



**Fredonia
Management Ltd.**

FILING STATEMENT

IN RESPECT OF

THE REVERSE TAKE-OVER QUALIFYING TRANSACTION BETWEEN

FREDONIA MANAGEMENT LIMITED

AND

RICHMOND ROAD CAPITAL CORP.

DATED JUNE 22, 2021

Neither the TSX Venture Exchange Inc. (the “TSXV”, or the “Exchange”) nor any securities regulatory authority has in any way passed upon the merits of the Qualifying Transaction described in this filing statement.

TABLE OF CONTENTS

| | Page |
|--|-----------|
| GLOSSARY | 1 |
| CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION | 5 |
| INFORMATION PERTAINING TO RRCC..... | 7 |
| NOTICE TO INVESTORS..... | 7 |
| Date of Information..... | 7 |
| Reporting Currencies..... | 7 |
| Scientific and Technical Information..... | 7 |
| SUMMARY | 8 |
| The Companies | 8 |
| Terms of the Qualifying Transaction | 9 |
| Interests of Insiders, Promoters or Control Persons..... | 9 |
| Arm’s Length Qualifying Transaction | 10 |
| Securityholder Approval | 10 |
| Available Funds and Principal Purposes | 10 |
| Selected Pro Forma Financial Information..... | 11 |
| Details Respecting RRCC’s TSXV Listing..... | 12 |
| Market Price of RRCC Shares | 12 |
| Securities Laws Matters | 12 |
| Conflicts of Interest..... | 12 |
| Experts..... | 12 |
| Risk Factors | 13 |
| PART I - INFORMATION CONCERNING RRCC..... | 14 |
| Name and Incorporation..... | 14 |
| General Development of the Business | 14 |
| The Qualifying Transaction..... | 14 |
| Securities Laws Matters | 17 |
| Arm’s Length Qualifying Transaction | 18 |
| Interests of Insiders, Promoters or Control Persons..... | 18 |
| Securityholder Approval | 19 |
| Management’s Discussion and Analysis | 19 |
| Description of Securities | 20 |
| RRCC Stock Option Plan | 20 |

| | |
|---|-----------|
| Prior Sales..... | 21 |
| Trading Price and Volume..... | 21 |
| Arm’s Length Transaction..... | 21 |
| Legal Proceedings..... | 21 |
| Auditor, Transfer Agent and Registrar..... | 21 |
| Material Contracts..... | 21 |
| PART II - INFORMATION CONCERNING FREDONIA | 23 |
| Name and Incorporation..... | 23 |
| Intercorporate Relationships..... | 23 |
| Description of the Business | 23 |
| Additional Disclosure for Issuers Operating in Emerging Markets..... | 26 |
| Employees..... | 29 |
| Environmental Protection, Social and Environmental Policies | 29 |
| The El Dorado-Monserrat Project..... | 30 |
| Business Objectives, Milestones, and Strategy | 59 |
| Management’s Discussion and Analysis | 59 |
| Consolidated Capitalization..... | 60 |
| Executive Compensation | 61 |
| Legal Proceedings..... | 62 |
| Material Contracts..... | 62 |
| PART III – INFORMATION CONCERNING THE RESULTING ISSUER..... | 63 |
| Corporate Structure | 63 |
| Available Funds and Principal Purposes | 64 |
| Directors, Officers and Promoters..... | 66 |
| Investor Relations Arrangements..... | 71 |
| Security Based Compensation Plans | 71 |
| Management..... | 71 |
| Options to Purchase Securities..... | 71 |
| Escrow Securities..... | 71 |
| Other Resale Restrictions | 72 |
| Auditors, Transfer Agent and Registrar | 72 |
| Risk Factors | 73 |
| Risks Relating to the Resulting Issuer’s Business and the Merger..... | 73 |
| Argentina Risks Factors | 85 |
| Risks to RRCC Shareholders Relating to the Merger..... | 87 |

| | |
|---|------------|
| PART V - GENERAL MATTERS | 88 |
| Sponsorship and Relationships | 88 |
| Experts..... | 88 |
| Other Material Facts..... | 88 |
| RRCC Board Approval..... | 88 |
| Fredonia Board Approval..... | 88 |
| Acknowledgement – Personal Information | 88 |
| EXHIBIT “A” AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF FREDONIA FOR THE YEARS ENDED SEPTEMBER 30, 2020 AND 2019 | A-1 |
| EXHIBIT “B” MANAGEMENT’S DISCUSSION AND ANALYSIS OF FREDONIA FOR THE YEARS ENDED SEPTEMBER 30, 2020 AND 2019..... | B-1 |
| EXHIBIT “C” INTERIM UNAUDITED CONSOLIDATED STATEMENTS OF FREDONIA FOR THE THREE AND SIX MONTHS ENDED MARCH 31, 2021..... | C-1 |
| EXHIBIT “D” MANAGEMENT’S DISCUSSION AND ANALYSIS OF FREDONIA FOR THE THREE AND SIX MONTHS ENDED MARCH 31, 2021..... | D-1 |
| EXHIBIT “E” PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE RESULTING ISSUER | E-1 |
| EXHIBIT “F” CERTIFICATE OF FREDONIA | F-1 |
| EXHIBIT “G” CERTIFICATE OF RRCC..... | G-1 |

GLOSSARY

Unless otherwise indicated, whenever used in this Filing Statement, the following words and terms have the indicated meanings or, if not defined herein, have the meanings set out in Policy 1.1 - *Interpretation* of the TSXV. Words importing the singular, where the context requires, include the plural and vice versa and words importing any gender include all genders. All dollar amounts are in Canadian dollars, unless otherwise stated.

“**5R S.A.**” a wholly owned subsidiary of Fredonia.

“**ACA Howe**” means ACA Howe International Limited, the company preparing the Technical Report.

“**Ag**” means silver.

“**Agents’ Warrants**” means warrants to purchase Fredonia Shares (or, upon completion of the Merger, Resulting Issuer Shares) issued to Paradigm Capital Inc. and Red Cloud Securities Inc. in connection with the Concurrent Financing, each exercisable to purchase at a price of \$0.17 for a period of three years from the Escrow Release Date.

“**Amalco**” means the company surviving from the Amalgamation under the laws of the British Virgin Islands.

“**Amalgamation**” means the amalgamation of SubCo and Fredonia under the provisions of the BVI Act on the terms and conditions set forth in the Definitive Agreement.

“**Amalgamation Resolutions**” means the means the written resolution in respect of the Amalgamation to be considered and if thought advisable, authorize, approve and adopt the Amalgamation Resolutions and related matters by the Fredonia Board and Fredonia Shareholders and the SubCo directors and SubCo Shareholder.

“**Au**” means gold.

“**Audit Committee**” means the audit committee of the Resulting Issuer Board, as further described under “*Audit Committee*”.

“**Board Mandate**” means has the meaning ascribed thereto under “*Resulting Issuer Board Mandate*”.

“**BVI Act**” means the *BVI Business Companies Act, 2004*.

“**Cia Minera**” means Cia Minera San Jose S.A., a Uruguayan subsidiary of Bond International Gold of Australia, and a former operator of the El Dorado Monserrat Project.

“**CIM**” means the Canadian Institute of Mining, Metallurgy and Petroleum.

“**CIM Definition Standards**” means the Canadian Institute of Mining, Metallurgy and Petroleum Definition Standards for Mineral Resources and Mineral Reserves.

“**Code**” has the meaning ascribed thereto under “*Part III - Information Concerning the Resulting Issuer - Directors, Officers and Promoters - Ethical Business Conduct*”.

“**Concurrent Financing**” means the brokered and non-brokered private placement of 37,445,310 Fredonia Subscription Receipts completed on February 24, 2021 for gross escrowed proceeds of approximately \$6.3 million.

“**Consolidation**” has the meaning ascribed thereto at “*Summary - Terms of the Qualifying Transaction*”.

“**CPC**” means Capital Pool Company, as that term is used in TSXV Policy 2.4 - *Capital Pool Companies*.

“**CPC Escrow Agreement**” means that Form 2F escrow agreement entered into on November 6, 2012, between RRCC, Olympia Trust Company, and certain shareholders of RRCC.

“**Definitive Agreement**” means the amalgamation agreement entered into between Fredonia, SubCo and RRCC on April 7, 2021.

“**El Dorado-Monserrat Project**” means the El Dorado-Monserrat exploration property located in Santa Cruz Province in Southern Argentina.

“**Escrow Release Conditions**” has the meaning ascribed under “*Part I – Information Concerning RRCC – The Concurrent Financing*”.

“**Fredonia**” or “**Company**” means Fredonia Management Limited.

“**Fredonia Board**” means the board of directors of Fredonia Management Limited.

“**Fredonia Shareholder**” means any holder of issued and outstanding Fredonia Shares.

“**Fredonia Shares**” means the issued and outstanding ordinary shares in the capital of Fredonia.

“**Fredonia Subscription Receipts**” means subscription receipts issued by Fredonia at a price of \$0.17, each automatically exchangeable for one Fredonia Share or one Resulting Issuer Share and a Fredonia Warrant upon satisfaction of the Escrow Release Conditions.

“**Fredonia Warrants**” means warrants exercisable to exercisable to, upon completion of the Merger, purchase one Resulting Issuer Share at a price of \$0.17 per Resulting Share for a period of three years from the Escrow Release Date.

“**g/t**” means grams per tonne.

“**IFRS**” means International Financial Reporting Standards.

“**lbs**” means pounds.

“**LOI**” means the letter agreement entered between Fredonia and RRCC dated October 29, 2020 as amended and restated on December 15, 2020 and January 11, 2021.

“**m**” means metres.

“**mm**” means millimetres.

“**Merger**” means the plan of merger under the BVI Act pursuant to which Fredonia will merge with Subco, and RRCC will acquire all of the outstanding Fredonia Shares in exchange for 109,006,378 RRCC Shares, plus an amount of RRCC Shares equal to the number of Fredonia Subscription Receipts issued in the Concurrent Financing, which RRCC Shares will be issued to holders of Fredonia Shares at a deemed price of \$0.17 per Fredonia Share, and as a result of which Fredonia will become a wholly-owned subsidiary of RRCC, which transaction will constitute RRCC’s Qualifying Transaction under TSXV Policy 2.4.

“**Minera Fredonia S.A.**” a wholly owned subsidiary of Fredonia.

“**named executive officers**” or “**NEOs**” has the meaning ascribed thereto under “*Part II - Executive Compensation*”.

“**NGOs**” has the meaning ascribed thereto under “*Risk Factors - Social Activism Against Extractive Industries*”.

“**NI 43-101**” means National Instrument 43-101 - *Standards of Disclosure for Mineral Projects* of the Canadian Securities Administrators, as amended from time to time.

“**NI 52-110**” means National Instrument 52-110 - *Audit Committees* of the Canadian Securities Administrators, as amended from time to time.

“**NI 58-101**” means National Instrument 58-101 - *Disclosure of Corporate Governance Practices* of the Canadian Securities Administrators, as amended from time to time.

“**oz**” means ounces.

“**oz/t**” means ounces per tonne.

“**ppm**” means parts per million.

“**Qualifying Transaction**” means the qualifying transaction of RRCC consisting of the Merger after completion of the Consolidation and the Name Change, and satisfaction of the Escrow Release Conditions.

“**QT Escrow Agreement**” means the Tier 2 value security escrow agreement to be entered between principals and certain other shareholders of Fredonia, and TSX Trust on closing of the Qualifying Transaction pursuant to the policies of the TSXV.

“**RRCC**” means Richmond Road Capital Corp.

“**RRCC Board**” means the board of directors of Richmond Road Capital Corp.

“**RRCC Meeting**” means the annual and special meeting of RRCC Shareholders held on July 4, 2017 at which, among other things, the Name Change and the Consolidation were approved.

“**RRCC Option Plan**” means the stock option plan of RRCC.

“**RRCC Options**” means the 600,000 directors’ stock options outstanding to acquire 600,000 RRCC Shares at a price of \$0.10 per share which expire on November 16, 2022.

“**RRCC Shares**” means common shares in the capital of RRCC.

“**RRCC Shareholder**” means a holder of at least one issued and outstanding RRCC Share.

“**The Properties**” means the El Dorado-Monserrat and the El Aguila, Petrificados and Anita properties.

“**Resulting Issuer**” means RRCC upon completion of the Qualifying Transaction, to be named Fredonia Mining Inc., and carrying on the business of Fredonia.

“**Resulting Issuer Board**” means the board of directors of the Resulting Issuer upon completion of the Qualifying Transaction.

“**Resulting Issuer Options**” means options to purchase Resulting Issuer Shares.

“**Resulting Issuer Shares**” means the common shares of the Resulting Issuer to be listed under the trading symbol “FRED” following the completion of the Qualifying Transaction.

“**Resulting Issuer Warrants**” means collectively, the Fredonia Warrants and Agents’ Warrants exercisable to purchase Resulting Issuer Shares after completion of the Merger.

“**Samco**” means Samco Gold Limited, a company existing under the laws of the British Virgin Islands.

“**Samco Shares**” means ordinary shares in the capital of Samco.

“**SubCo**” means Fredonia Mining Corp., a wholly-owned subsidiary of RRCC incorporated under the laws of the British Virgin Islands.

“**SubCo Shareholders**” means a holder of at least one issued and outstanding share of SubCo.

“**Subscription Receipt Agreement**” means the subscription receipt agreement between Fredonia, RRCC, Paradigm Capital Inc. and Red Cloud Securities Inc. and TSX Trust Company dated February 25, 2021.

“**SEDAR**” means the System for Electronic Document Analysis and Retrieval, available at www.sedar.com.

“**Technical Report**” means the technical report entitled “Technical Report on the El Dorado-Monserrat Property in Santa Cruz Province, Argentina”, effectively dated January 25, 2021, prepared by Mr. Marc Sale, Senior Associate Geologist and James Hogg, Senior Associate Resource Geologist, each of ACA Howe International Limited.

“**tonnes**” means metric tonnes.

“**TSX Trust**” means TSX Trust Company, the Subscription Receipt Agent for the Fredonia Subscription Receipts.

“**TSXV**” means TSX Venture Exchange.

“**United States**” has the meaning ascribed thereto in Regulation S under the U.S. Securities Act.

“**U.S. Securities Act**” means the United States *Securities Act of 1933*, as amended.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This Filing Statement contains forward-looking statements that relate to the current expectations and views of future events of Fredonia Management Limited (“**Fredonia**”, or the “**Company**”) and Richmond Road Capital Corp. (“**RRCC**”).

In some cases, but not necessarily in all cases, forward-looking information can be identified by the use of forward-looking terminology such as “plans”, “targets”, “expects” or “does not expect”, “is expected”, “an opportunity exists”, “is positioned”, “estimates”, “intends”, “assumes”, “anticipates” or “does not anticipate” or “believes”, or variations of such words and phrases or state that certain actions, events or results “may”, “could”, “would”, “might”, “will” or “will be taken”, “occur” or “be achieved”. In addition, any statements that refer to expectations, predictions, indications, projections or other characterizations of future events or circumstances contain forward-looking information. Statements containing forward-looking information are not historical facts but instead represent management’s expectations, estimates and projections regarding future events.

Forward-looking statements relating to RRCC include, among other things, statements relating to the completion, expenses and timing of the closing of the Qualifying Transaction.

Forward-looking statements relating to Fredonia and the Resulting Issuer include, among other things, statements relating to:

- the completion, expenses and timing of the closing of the Qualifying Transaction;
- Fredonia’s planned exploration and development activities;
- expectations regarding industry trends, overall market growth rates and Fredonia’s future growth rates, plans and strategies;
- future financial or operating performance and condition of Fredonia, including its ability to continue as a going concern, and its business, operations and properties;
- costs, timing and results of future exploration and drilling activities;
- the intended use of the net proceeds of the Concurrent Financing;
- trends in global precious metals markets, including in respect of price, supply, and demand;
- the adequacy of Fredonia’s financial resources;
- the additional regulatory burden resulting from the Resulting Issuer’s public listing on the TSXV;
- timing, receipt and maintenance of approvals, consents and permits under applicable legislation;
- environmental, permitting, legal, taxation, title, socio-economic, community relations or political issues that may adversely affect Fredonia’s current and anticipated operations;
- Fredonia’s adoption of certain compensation and corporate governance practices;
- the relative amount of time each officer and director of the Resulting Issuer will dedicate to their duties with the Resulting Issuer; and
- Fredonia’s expectation that it will be able to continue to locate and retain employees and consultants with required skills and knowledge.

These statements and other forward-looking information are based on opinions, assumptions and estimates made by Fredonia and RRCC in light of their experience and perception of historical trends, current conditions and expected future developments, as well as other factors that Fredonia believes are appropriate and reasonable in the circumstances, as of the date of this Filing Statement, including, without limitation, assumptions about: favourable equity capital markets; the ability to raise any necessary additional capital on reasonable terms to pursue planned exploration and development; future prices of silver and gold; the timing and results of exploration and drilling programs; continuity of contractor and supplier relationships; Fredonia’s ability to maintain adequate internal control over financial reporting and disclosure controls and procedures; the availability and amenability of metallurgical and processing technologies for processing extracted minerals; the availability of labour; future currency exchange rates and interest rates; favourable operating conditions, including that Fredonia is able to operate in a safe, efficient and effective manner; the receipt of governmental and third party approvals, licenses and permits on favourable terms; obtaining required renewals for existing approvals, licenses and permits and obtaining all other required approvals, licenses and permits on favourable terms; sustained labour stability; stability in financial and capital markets; the accuracy of Fredonia’s accounting estimates and judgments; the ability to produce gold and silver; and the impact of adoption of new accounting policies. There can be no assurance that such

estimates and assumptions will prove to be correct. In addition, if any of the assumptions or estimates made by management prove to be incorrect, actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking information contained in this Filing Statement. Accordingly, prospective investors are cautioned not to place undue reliance on such information. Although each of Fredonia and RRCC believe that the assumptions underlying the statements related to Fredonia and RRCC, respectively, are reasonable, they may prove to be incorrect. Given these risks, uncertainties and assumptions, investors should not place undue reliance on these forward-looking statements.

Forward-looking information is necessarily based on a number of the opinions, assumptions and estimates that, while considered reasonable by Fredonia as of the date such statements are made, are subject to known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking information, including but not limited to the following factors described in greater detail in “*Risk Factors*”: future requirements for and the ability to access additional capital; inherent risks of exploration for mineral deposits, including that commercial quantities or grades of minerals will not be discovered; risks associated with the uncertainty of estimates of mineral resources; fluctuations in demand for, and prices of silver and gold, and the resulting effect on market prices of such commodities; no history of earnings; risks associated with certainty of title to Fredonia’s properties; the availability and amenability of mineral processing technology to recover any discovered minerals; the ability to obtain and maintain necessary rights, concessions and permits; a negative cash flow; governmental regulations, particularly of the mineral exploration and development industry; environmental laws and regulations and associated risks, including climate change legislation; land reclamation requirements; a dependence on ability to attract and retain qualified management; the potential for additional dilution; limitations of insurance and uninsured risks; public social activism against companies undertaking natural resource development; industry competition; legal proceedings and the enforceability of judgments; anti-corruption and anti-bribery regulations; management conflicts of interest; market events and general economic conditions globally; the loss of an investor’s entire investment; volatility in the price of the Resulting Issuer Shares; absence of a market for the Resulting Issuer Shares; risks associated with becoming a public company including financial reporting and other public company requirements; currency exchange rate risks; payment of dividends; events outside Fredonia’s control; health and safety regulation of operations; control by significant shareholders; use of proceeds; risks of third party opinions; risks of operating outside Canada; risks associated with the COVID-19 pandemic; a number of conditions precedent must be satisfied for the Qualifying Transaction to proceed; the Qualifying Transaction may not be completed; and could impact the price of the Resulting Issuer Shares. These factors and assumptions are not intended to represent a complete list of the factors and assumptions that could affect Fredonia and RRCC. These factors and assumptions, however, should be considered carefully.

Although Fredonia and RRCC have attempted to identify important factors that could cause actual actions, events, conditions, results, performance or achievements to differ materially from those described in forward-looking information, there may be other factors that cause actions, events, conditions, results, performance or achievements to differ from those anticipated, estimated or intended. See “*Risk Factors*” for a discussion of certain factors investors should carefully consider before deciding to invest in Resulting Issuer Shares.

The forward-looking statements made in this Filing Statement relate only to events or information as of the date on which the statements are made in this Filing Statement. Fredonia and RRCC undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future event or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events.

An investor should read this Filing Statement with the understanding that the actual future results of Fredonia, RRCC and the Resulting Issuer may be materially different from what is described herein.

All of the forward-looking information in this Filing Statement is expressly qualified by these cautionary statements. Statements containing forward-looking information contained herein are made only as of the date of this Filing Statement. RRCC and Fredonia expressly disclaim any obligation to update or alter statements containing any forward-looking information, or the factors or assumptions underlying them, whether as a result of new information, future events or otherwise, except as required by law. Investors should read this entire Filing Statement and consult their own professional advisors to assess the income tax consequences, risk factors and other aspects connected to the Qualifying Transaction.

INFORMATION PERTAINING TO RRCC

The information contained or referred to in this Filing Statement with respect to RRCC has been provided by RRCC's management and is the responsibility of RRCC. Management of Fredonia has relied upon RRCC for the accuracy of the information provided by RRCC without independent verification.

NOTICE TO INVESTORS

Date of Information

Unless otherwise stated, the information contained in this Filing Statement is given as of June 22, 2021.

Reporting Currencies

The Company prepares its financial statements in United States dollars, but incurs certain expenses in United States dollars, Canadian dollars, and Argentinean pesos. Unless otherwise indicated, all references to "\$" or "CDN\$" in this Prospectus are to Canadian dollars, all references to "US\$" are to United States dollars and all references to "ARS" are to Argentinean pesos. As of June 21, 2021, the daily average exchange rate for United States dollars in terms of Canadian dollars as reported by the Bank of Canada was US\$1.00=CDN\$1.2377, and the exchange rate for ARS in terms of Canadian dollars as reported by the Canadian Department of Public Services and Procurement was ARS 1 = CDN\$0.01418.

Scientific and Technical Information

Scientific and technical information relating to the El Dorado-Monserrat Project (as defined herein) included in this Filing Statement is derived from, and in some instances extracted from, and based on the assumptions, qualifications and procedures set out in, the Technical Report. Mr. Marc Sale, Senior Associate Geologist and James Hogg, Senior Associate Resource Geologist, each of ACA Howe International Limited., reviewed and approved the scientific and technical information relating to the El Dorado-Monserrat Project contained in this Filing Statement and each is a "qualified person" and "independent" of both RRCC and Fredonia within the meanings ascribed to those terms under NI 43-101. Reference should be made to the full text of the Technical Report, a copy of which has been filed and is available for review under RRCC's profile on SEDAR at www.sedar.com.

The scientific and technical information under the headings "Available Funds" and "Principal Purposes" in the sections entitled "*Summary*" and "*Information Concerning Fredonia*" relating to the projected expenditures on the El Dorado-Monserrat Project has been reviewed and approved by Marc Sale, who is a "qualified person" as defined in NI 43-101.

SUMMARY

The following is a summary of certain information relating to Fredonia, RRCC and the Resulting Issuer (assuming Completion of the Qualifying Transaction) and should be read together with the more detailed information and financial data and statements contained elsewhere in this filing statement.

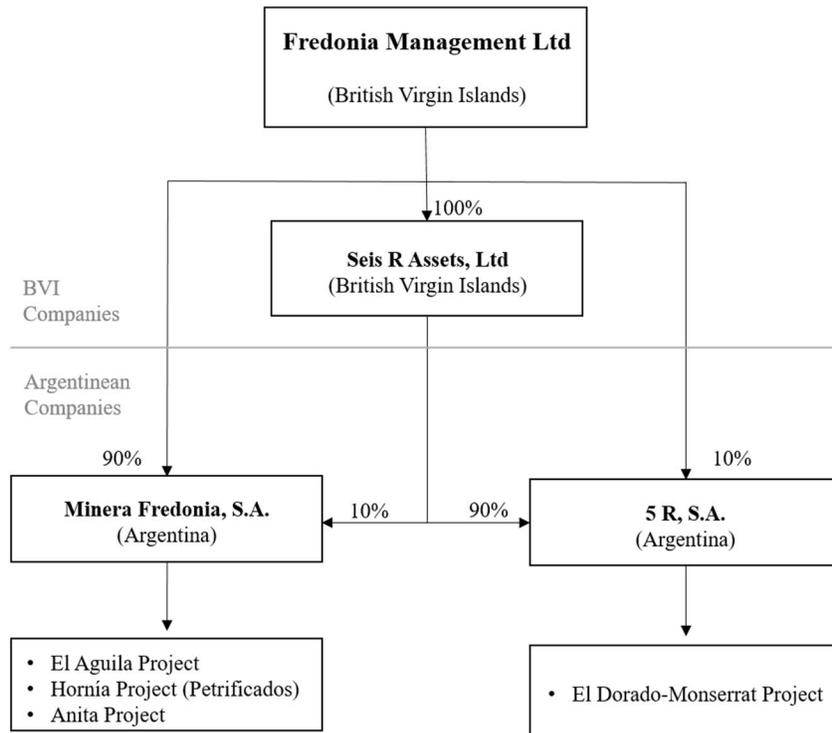
The Companies

Fredonia Management Limited

Fredonia was incorporated under the laws of the British Virgin Islands on March 22, 2010. Its registered office is located at the offices of Trident Trust Company (BVI) Limited, Trident Chambers, P.O. Box 146, Road Town, Tortola, British Virgin Islands.

