

Form 51-102F3
Material Change Report

Item 1 – Name and Address of Company:

Fredonia Mining Inc. (the “**Company**”)
82 Richmond Street East
Toronto, Ontario, Canada
M5C 1P1

Item 2 – Dates of Material Changes:

January 15, 2024 and January 17, 2024

Item 3 – News Releases:

News releases with respect to the material changes referenced in this report were disseminated on January 15, 2024 and January 17, 2024 via GlobeNewswire and copies of said news releases were subsequently filed on the System for Electronic Data Analysis and Retrieval + (“**SEDAR+**”) website at www.sedarplus.com.

Item 4 – Summary of Material Changes:

On January 15, 2024, the Company announced that it intends to complete a proposed private placement financing for total proceeds of approximately CAD\$500,000.00, consisting of 10,000,000 common shares of the Company (individually, a “**Common Share**”) at a price of CAD\$0.05 per Common Share.

On January 17, 2024, the Company announced that it amended the structure of its previously announced proposed private placement financing, such that it would now consist of approximately 10,000,000 units of the Company (individually, a “**Unit**”) at a price of CAD\$0.05 per Unit (the “**Issue Price**”) for total gross proceeds to the Company of approximately CAD\$500,000.00 (the “**Offering**”). Each Unit will be comprised of one (1) Common Share and one-half of one Common Share purchase warrant (a “**Warrant**”). Each whole Warrant will be exercisable to purchase one additional Common Share for two years from the closing date of the Offering (the “**Closing Date**”) at an exercise price of CAD\$0.10 per Common Share.

Due to increased investor interest, the size of the Offering was subsequently increased to up to approximately CAD\$900,000. The final Offering size will depend on investor interest and ability to close on subscriptions within the Company’s required timeframe for financing.

Item 5 – Full Description of Material Changes:

5.1 Full Description of Material Changes

On January 15, 2024, the Company announced that it intends to complete a proposed private placement financing for total proceeds of approximately CAD\$500,000.00, consisting of 10,000,000 Common Shares at a price of CAD\$0.05 per Common Share.

On January 17, 2024, the Company announced that it amended the structure of its previously announced proposed private placement financing, such that it would now consist of approximately 10,000,000 Units at the Issue Price for total gross proceeds to the Company of approximately CAD\$500,000.00. Each Unit will consist of one Common Share and one-half of one Warrant. Each whole Warrant will be exercisable to purchase one additional Common Share for two years from the Closing Date at an exercise price of CAD\$0.10 per Common Share.

Due to increased investor interest, the size of the Offering was subsequently increased to up to approximately CAD\$900,000. The final Offering size will depend on investor interest and ability to close on subscriptions within the Company's required timeframe for financing.

The Offering constitutes a "related party transaction" with respect to the Company within the meaning of that term pursuant to Multilateral Instrument 61-101 of the Canadian Securities Administrators – *Protection of Minority Security Holders in Special Transactions* ("MI 61-101"), as Estanislao Auriemma, the Chief Executive Officer and a Director of the Company, and Ricardo Auriemma, a Director of the Company, are expected to participate in the Offering on the same commercial terms as arm's length investors.

MI 61-101 provides that related party transactions are, in the absence of an exemption therefrom, subject to the requirement to obtain a formal valuation for the subject matter of the related party transaction and minority shareholder approval of the related party transaction (which approval must exclude any votes attached to Common Shares held by the participating related party). The Company intends to rely on the exemptions from the formal valuation and minority approval requirements of MI 61-101 in respect of the related party transaction component of the Offering provided for in subsections 5.5(b) (*Issuer Not Listed on Specified Markets*) and 5.7(1)(b) (*Fair Market Value Not More Than \$2,500,000*) of MI 61-101, respectively.

Enhanced disclosure requirements under MI 61-101 require that the Company disclose: (i) the interest in a related party transaction of every "interested party" and of the related parties and associated entities of the interested parties; and (ii) the anticipated effect of the transaction on the percentage of securities of the Company, or of an affiliated entity of the Company, "beneficially owned" or controlled by each person referred to in subparagraph (i) for which there would be a material change in that percentage. For the purposes of this analysis and the table below, a person "beneficially owns" a security if the person: (i) is the beneficial owner of a security convertible into the security within 60 days following the applicable reference date; or (ii) has a right or obligation permitting or requiring the person, whether or not on conditions, to acquire beneficial ownership of

the security within 60 days by a single transaction or a series of linked transactions, and the percentage of ownership is calculated on a “partially diluted” basis. The table below describes these interests and effects for each expected “interested party” of the Company in the Offering, assuming 177,155,444 Common Shares are issued and outstanding immediately prior to the Closing Date, completion of the Offering at an anticipated size of CAD\$900,000, and each director and officer listed in the table below completing a subscription in the indicated amount. The actual beneficial ownership resulting from participation in the Offering may be greater by an immaterial amount to the extent the Offering is completed for proceeds of less than CAD\$900,000.

