

Riverside Resources Inc. Announces Spin-Out of Penoles Project

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Vancouver, February 25, 2020 - [Riverside Resources Inc.](#) (TSXV: RRI) (OTCQB: RVSDF) (FSE: R99) ("Riverside" or the "Company"), is pleased to announce that its board of directors has unanimously approved a spin-out of the Peñoles Project, located in Durango, Mexico, to its shareholders by way of a share capital reorganization effected through a statutory plan of arrangement (the "Arrangement"). The Peñoles Project is held through Riverside's wholly-owned subsidiary, [Capitan Mining Inc.](#) ("Capitan"). Under the Arrangement, Riverside will distribute the common shares (each, a "Capitan Share") of Capitan to Riverside's shareholders. Once the Arrangement becomes effective, Riverside shareholders will own shares in two public companies: Capitan, which will focus on the development of the Peñoles Project, and Riverside, which will continue to generate prospective mineral properties.

John-Mark Staude, Riverside's CEO stated, "We believe the spin-out of the Peñoles Project will be very beneficial to shareholders. Among other benefits, it will unlock the value of the Peñoles Project by allowing it to be developed separately, by a skilled and experienced management team, and it will allow our shareholders to own shares in two public companies."

Under the Arrangement, Riverside's current shareholders will receive Capitan Shares by way of a share exchange, pursuant to which each existing common share of Riverside will be exchanged for one new common share of Riverside (each, a New Riverside Share) and 0.2767 of a Capitan Share. Holders of Riverside options and warrants will be entitled to receive the same number of New Riverside Shares and 0.2767 of that number of Capitan Shares. On completion of the Arrangement, Riverside shareholders and holders of Riverside options and warrants will maintain their interest in Riverside and will obtain a proportionate interest in Capitan.

The reorganization will be effected pursuant to the arrangement provisions of the Business Corporations Act (British Columbia), and must be approved by the Supreme Court of British Columbia and by the affirmative vote of 66 2/3% of Riverside's shareholders in attendance at a shareholders' meeting to be held on March 31, 2020 (the "Meeting"). Riverside has applied for a listing of the Capitan Shares on the TSX Venture Exchange ("TSX-V").

Riverside expects that the Arrangement will increase shareholder value by allowing capital markets to ascribe value to the Peñoles Project independently of the other properties held by Riverside. The spin-out will provide new and existing shareholders more flexibility as to their specific investment strategy and risk profile. Riverside also believes that having a separately funded early-exploration business will accelerate development of the Peñoles Project.

Completion of the Arrangement is subject to a number of conditions, including the following:

- (a) Riverside shareholder approval at the Meeting;
- (b) the approval of the Supreme Court of British Columbia;
- (c) TSX-V approval for the Arrangement by Riverside;
- (d) TSX-V approval for the listing of the Capitan Shares upon completion of the Arrangement; and
- (e) completion by Capitan of a private placement to raise gross proceeds up to \$2,000,000.

Upon completion of the Arrangement, it is intended that Capitan will be managed by Alberto J. Orozco, as the Chief Executive Officer, and Robert J. Scott, as the Chief Financial Officer. Capitan's board of directors will consist of John-Mark Staude, Alberto J. Orozco, Arturo Bonillas and one or more additional directors. Changes and additions to the management team and board will be made as needed as the Peñoles Project progresses.

Additional details of the spin-out transaction will be included in an information circular to be mailed to shareholders of Riverside in February, 2020 in connection with the Meeting. The Arrangement is expected to close on or about April 8, 2020.

Conference Update:

Visit Riverside at PDAC on Sunday and Monday (March 1 & 2) at booth 2413A

About Riverside Resources Inc.:

Riverside is a well-funded exploration company driven by value generation and discovery. The Company has no debt and 63M shares outstanding with a strong portfolio of gold-silver and copper assets in North America. Riverside has extensive experience and knowledge operating in Mexico and Canada and leverages its large database to generate a portfolio of prospective mineral properties. In addition to Riverside's own exploration spending, the Company also strives to diversify risk by securing joint-venture and spin-out partnerships to advance multiple assets simultaneously and create more chances for discovery. Riverside has additional properties available for option, with more information available on the Company's website at www.rivres.com.

ON BEHALF OF Riverside Resources Inc

"John-Mark Staude"
Dr. John-Mark Staude, President & CEO

For additional information contact:

John-Mark Staude, President, CEO
RiversideResourcesInc.com
info@rivres.com
Phone: (778) 327-6671
Fax: (778) 327-6675
Web: www.rivres.com

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Such forward-looking information involves known and unknown risks -- including the conditions of the Arrangement not being met; the Arrangement not being completed; the availability of funds; the results of financing and exploration activities; unanticipated costs, expenses, or liabilities associated with the Arrangement; the interpretation of exploration results and other geological data; or unanticipated costs and expenses and other risks identified by Riverside in its public securities filings that may cause actual events to differ materially from current expectations. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this press release. Riverside does not undertake to update any forward-looking statements, except as may be required by applicable securities laws.

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