Fredonia, directly or indirectly, owns a 100% interest in certain license areas (totaling approximately 18,300 ha.), all within the Deseado Massif geological region in the Province of Santa Cruz, Argentina. The Company's only material property is the advanced El Dorado-Monserrat Project, which covers approximately 6,200ha located close to Anglo Gold Ashanti's Cerro Vanguardia mine, subject to a 1.5% net smelter return royalty. The Company also owns the El Aguila, Petrificados, and Anita properties, which are not "material properties" of Fredonia under NI 43-101 or "qualifying" properties under TSXV policies.

The following chart identifies Fredonia's subsidiaries, including their jurisdiction of incorporation, and where in the corporate structure the Company's properties are held.



Richmond Road Capital Corp.

RRCC is a Capital Pool Company listed on TSXV incorporated on September 19, 2012 under the laws of Alberta, Canada. RRCC has its head office at 1200, 700 - 2 Street SW, Calgary, AB T2P 4V5.

RRCC is a reporting issuer in good standing in British Columbia and Alberta and the RRCC Shares are listed for trading on the NEX board of the TSXV under the stock symbol “RRD”. RRCC’s only current business is to identify and evaluate other businesses and assets with a view to the acquisition thereof or participation therein in accordance with TSXV’s qualifying transaction rules. Until RRCC completes a qualifying transaction (such as the Qualifying Transaction), RRCC may not carry on any other business. See “Part I – Information Concerning RRCC”.

Terms of the Qualifying Transaction

On April 7, 2021, Fredonia and RRCC entered into the Definitive Agreement setting out the principal terms on which RRCC will acquire all of the issued and outstanding Fredonia Shares in order to effect the Qualifying Transaction. As an initial step to be taken in connection with the Qualifying Transaction, the issued and outstanding common shares of RRCC (the “**RRCC Shares**”) will be consolidated by a factor of 0.73529 (or such other factor as may be required to meet the minimum listing requirements of the TSXV) (the “**Consolidation**”). Following the Consolidation, and pursuant to a plan of merger under the BVI Act (the “**Merger**”) under which Fredonia and Subco will merge, RRCC will acquire all of the outstanding Fredonia Shares in exchange for 109,006,378 RRCC Shares, at a deemed price of \$0.17 per Fredonia Share, and Fredonia will become a wholly-owned subsidiary of RRCC. Subsequent to or concurrently with the completion of the Qualifying Transaction, RRCC is expected to change its name to “Fredonia Mining Inc.”

After giving effect to the issuance of 37,445,310 Fredonia Shares and 18,722,655 Fredonia Warrants pursuant to the automatic exchange of Fredonia Subscription Receipts upon satisfaction of the Escrow Release Conditions, and following the exchange of the RRCC and Fredonia Shares upon completion of the Qualifying Transaction, there will be an aggregate of approximately 150,863,453 Resulting Issuer Shares issued and outstanding, and an additional 20,996,779 convertible securities of the Resulting Issuer exercisable to purchase Resulting Issuer Shares outstanding. Former Fredonia Shareholders will hold approximately 72.25% of the Resulting Issuer Shares, and pre-Qualifying Transaction RRCC shareholders will hold 2.92% of the Resulting Issuer Shares. The remaining 24.82% of the issued and outstanding Resulting Issuer Shares will be held by persons who acquired such shares on the exchange of Fredonia Subscription Receipts purchased in the Concurrent Financing.

The Merger must be approved by the affirmative vote of not less than a majority in number, (greater than 50%) of the Fredonia Shareholders and SubCo Shareholders approving the Merger (the “**Amalgamation Resolutions**”). Following receipt of all necessary approvals, the Merger will be submitted to the BVI Registrar of Corporate Affairs pursuant to sections 169 to 174 of the BVI Act. See “Part I – The Merger”.

Interests of Insiders, Promoters or Control Persons

Upon completion of the Qualifying Transaction, it is expected that the management of the Resulting Issuer will consist of Estanislao Auriemma, Chief Executive Officer, and Carlos Espinosa, Chief Financial Officer and the Resulting Issuer Board will consist of Ali Mahdavi, Chairman, Estanislao Auriemma, Dr. Ricardo Auriemma, Dr. Waldo Perez, and Michael Doolan. All of the aforementioned individuals presently serve as directors and/or officers of Fredonia. All directors and officers of RRCC will resign at or prior to the closing of the Qualifying Transaction. See “Part III – Information Concerning the Resulting Issuer – Directors, Officers and Promoters”.

The ownership (directly or indirectly) by Insiders, Promoters and Control Persons of Fredonia with respect to Fredonia Shares is, and the ownership (directly or indirectly) by Insiders, Promoters and Control Persons of the Resulting Issuer with respect to Resulting Issuer Shares, will be, in each case on a fully-diluted basis, as follows:

| Insider, Promoter or Control Person | Fredonia Common Shares | | Resulting Issuer Shares (After Giving Effect to the Concurrent Financing, the Consolidation and the Merger) | |
|-------------------------------------|------------------------|---------------------------|---|---------------------------|
| | Number | Percentage ⁽¹⁾ | Number | Percentage ⁽²⁾ |
| Resource Capital Fund VI L.P. | 26,947,413 | 24.72% | 29,594,472 | 17.18% |
| Ricardo A. Auriemma | 17,395,707 | 15.96% | 19,089,825 | 11.08% |
| María Amalia Leguizamón | 17,395,707 | 15.96% | 17,395,707 | 10.10% |
| Estanislao Ricardo Auriemma | 10,769,159 | 9.88% | 11,316,218 | 6.57% |
| Dr. Waldo Perez | 129,653 | 0.12% | 570,829 | 0.33% |

| Insider, Promoter or Control Person | Fredonia Common Shares | | Resulting Issuer Shares (After Giving Effect to the Concurrent Financing, the Consolidation and the Merger) | |
|---|------------------------|---------------------------|---|---------------------------|
| | Number | Percentage ⁽¹⁾ | Number | Percentage ⁽²⁾ |
| Spinnaker Capital Markets Inc. ⁽³⁾ | 1,016,880 | 0.93% | 1,016,880 | 0.59% |
| Michael F. Doolan | Nil | 0% | 225,000 | 0.13% |
| Carlos Espinosa | 103,722 | 0.10% | 103,722 | 0.06% |

Notes:

- (1) Based on 109,006,378 Fredonia Shares outstanding prior to completion of the Qualifying Transaction and satisfaction of the Escrow Release Conditions.
- (2) Based on 172,301,409 Resulting Issuer Shares outstanding on a fully diluted basis after giving effect to the Consolidation, the Merger, and satisfaction of the Escrow Release Conditions (comprising 150,863,453 Resulting Issuer Shares issued and outstanding, 18,722,655 Fredonia Warrants outstanding exercisable to acquire the same number of Resulting Issuer Shares, 2,274,124 Agents' Warrants outstanding, and 441,176 options outstanding exercisable to acquire the same number of Resulting Issuer Shares).
- (3) Spinnaker Capital Markets Inc. is a company wholly-owned and controlled by Ali Mahdavi.

See "Part II - Information Concerning Fredonia" and "Part III – Information Concerning the Resulting Issuer – Directors, Officers and Promoters".

Arm's Length Qualifying Transaction

The Merger is not a Non-Arm's Length Qualifying Transaction in accordance with the policies of the TSXV.

Securityholder Approval

The Qualifying Transaction does not require the approval of RRCC Shareholders under applicable corporate or securities laws, or TSXV policies. RRCC obtained shareholder approval of the Consolidation and the Name Change at the RRCC Meeting. The resolutions approving the Name Change and the Consolidation required approval by a special majority (66⅔%) of the votes cast by RRCC Shareholders at the RRCC Meeting. No votes were required to be excluded from the approval of any resolution at the RRCC Meeting.

Available Funds and Principal Purposes

Available Funds

As at March 31, 2021, on a pro forma basis, the estimated funds available to the Resulting Issuer after giving effect to the Concurrent Financing and the Merger, and after deducting the expenses of the Qualifying Transaction, would be approximately \$6,295,783. The pro forma cash position as at March 31, 2021 was \$6,102,482 less transaction costs of \$475,000, which consists of estimated legal expenses of \$400,000 and auditing expenses of \$75,000.

Principal Purposes

Upon the completion of the Concurrent Financing and the Merger, the Resulting Issuer will use the funds available to it to continue mineral exploration activities, including drilling, resource development and the satisfaction of general operating expenses. Specifically, management currently intends to use funds available over the next 12 months for the following purposes and in the following order of priority:

| Purpose | Unit Cost (US\$) | Amount (US\$) | Amount (CDN\$) ⁽²⁾ |
|------------------------------------|------------------|---------------|-------------------------------|
| El Dorado-Monserrat Project | | | |
| Drilling | \$175/m | 1,400,000 | 1,694,000 |
| Assaying of drill core | \$25 / sample | 105,750 | 127,958 |
| Mobilisation and demobilisation | \$10,000 | 20,000 | 24,200 |
| Drill road and site preparation | \$1,500/day for | 45,000 | 54,450 |

| Purpose | Unit Cost (US\$) | Amount (US\$) | Amount (CDN\$)⁽²⁾ |
|--|---|----------------------|-------------------------------------|
| | approximately 30 days | | |
| Landowner compensation and rehabilitation | Variable | 35,000 | 42,350 |
| Landowner compensation water | Variable | 15,000 | 18,150 |
| Geophysics | 22km GAIP / 11km CSMAT, plus mobilization. | 100,000 | 121,000 |
| Data review and GIS interrogation | | 20,000 | 24,200 |
| Trenching 2,000m | \$1,500/ day for approximately 35 days | 50,000 | 60,500 |
| Assaying of trenching samples (1,000 samples) | \$25/sample | 25,000 | 30,250 |
| Camp costs | Variable | 50,000 | 60,500 |
| Food and accommodation | 20 persons x 80 days @\$110/day | 176,000 | 212,960 |
| Geologists | 5 x 3 months @ 5,000/month | 75,000 | 90,750 |
| Field Assistants | 5 x 3 months @ 1,500/month | 22,500 | 27,225 |
| Flights | | 7,000 | 8,470 |
| Consultant geologist | 80 days @800/day | 64,000 | 77,440 |
| VAT | 21% when applicable | 450,713 | 545,362 |
| 5% Contingency | | 133,048 | 160,988 |
| Exploration total | | 2,794,011 | 3,380,753 |
| Corporate and Regulatory Costs ⁽¹⁾ | | 600,000 | 726,000 |
| Unallocated Working Capital | | 100,000 | 121,000 |
| Total | | \$3,494,011 | \$4,227,753 |

Notes:

- (1) Consists of general and administrative costs, legal fees, listing fees, accounting fees, marketing and management fees.
- (2) Costs are estimated in US\$ and exchanged for this presentation at a rate of US\$1.00 = CDN\$1.21.

The principal uses of funds for exploration on the El Dorado-Monserrat Project described above are prepared with reference to the first phase of the recommended two-phase exploration in the Technical Report. The Company's exploration program is scalable, and depending on results of exploration, the Company can deploy working capital for additional exploration activities, or reduce exploration activities.

See "Part II – Information Concerning Fredonia" and "Part III – Information Concerning the Resulting Issuer".

Selected Pro Forma Financial Information

The following table sets out selected financial information for each of RRCC and Fredonia, as well as unaudited pro forma financial information for the Resulting Issuer on a consolidated basis, after giving effect to the Merger. The following information should be read in conjunction with the financial statements and pro forma financial statements set out in the Exhibits hereto and incorporated by reference herein. For the preparation of this selected pro forma financial information, RRCC's unaudited interim statement of financial position as at March 31, 2021, which is presented in CDN\$, has been translated into US\$ using the Bank of Canada reported exchange rate for United States dollars in terms of Canadian dollars as at March 31, 2021 of US\$1.00 = CDN\$1.2575.

| | RRCC as at March 31, 2021 (US\$) | Fredonia as at March 31, 2021 (US\$) | Pro Forma Adjustments (US\$) | Resulting Issuer Pro Forma Consolidated, as at March 31, 2021 (US\$) |
|---------------------------|---|---|---|---|
| Cash and cash equivalents | \$5,069 | \$9,108 | \$4,231,432 | \$4,245,609 |

| | <u>RRCC as at March 31, 2021 (US\$)</u> | <u>Fredonia as at March 31, 2021 (US\$)</u> | <u>Pro Forma Adjustments (US\$)</u> | <u>Resulting Issuer Pro Forma Consolidated, as at March 31, 2021 (US\$)</u> |
|---|---|---|---|---|
| Total assets (including non-current assets) | \$5,069 | \$1,437,456 | \$4,231,432 | \$5,673,957 |
| Total liabilities (including non-current liabilities) | \$126,783 | \$1,261,084 | -- | \$1,387,867 |
| Shareholders' Equity | \$(121,714) | \$176,372 | \$4,231,432 | \$4,286,090 |

Details Respecting RRCC's TSXV Listing

On November 6, 2012, RRCC completed an initial public offering and issued 3,000,000 RRCC Shares for gross proceeds of \$300,000. The RRCC Shares commenced trading on the TSXV on March 24, 2016, under the symbol "RRD". There are currently 6,000,000 RRCC Shares outstanding, as well as 600,000 RRCC Options outstanding, each exercisable to acquire one RRCC Share at a price of \$0.10 per RRCC Share until November 16, 2022.

The Fredonia Shares are not listed on any stock exchange and there is currently no public market for Fredonia securities.

Market Price of RRCC Shares

The closing price of the RRCC Shares on the TSXV on January 11, 2021, being the date the Qualifying Transaction was first announced, was \$0.025 per RRCC Share. See "*Part I – Information Concerning RRCC – Stock Exchange Price.*"

Securities Laws Matters

The Resulting Issuer Shares to be issued to holders of Fredonia Shares pursuant to the Merger will be issued in reliance on the exemption from prospectus requirements of applicable Canadian securities laws at Section 2.11 of NI 45-106. Pursuant to NI 45-102, the Resulting Issuer Shares to be issued to holders of such shares will not be subject to a hold period under applicable Canadian securities laws (subject to the conditions of NI 45-102). Shareholders are advised to consult their financial or legal advisors with respect to the tradability of the Resulting Issuer Shares that they will receive on completion of the Merger.

Conflicts of Interest

Certain directors and officers of Fredonia are or may become associated with other companies which may give rise to conflicts of interest. The directors and some of the officers of Fredonia have either other full-time employment or other business or time restrictions placed on them and accordingly, Fredonia will not be the only business enterprise of these directors and officers. See "*Directors and Executive Officers - Conflicts of Interest*".

Experts

Messrs. Marc Sale and James Hogg are the authors of and qualified persons for the Technical Report and neither Messrs. Sale nor Mr. Hogg own any securities of RRCC or Fredonia.

No person or company whose profession or business gives authority to a statement made by the person or company and who is named as having prepared or certified a part of this Filing Statement or as having prepared or certified a report or valuation described or included in this Filing Statement holds any beneficial interest, direct or indirect, in any securities or property of RRCC or Fredonia or of an Associate or Affiliate of RRCC or Fredonia, respectively, and no such person is expected to be elected, appointed or employed as a director, officer or employee of RRCC or Fredonia or of an Associate or Affiliate of RRCC or Fredonia, respectively.

Risk Factors

The Resulting Issuer's business upon completion of the Merger will be Fredonia's current mineral exploration business. Fredonia's future development and operating results may be very different from those expected as at the date of this Filing Statement. Readers should carefully consider the risks related to Fredonia's and the Resulting Issuer's future performance. See "*Part III – Risk Factors*".

Risk factors relating to Fredonia and the Resulting Issuer include, but are not limited to, the following:

Risks relating to the Resulting Issuer's business and ownership of the Resulting Issuer Shares:

- future capital requirements and the uncertainty of availability of additional capital;
- limited operating history;
- exploration, development and operating risks;
- uncertainty in the estimation of mineral resources;
- fluctuations in demand for, and prices of precious metals and the resulting effect on market prices of such commodities;
- no history of earnings;
- risks associated with certainty of title to Fredonia's properties;
- the availability and amenability of mineral processing technology to recover any discovered minerals;
- the ability to obtain and maintain necessary rights, concessions and permits;
- a negative cash flow;
- governmental regulations, particularly of the mineral exploration and development industry;
- environmental laws and regulations and associated risks, including climate change legislation;
- land reclamation requirements;
- a dependence on ability to attract and retain qualified management;
- the potential for additional dilution;
- limitations of insurance and uninsured risks;
- public social activism against companies undertaking natural resource development;
- industry competition;
- legal proceedings and the enforceability of judgments;
- anti-corruption and anti-bribery regulations;
- management conflicts of interest;
- market events and general economic conditions globally;
- the loss of an investor's entire investment;
- volatility in the price of the Resulting Issuer Shares;
- absence of a market for the Resulting Issuer Shares;
- risks associated with becoming a public company including financial reporting and other public company requirements;
- currency exchange rate risks;
- payment of dividends;
- events outside Fredonia's control;
- health and safety regulation of operations;
- control by significant shareholders;
- use of proceeds;
- risks of third party opinions;
- risks of operating outside Canada;
- risks associated with the COVID-19 pandemic;
- a number of conditions precedent must be satisfied for the Qualifying Transaction to proceed; and
- the Qualifying Transaction may not be completed.

PART I - INFORMATION CONCERNING RRCC

Name and Incorporation

Richmond Road Capital Corp was incorporated on September 19, 2012 by Certificate of Incorporation issued pursuant to the provisions of the *Business Corporations Act* (Alberta). On October 25, 2012 the Articles of Incorporation were amended and restated to remove the private company restrictions set forth therein. The registered and head office of the Corporation is located at 1200, 700-2nd Street S.W., Calgary, Alberta, T2P 4V5.

RRCC is a reporting issuer in good standing in British Columbia and Alberta and the RRCC Shares are listed for trading on the NEX board of TSXV under the stock symbol "RRD".

In connection with the Qualifying Transaction, RRCC is expected to change its name to "Fredonia Mining Inc.", or such other similar name as Fredonia may direct and which is acceptable to the TSXV and other applicable regulatory authorities. RRCC has no subsidiaries.

General Development of the Business

RRCC is a Capital Pool Company whose common share are listed for trading on the NEX Board of the TSXV. RRCC has not carried on any operations to date. Its principal business has been to identify and evaluate businesses and assets with a view to completing a "qualifying transaction: and, having identified and evaluated such opportunities, to negotiate an acquisition or participation subject to TSXV acceptance.

RRCC completed its initial public offering and the RRCC Shares commenced trading on the TSXV on November 16, 2012. As RRCC did not complete its "qualifying transaction" within 24 months of listing on the TSXV, on February 5, 2015, RRCC sought and obtained shareholder approval to transfer its listing to the NEX board of the TSXV and to cancel an aggregate of 1,000,000 Seed Shares (as defined in the policies of the TSXV) held by non-arm's length parties of RRCC (including the directors, officers, insiders and control persons of RRCC).

On June 13, 2017, RRCC announced that it had entered into a letter of intent with North American Lithium Inc. ("NAL") whereby RRCC would acquire all of the issued and outstanding common shares of NAL by way of a three-cornered amalgamation, resulting in the reverse take-over of RRCC by NAL, and which transaction would constitute RRCC's "qualifying transaction" for purposes of the TSXV. However, on December 6, 2017, RRCC announced that it had received a termination notice from NAL in respect of the transaction, as NAL had not been able to obtain the requisite shareholder approval for the transaction, and as a result the transaction with NAL would not be proceeding.

On February 14, 2020, RRCC completed a non-brokered private placement of 1,000,000 RRCC Shares at a purchase price of \$0.05 per RRCC Share, for aggregate gross proceeds of \$50,000. The RRCC Shares issued pursuant to the private placement were issued to insiders of RRCC.

The Qualifying Transaction

On October 29, 2020, Fredonia and RRCC entered into the LOI setting out the principal terms of the Merger. The LOI was amended and restated on December 15, 2020 and January 11, 2021, on which date it was deemed to constitute "material information" for RRCC and announced to the public. The LOI was ultimately superseded by the Definitive Agreement, pursuant to which RRCC will acquire all of the issued and outstanding Fredonia Shares to effect a reverse take-over, constituting the Qualifying Transaction.

On July 4, 2017, RRCC held a meeting (the "**RRCC Meeting**") of RRCC Shareholders at which the RRCC Shareholders approved resolutions authorizing, among other things: (i) a change of RRCC's name to such other name as the RRCC Board, in its sole discretion and subject to applicable regulatory approval, determines to be appropriate; and (ii) an amendment to RRCC's articles of incorporation to consolidate the outstanding RRCC Shares on the basis of one post-consolidation RRCC Share for up to every 30 pre-consolidation Common Shares.

On April 7, 2021, RRCC and Fredonia entered into the Definitive Agreement to effect the Qualifying Transaction, pursuant to which RRCC will acquire all of the issued and outstanding Fredonia Shares, the consideration for which

will be newly-issued RRCC Shares, by way of the Merger. As a result of the Merger, Fredonia will become a wholly-owned subsidiary of RRCC.

As an initial step to be taken in connection with the Qualifying Transaction, the issued and outstanding RRCC Shares will be consolidated by a factor of 0.73529 (or such other factor as may be required to meet the minimum listing requirements of TSXV). Following the Consolidation, and pursuant to the Merger, consisting of a plan of merger under the BVI Act whereby Fredonia and Subco will merge, and RRCC will acquire all of the outstanding shares in the merged entity in exchange for 109,006,378 RRCC Shares, at a deemed price of \$0.17 per Fredonia Share. Upon the exchange of shares, holders of Fredonia Shares will receive Resulting Issuer Shares, and Amalco will become a wholly-owned subsidiary of RRCC. Upon completion of the Qualifying Transaction, RRCC is expected to change its name to "Fredonia Mining Inc."

RRCC Pre-Merger Steps

Before the effective date of the Merger, and subject to the satisfaction of the conditions under the Definitive Agreement, RRCC will undertake the Consolidation. The Consolidation will be effected to equalize, to the extent possible, the approximate value of each post-Consolidation RRCC Share with the approximate value of each Fredonia Share.

The Merger

The parties to the Qualifying Transaction are RRCC and Fredonia. Fredonia is a corporation existing under the laws of the British Virgin Islands. Fredonia indirectly owns the El Dorado-Monserrat Project through its wholly-owned subsidiaries Seis R Assets, Ltd. and 5R S.A. The El Dorado-Monserrat Project will constitute the Resulting Issuer's only "material property", and will constitute the Resulting Issuer's "Qualifying Property" for purposes of the Qualifying Transaction. See "*Part II – Information Concerning Fredonia – Description of the Business*".

As the Merger is not a Non-Arm's Length Qualifying Transaction under the policies of the TSXV, approval of the Merger by the RRCC Shareholders is not required.

The Merger will be submitted to the Fredonia Shareholders for approval pursuant to the Amalgamation Resolutions.

Pursuant to the terms of the Definitive Agreement, upon the Merger becoming effective, each issued and outstanding Fredonia Share (including Fredonia Shares issued upon automatic exercise of the Fredonia Subscription Receipts) will be exchanged for one fully-paid and non-assessable Resulting Issuer Share (on a post-Consolidation basis), for an aggregate issuance of 150,863,453 Resulting Issuer Shares.

No fractional securities of the Resulting Issuer will be issued pursuant to the Merger. In the event that a securityholder of Fredonia would otherwise be entitled to a fractional security, the number of securities of the Resulting Issuer issued to such securityholder shall be rounded down. In calculating such fractional interests, all securities of the Resulting Issuer, as the case may be, registered in the name of or beneficially held by a Resulting Issuer securityholder or their nominee shall be aggregated.

Implementation of the Merger

Provided that all conditions precedent to the Merger set forth in the Definitive Agreement have been satisfied or waived, including the approval of the Merger by the Fredonia Shareholders, and provided further that the Definitive Agreement has not otherwise been terminated, Fredonia and RRCC will, as soon as reasonably practicable thereafter file any necessary documents with the Registrar of Corporate Affairs in the British Virgin Islands and take any necessary actions as may be required pursuant to the BVI Act, to give effect to the Merger.