Interested Party	Pre-Offering Beneficial Ownership	Anticipated Subscription Size	Post-Offering Beneficial Ownership
Estanislao Auriemma	Shares: 11,754,643 Options: 4,000,000 Warrants: 460,131 Beneficial Ownership: 9.15%	1,881,040 Units	Shares: 13,635,683 Options: 4,000,000 Warrants: 1,400,651 Beneficial Ownership: 9.71%
Ricardo Auriemma	Shares: 18,802,897 Options: 1,750,000 Warrants: 842,484 Beneficial Ownership: 12.01%	2,687,200 Units	Shares: 21,490,097 Options: 1,750,000 Warrants: 2,186,084 Beneficial Ownership: 12.94%

Notes:

- (1) The disclosure above is provided in response to the enhanced disclosure requirements under MI 61-101 and is not necessarily an indication that the change in “beneficial ownership” for either Mr. Estanislao Auriemma or Mr. Ricardo Auriemma as a result of the Offering is “material”.
- (2) As the Company incurs expenses in United States dollars, Messrs. Estanislao and Ricardo Auriemma, as well as other investors, are expected to complete subscriptions in a size determined by reference to a USD\$ denominated amount converted into CAD\$ at a rate of USD\$1 = CAD\$1.3436, being the daily average exchange rate for Canadian dollars in terms of United States dollars on January 15, 2024, the day the Offering was announced.

The purpose and business reasons of the Offering is to generate funds for working capital and general corporate purposes. The Company believes completion of the Offering will permit the Company to satisfy certain outstanding trade, professional, and other payables and continue exploration activities on its mineral properties in Argentina.

The board of directors of the Company (the “**Board**”) authorized management to pursue the completion of an equity financing prior to the announcement thereof, and the terms and size of the Offering, along with the relevant transaction agreements, will be approved by written resolution of the Board prior to the Closing Date. The directors participating in the Offering will declare their interests in the Offering to the Company and abstain from voting on the portion of the Offering for which they are participating for the purposes of the resolution. A special committee was not considered necessary to consider the Offering as: (i) the Company does not generate any cash from operations and relies entirely on equity financing for continued operations; and (ii) additional equity ownership of the Company by directors and senior officers through participation in the Offering for cash on the same commercial terms as arm’s length investors, and the injection of cash into the Company in a difficult macro equity financing environment for junior mineral exploration companies, were objectively seen as positive and desirable

outcomes by the entirety of the Board, who also represent significant ownership of Common Shares. The Offering was approved without any material disagreements or abstentions by any directors.

There are no prior valuations in respect of the Company that relate to the subject matter of, or that are otherwise relevant to, the Offering in the 24 months before the date of this material change report, or that are known, after reasonable inquiry, to the Company or to any of its directors or senior officers.

The participating related parties will each enter into a subscription agreement with the Company, identical in form to the subscription agreement for arm's length investors, agreeing to purchase Units at the Issue Price and making certain representations to the Company about their qualification to purchase securities from the Company on a prospectus-exempt basis.

The Offering is expected to close in early February, 2024, subject to regulatory approvals and customary closing conditions, including approval for listing of the Common Shares on the TSX Venture Exchange. All securities issued pursuant to the Offering, and any Common Shares issued on exercise prior to four months and one day after the Closing Date, will be subject to a hold period that expires four months and one day after the Closing Date.

This material change report was not filed at least 21 days prior to the expected Closing Date of the Offering. Management of the Company believes this was reasonable and necessary in the circumstances, as it allowed the Company to take advantage of available financing opportunities.

5.2 Disclosure for Restructuring Transactions

Not applicable.

Item 6 – Reliance on subsection 7.1(2) of National Instrument 51-102:

Not applicable.

Item 7 – Omitted Information:

Not applicable.

Item 8 – Executive Officer:

Name: Omar Salas
Title: Chief Financial Officer
Telephone Number: +1 (416) 846-7807

Item 9 – Date of Report:

January 25, 2024