and includes 4 near surface pods, some of which are near historical mineral occurrences and workings such as the Rock of Ages vein system. The main chargeability pod measures 400 meters by 200 meters and is centered approximately 300 meters below surface and 800 meters north of the larger C-1 IP anomaly.

A current NI-43-101 technical report on the property has been prepared and will be filed in conjunction with the closing of the Proposed Transaction.

The Shag Property, Golden Mining District, British Columbia

The Shag Property comprises 2 mineral claims totaling 1,124.66 hectares and is located in the BC southern Rockies approximately 24 km northeast of the town of Canal Flats and 35 km east of Radium Hotsprings and is readily accessed by major BC forestry service roads from both towns, however the upper portions of Shag creek valley will require helicopter access.

Zinc-lead-silver mineralization was first discovered on the Shag property in 1977 during a regional sedimentary hosted lead-zinc exploration program funded by Riocanex Ltd. Subsequently there have been 9 separate exploration programs conducted on the property from 1977 to 1998 that included small diamond drilling programs by Riocanex in 1978 and 1979 followed by two small drilling programs by Esso Minerals in 1981 and 1982. The lead-zinc mineralization on the property is interpreted to belong to the MVT class of deposits and is similar to the past producing Monarch and Kicking Horse mines located along trend in the same carbonate rock formations near Field BC approximately 100 km north.

Twenty separate lead-zinc showings have been discovered on the Shag property along at least three separate horizons over a strike length of 5 km. The BM horizon is comprised of 4 separate showings along a 500 meter strike length and was the subject of Riocanex's 1978 drill program. The C-4 type horizon occurs approximately 100 meters above the BM horizon and is comprised of 4 separate showings located along a strike length of about

1,000 meters and was the subject of Riocanex's 1979 drill program. The main Redbed horizon occurs approximately 200 meters above the BM horizon and is composed of 7 main showings and 3 float showings along a 600 meter strike length and was the subject of Esso's drill programs in 1981 and 1982. The best results from Esso's drilling were intersections of 10.5% zinc over 3.3 meters within a larger 10.5 m intersection of 5% zinc.

Three separate soil sampling surveys have been conducted on the property from which a strong zinc-lead soil anomaly over 3 km long was outlined along the Shag creek valley. As well a 10.7 line km IP and magnetic survey was conducted in 1988 that outlined 4 separate IP chargeability high anomalies associated with the zinc-lead soil anomaly that were recommended for drilling but no drilling was done to test them.

The Frog Property, Liard Mining District, British Columbia

The Frog property comprises three mineral claims totaling 1,166.78 hectares and is located approximately 170 km east of Imperial Metals – Newcrest's Red Chris mine near Dease Lake, BC and about 70 km east of the major Kutcho Creek copper-zinc massive sulfide project that is being developed by Capstone Mining Corp's subsidiary Kutcho Copper Corp. There is an airstrip at Kutcho and a 100 km long road connects the project to the town of Dease Lake and paved highway 37.

The Frog zinc-lead-silver-copper property dates back to the 1950's when an area of massive argentiferous galena-sphalerite-chalcopyrite-rhodochroisite boulders roughly 180 meters by 120 meters was discovered in sedimentary rocks there. The property was held by Conwest Mining Ltd. from that time until the early 1970's and subsequently by Cominco Ltd. through the 1970's until 1989. In the early 1960's Conwest dug two hand trenches across the zone of massive sulfide boulders and excavated ~ 30 tons of high grade mineralization and assayed several samples which averaged 29.7% lead, 6.8% zinc, 16.6 oz/t silver, 0.6% copper and 0.01 oz/t gold.

In 1971 Conwest completed an IP survey and followed it up with a small drill program to test the IP metal factor anomalies but the holes did not intersect significant mineralization. Cominco geologists later mapped the zone and concluded that the Conwest drill holes were drilled parallel to the interpreted trend of the mineralization and therefor in the wrong direction. As well the IP data has recently been reworked and the tenor of the IP values are significantly higher than the metal factor values used. Over the years eight separate surveys were conducted on the property attempting to locate the source of the massive sulfide boulders. These surveys include a soil sample survey and an IP survey by Conwest, as well as 2 gravity and ground magnetic surveys by Cominco, all of which outlined significant anomalies, however no further drilling was conducted. One of the most significant surveys was the Conwest soil survey that outlined a large, high value lead, zinc and manganese anomalous area roughly 2km by 2km in size. This anomaly remains open to the southeast and shows the main mineralized zone has a south-southeast trend which was not tested by the previous exploration efforts.