The Merger must be approved by the affirmative vote of a majority in number, i.e. more than 50%, of the Fredonia Shareholders and SubCo Shareholders present and voting on the Amalgamation Resolutions (either in person or by proxy). Following receipt of all necessary Fredonia Shareholder and SubCo Shareholder approvals, the Parties will deliver the Plan of Merger to the Registrar of Corporate Affairs in the British Virgin Islands, as well as any other documents as may be required to give effect to the Amalgamation. See "*Part I – The Merger*".

After giving effect to the issuance of 37,445,310 Fredonia Shares and 18,722,655 Fredonia Warrants pursuant to the automatic exchange of Fredonia Subscription Receipts upon satisfaction of the Escrow Release Conditions and following the exchange of the RRCC and Fredonia Shares, there will be an aggregate of 150,863,453 Resulting Issuer Shares issued and outstanding, and 18,722,655 Unit Warrants and 2,274,124 Agents' Warrants and 441,176 RRCC Options outstanding, each exercisable to purchase one Resulting Issuer Share following completion of the Qualifying Transaction. Former Fredonia shareholders will hold approximately 72.25% of the Resulting Issuer Shares, pre-Qualifying Transaction RRCC shareholders will hold 2.92% of the Resulting Issuer Shares, and the remaining 24.82% of the issued and outstanding Resulting Issuer Shares will be held by persons who acquired such shares on the exchange of Fredonia Subscription Receipts purchased in the Concurrent Financing (in each case, on a non-diluted basis).

Description of the Definitive Agreement

The following is a description of certain material provisions of the Definitive Agreement. It is a summary only, is not comprehensive and is qualified in its entirety by reference to the Definitive Agreement, a copy of which is available on SEDAR under RRCC's profile.

The Definitive Agreement includes several conditions to completion of the Qualifying Transaction, including:

- the Amalgamation Resolutions shall have been passed by the requisite majority of Target Shareholders and directors and SubCo Shareholder and directors pursuant to the BVI Act;
- no Court or regulatory orders, injunctions, decrees or rulings having been made or being in process, or any other action taken enjoining, restraining or otherwise imposing a legal restraint or prohibition preventing the Scheme and no such order, decree, ruling, other action or refusal is in effect;
- no material adverse change (as defined in the Definitive Agreement) having occurred with respect to either Fredonia, RRCC or SubCo;
- the receipt of all necessary regulatory, TSXV and shareholder approvals, conditional listing approval of TSXV of the RRCC Shares issuable as consideration for the Fredonia Shares subject to the Merger, and confirmation from TSXV that, following implementation of the Merger, RRCC will qualify for listing as a Tier 1 or Tier 2 Mining Issuer on TSXV;
- all of the representations and warranties respectively made by Fredonia, RRCC and SubCo in the Definitive Agreement, subject to applicable qualifications, are true and correct at the relevant times;
- the Concurrent Financing is completed;
- there being no prohibition at law against the completion of the Qualifying Transaction; and
- Fredonia, RRCC and SubCo shall have each performed, fulfilled or complied with, in all material respects, all of its obligations, covenants and agreements contained in the Definitive Agreement to be fulfilled or complied with by them.

Each party has the right to waive, in whole or part, the conditions to its obligations under the Definitive Agreement that are exclusively for its benefit.

The Definitive Agreement provides for Target Shareholders entitled to vote on the Amalgamation Resolutions to exercise their dissent rights with respect to their Target Shares in connection with the Amalgamation pursuant to and in the manner set forth in the BVI Act which provides that any Target Shareholders who give notice of their election to dissent will receive fair value payment for their shares. Upon providing such notice, these shareholders' rights cease and they are only entitled to payment of fair value for their shares.

Covenants

Each of RRCC and Fredonia has made certain covenants in the Definitive Agreement, including customary negative and affirmative covenants requiring each party to operate its business and conduct itself in the ordinary course and use commercially reasonable efforts to satisfy the conditions precedent to their respective obligations under the Definitive Agreement.

Representations and Warranties

The Definitive Agreement contains customary representations and warranties, given by each of RRCC and Fredonia, in respect of matters pertaining to, among other things, organization, standing and corporate power, due authorization of the transaction, subsidiaries, capitalization, assets, agreements, disclosure and other matters relating to the business and operations of RRCC and Fredonia, which representations and warranties will not survive the effective date of the Merger.

Termination of the Definitive Agreement

The Definitive Agreement may, prior to the effective date of the Merger, be terminated by mutual written agreement of RRCC, SubCo and Fredonia.

Either RRCC or Fredonia may terminate the Definitive Agreement prior to the effective date of the Merger in the following circumstances:

- either party may terminate the Definitive Agreement if the Merger has not become effective on or before June 24, 2021, or such earlier date as may be agreed to by Fredonia, RRCC and SubCo;
- either Fredonia, SubCo or RRCC may terminate the Definitive Agreement if the Amalgamation Resolutions are not approved by the requisite majorities of Fredonia Shareholders and SubCo Shareholders pursuant to the Merger;
- either RRCC, SubCo or Fredonia may terminate the Definitive Agreement in the event of material breaches of the Definitive Agreement by the other party (including any representation and warranty not being true and correct in all material respects), subject to certain cure provisions;
- either RRCC, SubCo or Fredonia, respectively, may terminate the Definitive Agreement in the event of the occurrence of certain material adverse changes on either Fredonia, SubCo or RRCC, or any party having taken certain prescribed actions;

Securities Laws Matters

The Resulting Issuer Shares to be issued to holders of Fredonia Shares pursuant to the Merger will be issued in reliance on the exemption from the prospectus requirements of applicable Canadian securities laws found in Section 2.11 of NI 45-106. Pursuant to NI 45-102, the Resulting Issuer Shares to be issued to holders of such shares will not be subject to a hold period under applicable Canadian securities laws (subject to the conditions of NI 45-102). Shareholders are advised to consult their financial or legal advisors with respect to the tradability of the Resulting Issuer Shares that they will receive on completion of the Merger.

The Concurrent Financing

On February 24, 2021, Fredonia and RRCC completed the Concurrent Financing in connection with the Qualifying Transaction. Each Fredonia Subscription Receipt was sold at a price of \$0.17 per subscription receipt. The Concurrent Financing was completed on both a brokered and non-brokered basis for an aggregate of 37,445,310 Fredonia Subscription Receipts for gross escrowed proceeds of approximately \$6,365,702.7 million.

Paradigm Capital Inc. and Red Cloud Securities Inc. acted as co-lead agents for the brokered portion of the Concurrent Financing. The Agents were paid a cash fee of 7% of the gross proceeds of subscriptions for the persons

introduced to the Concurrent Financing by the Agents, and 3.5% of the gross proceeds of subscriptions from the non-brokered portion of the subscriptions in the Concurrent Financing. The Agents were also issued 2,274,124 Agents' Warrants, representing 7% of the number of Fredonia Subscription Receipts subscribed for by persons introduced to the Concurrent Financing by the Agents, and 3.5% of the number of Fredonia Subscription Receipts subscribed for by persons in the non-brokered portion of the Concurrent Financing. Each Agents' Warrant is exercisable to purchase one Resulting Issuer Share at a price of \$0.17 for a period of 36 months from the date of closing of the Qualifying Transaction.

Pursuant to the terms of the Subscription Receipt Agreement, the gross proceeds from the Concurrent Financing less 50% of the Agents' fees and certain other expenses of the Qualifying Transaction were deposited in escrow with TSX Trust until the earlier to occur of (i) the satisfaction of the escrow release conditions described below, (the "**Escrow Release Conditions**"), or (ii) June 24, 2021. The Escrow Release Conditions are:

- raising minimum of \$5,000,000 under the Concurrent Financing;
- the receipt of all required corporate, shareholder and regulatory approvals in connection with the Concurrent Financing and the Qualifying Transaction;
- the completion, satisfaction or waiver of all conditions precedent to the Qualifying Transaction substantially in accordance with the Definitive Agreement, to the satisfaction of the Agents acting reasonably (other than the release of the escrowed funds);
- written confirmation to the Agents from each of Fredonia and RRCC that all conditions of the Qualifying Transaction have been satisfied or waived, other than release of the escrowed funds, and that the Qualifying Transaction shall be completed forthwith upon release of the escrowed funds;
- the distribution of (i) the Fredonia Shares and Fredonia Warrants and (ii) the Resulting Issuer Shares to be issued in exchange for the Fredonia Shares pursuant to the Qualifying Transaction following the satisfaction of the Escrow Release Conditions being exempt from applicable prospectus and registration requirements of applicable securities laws and not subject to any hold or restricted period;
- the Resulting Issuer Shares being conditionally approved for listing on the TSXV, and the completion, satisfaction or waiver of all conditions precedent to such listing, other than the release of the escrowed funds; and
- Fredonia and the Agents shall have delivered the release notice to the escrow agent in accordance with the terms of the subscription receipt agreements entered into with subscribers of the Concurrent Financing.

Arm's Length Qualifying Transaction

The Merger is not a Non Arm's Length Qualifying Transaction in accordance with the policies of the TSXV. No Non-Arm's Length Parties to RRCC have any interest in Fredonia or in the Properties or are currently insiders of Fredonia, nor is there any relationship between or among the Non-Arm's Length Parties to the Issuer and the Non-Arm's Length Parties to the Qualifying Transaction, whether or not the proposed Qualifying Transaction constitutes a Non-Arm's Length Qualifying Transaction.

The completion of the Qualifying Transaction is not subject to the approval of RRCC's Shareholders, however, the Name Change and the Consolidation were approved by RRCC Shareholders at the RRCC Meeting.

No finder's fee or commission was paid or is payable in relation to the Qualifying Transaction.

Interests of Insiders, Promoters or Control Persons

Upon completion of the Qualifying Transaction, it is expected that management of the Resulting Issuer will consist of Estanislao Auriemma, Chief Executive Officer and Carlos Espinosa, Chief Financial Officer, and that the

Resulting Issuer Board will consist of Ali Mahdavi, Chairman, Estanislao Auriemma, Dr. Ricardo Auriemma, Dr. Waldo Perez, and Michael Doolan. All of the aforementioned individuals presently serve as directors and/or officers of Fredonia. All directors and officers of RRCC will resign at or prior to the closing of the Qualifying Transaction. See “Part III – Information Concerning the Resulting Issuer – Directors, Officers and Promoters”.

The ownership (directly or indirectly) by Insiders, Promoters and Control Persons of Fredonia with respect to Fredonia Shares is, and the ownership (directly or indirectly) by Insiders, Promoters and Control Persons of the Resulting Issuer with respect to Resulting Issuer Shares, will be, in each case on a fully-diluted basis, as follows:

| Insider, Promoter or Control Person | Fredonia Common Shares | | Resulting Issuer Shares (After Giving Effect to the Consolidation and the Merger) | |
|---|------------------------|---------------------------|--|---------------------------|
| | Number | Percentage ⁽¹⁾ | Number | Percentage ⁽²⁾ |
| Resource Capital Fund VI L.P. | 26,947,413 | 24.72% | 29,594,472 ⁽³⁾ | 17.18% |
| Ricardo A. Auriemma | 17,395,707 | 15.96% | 19,089,825 ⁽⁴⁾ | 11.08% |
| María Amalia Leguizamón | 17,395,707 | 15.96% | 17,395,707 ⁽⁵⁾ | 10.10% |
| Estanislao Ricardo Auriemma | 10,769,159 | 9.88% | 11,316,218 | 6.57% |
| Dr. Waldo Perez | 129,653 | 0.12% | 570,829 ⁽⁶⁾ | 0.33% |
| Spinnaker Capital Markets Inc. ⁽⁸⁾ | 1,016,880 | 0.93% | 1,016,880 | 0.59% |
| Michael F. Doolan | Nil | 0% | 225,000 ⁽⁷⁾ | 0.13% |
| Carlos Espinosa | 103,722 | 0.10% | 103,722 | 0.06% |

Notes:

- (1) Based on 109,006,378 Fredonia Shares outstanding prior to completion of the Qualifying Transaction and satisfaction of the Escrow Release Conditions.
- (2) Based on 172,301,409 Resulting Issuer Shares outstanding on a fully diluted basis after giving effect to the Consolidation, the Merger, and satisfaction of the Escrow Release Conditions (comprising 150,863,453 Resulting Issuer Shares issued and outstanding, 441,176 Resulting Issuer Options outstanding, 18,722,655 Fredonia Warrants outstanding, and 2,274,124 Agents’ Warrants outstanding, each exercisable to acquire the same number of Resulting Issuer Shares).
- (3) Resource Capital Fund VI L.P. subscribed for 1,764,706 Subscription Receipts in the Concurrent Financing.
- (4) Ricardo Auriemma subscribed for 1,129,412 Subscription Receipts in the Concurrent Financing.
- (5) Estanislao Auriemma subscribed for 364,706 Subscription Receipts in the Concurrent Financing.
- (6) Waldo Perez subscribed for 294,117 Subscription Receipts in the Concurrent Financing.
- (7) Michael Doolan subscribed for 150,000 Subscription Receipts in the Concurrent Financing.
- (8) Spinnaker Capital Markets Inc. is a company wholly-owned and controlled by Ali Mahdavi.

See “Part II - Information Concerning Fredonia” and “Part III – Information Concerning the Resulting Issuer – Directors, Officers and Promoters”.

Securityholder Approval

The Qualifying Transaction does not require the approval of RRCC Shareholders under applicable corporate or securities laws, or TSXV policies. RRCC obtained shareholder approval of the Consolidation and the Name Change at the RRCC Meeting. Each of the resolutions approving the Name Change and the Consolidation required approval by a special majority (66⅔%) of the votes cast by RRCC Shareholders at the RRCC Meeting. No votes were required to be excluded from the approval of any resolution at the RRCC Meeting.

Management’s Discussion and Analysis

RRCC’s Management’s Discussion and Analysis for the year ended September 30, 2020 and for the three and six months ended March 31, 2021 is incorporated by reference herein. RRCC’s Management’s Discussion and Analysis should be read in conjunction with the audited financial and unaudited financial statements of RRCC for the corresponding periods which are also incorporated by reference herein. **The documents incorporated by reference herein are available under RRCC’s profile on SEDAR at www.SEDAR.com.**

Description of Securities

The authorized capital of RRCC consists of an unlimited number of RRCC Shares and an unlimited number of preferred shares. As of the date hereof, there are 6,000,000 RRCC Shares issued and outstanding, as well as 600,000 RRCC Options, and no preferred shares outstanding.

RRCC Shareholders are entitled to receive notice of any meetings of shareholders of RRCC and to attend and cast one vote for each RRCC Share held at all such meetings. RRCC Shareholders are further entitled to a proportionate share, on a per share basis, of the assets of RRCC available for distribution in the event of a liquidation, dissolution or winding-up of RRCC, as well as to the right to receive any dividend if declared by RRCC.

RRCC Stock Option Plan

The RRCC Option Plan provides that the Board of Directors of RRCC may, from time to time, in its discretion, and in accordance with the requirements of the TSXV, grant to officers, directors, consultants and employees to RRCC, non-transferable options to purchase RRCC Shares, provided that the number of RRCC Shares reserved for issuance will not exceed 10% of the issued and outstanding RRCC Shares, exercisable for a period of up to 10 years from the date of grant; provided that, other than in connection with a “qualifying transaction” (as defined in the policies of the TSXV), during the time that RRCC is a “capital pool company” (as defined in the policies of the TSXV) the aggregate number of RRCC Shares issuable upon the exercise of all options granted under the Plan shall not exceed 10% of the RRCC Shares issued and outstanding at the closing of RRCC’s initial public offering. The number of RRCC Shares reserved for issuance to any single participant in any 12-month period will not exceed 5% of the issued and outstanding RRCC Shares, unless RRCC has obtained disinterested shareholder approval. The number of RRCC Shares reserved for issuance to any one consultant will not exceed 2% of the issued and outstanding RRCC Shares, and options shall not be granted in the exercise thereof would result in the issuance of more than 2% of the issued RRCC Shares in any 12-month period to persons employed to provide investor relations activities. Options representing not more than 10% of the issued and outstanding RRCC Shares may be granted to insiders of RRCC within any twelve-month period, unless disinterested shareholder approval has been obtained. Options granted to officers, directors, employees and consultants of RRCC may be exercised within the greater of 12 months after completion of a qualifying transaction and 90 days following cessation of the optionee’s position with RRCC, provided that if the cessation of office, directorship, employment or consulting arrangement was by reason of death, the option may be exercised within a maximum period of one year after such death, subject to the expiry date of such option. Any RRCC Shares acquired pursuant to the exercise of options prior to completion of a qualifying transaction must be deposited in escrow and will be subject to escrow until a final TSXV bulletin is issued.

RRCC Option Agreements

Pursuant to option agreements dated November 16, 2012, RRCC has issued 600,000 RRCC Options to its directors and officers. Each RRCC Option is exercisable to purchase one RRCC Share at an exercise price of \$0.10 until on November 16, 2022. No RRCC Options have been exercised as of the date of this Filing Statement.

The following table sets out the RRCC Options held by directors and officers of RRCC as of the date of this Filing Statement.

| <u>Name and Position of Holder</u> | <u>Number of RRCC Options</u> | <u>Exercise Price (\$)</u> | <u>Expiry Date</u> |
|--|-------------------------------|----------------------------|--------------------|
| Michael Doyle, President and Chief Executive Officer | 150,000 | \$0.10 | November 16, 2022 |
| Berkley Pennock, Chief Financial Officer | 150,000 | \$0.10 | November 16, 2022 |
| Robb McNaughton, Director | 150,000 | \$0.10 | November 16, 2022 |
| Michael Brown, Director | 150,000 | \$0.10 | November 16, 2022 |
| Total: | 600,000 | | |

Prior Sales

There have been no RRCC Shares or securities that are convertible into RRCC Shares that have been issued or sold within the 12-month period before the date of the Filing Statement.

Trading Price and Volume

The RRCC Shares were listed and posted for trading on TSXV on November 16, 2012, under the trading symbol "RRD". The following table sets out trading information for RRCC Shares for the periods indicated (all dollar amounts in Canadian dollars).

| Period | High (\$) | Low (\$) | Volume |
|-----------------|------------------|-----------------|---------------|
| June 1-21, 2021 | 0.025 | 0.025 | 0 |
| May 2021 | 0.025 | 0.025 | 0 |
| April 2021 | 0.025 | 0.025 | 0 |
| March 2021 | 0.025 | 0.025 | 0 |
| February 2021 | 0.025 | 0.025 | 0 |
| January 2021 | 0.025 | 0.025 | 0 |
| December 2020 | 0.025 | 0.025 | 192 |
| November 2020 | 0.03 | 0.025 | 10,000 |
| October 2020 | 0.035 | 0.03 | 20,000 |
| September 2020 | 0.035 | 0.035 | 125 |
| August 2020 | 0.04 | 0.035 | 70,125 |
| July 2020 | 0.055 | 0.03 | 30,000 |

Arm's Length Transaction

The Qualifying Transaction is not a Non Arm's Length Qualifying Transaction.

Legal Proceedings

There are no actual or pending material legal proceedings to which RRCC is a party or to which any of its assets is subject. Management of RRCC is not aware of any such legal proceedings contemplated against RRCC.

Auditor, Transfer Agent and Registrar

Auditor

RRCC's auditors are MNP LLP, Chartered Professional Accountants, 640 5 Ave SW #1500, Calgary, AB T2P 3G4.

Transfer Agent and Registrar

The transfer agent and registrar for the RRCC Shares is Computershare in Calgary, Alberta with a principal address at Suite 800, 324 8th Avenue SW, Calgary, AB, T2P 2Z2.

Material Contracts

RRCC has not entered into any material contracts, other than contracts entered in the ordinary course of business, except:

1. Escrow agreement dated as of November 6, 2012 among RRCC the escrow agent and certain shareholders of RRCC;
2. Transfer Agent, Registrar and Dividend Disbursing Agent dated as of October 15, 2021 between RRCC and their transfer agent;
3. the Agency Agreement dated November 6, 2012, between RRCC and Mackie Research Capital Corporation in connection with RRCC's initial public offering; and

4. the Definitive Agreement.

Copies of these agreements are available for inspection at RRCC's head office at no cost, at any time during ordinary business hours and until 30 days after the completion of the Qualifying Transaction.

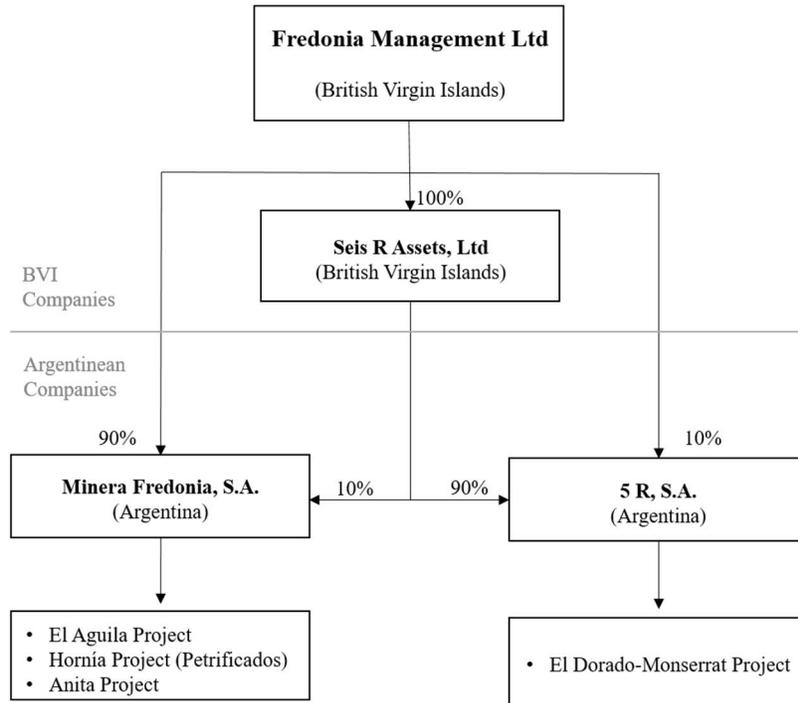
PART II - INFORMATION CONCERNING FREDONIA

Name and Incorporation

Fredonia Management Inc. was incorporated under the laws of the British Virgin Islands on March 22, 2010. Its registered office is located at the offices of Trident Trust Company (BVI) Limited, Trident Chambers, P.O. Box 146, Road Town, Tortola, British Virgin Islands, and the address of the Company's corporate office and principal place of business is located at Av. Del Libertador 828 - 1ªA - (C1001ABV), Ciudad de Buenos Aires, Argentina.

Intercorporate Relationships

Fredonia has three direct wholly-owned subsidiaries, being Seis R Assets, Ltd., 5R S.A. and Minera Fredonia S.A. The ownership structure is provided in the following organizational chart:



Description of the Business

Since Fredonia's formation, Fredonia has acquired the El Dorado-Monserrat Project, a primary silver/gold property in Santa Cruz province, Argentina. The El Dorado-Monserrat Project is 100%-owned by 5R S.A., an indirect wholly-owned subsidiary, and is expected to constitute Fredonia's only "material property" for purposes of Canadian securities laws.

Fredonia's business will consist of conducting exploration programs on its properties, initially focused on exploring for precious metals at the El Dorado-Monserrat Project, with reference to the recommendations in the Technical Report and in accordance with the uses of funds described under the heading "Principal Purposes". Fredonia expects to plan its exploration programs based on the recommendations of qualified persons, and implement such programs through in-country field staff, subcontractors, and service providers for among other things, drilling, trenching, geophysics, and land and surface rights maintenance. The costs and timing of attaining production will depend on defining mineral resources that would be valuable to extract, and will be determined with reference to detailed technical studies.

Company History

Fredonia was founded in BVI by the Auriemma Family Office and maintained as an inactive shell corporation until 2016. The Auriemma Family Office is an Argentinean-based mining-focused family office possessing proven geological and mineral exploration skills and experience, with a thirty-year history of founding and developing successful mining companies in Argentina. The Auriemma Family Office comprises Ricardo Auriemma, María Amalia Leguizamón, Estanislao Auriemma, Martín Auriemma, Facundo Auriemma, and various holding companies related to specific projects. Fredonia was initially capitalized by issuing Fredonia Shares to members of the family office for nominal consideration.

On September 15, 2016, Fredonia acquired the “Winki II”, “Petrificados”, “Aguila I” and “Aguila II” properties in Santa Cruz Province, Argentina (collectively, the “**El Aguila Project**”) in an arm’s-length transaction pursuant to a purchase agreement with a private Argentinean company (the “**Winki Agreement**”). Fredonia agreed to acquire the El Aguila Project for US\$1,400,000.00, and a 1% net profit interest royalty in favour of the vendors during the production/exploitation phases of the El Aguila Project.

