

FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1: Name and Address of Company

Capitan Mining Inc. (the “**Company**” or “**Capitan**”)
550 – 800 West Pender Street,
Vancouver, BC V6C 2V6

Item 2: Date of Material Change

August 14, 2020 and August 24, 2020.

Item 3: News Release

The news release was disseminated on August 14, 2020 and August 24, 2020 through Globe Newswire and filed on SEDAR.

Item 4: Summary of Material Change

The Company and Riverside Resources Inc. (“**Riverside**”) completed the previously announced plan of arrangement (the “**Arrangement**”) to spin out the shares of Capitan to the shareholders of Riverside, effective Friday, August 14, 2020, Capitan received conditional approval to list the Capitan Shares (as defined below) on the TSX Venture Exchange (the “**TSXV**”) and closed its private placement (the “**Private Placement**”) of common shares (each a “**Share**”).

Item 5: Full Description of Material Change

Effective Friday, August 14, 2020, the Company and Riverside completed the Arrangement which was previously discussed in press releases of Riverside dated February 25, 2020, April 1, 2020 and April 6, 2020. Capitan now holds a 100% interest in the Peñoles Gold-Silver Project. Pursuant to the arrangement, holders of common shares of Riverside on August 13, 2020 received one new common share of Riverside (each, a “**Riverside Share**”) and 0.259399 of a Capitan share (each, a “**Capitan Share**”) for each common share held. The existing common shares of Riverside were delisted from the TSXV on August 13, 2020. Riverside Shares commenced trading on the TSXV at the market opening on August 14, 2020. The CUSIP numbers for the new Riverside Shares and the Capitan Shares are 76927D101 and 140703109, respectively.

Capitan received conditional approval to list the Capitan Shares on the TSXV. Final listing approval will be subject to Capitan satisfying all of the listing conditions of the TSXV, including completion of a financing of at least \$2,000,000. Capitan will announce by way of a further press release the date on which trading of the Capitan Shares will commence. The trading symbol for the Capitan Shares will be “CAPT”. Further details regarding Capitan are contained in Capitan’s TSXV Form 2B Listing Application, which is available under Capitan’s profile on SEDAR at www.sedar.com.

On August 24, 2020, Capitan completed a private placement (the “**Private Placement**”) of shares (“**Shares**”). The Private Placement was oversubscribed and the Company issued 19,204,425 Shares at a price of \$0.20 per Share for gross proceeds of \$3,840,885.00. With respect to a portion of the funds raised in the Private Placement, the Company paid cash finders’ fees of \$70,000 and issued 350,000 non-transferable broker warrants (the “**Finder’s Warrants**”) to Red Cloud Securities Inc. Each Finder’s 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.

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 was conducted in connection with the Arrangement and the securities issued under the Private Placement will not be subject to a hold period. 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.

Related Party Transaction Disclosure

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 of the Private Placement as a result of the customary timing for closing such financings. The Private Placement was unanimously approved by the disinterested members of the board of directors of the Company.

Alberto Orozco, a director and Chief Executive Officer of the Company subscribed for 500,000 Shares pursuant to the Private Placement. Mr. Orozco is a director and officer of the Company and a related party to the Company within the meaning of MI 61-101. Following closing of the Private Placement, Mr. Orozco now beneficially owns, or exercises control or direction over, 500,000 Shares or approximately 1.36% of the issued and outstanding Shares.

Arturo Bonillas, a director of the Company subscribed for 150,000 Shares pursuant to the Private Placement. Mr. Bonillas is a director of the Company and a related party to the Company within the meaning of MI 61-101. Following closing of the Private Placement, Mr. Bonillas now beneficially owns, or exercises control or direction over, 150,000 Shares or approximately 0.41% of the issued and outstanding Shares.

Robert Scott, Chief Financial Officer of the Company subscribed for 125,000 Shares pursuant to the Private Placement. Mr. Scott is an officer of the Company and a related party to the Company within the meaning of MI 61-101. Following closing of the Private Placement, Mr. Scott now beneficially owns, or exercises control or direction over, 397,642 Shares or approximately 1.08% of the issued and outstanding Shares.

FORWARD-LOOKING STATEMENTS

Certain statements in this material change report 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” or variations of such words and phrases or statements that certain actions, events or results “will” occur). Forward-looking statements in this material change report include, but are not limited to, statements regarding the completion of the Arrangement and the Private Placement and final regulatory approval to the listing of the Capitan Shares.

Such forward-looking information involves known and unknown risks -- including the Capitan Shares not being listed on the TSXV; 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 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 material change report. Capitan does not undertake to update any forward-looking statements, except as may be required by applicable securities laws.

Item 6: Reliance on subsection 7.2 of National Instrument 51-102

N/A

Item 7: Omitted Information

N/A

Item 8: Executive Officer

The following executive officer of the Company is knowledgeable about the material change disclosed in this report and may be contacted as follows:

Alberto Orozco
Chief Executive Officer
Telephone: 778.327.6671

Item 9: Date of Report

September 2, 2020