In 2005 the BC government funded a regional airborne magnetic survey that covered the area where the Frog property is located and published the results in Open File # 3198 titled Cassiar Geophysics. Importantly an isolated, discreet aeromagnetic high anomaly measuring 10 km by 10km was outlined and its 2 km by 2 km central peak area is centered directly under the mineralized area of the Frog property, indicating strong potential for the discovery of a porphyry copper and/or a large skarn deposit below the higher level lead-zinc-copper-silver-manganese mineralization.

The Financing

The terms of the Agreement include that Califfi and Bonanza shall arrange for the completion of a financing for gross proceeds of a minimum of C$1.64 million (the "Financing") prior to and/or concurrent with the closing of the Proposed Transaction. Further information with respect to the Financing will be disclosed in due course once available, by way of press releases.

Currently, the authorized share capital of Califfi consists of an unlimited number of common shares (the "Califfi Shares") of which (a) 15,487,000 Califfi Shares are currently issued and outstanding; and (b) 1,500,000 Califfi Shares are reserved for issuance under outstanding stock options uner Califfi's stock option plan (the "Option Plan", as described below). Immediately prior to Closing, no more than 16,987,000 Califfi Shares will be issued and outstanding as fully paid and non-assessable.

Upon Closing of the Proposed Transaction and assuming completion of the minimum C$1.64 million under the Financing, it is expected that there will be approximately 41.677 million shares of the Resulting Issuer issued and outstanding, with approximately a further 4.16 million shares reserved for issuance under incentive stock options available for future grant.

Changes to Board and Management

On Closing, it is anticipated that Christopher Graf will be appointed the President, CEO and a director of the Resulting Issuer, Andrew Burgess will be appointed a director, Alfredo De Lucrezia, Califfi's current President, CEO and a director, and John Pallot, also currently a director of Califfi, will remain as directors, with one or more additional directors as chosen by Bonanza also to be appointed. Bios for Messrs. Graf, Burgess, De Lucrezia and Pallot are presented below:

- Christopher Graf obtained a B.Ap.Sc degree in geological engineering from UBC in 1974 and has been registered as a Professional Engineer with the Association of Professional Engineers of B.C. since 1980. He has successfully applied his profession for the past 40 years in B.C., Alberta, Yukon and Mexico, his forte being mineral property evaluation, field exploration and designing diamond drilling programs.

  In 1983 he staked the Kerr claims on an area of promising porphyry copper-gold mineralization at Sulphurets creek in NW BC. This property is now a major part of Seabridge Gold Corp's world class KSM project that contains an estimated 30 million ounces of gold and 12 billion pounds of copper. In 1978 he staked the Akie claims on a previously unexplored zinc prospective area in the northern BC Rockies and he continuously explored and developed it until it was taken over by another company in 2007. The Akie deposit contains an indicated plus inferred resource of 30 million tonnes grading 10% zinc/lead and is the second largest zinc deposit ever discovered in BC after the Sullivan deposit. In 2001 he staked the Wicheeda claims on a zone of rare earth mineralization near Prince George BC and in 2008 and 2009 designed and conducted the first drilling and metallurgical programs on the property. The deposit has an indicated plus inferred resource of 15 million tonnes grading 2.5 % REE and with its very favorable infrastructure is arguably the most significant rare earth deposit in Canada.

  Mr. Graf was a director of the BC and Yukon Chamber of Mines during the 1990's and was very involved with the Chamber's Aboriginal Affairs and Environmental/Park committees which were trying to mitigate BC's ambitious policies that were largely negative for mineral exploration in BC. For his work he was the 2011 recipient of the Frank Woodside Past Presidents Award for distinguished service to the minerals industry from the Chamber, now named AME BC.

- Andrew Burgess, B. Comm. (Hons), University of Manitoba is a C.A. C.P.A. (Alberta) and is an experienced professional with more than 35 years experience with natural resource, service and industrial companies in the areas of financial and management reporting, taxation, corporate reorganizations, investments, acquisitions, divestitures, equity and debenture financing, budgeting, investor relations and administration. He has extensive public company experience. He is currently a director of Defense Metals Corporation and the CFO and a director of Spectrum Mining Corporation.

- Alfredo De Lucrezia is the President, CEO and a director of Vincero Capital Corp., a CPC listed on the Exchange which announced a proposed Qualifying Transaction on May 27, 2020 with NewGen Therapeutics, Inc. He was also the President, CEO, CFO and a director of former CPC Manera Capital Corp.

(now GT Gold Corp.) from September 2013 until it completed its Qualifying Transaction on November 10, 2016. He also serves as the President, CEO and a director of Califfi, the shares of which were listed on the Exchange on July 19, 2017. He also manages Delrizia Investments, has managed real estate portfolios for several private companies, and has been a director and/or an officer of a number of reporting issuers over the past 25 years, where he structured companies transitioning from the private sector to becoming publicly listed.