In November, 2016, members of the Auriemma Family Office incorporated Minera Fredonia, S.A., Fredonia’s Argentinean subsidiary. The Auriemma Family Office and a party to the Winki agreement (50% interest) also reached an agreement to jointly participate in the development of Fredonia on an equal partnership basis. Under this agreement, the Auriemma Family Office provided its geological and exploration expertise, as well as access to capital markets, and the party agreed to accept 50% of the share capital of Fredonia in newly-issued shares in exchange for his rights under the Winki Agreement to receive half of the purchase proceeds and half of the royalty from the purchase and sale of the El Aguila Project. Accordingly, only US\$700,000 (half of the purchase price) and one half of the Royalty contemplated under the Winki Agreements is currently owed to the other party. Accordingly, Fredonia issued 10,875,000 Fredonia Shares to the party, and issued 10,825,000 Fredonia Shares to other shareholders of Fredonia including the founders, and certain employees and contractors in consideration of the Company’s additional accrued equity value.

In December, 2016, Fredonia sold 14,744,811 Fredonia Shares to Resource Capital Fund VI L.P in an arm’s-length private placement at a price of US\$0.09834 per Fredonia Share, for an aggregate subscription price of US\$1,450,000.00.

Concurrently with the private placement to Resource Capital Fund VI L.P., on December 9, 2016, Fredonia and the Fredonia Shareholders at the time entered into a shareholders agreement which provided Resource Capital Fund VI L.P. with the right to nominate a director to Fredonia’s board.

Acquisition of the El Dorado-Monserrat Project

The Auriemma Family previously invested in and owned a significant portion of the shares of Samco, a company listed on TSXV and the former owner of the El Dorado Monserrat Project. Certain members of the Auriemma Family Office were also officers and directors of Samco at various times in its history, and had been employed by 5R S.A. and Samco Gold S.A., subsidiaries of Samco, in Argentina, including Estanislao Auriemma, who acted as President of SGSA and 5R S.A. until May and June, 2016, respectively, and Estanislao Martin Auriemma and Facundo Auriemma were concurrently employed by SGSA to provide it with technical geological services. The employment and service relationships were purportedly terminated in the continuing depressed global commodity price environment in 2015 and 2016, but the terminations and Samco’s obligations under the arrangements were disputed and ultimately the Auriemma parties pursued enforcement in the Argentinean courts.

In June, 2017, after the commencement of litigation and protracted negotiation, Samco entered into an agreement with the members of the Auriemma Family Office that were shareholders of Samco to sell all of the outstanding shares of 5R SA, a wholly owned subsidiary of Samco and the owner of the rights constituting the El Dorado-Monserrat Project, in consideration for the return for cancellation of all of the Samco Shares held by the Auriemma Family Office, equivalent to approximately 28.4% of total outstanding Samco Shares. Samco would also retain a 1.5% net smelter return royalty on the El Dorado-Monserrat Project. As additional consideration for all of the shares of 5R S.A., all employment related lawsuits initiated by members of the Auriemma Family Office against Samco

were to be withdrawn, and each of Samco and the Auriemma Shareholders were to release each other from all claims upon the closing of the share cancellation transaction.

In September 2017, in connection with the Samco Agreement, Seis R Asset Ltd, a British Virgin Islands company owned by Ricardo Auriemma and María Amalia Leguizamón, acquired 90% of the 5R SA shares and Fredonia acquired the remaining 10% of the 5R shares. In November 2017, Fredonia approved the acquisition of all of the issued and outstanding shares of Seis R Asset Ltd, and issued an aggregate of 51,861,059 Fredonia Shares to the former holders of Samco Shares as consideration for their cancellation in the acquisition of the El Dorado Monserrat Project, as well as to key contractors, employees, and directors involved in the acquisition of the El Dorado-Monserrat Project without additional consideration.

In January 19, 2018, Resource Capital Fund VI L.P. purchased 12,202,602 Fredonia Shares at a price of US\$0.09834 per Fredonia Share for an aggregate price of US\$1.2 million, in cash. From approximately May 2018 to the end of February 2019, several arm's length investors invested in Fredonia Shares and acquired an additional 8,447,906 Fredonia Shares at a price of US\$0.09834, for an aggregate of US\$830,767.00 in cash.

On April 20, 2021 Fredonia and the Fredonia Shareholders entered into an amending agreement to the existing shareholders' agreement, pursuant to which Resource Capital Fund VI L.P. agreed to forfeit its right to nominate a director to the Fredonia Board. As such, as of the date of this Filing Statement, Resource Capital Fund VI L.P. has never nominated, and no longer has a right to nominate, a director to the Fredonia Board.

Competitive Conditions

Fredonia's business activities are the exploration, evaluation and development of mineral deposits. There is no certainty that the expenditures to be made by Fredonia will result in discoveries of commercially viable mineral deposits. There is aggressive competition within the mining industry for the discovery and acquisition of properties considered to have commercial potential. Fredonia will compete with other interests, many of which have greater financial resources and/or more advanced properties than it will initially have, for the opportunity to develop projects and for investment capital. Significant capital investment is required to develop assets based on successful exploration efforts, and Fredonia may not be able to successfully raise funds required for any such capital investment. See "*Risk Factors – Competition*".

Products and Operations

Fredonia is an early-stage mineral exploration company with no production from any of its properties, and consequently has no current operating income, cash flow, or revenues. There is no assurance that a commercially viable mineral deposit exists on any of Fredonia's properties.

Specialized Skills and Knowledge

All aspects of Fredonia's business require specialized skills and knowledge. Such skills and knowledge include geology, drilling, metallurgy, logistical planning and implementation of exploration programs, and financial accounting and reporting.

Strength and Competitive Advantages

Fredonia believes that board strength, management experience, proximity to producing mines provides competitive advantages relative to its peers in the gold and silver exploration and development industry.

Foreign Operations

Fredonia conducts its business in foreign jurisdictions. Fredonia has its registered office located in, Tortola, British Virgin Islands, and its gold and silver mineral exploration properties are located in Argentina. As such, Fredonia is exposed to various levels of political, economic and other risks and uncertainties associated with operating in foreign jurisdictions as compared to Canada. See "*Risk Factors — Foreign Subsidiaries*".

Guidance from Canadian securities regulators provides that issuers operating in markets deemed “emerging markets” include additional disclosure with respect to operations in such markets. Argentina is generally viewed as an “emerging market” for purposes of such disclosure. The following disclosure is included in contemplation of the guidance in Staff Notice 51-720 - *Issuer Guide for Companies Operating in Emerging Markets* of the Ontario Securities Commission.

Additional Disclosure for Issuers Operating in Emerging Markets

The El Dorado-Monserrat Project is located in Argentina, deemed to be an “emerging market” generally and for Canadian securities law disclosure purposes, and is owned by Fredonia directly through its Argentine subsidiary, 5R S.A. Operating in Argentina exposes Fredonia to risks and uncertainties that do not exist or are significantly less likely to occur in other jurisdictions. In order to manage and mitigate these risks, Fredonia has implemented and observes corporate governance practices for itself and 5R S.A that include internal controls over financial reporting and disclosure controls. These systems are coordinated by Fredonia’s senior management and overseen by its board in order to monitor 5R S.A.

BVI Operations

The founders of Fredonia intentionally incorporated in the British Virgin Islands (the “**BVI**”) instead of Argentina with the vision of eventually going public in Canada. The BVI are among the most prosperous islands in the Caribbean. With a politically stable government, a UK based system of law, a favourable tax regime, and English as the official language, it is an attractive jurisdiction to register a company, and BVI companies are widely used in international capital markets as listing vehicles. Shares in BVI companies are listed in stock exchanges in London, New York, Toronto, Hong Kong and Singapore, amongst others. Since the adoption of the BVI International Business Companies Ordinance in 1984 there have been over 450,000 companies incorporated, demonstrating the attractiveness of the British Virgin Islands as a major offshore jurisdiction.

Board and Management Experience and Oversight

Key members of Fredonia’s management team and the Fredonia Board have experience running business operations in emerging markets, including specifically in Argentina. Estanislao Auriemma, the Chief Executive Officer and a director of Fredonia and Dr. Ricardo Auriemma, a director of Fredonia, are Argentinean nationals and residents, and have extensive experience and history identifying and developing mineral projects in Argentina and acting as directors of mineral exploration companies operating in South America. Carlos Espinosa, Fredonia’s Chief Financial Officer, is a mining executive with over 25 years of experience within Canadian capital markets, international business development and commercial banking. Waldo Perez, a director of Fredonia, is an Argentinean resident and national with extensive mineral exploration and development of several producing mines Argentina. Ali Mahdavi, the chairman of Fredonia, has charted long term success for private and public companies in a variety of sectors specializing in finding growth capital, mergers and acquisitions, and investor relations, including with respect to companies with operations in Argentina. Michael Doolan, a director of Fredonia, has extensive experience in all aspects of financial management, including for mineral property issuers, with specific expertise in international mergers and acquisitions, offshore financing structures, and international treasury management.

Estanislao Auriemma, Ricardo Auriemma, Jorge Valvano (VP of Exploration) and Marc Sale (Qualified Person and proposed Exploration Manager) have attended the El Dorado-Monserrat Project and interacted with local employees, professional service providers, suppliers, government officials, and other local stakeholders. Senior officers of Fredonia are kept up to date with respect to local and project issues, and business practices.

Messrs. Ricardo and Estanislao Auriemma, Valvano and Sale each have extensive experience developing mining activities in Santa Cruz. Estanislao Auriemma has been the president of the Santa Cruz Mining Chamber for several years and both Messrs. Valvano and Sale have extensively worked on mineral exploration projects including the Cerro Vanguardia, Cap Oeste and Esquel. Ricardo Auriemma has a long history of excellent performance in the mining industry in Argentina. He has been a developer and promoter of mining operations, including the Manantial Espejo, San Jorge and Agua Rica deposit, among others. With a management team comprised of Argentinian nationals who have a strong knowledge of international markets, Fredonia believes it has the capability to operate

effectively between the local Argentinian operational and regulatory aspects of the mining industry and in international markets, including as a TSXV-listed company.

The El Dorado-Monserrat Project is located near the town of San Julian, where the mining activity is well received and accepted. Fredonia's management is well known in the community, where it has been active for more than 30 years.

The Fredonia Board actively seeks and regularly receives technical updates, risk assessments and progress reports from management in connection with the El Dorado-Monserrat Project. Fredonia's small and active management team is split between Argentina and Canada, and work directly with local employees in Argentina and are familiar with the laws, business culture and standard practices of Argentina. Executive management and several board members, including each of Messrs. Ricardo and Estanislao Auriemma, Espinosa, and Mahdavi have Spanish language proficiency and are experienced in working in Argentina and in dealing with Argentine government authorities and local banking systems and treasury requirements of Argentina.

Communication

While the reporting language with the head office of the Corporation is English, the primary operating language in Argentina is Spanish. Messrs. Estanislao and Ricardo Auriemma, Espinosa and Perez are native Spanish speakers. Additionally, a significant proportion of operational management in Argentina and Canada are fluent in both Spanish and English. The Corporation maintains open communication with its Argentine operations through its fully bi-lingual management team, such that there are no language barriers between the Corporation's management and local operations in Argentina. The primary language used in meetings with head office management and Fredonia Board meetings is English and material documents relating to the Corporation's operations that are provided to the Board are in English. Material documents relating to the Corporation's material operations in Argentina are commonly in Spanish, but may be translated into or summarized in English by bi-lingual board or management members, as required.

The Corporation's management communicates with its in-country operations through phone and video calls and conferences, in-country work, meetings, emails and regular reporting procedures.

Controls Relating to Corporate Structure Risk

Subsidiary structure of Fredonia Management Limited

| Company | Shareholders | % Ownership of Outstanding Shares | Business / operations |
|---|---------------------------|--|--|
| Seis R Assets, Ltd. (British Virgin Islands) | Fredonia Management, Ltd. | 100% | Holding |
| Minera Fredonia, SA (Argentina) | Fredonia Management, Ltd. | 90% | 100% owner of: El Aguila Project Petrificados Project Anita Project |
| | Seis R Assets, Ltd. | 10% | |
| 5R, SA (Argentina) | Seis R Assets, Ltd. | 90% | 100% owner of: El Dorado-Monserrat Project |
| | Fredonia Management Ltd. | 10% | |

Fredonia has implemented a system of corporate governance, internal controls over financial and disclosure controls and procedures that apply to Fredonia and 5R S.A., Seis R Assets, Ltd. and Minera Fredonia S.A. which are overseen by the Fredonia Board and implemented by senior management. The relevant features of these systems include direct oversight over 5R S.A. and Minera Fredonia S.A.'s operations, as the board of directors of these subsidiaries are Ricardo Auriemma and Estanislao Auriemma. Executive management and the Fredonia Board prepare and review the financial reporting of 5R S.A., Seis R Assets, Ltd. and Minera Fredonia S.A. as part of

preparing its consolidated financial reporting, and Fredonia's independent auditors review the consolidated financial statements.

Under Argentine law, a foreign company cannot wholly-own an Argentine subsidiary; however, two or more foreign companies can; therefore, Fredonia and Seis R Assets, Ltd (owned 100% by Fredonia) control 100% of the two Argentine subsidiaries. For its Argentine operations, Minera Fredonia S.A. is 90% held by Fredonia and 10% by Seis R Assets, Ltd; and 5R S.A. is 90% held by Seis R Assets, Ltd. and 10% by Fredonia. See "*Intercorporate Relationships*".

Since Fredonia holds all of the issued and outstanding equity interests of 5R S.A. and Minera Fredonia S.A., directly and through Seis R Assets, Ltd., Fredonia exercises effective control over the boards of Minera Fredonia S.A. and 5R S.A. as well as their composition.

The officers and directors of 5R S.A., Seis R Assets, Ltd. and Minera Fredonia S.A. are Ricardo Auriemma and Estanislao Auriemma. 5R S.A., Seis R Assets, Ltd. and Minera Fredonia S.A. are funded by either share or loan capital from Fredonia.

To remove an officer of 5R S.A. or Minera Fredonia S.A. a resolution is not required unless the officer is also a director of any of these companies. To remove a director of 5R S.A. or Minera Fredonia S.A., a majority of the shareholders of the respective companies. must resolve to do so at a validly called shareholders' meeting. Fredonia does not anticipate having any difficulty removing any directors or officers of 5R S.A. or Minera Fredonia S.A. as required, due to its equity ownership of these companies.

Local Records Management

The original minute books and corporate records of 5R S.A. and Minera Fredonia S.A. are maintained and held by Fredonia Management in Av. Del Libertador 828 – 1ªA – (C1001ABV), Ciudad de Buenos Aires, Argentina. Fredonia's management and the Fredonia Board have complete access to these records.

Signing Officers for Foreign Subsidiary Bank Accounts

The establishment of any new banking relationships and/or new bank accounts requires approval from Fredonia. Monetary authorization limits are established by Fredonia and put in place with the respective banking institutions. Signatories and authorization limits for bank accounts are reviewed and revised as necessary, with changes being communicated to the appropriate banking institutions. Each payment requires approvals from at least two authorised signatories. Cash calls, equity contributions and loans to subsidiaries are provided within the approved budgets and require the necessary authorisations from Fredonia's officers to be processed. 5R S.A. and Minera Fredonia S.A.'s controls over payments are subject to review and testing by Fredonia.

Strategic Direction

The Fredonia Board is responsible for the overall stewardship of Fredonia and, as such, supervises the management of the business and affairs of Fredonia. More specifically, the Fredonia Board is responsible for reviewing the strategic business plans and corporate objectives, and approving acquisitions, dispositions, investments, capital expenditures and other transactions and matters that are material to Fredonia including those of its subsidiaries.

Internal Control Over Financial Reporting

Fredonia prepares its consolidated financial statements on a quarterly and annual basis, using IFRS. Fredonia implements internal controls over the preparation of its financial statements and other financial disclosures, including its MD&A, to provide reasonable assurance that its financial reporting is reliable and that the quarterly and annual financial statements are being prepared in accordance with IFRS and other financial disclosures, including its MD&A, are being prepared in accordance with relevant securities legislation. These systems of internal control over financial reporting and disclosure controls and procedures are designed to ensure that, among other things, Fredonia has access to material information about its subsidiaries.

CEO and CFO Certifications

In order for the CEO and CFO of the Resulting Issuer to be in a position to attest to the matters addressed in the quarterly and annual certifications required by National Instrument 52-109 - *Certification of Disclosure in Issuers' Annual and Interim Filings*, Fredonia is developing internal procedures and responsibilities throughout the organization for its regular periodic and special situation reporting, in order to provide assurances that information that may constitute material information will reach the appropriate individuals who review public documents and statements relating to Fredonia and its subsidiaries containing material information, which will be prepared with input from the responsible officers and employees, and will then be made available for review by the CEO and CFO in a timely manner.

Fund Transfers between Fredonia, 5R S.A. and Minera Fredonia S.A.

Differences in banking systems and controls between Canada and Argentina are addressed by having stringent controls over cash kept in the jurisdiction, especially with respect to access to cash, cash disbursements, appropriate authorization levels, performing and reviewing bank reconciliations on at least a monthly basis and the segregation of duties. In executing certain normal course monetary transactions, funds are transferred between the Corporation and its subsidiaries by way of wire transfer. These transactions would typically include the payment of applicable fees for services; reimbursement of costs incurred by Fredonia on behalf of the subsidiaries; advances in the form of intercompany loans or equity contributions to subsidiaries; repayment of interest and/or principal on intercompany loans; and the return of capital or payment of dividends from subsidiaries. Capital structure and funding arrangements are established between Fredonia and the subsidiaries, and intercompany loan agreements are established with defined terms and conditions. Where regulatory conditions exist in the form of exchange controls, all necessary approvals are obtained in advance of the proposed transactions.

5R S.A. and Minera Fredonia S.A.'s cash is controlled via a cash-call system whereby budgets are approved in advance by Fredonia and funds are remitted as-required by Fredonia. These budgets are reconciled monthly with actual spending by 5R S.A. and Minera Fredonia S.A. and all variances are addressed by management.

Managing Cultural Differences

Differences in cultures and practices between Canada and Argentina are addressed by employing competent staff in Argentina who are familiar with the local laws, business culture and standard practices, have local language proficiency, are experienced in working in Argentina and in dealing with the relevant government authorities and have experience and knowledge of the local banking systems and treasury requirements.

Transactions with Related Parties

The Resulting Issuer will be subject to Canadian securities law and accounting rules with respect to approval and disclosure of related party transactions, and will have procurement and other policies in place to follow to mitigate risk associated with potential related party transactions. Fredonia does transact with related parties, each of which are disclosed in its consolidated financial statements. Services obtained from related parties are sourced and continually evaluated in accordance with Fredonia's procurement policy.

Employees

As at the end of the financial year ended September 30, 2020, Fredonia had no direct employees or external consultants working exclusively for Fredonia. Fredonia's business is carried out chiefly by its executives and external consultants, who Fredonia retains pursuant to consulting agreements. See "*Executive Compensation*".

Environmental Protection, Social and Environmental Policies

Fredonia's operations are currently located in Argentina and are subject to various laws and regulations concerning the environment. Mining related activities in Argentina require the submission and approval of environmental impact report. The financial and operational effects of environmental protection requirements on capital expenditures and the competitive position of Fredonia have not been material to it from the date of its incorporation to the date of

this Filing Statement. However, environmental protection requirements may result in additional expenditures and affect the competitive position of Fredonia in the future. See “*Risk Factors — Environmental Risks and Hazards*”.

The El Dorado-Monserrat Project

Current Technical Report

The current technical report on the El Dorado-Monserrat Project is the technical report entitled “Technical Report on the El Dorado-Monserrat Property in Santa Cruz Province, Argentina”, authored by Mr. Marc Sale, BSc, FAusIMM, MAIG, Senior Associate Geologist and James Hogg, MSc, BSc, MAIG Senior Associate Resource Geologist with an effective date of January 25, 2021. The following summary is extracted from the Technical Report, which is available under RRCC’s profile on SEDAR at www.SEDAR.com.

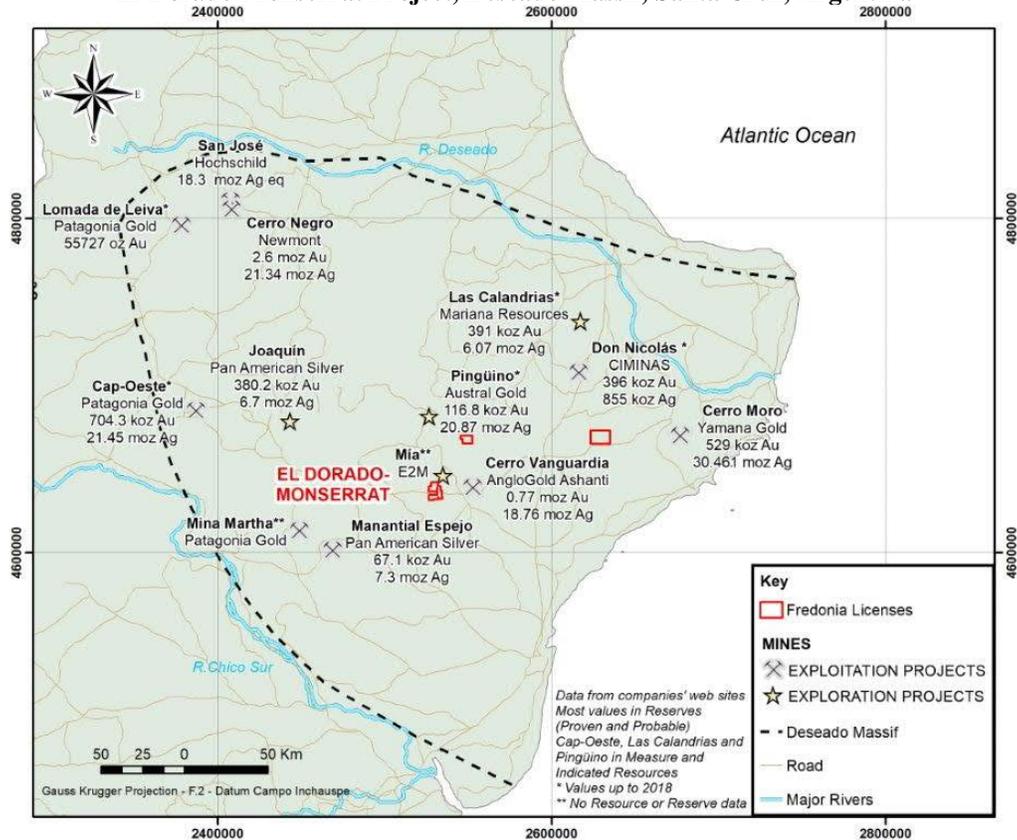
Project Description, Location and Access

The El Dorado-Monserrat Project is located in an area of low rolling hills in the Deseado Massif of Santa Cruz Province, close to a number of known mines and prospects. Santa Cruz Province is part of the region of Patagonia which has the Andes Mountains to the west and the Atlantic coast to the east. In general, the area is very sparsely populated, and a large proportion of employment is in sheep farming which is managed from widely scattered ‘estancias’.

The nearest major centres to the Fredonia licences are Puerto Deseado (population 10,000), Puerto San Julian (population 6,000), Caleta Olivia (population 36,000) to the northeast, Gobernador Gregores in the southwest and Comodoro Rivadavia (population 140,000). Rio Gallegos (population 79,000), the capital of Santa Cruz Province, lies to the south of the project areas. These major centres can provide basic goods and services, and the national power grid serves these centres. Comodoro Rivadavia and Rio Gallegos are serviced with national airports. A well-maintained concrete airstrip is located at Puerto Deseado, serviced via small to mid-size charter aircraft. Workers are readily available from the surrounding area.

There is reasonable access to the region, with numerous tracks accessible to four-wheel drive vehicles. However, apart from the major paved north-south highway 3 in the east of the province and the east-west highway 43 in the northern part of the Massif, highways are unpaved and may be in poor condition though are readily accessible. Tracks may become temporarily impassable after rain, but work can continue throughout the year.

El Dorado-Monserrat Project, Deseado Massif, Santa Cruz, Argentina



The authors of the Technical Report have reviewed the drilling data collected by Fredonia and the historical drilling, trenching and other data collected by previous operators and concluded that the El Dorado-Monserrat Project has clear potential for low sulphidation epithermal vein style gold-silver mineralisation. The El Dorado-Monserrat Project is strategically located near to the major Cerro Vanguardia gold mine and is underlain by significant amounts of Chon Aike Formation rhyolitic volcanic rocks and by Bajo Pobre Formation. These formations are the principal host to mineralisation in the Deseado Massif.

There is significant potential and the drilling, trenching and surface exploration conducted on the other prospects by prior operators are adequate to demonstrate the overall potential of the El Dorado-Monserrat Project. Additional exploration, including surface sampling, trenching, re-assaying of available drill core and additional drilling will be required to fully assess the potential of the Main Vein area and other prospects. In addition, a thorough review of historical data is recommended.

Outside the Main Vein area, there is also considerable potential for additional mineralised zones to be identified. Follow-up exploration at Monserrat West, Abanico, La Herradura and Beethoven will enable an improved understanding of the geometry and extent of the mineralised zones in these areas. Further to this, additional exploration of the Monserrat East and Bajo Pedernal areas will determine the potential for significant mineralised zones.

