

RIVERSIDE RESOURCES: THE PROSPECT GENERATOR GOING FOR GOLD WITH ITS HIGH-GRADE ONTARIO SPIN-OUT AND RETAINED MULTINATIONAL ROYALTY PORTFOLIO

By Ted J Butler

Cleverly straddling between its dual-function as a prospector generator and royalty holder, **Riverside Resources (TSX-V:RRI) (OTC:RVSDF)** boasts an 18-year-long track record of going above and beyond to create additional value for its shareholders.

This was plain for all to see in 2020, when Riverside spun out its then leading Mexico asset as Capitan Silver – a company whose flagship asset was formerly funded by a JV between Riverside and Sierra Madre Development.

Pursuant to this arrangement, holders of Riverside common shares received one new common share of Riverside and 0.2594 of a Capitan share for each common share of Riverside held up to August 13th 2020 (a 4:1 share dividend).

In doing so, Riverside shareholders not only maintained exposure to Capitan Silver via a 1% NSR, but they also directly

reaped the benefits of what has been a 115% return by Capitan Silver since its IPO on August 14th, 2020 recently trading above \$0.55/share during the past month.

Fast forward to 2025 and Riverside is on the brink of completing its 8th spin out transaction– one that presents a significant opportunity for gold investors keen on gaining exposure to the yellow metal’s meteoric price rise to \$2950/oz.

Namely, Riverside is spinning out its Pichette, Oakes and Duc projects located in Ontario – the province in which 43% of Canada’s gold is produced annually – with the formation of a separate entity, Blue Jay Gold Corp.

Once approved, the spin out will see each existing Riverside common share exchanged for one new common share of Riverside and 1/5th of a Blue Jay Share, thus rewarding Riverside shareholders with added value.

This reorganisation allows shareholders to participate in Blue Jay’s exploration upside and development potential, while Riverside retains long-term exposure to the success of these high-grade gold projects.

Importantly, this 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 of the AGM set to be held on March 31, 2025.

In other words, this “1-for-5” shares offer does not exist in perpetuity and will have an announced ex-dividend, expire date which will be announced by Riverside after the March AGM, and after it passes at the supreme court in British Colombia neither of which seem to be things that shareholders would be against.

That said, it should be noted that all shareholders – including those

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Capitan Silver Corp. (CAPT.V)

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0.4900 +0.0150 (+3.0303%)

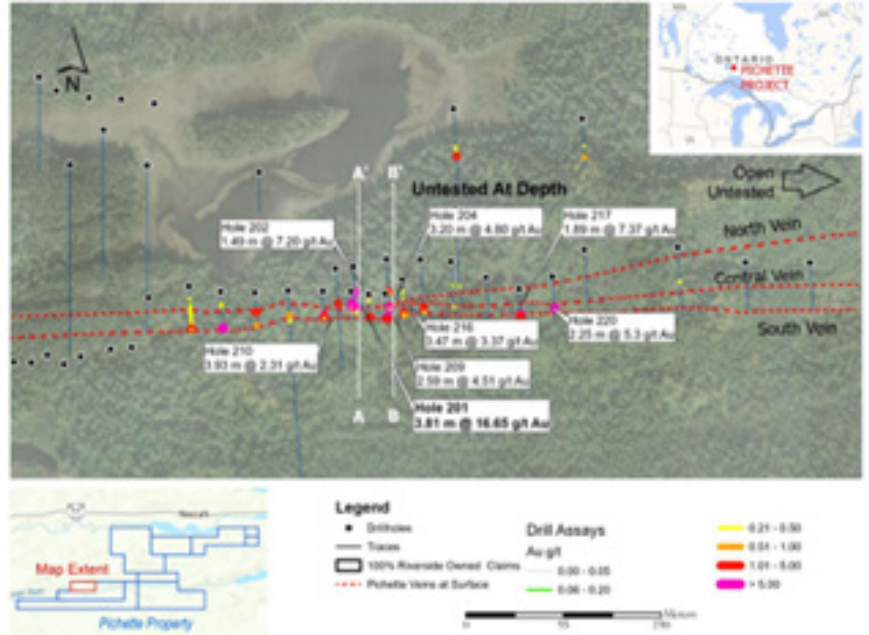
As of 9:54:28 AM EST. Market Open.



PICHETTE PROJECT: FORGOTTEN POTENTIAL



Hole ID	Grade g/t Au'	Width (m)'
201	16.7	34
202	7.2	1.5
204	4.8	32
209	4.5	2.3
210	2.3	39
216	3.7	35
217	7.4	19
220	5.3	2.6



- ❖ High-grade gold mineralized zones untested for >70 years
- ❖ Altered Banded Iron Formation (BIF) and Quartz-Carbonate veins systems across Pichette
- ❖ Geology, grades, and structures similar to the Greenstone Gold mineralized system

who purchase after the spin out expires - will still receive exposure to the 2% NSR on each of the three Blue Jay Gold assets, along with its respectively high grade gold deposits and royalties of Riverside.

As for how high, the best intercept from 2022 drilling program at the Oakes project was 8.4 g/t gold over 1m. And yet, the newly filed NI43101 report for Pichette contains grades of 60-70 g/t gold in saw cut channels of 0.5-1.5m.

Notwithstanding the potential opportunity that Blue Jay Gold presents to both existing and new investors, Riverside does not live or die by the sword of this project's success, thanks to its highly diversified portfolio.

