Capitan Mining Inc. Closes $3.84 Million Financing

Vancouver, British Columbia--(Newsfile Corp. - August 24, 2020) - **Capitan Mining Inc. (TSXV: CAPT) ("Capitan" or the "Company")** is pleased to announce it has closed its private placement (the "**Private Placement**") of common shares (each a "**Share**"). The Private Placement was over-subscribed and the Company issued 19,204,425 Shares at a price of $0.20 per Share for gross proceeds of $3,840,885.00 instead of the 10,000,000 Shares ($2,000,000) originally contemplated.

With respect to a portion of the funds raised in the Private Placement, the Company paid cash finders' fees of $70,000 to Red Cloud Securities Inc. and issued 350,000 non-transferable broker warrants (the "**Finder's Warrants**"). Each Broker Warrant entitles the holder to acquire one Share at a price of $0.25 per Share for a period of 12 months from the closing of the private placement.

Certain insiders of the Company participated in the Private Placement. Such participation constitutes a related party transaction under Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions ("**MI 61-101**"). The Company is relying on exemptions for the minority shareholder approval and formal valuation requirements applicable to related party transactions under sections 5.5(a) and 5.7(1)(a) of MI 61-101, as neither the fair market value of the Shares purchased by any one insider, nor the price paid for shares purchased by any one insider exceeds 25% of the Company's market capitalization. The Company did not file a material change report in respect of this related party transaction at least 21 days before closing as a result of the customary timing for closing such financings.

The Company will use the net proceeds of the Private Placement to fund a focused drill program at the Peñoles Gold-Silver Project, additional project acquisitions and general corporate purposes. The private placement is being conducted in connection with the previously announced plan of arrangement between Capitan Mining Inc. and Riverside Resources Inc.

The securities being offered have not been and will not be registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons without United States federal and state registration or an applicable exemption from registration requirements.

About Capitan Mining Inc.:

Capitan is an exploration company focused on the 100% owned gold and silver Peñoles project in Durango, Mexico. More information for the Company can be found at www.capitanmining.com.

ON BEHALF OF RIVERSIDE RESOURCES INC.

"Alberto Orozco"

Alberto Orozco, CEO

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Certain statements in this press release may be considered forward-looking information. These statements can be identified by the use of forward-looking terminology (e.g., "expect"," estimates", "intends", "anticipates", "believes", "plans"). Such information involves known and unknown risks -- including the availability of funds, the results of financing and exploration activities, the interpretation of exploration results and other geological data, or unanticipated costs and expenses and other risks identified by Capitan 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.

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