Licenses

There is no ground staking for mineral rights in Argentina. Mineral rights are acquired by application to the government for concessions to seek, own and sell minerals located within a specified parcel of land. Generally, all persons or entities qualified to acquire and possess real estate can obtain mineral rights. There are three levels of mineral rights and titles in Argentina, namely *Cateo*, essentially a claim, *Manifestacion de Descubrimiento*

(declaration of discovery) which can be made upon discovery of a mineral occurrence within a *Cateo*, and a *Mina*, which grants mining rights to the owner of the *Manifestacion*.

The licences that make up the El Dorado-Monserrat Project are registered to 5R S.A. and Minera Fredonia S.A., Fredonia's wholly owned subsidiaries. Through 5R S.A. and Minera Fredonia S.A., Fredonia has been the owner of the licences since 8th November 2017. The Property consists of four Cateos, two Manifestaciones de Descubrimientos and twelve Minas covering some 5,566 ha in total.

| <u>Mining Claims (Minas)</u> | <u>Declarations of Discovery (MD)</u> |
|------------------------------|---------------------------------------|
| Silos Mine | Juan Luis |
| Montenegro Mine | Fiorela 1 |
| León Mine | |
| Sabina Mine | |
| Doña Urraca | |
| Calatrava Mine | <u>Exploration Permits (Cateos)</u> |
| Encina Mine | Anita |
| Guindilla Mine | Laurita |
| Dragon Mine | Unnamed permit (409.766/JLG/03) |
| La Castellana Mine | Unnamed permit 2 (409.767/JLG/03) |
| Covarrubias | |
| Chune | |

All of the licenses composing the El Dorado-Monserrat Project are subject to a 1.5% net smelter return royalty on 'all subject metals' (which, for clarity, excludes the Anita Exploration Permit), in favour of Samco, negotiated at the time the Company acquired the El Dorado Monserrat Project.

History

Extensive low sulphidation epithermal vein style mineralization, including a significant north-south trending system termed the Main Vein zone, was initially discovered in the early 1980s on the El Dorado-Monserrat licence area during a survey conducted by government geologists for barite. From 1986 to 1988, Ingeoma S.A. ("**Ingeoma**") conducted preliminary geological investigations over the area and acquired several mining tenements.

Cia Minera San Jose S.A. (1988 to 1991)

Ingeoma invited Cia Minera San Jose S.A. ("**Cia Minera**"), a Uruguayan subsidiary of Bond International Gold of Australia, to examine the prospects and from 1988 to 1991 Cia Minera undertook exploration over the mining permits under an option agreement with Ingeoma and conducted geological mapping, trenching, surface sampling and reverse circulation drilling (1,750 m) and diamond drilling (885 m). Based on shallow drilling and surface sampling, Cia Minera estimated a small, open-pittable resource to a maximum depth of 45 m on two veins in the Main Vein system, including the Camila C prospect. This resource, which was not reported in compliance with NI 43-101, was estimated using a polygonal method and totaled 54,786 tonnes at 11.17 g/t Au and 107.54 g/t Ag, including 10% dilution at zero grade in the 'probable reserve' category. The study included the input of mining factors such as dilution. However, this historical resource estimate does not use the categories of mineral resources set out in Sections 1.2 and 1.3 of NI 43-101 and the equivalence of the classification to current standards is not known or available to the authors of the Technical Report. The estimate used commonly accepted methodologies of the time, and was considered sufficiently reliable to permit a subsequent study of a possible operational scenario by Florecer, as described below. The estimate is reported in the 2009 compilation report provided by the Company to ACA Howe. A Qualified Person has not done sufficient work to classify the historical estimate as current mineral resources or mineral reserves and Fredonia is not treating the historical estimate as current mineral resources or mineral reserves. This historical information is not necessarily indicative of the mineralisation on the project. Additional check sampling of surface material and additional drilling would be required to verify the estimate.

Cia Minera considered that significant potential existed for development of additional resources, and also recognized late stage activity represented by domal features within the collapsed caldera that hosted the vein style mineralization that they considered had the potential to host large tonnage breccia style mineralized zones. They also

considered that strong exploration targets existed at the intersections of major structural trends identified during their mapping, and also at the caldera margins where the structures intersected the marginal ring fractures. However, the parent company decided not to continue exploration on the El Dorado-Monserrat properties and relinquished its option in 1991.

Florecer Corporation (1991)

Ingeoma entered a joint venture with Florecer Corporation (“**Florecer**”) at the end of June 1991, undertaking to acquire a 50% interest in the property by producing what it termed a “feasibility study” on the small resource on the Camila C project, arranging project finance for a pilot scale plant and loaning \$300,000 to Ingeoma. Ingeoma undertook to supply ore to the pilot plant, and the loan would be paid back from cashflow. They appear to have conducted limited check sampling and used the resource estimated by Cia Minera for Camila C, supplemented by a small metallurgical testwork program that indicated 95% gold recovery and 60% silver recovery. Florecer relied on this ‘feasibility study’ for its internal determination of the project’s economic potential, and they considered that there was excellent potential for further resource delineation, but the project did not proceed.

A qualified person has not done sufficient work to classify (i) the historical estimate prepared by Cia Minera San Jose S.A. as current mineral resources or mineral reserves, or (ii) the economic analysis of the project estimated by Florecer as a “preliminary economic assessment”, “pre-feasibility study”, or “feasibility study”, and Fredonia is not treating such historical estimate as current mineral resources or mineral reserves or any economic study conducted by Florecer as an indication of the economic potential of the project. Historical estimates and economic studies based on historical estimates should not be relied on as indicative of the economic potential of the El Dorado-Monserrat Project.

Energy Fuels (1992-1993)

Between 1992 and 1993 a US company, Energy Fuels, entered an agreement with Ingeoma and conducted geological and alteration mapping, subsoil sampling using a wagon drill (37 holes for 1,304 m) and 12 diamond drill holes totaling 1,391 m. The major part of the work was directed towards the domal systems that host the Main Vein system, where the company believed there was potential for large tonnage disseminated deposits. The Energy Fuels work also outlined a 241 m long sector of veining, termed Camila C, that averaged 1 m in width and returned average gold values of 18.45 g/t and silver values of 417.0 g/t from channel sampling at intervals varying from 5 to 20 m along the vein. Estimates of 40,000 tonnes at a grade of 14.51 g/t Au and 299 g/t Ag, termed ‘reserves’ were reported on the Camila C Vein using a polygon method to a maximum depth of 50 m. This historical reserve estimate does not use the categories of mineral reserves set out in Sections 1.2 and 1.3 of NI 43-101 and the equivalence of the category used to current NI 43-101 definitions is unknown and unavailable.

A qualified person has not done sufficient work to classify the historical estimate as current mineral resources or mineral reserves and Fredonia is not treating the historical estimate as current mineral resources or mineral reserves. This historical information is not necessarily indicative of the mineralisation on the property. Additional check sampling of surface material and additional drilling would be required to verify the estimate.

Energy Fuels concluded that the El Dorado caldera contains substantial and widespread gold mineralisation, that resources could be increased in the Camila vein and in the various associated domal structures. Five additional targets were identified with potential for additional mineralisation either concealed beneath alluvium or occurring at depth. However no further work appears to have been conducted by Energy Fuels.

Grupo Minero Aconcagua S.A. (1993-1996)

From 1993-1996, Grupo Minero Aconcagua S.A. conducted exploration, including surface sampling over the various areas of known mineralisation. They identified additional areas of interest, including the Herradura sector of the property, which lies some 8 km to the southeast of the main area of mineralisation. Their work culminated in the confirmation of gold-silver mineralisation in the Main Vein area, where numerous discontinuous veins are exposed at surface over a 4 km long zone. Some 5 km to the southeast of the Main Vein system, the Beethoven vein system was identified, comprising a series of east-west to east-southeast trending quartz veins with low but anomalous gold and silver values.

Mincorp (1996-1997)

Mincorp, a subsidiary of Anglo American and operators of the nearby Cerro Vanguardia gold mine, conducted detailed investigations over the Herradura area in 1996-1997. They undertook detailed trenching (at least 12 trenches totaling 748 m) and drilled five diamond drill holes totaling 656.9 m over a significant breccia body that contained narrow quartz veins with highly anomalous gold values within massive and lithic tuffs. A zone of strongly iron-stained ignimbrite containing tuff-supported polymict clasts of rhyolite, andesite, dacite and silicified breccia occurred in the centre of the zone and was surrounded by breccias and silicified tuffs, indicative of a proximal eruptive centre. Trenching returned anomalous gold values between 0.21 g/t Au and 30.00 g/t Au over widths ranging from 0.4 m to 13.8 m within a zone some 400 m long and 200 m wide; only incomplete results are available. Figure 13 shows the work conducted by the company at Herradura.

The strongest gold values were associated with banded quartz veinlets and stockworks with lower but anomalous values in the immediate wallrocks. The limited drilling focused on the area interpreted to represent the igneous centre and explored only a minor part of the system. The limited sample results from mineralised intervals ranged from 1.96 g/t over 2 m to 0.21g/t Au over 27.5 m, though few details are available. The veinlets were subvertical and appear to correspond to mineralization observed in trenches that ranged from 30g/t Au over 0.4m, to 1.21 g/t over 5.5 m, though the quoted drill intersection widths are likely to be some 50% greater than true width.

A LAG geochemical survey was conducted over the La Herradura area on two grids. Gold appeared to correlate with veining, though silver was generally below detection. Arsenic exhibited an erratic distribution with no clear patterns, though mercury was concentrated in the south and west where veins and veinlets of quartz are exposed. Antimony also coincided with quartz veining. The work was terminated at an early stage by Anglo, and the potential of the Herradura area was not fully explored. There appears to be potential for the identification of a low grade, high tonnage deposit in this area. The authors of the Technical Report identified narrow (25-30 cm) banded quartz veins on a site visit, similar to high grade veins seen close to the trenching, in an area untested by Mincorp close to the interpreted eruptive centre. Systematic sampling is required to fully assess the Herradura prospect.

Mincorp also conducted LAG geochemical sampling over the Monserrat East prospect, where a south-southeast trending zone of silicified andesite carries anastomosing quartz veinlets that terminate to the south in a breccias zone. Interestingly, a strong, linear feature anomalous in arsenic, antimony and mercury was identified traversing the sampling grid from northeast to southwest for about 1,200 m, essentially conjugate to the zone of silicification. The geochemical assemblage suggests the presence of a high level epithermal system and warrants additional investigation.

Aur Resources (2004-2007)

After Mincorp's withdrawal from the project, Aur Resources signed an agreement with Ingeoma and conducted a detailed study of the licence area from 2004 to 2007. Extensive drilling was completed in 2007 and, ACA Howe noted on a visit to the Property in February 2011, that the drill core was carefully stacked and preserved beneath tarpaulins or in an outbuilding of the San Juan farm, which lies to the northeast of the licence areas. At that time, the writing on the boxes was clearly legible and sampled intervals were clearly marked. All of the drill collars were marked on white plastic casing and the Technical Report authors confirmed a selection of the hole positions using handheld GPS. The condition of the core was not assessed by ACA Howe during site visits in 2018 due to adverse weather conditions and time constraints, but it is reported by Fredonia that most of the core is well preserved and that it would be feasible to take samples if necessary.

Aur excavated trenches in the Main Vein system every 5 m to 10 m along the strike length of all exposed veining, amounting to some 356 trenches from which samples were analysed from every second trench. The Camila C vein was tested in 25 trenches over widths ranging from 1.6 m to 14.05 m. The trenching, particularly at Camila C, showed wide intercepts to be present close to surface although these often narrow at depth as indicated by the results of drilling. The vein is interpreted to be steeply dipping at surface, between 70°W and 90°N, with an estimated average of 70°W used to estimate true thicknesses in drilling.

The vein continues to the north until it disappears beneath slumped material at the edge of the dome and further north, recent basalts cover the area. At the southern end of the trenched area on Camila C a barite vein that has recently been worked crosses the quartz veining at a shallow angle and offsets the gold mineralisation.

Aur excavated 340 further trenches to the south on the faulted continuation of Camila C and on a variety of structures in the Main Vein area, many of which returned significantly anomalous gold and silver values. Most of the north-south veins carried anomalous gold values along a further 1,400 m strike length, accompanied by anomalous silver values ranging up to 1,400 g/t Ag over a 2 m true width and averaging in excess of 605 g/t Ag. High silver values occur at the extreme south of the trenched area, where a 55 m strike length averages 212 g/t Ag over an average width of 8.8 m. A 250 m zone on the east of the Main Vein system at its southern end, termed Emilia/Alicia includes veins ranging in width from 0.35 m to 2 m that carry anomalous gold values, within strongly anomalous alteration zones accompanied by silver values averaging approximately 80 g/t Ag.

Towards the central part of the Main Vein system, a strong zone of veining, termed Virginia B and further southeast, Anita A and Anita B splays off the main southerly-trending zone to the southeast. Anomalous gold values occur along the initial 150 m, while silver values average around 80 g/t Ag for some 500 m, diminishing to around 30 g/t for the remaining 500 m to the southeast over widths varying from 2 m to 12 m. Anomalous gold values occur in a 250 m zone towards Anita B. The mineralisation remains open to the southeast and at depth.

Aur also explored the Beethoven prospect in the southeastern part of the project area, where a series of at least 5 major subvertical quartz vein zones trend in a south-southeasterly direction along a strike length of at least 4 km within a zone about 2 km wide. Smaller veins occur between the major structures. The veins appear to have developed in response to dextral shearing. They are hosted in ignimbrites and exhibit areas of focused hydrothermal alteration. The vein zones comprise multiple quartz structures up to 3 m in width, though generally less, in width containing chalcedonic and crystalline quartz, occasionally exhibiting well developed colloform banding and carbonate replacement textures. Barite is also present, together with small amounts of pyrite, arsenopyrite, jarosite and sericite.

Following a chip sampling programme at Beethoven, Aur cut some 64 channels and excavated 31 trenches 50 m apart. 949 trench samples were sent for analysis at Alex Stewart Laboratories. Based on the a minimum sampled width of 2 m and grade above 0.5 g/t Au, there were no significant intercepts reported, though some narrower samples did return assay results anomalous in gold. There is insufficient information to determine the true thickness of the samples. The results of Aur's trenching programme led to a drilling programme. Part of the work Aur conducted is outside the current boundary of the El Dorado-Monserrat Project.

Grupo Minero Aconcagua S.A. (2008)

In 2008, Group Minero Aconcagua S.A. recalculated the resources on Camila C vein, using pre-existing data. They used a manual polygonal method whereby individual drill holes and trenches were assigned a rectangular area of influence half the distance to adjacent data points. A density of 2.7 was assumed. As a few of the blocks contained zero silver grade, totals of 57,876 tonnes at a grade of 9.34 g/t Au and 53,258 tonnes at a silver grade of 151.19g/t Ag were estimated.

The estimate was for internal use, did not utilise current nomenclature or resource categorisation in accordance with Section 1.2 of NI 43-101 and does not meet the requirements of NI 43-101 for the estimation of mineral resources. The equivalence of the category used to current NI 43-101 definitions is not known to ACA Howe. Re-sampling and assaying of drill core and surface outcrops, together with twinned drill holes would be necessary to verify the estimate as current mineral resources or mineral reserves.

A Qualified Person has not done sufficient work to classify the historical estimate as current mineral resources or mineral reserves and Fredonia is not treating the historical estimate as current mineral resources or mineral reserves. The author also cautions that this information is not necessarily indicative of the mineralisation on the property.

Cia Minera Tres Cerros S.A. (2008-2010)

This small operator was active on the barite veins in the Main Vein area. A slot some 3 m deep and a similar width was excavated using a bulldozer to expose narrow veins of barite immediately west of Camila C. The operation resulted in some linear waste dumps adjacent to the veins. Only a minor tonnage was removed. No further details are available.

Samco Gold Ltd. (2009-2017)

Samco took ownership of the licences of the El Dorado-Monserrat Property as part of their wider portfolio in the Deseado Massif.

In 2011, ACA Howe was commissioned to write a technical report in support of Samco's initial public offering and listing on the TSXV. The report covered Samco's entire licence portfolio in Santa Cruz Province, including the El Dorado Monserrat Project, and was listed on SEDAR in June 2011.

ACA Howe's site visit in February 2011 confirmed the presence of widespread mineralisation and limited check sampling from outcrop and drill core returned high grade gold and silver values. The samples of outcropping mineralisation were composite chip samples, while random chips were collected from previously sampled intervals from drill core. Although it was not possible to take representative samples, they confirm the previously reported high gold and silver grades from several areas of the property.

In addition, the general geology interpreted from satellite imagery and as mapped by previous workers on the area was verified. True thicknesses are based on conceptual models and the following interpreted dip and dip directions:

- Camila C (DM-15) - dip = -70° , dip direction = 270°
- Monserrat West (DM-40 and DM-39) - dip = -65° , dip direction = 090°

Samco went on to complete GIS Sampling, drill hole collar surveys, geophysics work, geological mapping, rock chip sampling, trenching, LAG Sampling, and drilling.

Samco commissioned ACA Howe to conduct a GIS compilation and detailed satellite imagery interpretation of their original licence portfolio in late 2009-2010, which included the El Dorado-Monserrat Project. In 2011, Samco located and surveyed 93 historical holes drilled by Minera San Jose, Energy Fuels and Aur Resources using a Differential GPS. The holes are located in the Main Vein, Abanico and Monserrat West areas. It is reported that in most cases the drill holes were a few metres from the locations in an available report from 1996, but eight holes had a difference of between 10 and 30 m. It is also noted that the original elevations were reported as being 15 to 23 m below their true position.

Samco commissioned Akubra S.A., an Argentinian company, to complete a pole-dipole induced polarisation (IP) geophysical survey between July and November 2011 with the aim of generating targets for drilling, predominantly in the Main Vein, Monserrat West, Bajo Pedernal, Monserrat East, Beethoven and La Herradura. Thirteen lines at a spacing of 200 m were surveyed, with a 50 m spacing between readings on each line. Further work was completed by Akubra S.A. in March 2012 in order to assess the potential northern extension of the Main Vein System. The methodology enabled the evaluation of features up to a depth as deep as 250 m below surface.

In April 2012, the data from the IP study was reprocessed and modelled in 3 dimensions by Arce Geofisicos, based in Peru, with subsequent production of resistivity and chargeability plans and cross sections. In the Main Vein area, the Camila and Ines zones can be observed clearly in resistivity images and, additionally, similar responses are shown 250 m and 600 m to the east in areas which have not been previously drilled. In August 2012, Quantec Geoscience completed a ground magnetic survey on the El Dorado-Monserrat Project. The survey was completed using a GEM GSM-19 Overhauser magnetometer with readings taken every second.

At Monserrat West and Bajo Pedernal, a grid of 52 east-west lines spaced every 50 m was surveyed. At La Herradura and Beethoven, a north-south oriented grid was surveyed on 110 lines spaced every 50 m. The results of

this work require further study going forward in order to extract all relevant information for compilation in the GIS database, however part of this work is outside the current boundary of the El Dorado-Monserrat Project.

In May 2012, a structural review of the main prospects was completed. Between September 2012 and December 2013, following initial structural mapping, Samco geologists mapped the entire El Dorado-Monserrat Property. The majority of the mapping was completed at a scale of 1:2,500, although the Main Vein and Abanico areas were mapped at a scale of 1:500.

The main structural control on the Camila and Ines veins is a steep, west dipping, north-northeast trending fault which has local dilational veins on the main fault. Extensional veins controlled by northwest trending fracture systems are predominantly in the hangingwall. The movement in relation to the fault is interpreted as oblique - sinistral strike slip with an extensional down block west component. A series of dilational areas with potentially thicker veins and better grade were highlighted for follow-up.

The work resulted in some suggestion that La Herradura and Beethoven are likely to be part of the same vein-fault system, extending for more than 5 km in strike. The link between the prospect areas is demonstrated by two IP anomalies and some interpretations of the work suggest that La Herradura may be the central part of the system.

Multiple epithermal veins and hydrothermal breccias are described at La Herradura and the late volcanic rift setting is described as being similar to Manantial Espejo and Cerro Negro. The broad system of veins and their trends within a 1 km wide zone is also noted as being comparable to the main part of the Cerro Vanguardia regional vein system. The upper tuffs in the central vein area are interpreted as forming a broad, complex structural dome.

The Beethoven area includes five main west-northwest trending veins with an en echelon geometry bounded by a northwest structural corridor. The northwest trend is the main volcanic rift trend of the mid-late Jurassic in the Deseado Massif.

Samco geologists took 950 rock chip samples, excluding trench samples, covering a large area of the property, including the Main Vein zone and other prospect areas. Where veins were identified, samples were taken perpendicular to the vein strike. Other material sampled includes breccias, silicified tuffs and quartz vein float. The location of each sample was determined using a handheld GPS. Samples were analysed by Alex Stewart Laboratory in Perito Moreno, by fire assay for gold and silver, and by ICP for a suite of 39 elements.

The Main Veins and veins in the Abanico area are clearly picked out by high grade gold results. To the west, further high grade zones are seen in the Bajo Pedernal area. Samples in the south of the El Dorado-Monserrat Property were predominantly focused on the Pamela area to the west of La Herradura and the majority of gold assays are low grade with no clear patterns distinguished. It is noted by Fredonia that although there are few anomalous gold and silver assays to the west of La Herradura, there are anomalous pathfinder values which, in addition to structural and geophysical evidence, may indicate a deepening of the system.

Between March and April 2013, Samco excavated 16 trenches totaling 2,043 m in the Main Vein and Abanico areas. 852 samples were submitted to Alex Stewart Laboratories for analysis. The aim of the trenching programme was to verify the results of selected Aur Resources trenches and to explore new areas based on the results of surface sampling. Trenches were excavated perpendicular to structures to an average depth of 1 m. Channel sampling was completed with an electric saw where veins, veinlets or silicification was observed. The host rock was sampled by hammer and chisel. Minimum sample length was 0.2 m and maximum was 2 m. Overall, the programme was successful in confirming mineralisation encountered in the Aur Resources trenches, and in places identified wider intercepts than were previously reported. Additional mineralised zones between the major veins were also identified.

Samco completed a lag sampling programme in the Bajo Pedernal to Monserrat West area and at Monserrat East. A total of 576 samples were taken. 294 samples were taken at the Bajo Pedernal - Monserrat West area on 14 east-west lines spaced every 100 m, with sample locations every 50 m. Results showed areas of anomalous arsenic assays, as well as gold, silver and antimony. The results of the sampling require further assessment prior to detailed follow-up exploration.

A total of 282 samples were taken at Monserrat East in two phases of work. The first sampling grid consisted of 10 east-west lines spaced at 100 m, with sample locations every 50 m. This was supplemented by 9 lines spaced every 100 m with samples taken every 100 m along each line. The second sampling phase was conducted as a follow-up to arsenic anomalies reported in the first phase, and consisted of 6 east-west lines spaced at 100 m with sample locations every 50 m. Fredonia reports that there is a correlation between arsenic anomalies and outcropping structures which are mainly orientated between north-south and northwest-southeast.

Geological Setting, Mineralization and Deposit Types

Regional Geology

Santa Cruz province straddles three north-south trending ranges which, from west to east, are the Cordillera Principal, Cordillera Frontal and the Pre-Cordillera with part of the Pampean range. The structure of this region is characterised by block faulting. High angle normal faults with strike-slip movement, corresponding to Permo-Triassic rifts, were reactivated during the Jurassic and this extensional movement was accompanied by simultaneous eruptions of acid volcanic rocks. The opening of the proto-Atlantic Ocean triggered these early Mesozoic events in this region. Later, the area underwent a marine incursion during the Tertiary with the deposition of marine sediments, followed by the deposition of continental sediments and outpouring of basaltic lavas during the Quaternary.

The El Dorado-Monserrat Project is located within the Deseado Massif, which is a tectonic block in the central-portion of the Santa Cruz Province, covering an area of approximately 60,000 sq km. The oldest rocks within the Deseado Massif are the Upper Precambrian and Lower Palaeozoic metamorphics of the La Modesta Formation (also known as the Rio Deseado Complex). This formation is intruded by calc-alkaline granite and granodiorite of Lower to Middle Palaeozoic age, together with associated but limited basaltic sills and dykes. These rocks are in turn unconformably overlain by the Permo-Triassic continental sandstone of the La Golondrina and El Tranquilo Formations, which were deposited in a series of graben and half-graben structures.

During the Jurassic and Cretaceous Periods the region underwent extensional tectonics, which initially resulted in the deposition of the epiclastic and pyroclastic Roca Blanca Formation, followed by the widespread eruption of thick andesite flows of Lower Jurassic age (Bajo Pobre Formation), during the Mid-Jurassic. The volcanic activity continued into the Middle and Upper Jurassic with the outpouring of a large volume of rhyolitic ignimbrites and deposition of sediments which cover an area of approximately 100,000 sq km, which together form the Bahia Laura Group. This Group includes the Chon Aike and La Matilde Formations. The Chon Aike Formation comprises a thick sequence of rhyolitic ignimbrites, tuffs and volcanoclastics and is the host for the majority of the known mineralisation in the Deseado Massif. The La Matilde Formation is interpreted by some workers to represent a distal facies of the Chon Aike Formation, which it appears to overlie.