More specifically, by virtue of its 14+ royalties across the tier 1 and 2 jurisdictions of Canada, Mexico, and the U.S, Riverside offers broad exposure to metals with strong fundamentals such as gold, silver, copper and REEs.

At present, Riverside is engaged in a joint venture with Fortuna Mining, with whom they are advancing phase 2 of their exploration program at the

Cecilia in Sonora, Mexico, following positive drill results in Q424.

Prior to this in 2022, the company enjoyed further success in Mexico, as it received US\$2,500,000 in cash for the sale of the Tajitos gold project to Fresnillo PLC, all whilst retaining a 2% NSR for Riverside shareholders.

At the same time, Riverside has continued to build out the rare earths segment of its portfolio, completing the acquisition of its British Columbia-located REE project in December 2024, known as the Taft project.

Notably, this acquisition marked the 4th British Columbia based project in Riverside's portfolio, and the second

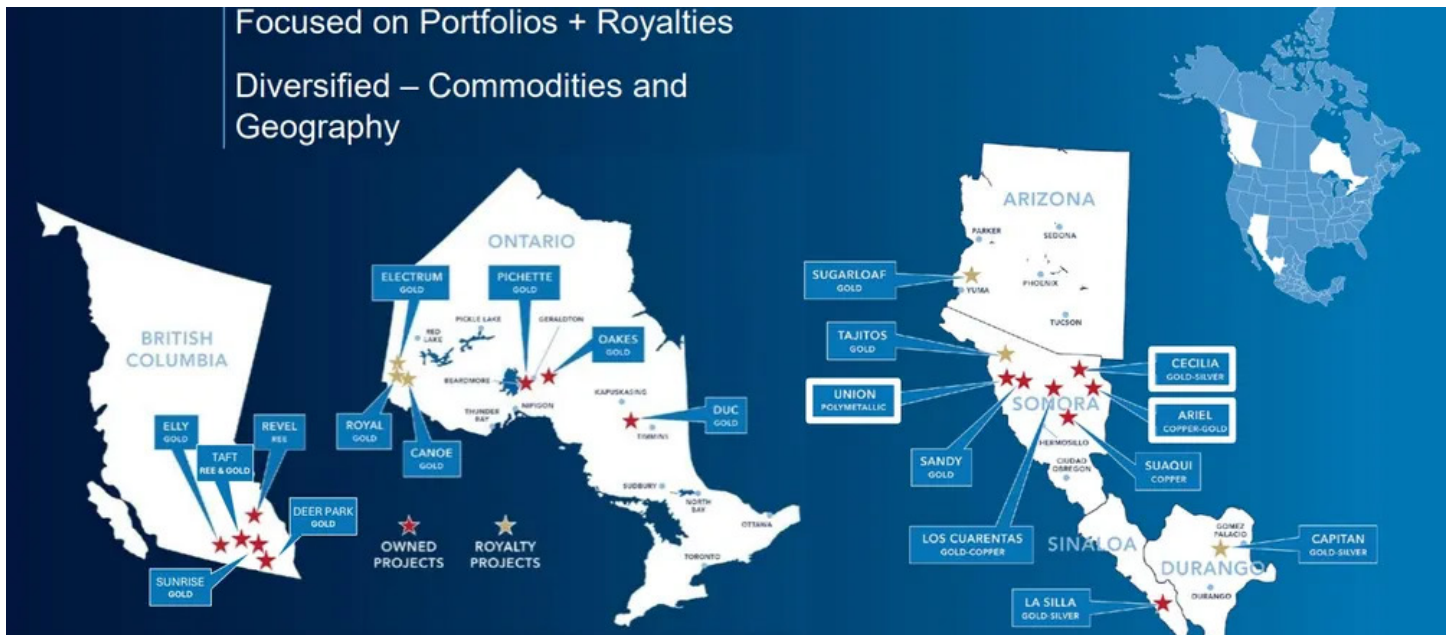
with REE exposure, after the 100% owned Revel Project located 20 km from the community of Seymour Arm.

Clearly then, Riverside is a well-diversified prospect generator. However, one of the main criticisms faced by prospect generators is that JV partners don't pay them enough for them to sufficiently cover their G&A costs.

Kai Hoffman: *"One beef I have with prospect generators is that they usually have joint venture partners that don't pay them enough to cover G&A, and then they have to come out and finance."*

Incidentally, Riverside is an exception to this rule thanks to the strategic management of its treasury and





ability to capitalize on the projects the JV partners work up – the results of which can be seen in the company’s financials: ZERO debt, ZERO warrants, and \$4 million in cash.

In fact, Riverside has been so frugal, that by simply selling assets, maintaining a royalty, and charging a 10% fee for JV work, the company hasn’t had to do a major financing in over 5 years, thereby limiting share dilution.

Consequently, the 75 million shares outstanding is notably tight – much like the limits that CEO, John-Mark Staude, imposes on spending and carefully monitoring the balance sheet and working to carefully deploy capital.

In truth, this kind of meticulous cost scrutinization is a hallmark of a management team who have learnt from the best, which totally makes sense as Staude has enjoyed long tenures working at both BHP and Rio Tinto.

Therefore, when one considers management’s track record and pairs it with a royalties portfolio sourced from stable mining jurisdictions, it could be argued that Riverside is grossly undervalued at 0.15 CAD per share.

Moreover, the prospect that Riverside shareholders benefit from the planned spin-out of Blue Jay Gold seems likely, especially when one takes into account the value added from past spin-outs like Capitan Silver.



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