- John Pallot has been a self-employed consultant in the mining industry since 2002. He has more than twenty years of involvement with public companies as a director and/or in senior executive capacities with such companies as Statesman Resources Ltd., Messina Minerals Ltd., Windarra Minerals Ltd. (acquired by Wesdome Gold Mines Ltd.), Westwood Explorations Ltd. and Red Mile Minerals Corp. (now Orla Mining Ltd.) He presently serves as an independent director of each of Klondike Gold Corp. and GT Gold Corp. (previously Manera Capital Corp.).

Incentive Stock Option Plan

Pursuant to Califfi's Option Plan, the Resulting Issuer will be able to grant options exercisable for common shares to directors, senior officers and employees of the Resulting Issuer and any subsidiaries and consultants retained by the Resulting Issuer and any subsidiaries. The purpose of the Option Plan is to provide incentive compensation to attract, retain and motivate directors, senior officers, employees and consultants and to align their interests with the interests of the Resulting Issuer's shareholders by providing them with the opportunity to acquire increased equity ownership in the Resulting Issuer. The Option Plan will be administered by the Board of Directors of the Resulting Issuer.

The maximum number of common shares reserved for issuance pursuant to the Option Plan, together with any common shares reserved for issuance pursuant to any other security-based compensation arrangements (as defined by the rules of the Exchange), will be 10% of the issued and outstanding common shares of the Resulting Issuer from time to time. As a result, any increase in the number of issued and outstanding common shares will result in an increase in the number of common shares available for issuance under the Option Plan. In addition, the Option Plan will be considered an "evergreen" plan, and any common shares issued pursuant to options which have been exercised will be available for subsequent grants under the Option Plan.

Sponsorship of Qualifying Transaction

Sponsorship of a capital pool company's Qualifying Transaction is required by the Exchange unless exempt in accordance with Exchange policies. Califfi and Bonanza are currently reviewing the Exchange requirements for sponsorship and intend to comply with the policies of the Exchange after discussions with the Exchange regarding sponsorship.

Qualified Person

Christopher Graf, P. Eng., is the Qualified Person who prepared the scientific and technical disclosure in this press release.

Additional Information

In accordance with the policies of the Exchange, Califfi's common shares are currently suspended from trading and will remain suspended until further notice as a result of not having completed a Qualifying Transaction within two years of its shares having been listed on the Exchange, as provided for in Exchange Policy 2.4.

Califfi and Bonanza will provide further details in respect of the Proposed Transaction and the Financing in due course once available, by way of press releases.

All information in this press release related to Bonanza has been provided by management of Bonanza and has not been independently verified by management of Califfi.

Completion of the Qualifying Transaction is subject to a number of conditions including, but not limited to, Exchange acceptance and if applicable pursuant to Exchange Requirements, majority of the minority shareholder approval. Where applicable, the Qualifying Transaction cannot close until the required shareholder approval is obtained. There can be no assurance that the Qualifying Transaction will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in the management information circular or filing statement to be prepared in connection with the Qualifying Transaction, any information released or received with respect to the Qualifying Transaction may not be accurate or complete and should not be relied upon. Trading in the securities of a capital pool company should be considered highly speculative.

The TSX Venture Exchange Inc. has in no way passed upon the merits of the Qualifying Transaction and has neither approved nor disapproved the contents of this press release.

For further information, please contact:

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This press release contains "forward-looking information" within the meaning of applicable securities laws relating to the proposal to complete the Proposed Transaction and associated transactions, including statements regarding the terms and conditions of the Proposed Transaction, the Agreement, the Financing and the use of proceeds of the Financing. Readers are cautioned to not place undue reliance on forward-looking information. Actual results and developments may differ materially from those contemplated by these statements depending on, among other things, the risks that the parties will not proceed with the Proposed Transaction, the Agreement, the Financing and associated transactions, that the ultimate terms of the Proposed Transaction, the Agreement, the Financing and associated transactions will differ from those that are currently contemplated, and that the Proposed Transaction, the Agreement, the Financing and associated transactions will not be successfully completed for any reason (including the failure to obtain the required approvals or clearances from regulatory authorities). The statements in this press release are made as of the date of this release. Califfi undertakes no obligation to comment on analyses, expectations or statements made by third-parties in respect of Califfi, Bonanza, their securities, or their respective financial or operating results.

This press release does not constitute an offer to sell or a solicitation of an offer to buy any securities in the United States. The securities disclosed herein have not been and will not be registered under the United States Securities Act 1933, as amended (the "U.S. Securities Act") or any state securities laws and may not be offered or sold within the United States or to U. S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.