Subsequently, dextral strike-slip movement on a north-northwest trend provided open structures for the formation of mineral veins on west-northwest trends. A marine incursion occurred during the Oligo-Miocene with the deposition of fossiliferous marine clastic sediments. Sub-aerial olivine basalt extrusion occurred during the Pliocene. The Holocene is characterised by the deposition of alluvial fans, river alluvium and lake-bed and saltpan deposits.

Structural studies of the Deseado Massif concluded that quartz and silicified veins in the region have a north-northwest orientation, which is controlled by normal faults. During the Upper Jurassic, contemporaneous with the Chon Aike Formation volcanicity, the extension could have been accompanied by dextral strike-slip movement. Lopez et al. (undated) undertook a detailed lineament analysis of the epithermal deposits of Southern Argentina. Their directional analysis indicates that the principal lineaments in the region trend north-northwest, north and east. However, the main trends of mineralised quartz and silicified veins are west-northwest and northwest. It appears from their conclusions that the mineralised veins formed as dilational splays in an extensional stress field which included a component of dextral movement on a north-northwest trend.

Local and Property Geology

The El Dorado-Monserrat region is predominantly underlain by andesite lavas of the Bajo Pobre Formation that are exposed through windows of later cover as uplifted blocks or horsts bounded by generally east-striking faults. These

rocks are predominantly microporphyrific. In addition to lavas, volcanic breccias are present and comprise andesite and basalt clasts ranging in size from a few cm to more than 1 m across, with a dark grey, massive matrix. These volcanic breccias are genetically, spatially and temporally linked to the andesites.

Examination of regional satellite imagery indicates a significant circular feature, interpreted as a collapsed caldera, although ACA Howe considers that the feature is actually a dome. This is supported by the outward dips of marginal rocks and by a section which indicates uplift and ring fracturing rather than a collapse structure. This feature contains the epithermal vein mineralisation on the El Dorado-Monserrat property which occurs in a series of radial fractures adjacent to and within two southeast and east trending horsts. The Main Vein mineralisation is hosted by Bajo Pobre formation rocks, within the Monserrat Horst. The Beethoven zone occurs in Bajo Pobre andesites in the centre of the Cerro Rubio Horst. The Monserrat West zone occurs within a silicified ridge of Chon Aike ignimbrites on the western part of the Monserrat Horst.

Jurassic silicic volcanism was associated with the domal feature, which is approximately 6 km in diameter, situated between the El Dorado and Monserrat ranches, and which is largely filled with Chon Aike ignimbritic flows that cover the Bajo Pobre rocks (Echavarría, 1999). These ignimbrites are mainly porphyritic rhyolites. Tuffs interbedded with the ignimbrites are generally fine grained. Megabreccia, with clasts more than 2 m in diameter, occurs in places formed along the borders of the circular feature. The rocks around the margin of the dome comprise finely stratified and reworked tuffs belonging to the La Matilde Formation that dip slightly outward.

Finally, late volcanic activity resulted in the extrusion of acid volcanic domes along ring fractures located at the border of the dome. These bodies are composed of pyroclastic rocks at the bottom, grade from thick lapillites to fine tuffs toward the top, and are capped by viscous rhyolitic lavas. In the Cerro Herradura area, a small eruptive centre, possibly a late-stage dome, is interpreted to occur within Chon Aike rocks near the dome margin.

The south and southwest part of the area is covered by pyroclastic and reworked volcanoclastic rocks that constitute 100 m to 200 m of subhorizontal stratified rocks. The rest of the area is covered by flows of Quaternary alkaline basalts which cover much of the area.

Mineralization

Main Vein and Abanico Areas

The Main Vein System comprises an extensive low sulphidation epithermal vein complex extending in a north-south direction which carries significant gold and silver values. The total strike length of the Main Vein and Abanico areas, from trench intercepts in the south-southwest to drill hole intercepts in the north northeast, is approximately 2.8 km and mineralised zones vary in thickness from less than 1 m to over 10 m, with the predominant number being <1m. The veins occupy a north-striking, sinistral shear zone. In the south, the system swells to around 1 km in width, hosted by andesitic Bajo Pobre formation rocks. At surface, continuous veins up to 3.5 m thick form in dilational jogs in this area.

The veins consist mainly of multistage quartz, with isolated breccias composed of hydrothermally altered wallrock and vein fragments cemented by fine-grained quartz. Base metals are present in very low concentrations (<0.15%) and neither base metal sulfides nor their weathering products have been observed in outcrop, though minor veins with galena and sphalerite correlate with high gold values in drill core.

Three types of hydrothermal alteration have been defined, namely quartz-adularia, sericitic and propylitic. The quartz-adularia zone is developed in the wallrocks of the quartz veins and ranges from a few centimetres to 1 m in thickness. It grades outward to an external halo of sericitic alteration up to 5 m wide that is recognised by bleaching of the andesitic wall rocks. The outermost propylitic alteration forms a diffuse halo and is mainly restricted to phenocrysts.

In order of decreasing abundance, vein mineralogy consists of quartz, barite, pyrite, adularia, magnetite, hematite and electrum. Quartz and other silica minerals constitute more than 90% of the vein fill, whereas adularia ± pyrite + Fe-bearing oxides + electrum form less than 5% of the rock within the mineralised zones.

Pyrite is present as cubic euhedral crystals up to 5 mm in size and is associated with both the early precipitated adularia, and medium grained quartz that was deposited during one of the last pulses. Magnetite and hematite are the principal primary iron-bearing minerals recognised in the deposit. Magnetite occurs in restricted sectors in veins at Monserrat. Hematite appears as both a space-filling mineral and an alteration product of magnetite. Hematite has a very restricted distribution and is observed only in a few sectors of the Monserrat area, though is common in the Beethoven sector of El Dorado. Gold occurs as small, irregular grains up to 100 microns in diameter and is recognised only in massive quartz or quartz-filling bladed calcite cavities.

A paragenetic sequence has been interpreted from the vein mineralogy at El Dorado-Monserrat. Early bladed calcite precipitated in open spaces from an ascending hydrothermal fluid, followed by adularia. Quartz precipitated in open spaces mainly with a massive texture; amorphous silica also was present. This quartz is associated with magnetite and pyrite and contains high-grade mineralisation. Later, a fine crustiform-colloform band composed of chalcedony, fine grained quartz and pyrite was deposited with very low gold and silver contents. Calcite was subsequently completely replaced by quartz. Finally, in a post-mineralisation stage, deposition of barite occurred in the form of relatively pure crystals, in veins less than 1 m thick and up to 300 m long, which are cross-cut by recrystallised quartz and chalcedony veinlets. The barite veins cut the quartz veins. Adularia is common in veins and veinlets.

Further south, in the Abanico area, major conjugate splays occur off the north-south system, with strong veining trending in a southeasterly direction. Between the splays and the main system, dilatant structures have been developed and extensive breccia zones occur, with potential for large tonnage, low grade mineralisation. The mineralisation is open in all directions; to the north, the veining disappears beneath a thin veneer of more recent basalt.

A later system of southerly-trending barite veining is slightly transgressive to the Main Vein System; this was worked on a small scale between 2008 and 2010.

Monserrat West

The Monserrat West area is located 2 km west of the Main Vein zone. At surface, a silica cap, secondary oxidation, leaching, breccia and residual quartz textures are reported by Fredonia. Surface mapping by Samco indicates that Monserrat West is located within the Chon Aike Formation, with lithologies including pyroclastic agglomerates, rhyolites, ignimbrites and rhyolitic lapilli tuffs.

Drilling data suggests that mineralised zones are related to veining and brecciation and have a north to north-northeast trend, dipping 55 to 75° to the east. The majority of the mineralised intersects are within an area around 540 m from north to south and 100 m from west to east. Additional more isolated intersects extend the strike length to 850 m. Significant mineralised intercepts are from 100 m to 235 m below surface.

Mineralised zones are characterised by argilisation and intense silicification with dense veins of quartz, barite, pyrite, limonite, hematite and clays. Towards the edge of the zones, weak to moderate argilisation with clays, pyrite, chlorite and limonite is observed. At the edge of the zones, alteration minerals consist of chlorite, calcite, pyrite hematite and clays.

Fredonia notes that two phases of the mineralisation have been recognised. The first is dominated by barite, silver, pyrite, sphalerite, galena, iron oxides, limonite and clays. The second is characterized by silica-rich fluids, partially or completely replacing barite. It is thought that this phase was the main contributor for the gold mineralisation, either bringing in additional silver or remobilising silver from the first phase.

La Herradura and Beethoven

Mineralisation at La Herradura is hosted by veins and veinlets of massive quartz with iron oxide staining. Hydrothermal breccias composed of sub-angular clasts up to 1 cm are also present. Fredonia notes that the veins have an azimuth of around 300° and a dip of 65 to 75° to the northeast. It is reported that average vein lengths are 120 to 250 m, with thicknesses from 0.15 to 0.5 m.

Depths of mineralised zones at La Herradura vary from 0 to around 220 m below surface. The footprint of the main mineralised area is approximately 480 m in length and 70 to 130 m wide. In addition, there is a further mineralised area to the south related to veining on a similar trend.

Exploration by Samco and Aur Resources at Beethoven covers a footprint of 2.5 km along a trend to the west-northwest. To date, the main mineralised zones intersected in drilling have been on the southernmost vein from a drilled depth of around 15 m. Significant intercepts in holes SGBE003 and SGBE003-A suggest a mineralised zone dipping at around 85° to the south-southwest. Fredonia notes that at Beethoven, numerous veins have been identified at surface along with hydrothermal breccias. Veins consist of quartz, chalcedony and jasper with barite, adularia, calcite, pyrite, arsenopyrite, sphalerite, limonite, iron oxides, jarosite and sericite. Sulphides, predominantly pyrite, reach up to 10% in vein volume.

Deposit Type

Mineralisation of the Deseado Massif is related to the final stages of the mostly rhyolitic Chon Aike volcanic cycle; the host rock can be either Chon Aike rhyolite or Bajo Pobre andesite. Although rhyolitic rocks are closely related to the deposits, the basaltic or intermediate component of the bimodal magmatic suites may play a fundamental role in the provision of sulphur, chloride, and even metals to the mineralising hydrothermal fluids. Hydrothermal systems associated with the Chon Aike rhyolitic volcanism were active during the Jurassic period producing important epithermal Au-Ag vein deposits. A broad mineral zonation is seen with gold to silver ratios increasing to the west and north across the Deseado Massif.

Low sulphidation epithermal veins are the most common ore deposits in the Deseado Massif. Vein systems can be followed for kilometres, often with a northwesterly trend as at Cerro Vanguardia and Cerro Moro. Vein widths vary between 0.5 m and 10 m with broader zones occurring in areas of extreme dilation. Veins fill normal fault structures and/or dilational zones in strike-slip faults. Discontinuous ore shoots occur within the larger structures and appear to be controlled by local dilational flexures and jogs. Wall-rock lithology appears to control the local strike direction and stockworks may develop in more brittle, rock units. Wallrock alteration is minimal, with minor bleaching, silicification and phyllic alteration being developed in narrow zones adjacent to the veins.

The mineralisation comprises Au- and Ag-rich veins as multistage fracture fillings. Stockworks and disseminations occur but are not economically significant. The principal vein filling is silica, mainly as quartz and chalcedony, with minor barite and calcite; crustiform-colloform and recrystallisation textures are common. The veins may be brecciated and contain limonitic and manganese veining and breccia fill. Barite, adularia and haematite may occur in the quartz veins. Surface discharge of paleohydrothermal fluids formed silica sinters that have been preserved from erosion in places, especially in the central and western part of the Deseado Massif. The sinters are composed of laminated recrystallised quartz with bands that show slumping, mud cracks, nodular concentric textures and reworked fragments.

Ore minerals include native gold, electrum, native silver, and argentite, and are disseminated in vein quartz and within goethite in the oxide zone. Other ore minerals that can be present include tetrahedrite, galena, sphalerite, chalcocite, Ag sulphosalts and Au tellurides, though always as minor components. On Austral Gold's Pinguino property, massive base-metal sulphide veins carry significant silver values, together with high levels of indium.

The veining may also be associated with rhyolitic domes and calderas that are the source of the mineralising fluids and provide structural loci for their deposition. In addition, mineralised breccias may occur associated with veining, rhyolitic domes and intrusives. The Calandrias property, operated by New Dimension Resources, comprises widespread gold-silver mineralisation related to hydrothermal sulphidic breccias and sulphidic vein breccias with extensive intersections of low grade gold and silver values.

Since 1976 the San Jose, Cerro Negro, Mina Martha, Manantial Espejo, Cerro Moro, Cerro Vanguardia, Cap Oeste, Lomada de Leiva and other deposits have been discovered in the Deseado Massif.

Exploration

Significant exploration of the El Dorado-Monserrat Project has been completed by previous owners, especially Aur Resources and Samco, and a description of their work is provided under the heading “History”.

As the work was completed by previous owners of the El Dorado-Monserrat Property, full details on the procedures, parameters, sampling methods and sample quality are not available to ACA Howe and, as such, ACA Howe is unable to comment on sample bias and whether samples are representative.

Since taking ownership of the property on 8th November 2017, Fredonia’s exploration activities have only consisted of drilling and this is described below under “Drilling”.

Drilling

Fredonia completed a drilling programme from March to April 2018 consisting of 14 diamond drill holes at HQ size for 2,121 m. Significant drilling programmes were also completed by previous owners and, as such, they are included in this section to provide further information. A summary of the drilling completed on the El Dorado-Monserrat Project is shown in the table below.

Summary of Drilling Completed on the El Dorado-Monserrat Project

| Company | Period of Ownership | Number of Drill Holes | % of Total Drill Holes | Metres Drilled | % of Total Metres |
|---------------------|----------------------------|------------------------------|-------------------------------|-----------------------|--------------------------|
| Cia Minera San Jose | 1988-1991 | RC - 20 DDH - 18 | 15 | 1,446 | 4 |
| Energy Fuels | 1992-1993 | WN - 31 DDH - 10 | 16 | 2,378 | 7 |
| Mincorp | 1996-1997 | DDH - 5 | 2 | 657 | 2 |
| Aur Resources | 2004-2007 | DDH - 53 | 21 | 10,659 | 30 |
| Samco | 2009-2017 | DDH - 98 | 39 | 18,846 | 52 |
| Fredonia | 2017-Present | DDH - 14 | 6 | 2,121 | 6 |

*Note: WN = wagon drill hole, RC = reverse circulation drill hole, DDH = diamond drill hole

The information on the drilling completed by CIA Minera San Jose, Energy Fuels, Mincorp, Aur Resources and Samco is described as far as possible herein, although details on procedures, and drilling, sampling and recovery factors that could impact on the accuracy and reliability of the results were not available to the authors of the Technical Report. Drill core from both the Aur Resources and Samco drilling programmes is stored on local farms and is available for assessment. It is understood that the majority of the Aur Resources core and all of the Samco core is in a condition suitable for re-sampling.

Drilling By Cia Minera San Jose, Energy Fuels And Mincorp

The project was owned by CIA Minera San Jose from 1988 to 1991, Energy Fuels from 1992 to 1993 and Mincorp from 1996 to 1997. No assay certificates or QA/QC data are available for the Cia Minera San Jose, Energy Fuels and Mincorp drilling.

Intercepts above 1 g/t Au with a minimum true thickness of 2 m were deemed significant, allowing up to 2 m of consecutive intervals below 1 g/t Au. True thicknesses are based on conceptual models and the following interpreted dip and dip directions:

- Camila C - dip = -70°, dip direction = 270°
- Marcela - dip = -70°, dip direction = 270°
- Virginia B - dip = -70°, dip direction = 270°
- Monserrat West - dip = -65°, dip direction = 090°

As vein dip and dip direction is variable, and holes are drilled in an easterly or westerly direction, some holes are sub-parallel to mineralisation. As such, drilled intercepts can be close to interpreted true thickness or can vary widely in other instances. Sampling was highly selective, leaving the possibility for wider intercepts to be identified either by the re-sampling of drill core or the twinning of drill holes.

The exploration database includes 563 m of RC drilling and 883.07 m of diamond drilling by Cia Minera San Jose, predominantly drilled at Camila C. Sampling was completed selectively and only 68 samples were sent for analysis. These samples returned significant intercepts as shown in Table 4, however some of the holes were drilled from east to west, meaning that the true thickness is significantly less than the drilled thickness. Many of the intercepts end within mineralisation, indicating the potential for wider mineralised zones than currently interpreted.

Drilling by Energy Fuels was focused at the various prospects of the Main Vein area. The exploration database includes 1,176 m of wagon drilling and 1,202 m of diamond drilling. The main results of the work are described under the heading “History”.

Mincorp drilled five diamond drill holes in the La Herradura-Beethoven area for a total of 657.46 m. The results of this work are described under the heading “History”.

Significant Intercepts In Cia Minera San Jose, Energy Fuels And Mincorp Drilling

| Hole ID | Company | Target | From | To | Drilled Interval (m) | True Thickness (m) | Au (g/t) | Ag ppm |
|----------|-----------------|------------|-------|-------|----------------------|--------------------|----------|--------|
| AR-2-ED | Minera San Jose | Camila C | 21.00 | 23.00 | 2.00 | 0.65 | 36.45 | 441.00 |
| AR-3-ED | Minera San Jose | Camila C | 42.00 | 54.00 | 12.00 | 0.30 | 4.84 | 366.75 |
| | | Including | 42.00 | 53.00 | 11.00 | 0.28 | 5.16 | 205.55 |
| AR-13-ED | Minera San Jose | Camila C | 18.00 | 22.00 | 4.00 | 2.82 | 6.55 | 179.75 |
| AR-15-ED | Minera San Jose | Camila C | 24.00 | 26.00 | 2.00 | 0.04 | 2.25 | 3.00 |
| AR-17-ED | Minera San Jose | Camila C | 29.00 | 31.00 | 2.00 | 0.51 | 19.70 | 67.50 |
| AR-19-ED | Minera San Jose | Camila C | 16.00 | 18.00 | 2.00 | 0.07 | 17.15 | 130.00 |
| AR-24-ED | Minera San Jose | Virginia B | 9.00 | 11.00 | 2.00 | 1.61 | 2.92 | 64.00 |
| AR-27-ED | Energy Fuels | Virginia B | 10.00 | 15.00 | 5.00 | 0.59 | 1.49 | 66.60 |
| | | Including | 10.00 | 12.00 | 2.00 | 0.24 | 2.21 | 84.50 |
| AR-32-ED | Energy Fuels | Marcela | 25.00 | 27.00 | 2.00 | 0.48 | 20.85 | 29.50 |
| AR-32-ED | Energy Fuels | Marcela | 29.00 | 31.00 | 2.00 | 0.48 | 2.28 | 2.50 |
| AR-33-ED | Energy Fuels | Camila C | 45.00 | 47.00 | 2.00 | 1.42 | 1.24 | 4.50 |
| AR-35-ED | Energy Fuels | Camila C | 35.00 | 38.00 | 3.00 | 2.30 | 8.30 | 154.33 |
| AR-37-ED | Energy Fuels | Camila C | 56.00 | 58.00 | 2.00 | 1.41 | 1.25 | 0.00 |
| AR-39-ED | Energy Fuels | Virginia B | 45.00 | 48.00 | 3.00 | 2.28 | 2.70 | 0.00 |
| AR-40-ED | Energy Fuels | Marcela | 30.00 | 32.00 | 2.00 | 0.21 | 3.21 | 0.00 |
| AR-43-ED | Energy Fuels | Marcela | 19.00 | 23.00 | 4.00 | 0.77 | 1.68 | 0.00 |
| | | Including | 20.00 | 22.00 | 2.00 | 0.39 | 2.04 | 0.00 |
| AR-46-ED | Energy Fuels | Monica | 4.00 | 6.00 | 2.00 | 1.80 | 1.07 | 0.00 |
| AR-50-ED | Energy Fuels | Emilia | 12.00 | 14.00 | 2.00 | 1.64 | 1.07 | 0.00 |
| AR-51-ED | Energy Fuels | Emilia | 18.00 | 20.00 | 2.00 | 1.67 | 2.03 | 0.00 |
| AR-5-ED | Minera San Jose | Camila C | 16.00 | 19.00 | 3.00 | 1.68 | 4.43 | 225.67 |
| | | Including | 16.00 | 18.00 | 2.00 | 1.12 | 5.10 | 283.50 |
| AR-6-ED | Minera San Jose | Camila C | 26.00 | 29.00 | 3.00 | 0.80 | 1.71 | 92.67 |
| AR-7-ED | Minera San Jose | Camila C | 12.00 | 16.00 | 4.00 | 3.40 | 7.24 | 39.67 |
| AR-8-ED | Minera San Jose | Camila C | 10.00 | 12.00 | 2.00 | 1.69 | 19.95 | 144.00 |

| Hole ID | Company | Target | From | To | Drilled Interval (m) | True Thickness (m) | Au (g/t) | Ag ppm |
|-----------|-----------------|------------|--------|--------|----------------------|--------------------|----------|--------|
| DDH01 | Mincorp | Herradura | 20.50 | 24.30 | 3.80 | 1.26 | 1.11 | 1.05 |
| DDH03 | Mincorp | Herradura | 122.30 | 126.30 | 4.00 | 3.14 | 1.02 | 7.80 |
| DDH05 | Mincorp | Herradura | 80.80 | 86.80 | 6.00 | 3.38 | 1.33 | 9.37 |
| | | Including | 82.80 | 84.80 | 2.00 | 1.53 | 3.93 | 23.60 |
| DDH-2-ED | Minera San Jose | Camila C | 36.91 | 39.21 | 2.30 | 1.68 | 2.21 | 279.22 |
| DDH-3-ED | Minera San Jose | Camila C | 48.10 | 50.21 | 2.11 | 1.54 | 2.40 | 111.64 |
| DDH-7-ED | Minera San Jose | Camila C | 40.78 | 44.44 | 3.66 | 2.45 | 1.06 | 47.34 |
| DDH-11-ED | Minera San Jose | Camila B | 13.74 | 17.10 | 3.36 | 2.69 | 1.41 | 74.05 |
| DDH-11-ED | Minera San Jose | Camila B | 19.17 | 21.90 | 2.73 | 2.19 | 1.45 | 33.87 |
| DDH-13-ED | Minera San Jose | Camila A | 10.33 | 12.70 | 2.37 | 1.33 | 1.58 | 45.54 |
| DDH-15-ED | Minera San Jose | Camila C | 42.36 | 46.92 | 4.56 | 3.62 | 15.29 | 16.02 |
| | | Including | 44.36 | 46.80 | 2.44 | 1.93 | 28.18 | 23.07 |
| DDH-19-ED | Energy Fuels | Ines | 30.50 | 36.75 | 6.25 | 2.14 | 1.41 | 24.39 |
| | | Including | 30.50 | 33.20 | 2.70 | 0.92 | 2.26 | 46.59 |
| DDH-19-ED | Energy Fuels | Ines | 50.05 | 54.55 | 4.50 | 1.54 | 1.18 | 25.84 |
| DDH-19-ED | Energy Fuels | Ines | 55.18 | 61.35 | 6.17 | 2.11 | 14.40 | 885.65 |
| DDH-19-ED | Energy Fuels | Ines | 67.00 | 74.60 | 7.60 | 2.60 | 2.76 | 207.43 |
| | | Including | 69.00 | 72.40 | 3.40 | 1.16 | 5.15 | 394.31 |
| DDH-20-ED | Energy Fuels | Virginia A | 76.20 | 79.25 | 3.05 | 1.04 | 2.68 | 15.15 |
| DDH-21-ED | Energy Fuels | Virginia B | 7.10 | 9.43 | 2.33 | 0.80 | 1.10 | 22.19 |
| DDH-23-ED | Energy Fuels | Ines | 16.80 | 19.85 | 3.05 | 2.69 | 1.07 | 9.02 |
| DDH-23-ED | Energy Fuels | Ines | 43.75 | 48.80 | 5.05 | 4.45 | 12.68 | 271.50 |
| DDH-26-ED | Energy Fuels | Camila C | 0.00 | 4.25 | 4.25 | 1.45 | 1.26 | 113.91 |
| DDH-26-ED | Energy Fuels | Camila C | 65.75 | 69.30 | 3.55 | 1.21 | 1.97 | 10.24 |

Drilling By Aur Resources

Aur Resources owned the project from 2004 to 2007.

Main Vein and Abanico Area

Aur Resources conducted drilling on sections spaced around 100-200 m apart along the various veins and splays in the Main Vein system. 21 diamond core holes were drilled for a total of 3,683 m. 2,976 samples were sent for analysis gold and silver by fire assay and ICP for a suite of 39 elements at Alex Stewart Laboratories.

Examination of sections indicates that in a number of cases, drilling was subparallel to the mineralisation or only single holes were drilled through significant structures. However, some of the drilling did identify significant mineralisation.

Montserrat West

The Montserrat West area was discovered on a silicified ridge, initially interpreted as a silica cap, about 1 km to the west of the Main Vein area, across a wide depression characterised by clay alteration and southeast-trending veins of jasper. The prospect comprises a north-northeast trending vein system. Aur Resources drilled 25 HQ (63.5 mm core diameter) diamond drill holes for a total of 5,950 m, along a strike length of 900 m and significant intersections are shown in the table below. Intersection depths where the gold and silver grades are increasing to significant levels are

around 150 m to 180 m vertically below surface. 4,053 samples sent for analysis for gold and silver by fire assay and ICP for a suite of 39 elements at Alex Stewart Laboratories.

These zones generally correlate with anomalous gold and silver and suggest that the drilling has penetrated the upper part of a low sulphidation epithermal system. The Monserrat West veining contains significant levels of barium, arsenic and antimony, occasionally accompanied by mercury. The three easternmost drill holes intersected a structure parallel to the principal vein zone that was being investigated.

Beethoven

Aur Resources drilled seven HQ (63.5 mm core) diamond drill holes totaling 994.75 m in the northernmost vein system. 725 samples sent for analysis for gold and silver by fire assay and ICP for a suite of 39 elements at Alex Stewart Laboratories.

This system extends 2,500 m in a south-southeasterly direction over a width of about 200 m and contains two principal vein sets with many minor veins between the sets. The drilling tested the system to vertical depths of between 40 m and 100 m. More than 100 continuous veins were identified within the zone. Alteration mapping suggested that to the southeast, mineralisation temperatures gradually fell, accompanied by increased chalcedony, jasper and manganese contents, suggesting that higher parts of the system were exposed in this direction. The trenches returned only a few anomalous gold and silver values in the wall rocks, while channel sampling of veins returned weakly anomalous to negligible gold and silver values, though arsenic, antimony and barium and occasionally mercury were anomalous. Aur Resources considered that three separate mineralisation pulses could be recognised.

Three of the drill holes tested a 125 m stretch of veining in the far east of the structure, while the remaining four were unevenly distributed on various zones along a 1 km strike length to the west-northwest. Zones of weak gold (up to 0.99 g/t over 0.25 m in hole BE-2) and silver anomalies tend to correlate with arsenic, antimony and mercury, while base metals are generally in the low 100s. While some of the veins appear to pinch out at depth, others appear to converge and it is possible that plunging shoots are present that could not be delineated due to the wide drill spacing.

Based on the drill results, Aur Resources concluded that there were insufficient metals in the system to produce an economic deposit. However, although only a minor part of the system was drill tested, there is clear evidence of high level, low sulphidation epithermal mineralisation and the structures are strong and continuous. One hole (BE-2) intersected a zone 14 m wide (true width 10 m) with 5 narrow (0.1 to 0.65 m) quartz veins carrying anomalous gold values ranging from 0.25 to 0.99 g/t Au and silver values ranging from 0.8 to 18.28 g/t Ag. All of the holes exhibited oxidation to at least 100 m vertical depth.

This was the last prospect that Aur Resources worked on in 2007. The company was bought out by Teck-Cominco who closed the operation immediately.

Intercepts above 1 g/t Au with a minimum true thickness of 2 m were deemed significant, allowing up to 2 m of consecutive intervals below 1 g/t Au. True thicknesses in the table below are based on conceptual models and the following interpreted dip and dip directions:

- Camila C - dip = -70° , dip direction = 270°
- Marcela - dip = -70° , dip direction = 270°
- Virginia B - dip = -70° , dip direction = 270°
- Monserrat West - dip = -65° , dip direction = 090°

As vein dip and dip direction is variable, and holes are drilled in an easterly or westerly direction, some holes are sub-parallel to mineralisation. As such, drilled intercepts can be close to interpreted true thickness or can vary

widely in other instances. Sampling by Aur Resources was highly selective, leaving the possibility for wider intercepts to be identified either by the re-sampling of drill core or the twinning of drill holes.

SIGNIFICANT INTERCEPTS IN AUR RESOURCES DRILLING

| Hole ID | Target | From | To | Drilled Interval (m) | True Thickness (m) | Au (g/t) | Ag ppm |
|---------|-----------------|--------|--------|-------------------------|--------------------|----------|--------|
| DM-1 | Camila C | 69.00 | 72.00 | 3.00 | 2.42 | 2.12 | 1.67 |
| DM-3 | Marcela | 31.00 | 35.00 | 4.00 | 3.01 | 1.67 | 13.38 |
| DM-3 | Marcela | 70.00 | 72.90 | 2.90 | 2.15 | 1.78 | 13.79 |
| DM-8 | Camila C | 15.50 | 18.00 | 2.50 | 2.02 | 1.02 | 2.60 |
| DM-18 | Montserrat West | 209.50 | 215.70 | 6.20 | 5.64 | 1.51 | 23.20 |
| DM-19 | Montserrat West | 133.52 | 138.40 | 4.88 | 4.02 | 2.06 | 122.19 |
| DM-22 | Montserrat West | 216.00 | 223.00 | 7.00 | 5.66 | 1.87 | 4.06 |
| DM-28 | Virginia B | 77.45 | 82.00 | 4.55 | 3.42 | 1.19 | 14.18 |
| DM-28 | Virginia B | 107.00 | 110.00 | 3.00 | 2.26 | 1.19 | 3.63 |
| DM-40 | Montserrat West | 194.21 | 200.63 | 6.42 | 5.60 | 3.81 | 11.24 |
| | Including | 195.23 | 198.90 | 3.67 | 3.20 | 6.47 | 17.15 |

Samco Drilling

Samco owned the project from 2009 to 2017. From September 2011 to April 2012, Samco completed 98 diamond core drill holes on the El Dorado-Monserrat Project, totaling 18,846 m. The drilling was completed by three drill rigs operating simultaneously. The majority of the drilling was focused on the Main Vein system, with targets including Camila, Ines and Virginia. In addition, some holes were drilled in the Bajo Pedernal, Monserrat West and Abanico areas. Further drilling was completed at La Herradura and Beethoven.

Drill core from the programme is currently stored on a local farm, the majority inside a warehouse and the remainder outside covered with plastic sheeting. Marc Sale, an author of the Technical Report, has visited the core storage facility and it is thought that the core will be in generally good condition and suitable for re-assaying, particularly in the unweathered zones.

The majority of drill holes were completed at HQ core size (diameter 63.5 mm). Drill core was oriented a Ballmark orientation tool in the first phase and subsequently by a Reflex orientation tool, although the data produced by both methods was considered unreliable by Samco. The drill hole locations were surveyed using Differential GPS. Drill core was logged on industry standard templates and observations included lithology, mineralisation, alteration and structure.

A total of 4,882 samples were analysed by Alex Stewart Laboratories in Perito Moreno, which is certified to ISO 9001:2015 and ISO 9001:2015 standards. Analysis for all samples included Au and Ag by fire assay, while a suite of 38 other elements were analysed by ICP for selected samples. In addition, 88 blanks and 140 standards (QA/QC samples) were inserted into the sample sequence by Samco.

Main Vein System, Abanico, Monserrat West and Bajo Pedernal

Samco completed a total of 10,651 m of drilling in 64 drill holes at a spacing of around 50 m in the Main Vein area and Abanico areas. One hole was drilled at Monserrat West, as well as four at Bajo Pedernal. Drilling was successful in extending mineralised zones identified at surface and in previous drilling. In particular, in addition to shallow drilling, Samco targeted the deeper extensions of the veins. Similarly to previous drilling programmes, it appears that some of the drilling was completed sub-parallel to the mineralised zones.

Intercepts above 1 g/t Au with a minimum true thickness of 2 m are deemed significant, allowing up to 2 m of consecutive intervals below 1 g/t Au. True thicknesses in the table below are based on conceptual models and the following interpreted dip and dip directions:

- Ines, Virginia A and Virginia B - dip = -70°, dip direction = 270°
- Camila A - dip = -80°, dip direction = 270°
- Camila C - dip = -70°, dip direction = 270°
- Marcela - dip = 70°, dip direction = 270°
- Seraphina - dip = -80°, dip direction = 090°

There was insufficient information to estimate the true thickness at Deposito.

Significant Intercepts From Samco Drilling In The Main Vein, Abanico And Bajo Pedernal Areas

| Hole ID | Target | From | To | Drilled Interval (m) | True Thickness (m) | Au (g/t) | Ag ppm |
|----------|----------------|--------|--------|----------------------|--------------------|----------|--------|
| MVDDH001 | Camila C | 84.00 | 88.00 | 4.00 | 3.38 | 6.88 | 23.27 |
| MVDDH005 | Camila B | 122.00 | 126.00 | 4.00 | 3.41 | 1.01 | 5.27 |
| MVDDH009 | Virginia B/C | 32.70 | 37.00 | 4.30 | 3.69 | 1.19 | 26.21 |
| MVDDH012 | Monserrat West | 178.00 | 180.50 | 2.50 | 2.27 | 1.05 | 283.26 |
| MVDDH014 | Camila C | 7.00 | 11.20 | 4.20 | 3.45 | 1.80 | 9.27 |
| MVDDH023 | Virginia A | 161.40 | 166.00 | 4.60 | 3.90 | 2.84 | 35.69 |
| MVDDH028 | Camila C | 53.00 | 56.00 | 3.00 | 2.59 | 1.28 | 12.75 |
| MVDDH037 | Ines | 247.20 | 250.30 | 3.10 | 2.66 | 1.23 | 6.44 |
| MVDDH038 | Marcela | 63.00 | 66.00 | 3.00 | 2.59 | 1.35 | 9.99 |
| MVDDH039 | Virginia A | 146.00 | 150.00 | 4.00 | 3.06 | 2.85 | 23.13 |
| MVDDH039 | Virginia A | 160.00 | 164.00 | 4.00 | 3.06 | 3.31 | 44.38 |
| MVDDH041 | Virginia B | 71.00 | 76.50 | 5.50 | 4.19 | 5.50 | 64.28 |
| | Including | 72.00 | 75.00 | 3.00 | 2.28 | 6.71 | 70.20 |
| MVDDH043 | Marcela | 28.50 | 41.00 | 12.50 | 9.40 | 1.74 | 14.16 |
| MVDDH046 | Virginia A | 129.00 | 136.00 | 7.00 | 5.26 | 2.28 | 21.48 |
| MVDDH048 | Ines | 87.00 | 91.00 | 4.00 | 3.46 | 1.21 | 7.33 |
| MVDDH049 | Ines | 189.00 | 192.00 | 3.00 | 2.22 | 1.24 | 12.56 |
| MVDDH050 | Ines | 109.00 | 114.50 | 5.50 | 4.15 | 1.07 | 5.51 |
| MVDDH051 | Virginia A | 97.00 | 104.00 | 7.00 | 5.31 | 1.60 | 5.82 |
| MVDDH051 | Virginia A | 126.50 | 134.00 | 7.50 | 5.68 | 1.47 | 58.86 |
| MVDDH051 | Virginia A | 160.50 | 165.00 | 4.50 | 3.39 | 1.01 | 17.51 |
| MVDDH052 | Camila C | 84.00 | 87.00 | 3.00 | 2.33 | 1.25 | 10.97 |
| MVDDH053 | Virginia A | 121.00 | 125.00 | 4.00 | 3.02 | 3.30 | 49.40 |
| MVDDH054 | Marcela | 48.50 | 54.50 | 6.00 | 4.62 | 2.16 | 28.36 |
| MVDDH058 | Ines | 42.00 | 47.00 | 5.00 | 4.33 | 1.16 | 84.84 |
| MVDDH058 | Ines | 54.00 | 57.00 | 3.00 | 2.59 | 2.11 | 35.28 |
| MVDDH058 | Ines | 83.00 | 86.00 | 3.00 | 2.58 | 1.37 | 10.27 |
| MVDDH062 | Virginia B/C | 104.00 | 112.00 | 8.00 | 6.12 | 4.97 | 48.63 |

| Hole ID | Target | From | To | Drilled Interval (m) | True Thickness (m) | Au (g/t) | Ag ppm |
|---------|-----------|--------|--------|----------------------|--------------------|----------|--------|
| | Including | 105.00 | 112.00 | 7.00 | 5.36 | 5.63 | 54.68 |
| PC002 | Deposito | 31.00 | 36.30 | 5.30 | Unknown | 1.79 | 66.89 |

As vein dip and dip direction is variable, and holes are drilled in an easterly or westerly direction, some holes are sub-parallel to mineralisation. As such, drilled intercepts can be close to interpreted true thickness or can vary widely in other instances. Sampling by Samco was selective, leaving the possibility for wider intercepts to be identified by the re-sampling of drill core.

La Herradura and Beethoven

In 2012, Samco completed a drill programme at La Herradura consisting of 28 diamond drill holes for a total of 6,643 m). In addition, 6 holes were drilled (including one abandoned) by Samco at Beethoven, for a total of 1,552 m. The aim of the programme at La Herradura was to evaluate the continuity of structures recorded by Mincorp and chargeability anomalies. It is noted that after the programme structures are open in all directions and also that Samco achieved higher gold grades than were seen in historical drilling, although in narrower intercepts. Significant intercepts from drilling by Samco at La Herradura and Beethoven are shown in the table below.

Intercepts above 1 g/t Au with a minimum true thickness of 2 m were deemed significant, allowing up to 2 m of consecutive intervals below 1 g/t Au. True thicknesses in the table below are based on conceptual models and the following interpreted dip and dip directions:

- La Herradura - dip = -70°, dip direction = 030°

As vein dip and dip direction is variable, and holes are drilled in an easterly or westerly direction, some holes are sub-parallel to mineralisation. As such, drilled intercepts can be close to interpreted true thickness or can vary widely in other instances. Sampling by Samco was selective, leaving the possibility for wider intercepts to be identified by the re-sampling of drill core.

Significant Intercepts From Samco Drilling At La Herradura And Beethoven

| Hole ID | Target | From | To | Drilled Interval (m) | True Thickness (m) | Au (g/t) | Ag ppm |
|---------|--------------|--------|--------|----------------------|--------------------|----------|--------|
| HDDH001 | La Herradura | 128.00 | 132.00 | 4.00 | 3.01 | 1.02 | 29.01 |
| HDDH007 | La Herradura | 81.00 | 87.00 | 6.00 | 4.52 | 1.48 | 9.98 |
| HDDH009 | La Herradura | 92.00 | 96.00 | 4.00 | 3.02 | 1.05 | 19.59 |
| HDDH010 | La Herradura | 126.00 | 129.00 | 3.00 | 2.26 | 1.24 | 3.51 |
| HDDH011 | La Herradura | 124.50 | 128.80 | 4.30 | 3.24 | 2.19 | 38.90 |
| HDDH011 | La Herradura | 147.00 | 152.70 | 5.70 | 4.30 | 1.20 | 75.16 |
| HDDH011 | La Herradura | 161.00 | 164.90 | 3.90 | 2.94 | 1.35 | 27.53 |
| HDDH011 | La Herradura | 168.00 | 179.00 | 11.00 | 8.29 | 1.79 | 78.22 |
| HDDH011 | La Herradura | 179.00 | 196.00 | 17.00 | 12.82 | 1.29 | 45.25 |
| HDDH013 | La Herradura | 68.00 | 75.50 | 7.50 | 5.66 | 8.29 | 56.46 |
| HDDH013 | La Herradura | 75.50 | 79.00 | 3.50 | 2.64 | 1.38 | 16.94 |
| HDDH013 | La Herradura | 84.50 | 87.50 | 3.00 | 2.26 | 1.10 | 14.34 |
| HDDH013 | La Herradura | 154.70 | 157.70 | 3.00 | 2.26 | 1.03 | 15.99 |
| HDDH013 | La Herradura | 170.70 | 175.70 | 5.00 | 3.77 | 1.99 | 117.09 |
| HDDH014 | La Herradura | 109.00 | 112.00 | 3.00 | 2.26 | 1.47 | 11.97 |
| HDDH015 | La Herradura | 146.00 | 153.50 | 7.50 | 5.66 | 1.30 | 26.80 |
| HDDH022 | La Herradura | 144.00 | 147.00 | 3.00 | 2.26 | 1.51 | 11.57 |

| Hole ID | Target | From | To | Drilled Interval (m) | True Thickness (m) | Au (g/t) | Ag ppm |
|----------|--------------|--------|--------|----------------------|--------------------|----------|--------|
| HDDH022 | La Herradura | 160.00 | 165.00 | 5.00 | 3.77 | 2.92 | 14.05 |
| HDDH022 | La Herradura | 165.00 | 168.00 | 3.00 | 2.26 | 1.32 | 6.13 |
| HDDH026* | La Herradura | 126.00 | 131.00 | 5.00 | 3.77 | 1.53 | 60.96 |
| HDDH027 | La Herradura | 216.00 | 227.00 | 11.00 | 8.29 | 1.59 | 97.80 |

Fredonia Drilling

Fredonia owned the Property since November 8, 2017. From March to April 2018, Fredonia completed a drilling programme consisting of 14 HQ diamond drill holes for 2,121 m. The aim of the programme was to increase confidence in the near surface and deeper intercepts reported from previous campaigns. The majority of the drill holes tested the Main Vein area, in addition to two holes in the Abanico area and three holes into a newly-named vein called Seraphina, to the west of the Main Vein area. To date, collar locations have been surveyed by handheld GPS only (thought to be at around 3-5 m accuracy). Significant intercepts, being intercepts above 1 g/t Au with a minimum true thickness of 2 m, allowing up to 2 m of consecutive intervals below 1 g/t Au, are shown in the table below. True thicknesses are based on conceptual models and the following interpreted dip and dip directions:

- Ines - dip = -70°, dip direction = 270°
- Seraphina - dip = -80°, dip direction = 090°
- Virginia A/B - dip = -70°, dip direction = 270°

As vein dip and dip direction is variable, and holes are drilled in an easterly or westerly direction, some holes are sub-parallel to mineralisation. As such, drilled intercepts can be close to interpreted true thickness or can vary widely in other instances.

Significant Intercepts in Fredonia Drilling

| Hole ID | Target | From | To | Drilled Interval | True Thickness | Au (g/t) | Ag ppm |
|----------|-----------|--------|--------|------------------|----------------|----------|--------|
| MVDDH063 | Seraphina | 89.50 | 94.00 | 4.50 | 3.44 | 1.29 | 12.16 |
| MVDDH067 | VirginiaB | 42.00 | 48.00 | 6.00 | 4.71 | 1.42 | 15.67 |
| MVDDH067 | VirginiaB | 52.65 | 56.50 | 3.85 | 3.02 | 2.61 | 14.37 |
| MVDDH067 | VirginiaB | 62.00 | 65.20 | 3.20 | 2.51 | 1.08 | 8.61 |
| MVDDH067 | VirginiaB | 115.00 | 118.25 | 3.25 | 2.55 | 1.07 | 12.64 |
| MVDDH069 | VirginiaA | 183.20 | 185.70 | 2.50 | 2.17 | 1.40 | 8.27 |
| MVDDH069 | VirginiaA | 190.60 | 193.60 | 3.00 | 2.60 | 2.12 | 6.99 |
| MVDDH069 | VirginiaA | 194.60 | 197.75 | 3.15 | 2.73 | 2.01 | 11.01 |
| MVDDH069 | VirginiaA | 197.75 | 201.20 | 3.45 | 2.99 | 1.84 | 16.87 |
| MVDDH071 | Ines | 36.00 | 42.00 | 6.00 | 2.05 | 1.10 | 22.45 |

The drilling programme successfully extended and infilled zones identified in historical drilling and, in addition, new zones were discovered adjacent to previously known veins. Mineralised zones are described in Fredonia's geological logs as being in association with various structural features, including veins, veinlets, breccia zones and fracture zones. In addition, mineralised zones often extend into areas where no structural features are described. A thorough assessment of lithology, alteration and structural features along with assay results and re-logging of certain drill holes will improve the understanding of controls on mineralisation.

Diamond core drilling was utilised throughout the programme and there are no known drilling factors that could impact on the accuracy and reliability of the results. While recoveries have been recorded by Fredonia as part of the logging process, the data has not yet been digitised and the Technical Report authors were unable to comment on any core recovery factors that could impact on the accuracy and reliability of the results.

Procedures during drilling activities are as follows:

- Activities at the drill rig are supervised by a dedicated technician, who is responsible for ensuring that tasks such as the removal of core from the core barrel, placement of core in the core tray, cleaning of the core and insertion of the core block are completed correctly.
- Frequent visits by geological staff are made throughout day and night shifts.

- Drill core is transported to the core logging area.
- Core is marked each metre, and core recovery and rock quality designation (RQD) are recorded on paper logging sheets.
- Features such as lithology, alteration, mineralisation, structure and weathering are logged on paper logging sheets by a geologist.
- Core is photographed.
- Sample intervals are selected and recorded. Core sampling is selective rather than throughout the drill holes, and takes into account lithological boundaries or zones of visible mineralisation, veining and alteration.
- Core is transported to the core cutting shed where it is cut and sampled according to the previously marked sample intervals.
- Core trays are then sealed and transported to a warehouse for storage. If necessary, core is kept outside under plastic.
- To date, Fredonia drill hole collars have been surveyed by handheld GPS only and will require surveying with Differential GPS in the next field season. The handheld GPS locations are thought to have an accuracy in the region of 3-5 m.

No downhole orientation surveying was completed as part of Fredonia's drilling programme. Samco previously attempted to use downhole orientations as a means of collecting structural information but it is noted that the data is not reliable.

ACA Howe and the Qualified Persons for the study have reviewed the drilling completed by Fredonia and the historical drilling, trenching and other data collected by previous operators.

The procedures and data from Fredonia's drilling programme are found to be of acceptable quality. The majority of the QA/QC data is within an acceptable range and repeat analyses show good correlation. ACA Howe checked around 5% of the assays in the drill hole and trench database against certificates for the Fredonia, Samco and Aur Resources drilling programmes. No errors were identified in the Fredonia assay results.

Onsite procedures are judged by ACA Howe to be to industry standard. ACA Howe reviewed Fredonia's geological logs for the drilling programme and concluded that they generally include sufficient detail, although oriented drill core enabling structural readings will improve the interpretation of the mineralised zones. ACA Howe is advised that core recoveries were recorded as part of the logging process but have not yet been digitised and were not available for review by ACA Howe. As such, ACA Howe cannot comment on whether recoveries are likely to impact on sample representativity.

Some risks and uncertainties were identified in the data of prior operators, which forms the majority of the exploration database, and in the opinion of the Qualified Persons it was not possible to complete an estimate of grade and tonnage to a sufficient confidence to estimate a Mineral Resource as defined by NI 43-101.

Risks and uncertainties within the data included the following:

- Drill hole data is relatively sparse in nature considering the geological complexity of the mineral deposit.
- It was not possible to confirm the veracity, precision and accuracy of the drill hole and channel sample assay data prior to Fredonia and Samco Gold's ownership due to a lack of available QA/QC data. As an example, QA/QC data is not available for 59% of the drill hole samples analysed.
- Accredited laboratory certificates are available for the majority of the data, although not for the drilling completed prior to the Fredonia, Samco and Aur Resources drilling programmes (39% of the drill hole samples taken on the El Dorado-Monserrat Property).
- Owing to the remote location and weather conditions during the site visit, it was not possible for the Qualified Persons to inspect and take verification samples from drill core.

- Drill core has been selectively sampled and may not give a true representation of grade in terms of realistic mining units.
- A number of drill holes by various operators are interpreted to have been drilled sub-parallel to mineralised zones, leading to estimations of true widths based on conceptual models.
- There was insufficient data relating to drill hole core recovery available to confirm samples as being representative.
- Available structural data is limited due to no or reportedly unreliable drill core orientation in historical and the recent Fredonia programme.
- It was not possible to model oxidation horizons due to inconsistent data.
- No bulk density data is available for any of the historical drilling. 12 samples were selected for analysis by Fredonia geologists.

Sampling, Analysis and Data Verification

Sampling and Analysis

Fredonia's sampling procedures were witnessed during site visits by a qualified person for the Technical report, and are considered to be to industry standards.

Drill core and sampled drill core were under the continuous supervision by Fredonia. At the drill site a dedicated assistant supervised drill core quality control, including observing the removal from the core barrel, placement in the core box, cleaning and correct insertion of the 'core block'. There were very frequent visits by geological staff during both day and night drill shifts. Drill core, having been correctly orientated, was cleaned and then in sealed wooden boxes before being transported to the core logging area; a secure area removed for the main camp and cordoned off with restricted access signs.

Once core was logged and 'marked' up for sampling it was moved to the core cutting shed which was kept locked when not operational. Competent drill core was cut in half along a cut line drawn parallel to the drill hole azimuth using a core saw and softer or more friable material was split by hand where possible in order to avoid the loss of sample material during cutting. Once cut, the core was returned to the core boxes which were sealed and stacked in a large warehouse nearby with lockable doors, or alternatively it was cross stacked, covered with plastic and securely taped. The half core in the designated sample intervals was bagged, labelled and sealed. Prior to transport to the Alex Stewart Laboratory in San Julian, all samples were kept in a secure shed which was locked by the supervising geologist.

Samples were periodically transported by 4WD to San Julian by Fredonia field staff in secured hessian bags. The bags were checked for any signs of damage when delivered to the laboratory before being handed into the custody of the laboratory for sample preparation.

All drill core sampled by Fredonia, as well as verification samples collected by Marc Sale (QP), were assayed by Alex Stewart Laboratories in Mendoza. Samples were prepared in their laboratory in San Julian some 155 km east-southeast of the El Dorado-Monserrat Property. Alex Stewart Laboratories is accredited to ISO standards and has ISO 9001:2015 and ISO 14001:2015 certification for its facility in Mendoza where all analyses were conducted. Alex Stewart Laboratories is independent of Fredonia and acts as a service provider as and when required.

On receipt at the laboratory the samples were logged in and ascribed a unique bar code. Samples were then weighed and dried at 40°C, before being crushed to #10 mesh. The bulk of the coarse sample was stored. The ~600 g sub-sample was pulverised until 95% passed #140 mesh.

Gold was assayed by fire assay using a precise 50g charge, fused at 1050°C with flux, then smelted and refined to produce a lead alloy. This was followed by cupellation of the lead alloy, before dissolving in Aqua Regia from

which 10 ml was analysed by an Atomic Absorption (“AA”)Spectrometer to determine the gold assay value. For silver assays the process is similar, although the finish is by 10 ml being dissolved in HNO₃ but also with an AA spectrometer finish. All samples were also analysed by ICP for a suite of 39 elements. Samples collected previously by Aur Resources and Samco Gold were also analysed by Alex Stewart Laboratories in Mendoza.

Quality Assurance and Quality Control (QA/QC) data is available for the Fredonia and Samco drilling programmes only. The number of QA/QC samples submitted by Samco is low, though the number submitted by Fredonia is considered to be acceptable at this stage of exploration.

As described below, the majority of Fredonia and Samco results are acceptable, although the QA/QC by Samco included no duplicates and only seven were sent for analysis by Fredonia. Of Fredonia’s duplicate samples the majority were low grade and, where higher grade duplicates were submitted, there is poor correlation with the originals. In addition, as discussed below, 5% of Samco Gold’s CRM samples show a degree of inaccuracy, although it is possible that this is partly due to errors by Samco Gold personnel rather than the laboratory. Blank analyses for both Fredonia and Samco Gold are below detection limit, indicating no significant contamination. There is excellent correlation between original Fredonia samples and repeat assays.

Data Verification

Mr. Sale visited the El Dorado-Monserrat property several times in 2018 to review the progress of the drilling programme. On 10th June 2018, despite inclement weather, a day visit to the El Dorado-Monserrat property was undertaken in order to take verification samples from the Main Vein area. As the camp was not operational, it was not feasible to cut any core for data verification purposes. Due to snow cover it was not possible to locate historic chip sample sites and the verification samples were therefore taken from outcrops of quartz veining or other outcrops considered to be potential hosts of mineralisation. Nine rock chip samples were collected from the Camila, Ines and Virginia/Marcela veins in order to verify the level of gold and silver mineralisation.

The rock chip samples were physically taken by the Technical Report author, bagged and then sealed. Descriptions were dictated to the assisting geologist. From collection until the samples were delivered to the Alex Stewart laboratory in San Julian the samples were within sight. No internal QA/QC samples were submitted with the verification samples.

Sample preparation was conducted in the Alex Stewart Laboratory in San Julian, while analyses were conducted in the Alex Stewart Laboratory in Mendoza. Gold was assayed by fire assay using a 50 g charge. Silver was analysed by fire assay with gravimetric finish. Detection levels were 0.01 g/t for Au and 2.0 ppm for Ag.

The sample results verify that, as indicated by the Fredonia and historical drilling and sampling, the Main Vein zone hosts significant gold and silver mineralisation. The highest results of the verification sampling were 34.77 g/t Au and 738 ppm Ag in samples 686 and 681 respectively as set out in the table below.

Onsite Verification Sample Location, Description and Results

| <u>Sample ID</u> | <u>Area</u> | <u>East</u> | <u>North</u> | <u>Au (g/t)</u> | <u>Ag (ppm)</u> | <u>Description</u> |
|------------------|------------------|-------------|--------------|-----------------|-----------------|---|
| 679 | Camila C | 2529427 | 4638439 | 0.26 | 8.96 | Silicified breccia with quartz veinlets |
| 680 | Camila C | 2529434 | 4638530 | 14.67 | 127.15 | Quartz vein with iron oxide |
| 681 | Camila C | 2529437 | 4638570 | 13.17 | 738.03 | Quartz vein with banded texture |
| 682 | Ines | 2529209 | 4638182 | 2.08 | 42.54 | Quartz vein with barite replacement texture |
| 683 | Ines | 2529212 | 4638153 | 1.46 | 7.9 | Quartz vein with iron oxide |
| 684 | Ines | 2529198 | 4638129 | 3.13 | 80.08 | 30 cm banded quartz vein with iron oxide |
| 685 | Virginia A | 2529138 | 4637728 | 15.65 | 262.86 | Coloform quartz vein with iron oxide |
| 686 | Virginia A | 2529140 | 4637757 | 34.77 | 172.31 | Quartz vein |
| 687 | Virginia/Marcela | 2529127 | 4637625 | 3.25 | 26.47 | Quartz vein |

Mr. Sale was also onsite during Fredonia's drilling programme and verified that core handling, logging and security were completed to industry standards. Mr. Sale also observed drill core from the Samco Gold drilling programme across the Main Vein and Abanico areas.

Of the six drilling programmes completed on the property since 1988, assay certificates are available for those completed by Aur Resources, Samco and Fredonia, representing 88% of the total metres drilled and 93% of the drill hole samples in the assay database. Results of QA/QC analysis are available for the Samco Gold and Fredonia programmes only.

ACA Howe checked the gold and silver assays on the certificates against those in the drill hole database for 956 samples of the total of 20,018 drill hole and trench samples in the database. A small number of errors were identified, the main one being that ICP rather than gravimetric assays have been entered for a proportion of the Aur Resources samples. While it is recommended that this is corrected prior to the next phase of work, ACA Howe considers that this does not have a material impact on the Exploration Target defined on the project. The majority of the remaining errors identified involve assays that are below the estimated cut off grade of 0.5 g/t Au or Au Equivalent.

ACA Howe has also viewed scans of the original drill hole logs for the Samco and Fredonia drilling and holes appear to be logged at an adequate level of detail. The same risks that apply to the interpretation of data apply to the identification of the Exploration Target on the property. In the opinion of the Technical Report authors, the data is suitable for the purposes used in the Technical Report. Further data verification will be required in the future in order to estimate a Mineral Resource.

Mineral Processing and Metallurgical Testing

Several metallurgical testing studies have been conducted on material from the Main Vein areas of the El Dorado-Monserrat Project.

In 1991, Florecer commissioned Hazen Research Inc, of Golden, Colorado to conduct metallurgical testwork on a composite sample of vein material from the Camila C area of the Monserrat licence. The material was crushed to -10 mesh (2.0 mm) and blended. Two samples were pulverised and assayed, returning an average grade of 0.415 oz Au per ton (12.9 g/t) and 6.36 oz Ag per ton (198 g/t). The samples also contained 73 ppm arsenic. Six cyanidation tests were conducted on different grind sizes on 1,000 g charges. After 48 hours gold recoveries ranging from 92.1% to 97.3% were achieved, while silver recoveries ranged from 62.1% to 83.7%, varying according to grind size and cyanide concentration. The highest recoveries required a -325 mesh (44 microns) grind, and consumed 6.11b NaCN per ton. The testwork demonstrated that the ore was amenable to cyanidation. It is not known how representative the samples were, though drill and trenching results indicate that a composite sample taken along surface and from drill chips would be sufficiently representative of the vein.

In 2003, Grupo Minero Aconcagua S.A. submitted two samples from Camila C to the Metallurgical Laboratory of Manantial Espejo mine for cyanide leach testwork. Sample A had a head grade of 18.7g/t Au and 175.2 g/t Ag. Recoveries of gold were 87% Au and 72% Ag after 54 hours. Sample B, which had head grades of 28.8 g/t Au and 371.32 Ag returned recoveries of 81% Au and 67% Ag after 30 hours. Cyanide consumption for Sample A was 0.47 kg/tonne and for sample B was 0.38 kg/tonne (Appendix 3). In 2018 Fredonia selected consecutive coarse residue samples from a representative suite of drill holes in the Main Vein area. The aim of the work was to test gold and silver recoveries from both oxidised and fresh material over several time intervals. See the table below for the drill holes and depths as well as grades and a comment on the oxidation state of the material selected.

In 2018, Fredonia commissioned Alex Stewart laboratories to undertake preliminary bottle roll cyanidation tests in order to confirm the previous poorly reported test work. Fredonia selected consecutive coarse residue samples from a representative suite of drill holes in the Main Vein area. The aim of the work was to test gold and silver recoveries from both oxidised and fresh material over several time intervals.

The average grade of the composites (head grade) determined by 50 g Fire Assay were from 1.17 g/t Au to 1.9 g/t Au, with individual sample values ranging from 0.27g/t Au to 9.06g/t Au. Composite silver values ranged from 8.05 ppm Ag to 34.39 ppm Ag, with individual sample values ranging from 2.71 ppm Ag to 82.2 ppm Ag.

The material was not ground further from the original -10 mesh (2mm) coarse reject. Each composite sample was 1 kg consisting of equal weights of the contributing samples which were thoroughly blended. Cyanide as CNNa was added at a concentration of 1 gr / litre. 50 ml of liquor was extracted after 24, 48, 72 and 144 hours and assayed for both gold and silver.

Results indicate that the material is suitable for extraction using cyanide methodology, although composite 4 had a lower recovery than the other three composites. More work is recommended with different grind sizes as well as material from all the different styles of mineralisation and levels of oxidation. ICP analysis of the material is also recommended to determine other elements present, such as arsenic. No processing factors or deleterious elements that could have a significant effect on potential economic extraction are known to ACA Howe.

Fredonia Preliminary Metallurgical Testwork

| Composite | Sample number | Vein | Drill Hole | Depth (m) | Ore Type | Level of Oxidation | Grade |
|-----------|---------------|------------|------------|-----------|--------------------|--------------------------------|--------|
| 1 | 11735 | Virginia B | MVDDH -68 | 160.40 | Breccia / veinlets | Oxidised | Medium |
| | 11736 | Virginia B | MVDDH-68 | 162.00 | Breccia / veinlets | Oxidised | Medium |
| | 11737 | Virginia B | MVDDH-68 | 162.55 | Breccia / veinlets | Oxidised | Medium |
| | 11738 | Virginia B | MVDDH -68 | 163.15 | Breccia / veinlets | Oxidised | Medium |
| | 11739 | Virginia B | MVDDH-68 | 163.67 | Breccia / veinlets | Oxidised | Medium |
| 2 | 11566 | Virginia C | MVDDH-67 | 53.40 | Veinlets | Oxidised /sulphides (Py) | Low |
| | 11567 | Virginia C | MVDDH-67 | 53.88 | Veinlets | Oxidised /sulphides (Py) | Low |
| | 11568 | Virginia C | MVDDH-67 | 54.65 | Breccia / veinlets | Oxidised /sulphides (Py) | Medium |
| | 11570 | Virginia C | MVDDH-67 | 56.00 | Breccia / veinlets | Oxidised /sulphides (Py) | Low |
| 3 | 11802 | Virginia A | MVDDH-69 | 194.60 | Veinlets | Oxidised | Medium |
| | 11803 | Virginia A | MVDDH -69 | 195.75 | Veinlets | Oxidised | Low |
| | 11804 | Virginia A | MVDDH -69 | 197.00 | Veinlets | Oxidised | Low |
| 4 | 11893 | Yamela | MVDDH-71 | 38.00 | Veinlets | Moderate | Medium |
| | 11894 | Yamela | MVDDH-71 | 39.00 | Veinlets | Moderate | Low |
| | 11895 | Yamela | MVDDH -71 | 40.00 | Veinlets | Moderate | Low |
| | 11896 | Yamela | MVDDH-71 | 41.00 | Veinlets | Moderate | Medium |

Mineral Resource and Mineral Reserve Estimates

No mineral resource estimates or mineral reserve estimates have been identified by Fredonia.

Exploration Target

An Exploration Target has been identified with a strike length of around 1.4 km, ranging from surface to 100-200 m below surface, formed of a number of parallel to sub parallel veins with varying thickness ranging from less than 1 metre to over 10 metres.

Assuming a bulk density of 2.4 g/cm³ (based on the average result of specific gravity determinations on mineralised samples), analysis shows that possible economic tonnages of mineralisation in this area are in the region of 3.5 to 6.5 million tonnes, with possible average gold grades above cut off of 0.6-1 g/t and silver grades of 20 to 35 ppm as set out in the table below. Based on this, possible contained metal is in the region of 100,000-200,000 Oz of gold and 3-6 MOz of silver (ounces are troy ounces).

Within the Main Vein area, the Camila C area has higher grade gold and silver mineralisation than other parts of the project area. The Exploration Target of approximately 300,000 to 500,000 tonnes of mineralisation, from surface to 100 m depth, has a grade of 1.5 to 3 g/t Au and 40 to 80 ppm Ag as set out in the table below. This presents a potential opportunity for the extraction of shallow, higher grade mineralised zones.

Summary of Exploration Target in the Main Vein Area

| Area | Depth below surface | Bulk Density | Tonnes | | Grades | |
|---------------------------------------|---------------------|--------------------------|----------------|----------------|-------------------------|-------------------------|
| | | | Lower Range | Upper Range | Lower Range | Upper Range |
| Main Vein area | 150 m | 2.4 g/cm ³ | 3.5 million | 6.5 million | 0.6 g/t Au 20 ppm Ag | 1.0 g/t Au 35 ppm Ag |
| Camila C (part of the Main Vein area) | 100 m | 2.4 g/cm ³ | 300,000 | 500,000 | 1.5 g/t Au 40 ppm Ag | 3 g/t Au 80 ppm Ag |

These Exploration Target tonnages and grades are conceptual in nature and have been estimated from limited data, some of which has not been verified by the Qualified Persons for this study. There has been insufficient exploration to define a mineral resource and as a result the tonnages and grades presented do not represent an estimation of mineral resource as defined by NI 43-101, CIM or a similar CRIRSCO aligned reporting code. It is uncertain that additional exploration work will result in any part of the exploration target being converted to a mineral resource, and grade and tonnage may increase or decrease as additional information becomes available.

ACA Howe considers that, as historical drill core was sampled selectively, there is potential to extend the parallel and sub-parallel zones adjacent to the major vein zones. In addition, there is potential to extend mineralised zones along strike, particularly at the northern end of the Main Vein area, where basalt cover obscures surface observations as is possible over the rest of the system.

Fredonia plans to conduct a comprehensive exploration programme to enable the further assessment of the potential of the El Dorado-Monserrat Property. Fredonia's priority is to verify historical data and to add to existing data through drilling to enable the reporting of a Mineral Resource for the Main Vein area. In conjunction with this, Fredonia will complete further drilling and surface exploration at the other prospects on the El Dorado-Monserrat Property.

The authors of the Technical Report recommended that the following items be completed in order to advance the project efficiently and in compliance with CIM Best Practices:

- A thorough study of drill core and assay results should be completed in order that controls on mineralisation are fully understood. It appears that a number of potentially mineralised zones were not fully sampled in historical drilling programmes.
- Re-log several sections of drill core from various drilling programmes to add to the understanding of controls on mineralisation and to assess the variation and reliability of logging for each programme.
- Utilising the conceptual models created as part of this report, sample historical drill core to infill zones with insufficient selective sampling.
- Re-sample selected historical drill core in order to verify the reported assay results.
- A programme of bulk density sampling should be completed on Fredonia and historical drill core of suitable quality. Low, medium and high grade samples should be obtained from the oxide, transitional and unoxidised zones. Bulk density sampling should be undertaken as part of the standard operating procedures in future drilling programmes.
- Sampling and analysis to determine the specific gravity of a number of barite veins should be completed to ascertain whether they represent a viable target.
- A thorough review of historical reports to attempt to obtain details of procedures which may provide an indication of sample representativity.

- It is recommended that a thoroughly planned programme of infill drilling is completed in the Main Vein area to provide more detailed information for future resource estimation. It is recommended that the focus of the drilling is on shallow mineralisation suitable for open pit mining. This would include the infill of the interpreted main veins and extension of the adjacent, parallel to sub-parallel zones which would be important in an open pit scenario.
- Also in the Main Vein area, a limited number of holes should be drilled in order to further assess the potential for ore shoots at depth. The targeting of these zones will likely depend on improved knowledge of the structure of the deposit.
- Where drill core is not available or is not of suitable quality, drilling should be planned to twin historical holes as a further verification check.
- Drilling procedures should include drill core orientation to enable the extraction of structural information.
- Available information on the basalt-covered northern strike extension of the Main Vein area, including geophysics, should be assessed to assist with trenching and drill hole targeting.
- It is recommended that further drilling is completed at Monserrat West, La Herradura and Beethoven in order to improve the understanding of the geometry of mineralised zones in these areas.
- All core within potential open pit zones should be analysed.
- As part of the drilling programme, thorough QA/QC procedures should be implemented. It is recommended that the number of duplicates is increased in order that overall QA/QC sample numbers are in line with international standards. Duplicates should be carefully selected and sampled. Laboratory performance on assays of QA/QC samples should be assessed regularly so that any issues can be quickly rectified.
- Core recovery data from Fredonia and historical drilling programmes should be digitised. In future, core recovery data should be digitised regularly.
- Standard operating procedures should be put in place to ensure systematic handling of drill core and compliance with CIM Best Practice.
- Geologists should use cross sections to predict intersects of mineralised zones, lithological contacts, fault zones, etc. The cross sections should be updated regularly. Interpretation on cross sections should include oxidation horizons as the modelling of oxide, transition and fresh material will form an important part of any future resource estimate.
- The Fredonia drill collars from the March-April 2018 programme should be surveyed with a Differential GPS.
- A thorough review of all surface and geophysical exploration data should be completed in order to further assess the potential for extension of known mineralised zones and the prospectivity outside these areas. Items for assessment include geological mapping, rock chip sampling, lag sampling, and the ground magnetic and induced polarisation surveys. In addition to this, information from the report by Dave Collier in 2012 should be integrated to exploration planning.
- Petrological samples should be sent for analysis on a regular basis in order to improve the understanding of the mineralised zones and host rocks.

- Possible further preliminary metallurgical testwork including bottle roll tests at various grind sizes. Also, if heap leaching is considered a possible processing route, column testwork would assist in determining ROM leachability.

Fredonia has proposed the following budget for Phase 1 of the next steps on the project, estimated in US\$. The authors of the Technical Report agree that the budget is warranted in order to advance the understanding of the Main Vein area and to further assess the potential of the other prospects in the El Dorado-Monserrat Property. Fredonia used the recommend budget in determining the work program described in the principal uses of funds described in this Filing Statement.

PHASE 1 BUDGET

| Item | Cost (US\$) |
|---|--------------------|
| Drilling (US\$175 / m) | |
| Main Veins - 2,000 m | 350,000 |
| Monserrat West - 3,000 m | 525,000 |
| Herradura - 3,000 m | 525,000 |
| Assaying of Drill Core (US\$25 / sample) | |
| Assaying – 4,230 samples | 105,750 |
| Drill Programme Preparation | |
| Mobilisation and demobilisation | 20,000 |
| Drill road and site preparation (include Backhoe) | 45,000 |
| Landowner compensation and rehabilitation | 35,000 |
| Landowner compensation water | 15,000 |
| Other | |
| Data review and GIS interrogation | 20,000 |
| Geophysics | 100,000 |
| Trenching | 50,000 |
| Assaying (1,000 samples) | 25,000 |
| Camp costs | 50,000 |
| Food and accommodation | 176,000 |
| Staff and Consultants | |
| Geologists | 75,000 |
| Field Assistants | 22,500 |
| Flights x2 / geologist / month | 7,000 |
| Consultant geologist | 64,000 |
| VAT (21% where applicable) | 450,713 |
| Sub total | 2,660,963 |
| 5% contingency | 133,048 |

PHASE 1 BUDGET

| Item | Cost (US\$) |
|--------------|--------------------|
| Total | 2,794,011 |

Results should be assessed upon the completion of Phase 1 activities. It is likely that the further 2,500 m of drilling in the Main Vein area planned in Phase 2 and the preliminary resource estimation will be completed regardless of results, but the pause in the programme will allow Fredonia to refine its drill plans. The remainder of the drilling planned is dependent on the results of Phase 1.

PHASE 2 BUDGET

| Item | Cost (US\$) |
|---|--------------------|
| Drilling (US\$175 / m) | |
| Main Veins - 2,500 m | 437,500 |
| Bajo Pedernal - 2,000 m | 350,000 |
| Monserrat West - 5,000 m | 875,000 |
| Monserrat East - 2,500 m | 437,500 |
| Abanico - 1,500 m | 262,500 |
| Beethoven - 2,500 m | 437,500 |
| Herradura - 5,000 m | 875,000 |
| Assaying of Drill Core (US\$25 / sample) | |
| Assaying - 6,300 samples | 157,500 |
| Assaying of historical core samples – 500 samples | 12,500 |
| VAT | 33,075 |
| Drill Programme Preparation | |
| Mobilisation and demobilisation | 20,000 |
| Drill road and site preparation (including backhoe) | 20,000 |
| Landowner compensation and rehabilitation | 15,000 |
| Landowner compensation water | 12,000 |
| Other | |
| Report and preliminary resource estimation | 25,000 |
| Camp costs | 40,000 |
| Food and accommodation | 132,000 |
| Staff and Consultants | |
| Geologists | 60,000 |
| Field Assistants | 18,000 |
| Flights x2 / geologist / month | 6,000 |
| Consultant geologist | 50,400 |
| VAT (21% where applicable) | 880,530 |

PHASE 2 BUDGET

| Item | Cost (US\$) |
|----------------|--------------------|
| Sub total | 5,123,930 |
| 5% contingency | 256,197 |
| Total | 5,380,127 |

Business Objectives, Milestones, and Strategy

Fredonias’s primary business objective is to conduct a comprehensive exploration program to further assess the mineralization of the El Dorado-Monserrat Property and potential for economic extraction of minerals. Fredonia’s priorities are to verify historical data and supplement existing data through further drilling to enable the estimation of a mineral resource for the Main Vein area. In conjunction with this, Fredonia intends to complete further drilling and surface exploration at the other prospects on the El Dorado-Monserrat Property. Based upon the recommendations in the Technical Report, Fredonia intends to carry out the exploration programs over a period of 12 months.

The table below sets out the Resulting Issuer’s targeted business milestones, including the expected timeframe and estimated cost of achieving same:

| Milestone | Estimated Completion | Estimated Cost |
|--|-----------------------------|-----------------------|
| Completion of Phase 1 15,000 metre drill program at the El Dorado-Monserrat Property | Q4:2021 | \$2.8 million |

The Company intends to spend approximately \$2.8 million in total on the El Dorado-Monserrat Project in the immediate 12 months following completion of the Qualifying Transaction. If the drilling and sampling work proposed in the initial budget return positive results, the Company expects this will provide targets for follow-up drilling that will form the basis of a following exploration campaign. After Fredonia has completed the review of initial results, developed drill targets and ranked the prospects on the property, it is anticipated that, dependent on funding, a further \$5.3 million will be spent on continued drilling, studies and geochemical activities in the 12-24 months following listing.

Fredonia’s unallocated funds will be added to its working capital and may be used to fund additional work on its other properties, provided that the results of the current work programs are sufficiently positive.

Although Fredonia intends to expend the funds available to it as set out above, the amount actually expended for the purposes described above could vary significantly depending on, among other things, the price of gold, unforeseen events, and Fredonia’s future operating and capital needs from time to time. There may be circumstances where, for sound business reasons, a reallocation of funds may be necessary.

Due to the nature of the business of mineral exploration, budgets are regularly reviewed with respect to both the success of the exploration program and other opportunities which may become available to Fredonia. Accordingly, if continuing with the exploration program becomes inadvisable or undesirable for any reason, Fredonia may alter the recommended work program, or may make arrangements for the performance of all or any portion of such work by other persons or companies and may use any funds so diverted for the purpose of conducting work or examining other properties acquired by Fredonia, although it does not presently have such plans.

Management’s Discussion and Analysis

Fredonia’s Management’s Discussion and Analysis for the year ended September 30, 2020 and for the three and six months ended March 31, 2021 are appended hereto as Exhibit “B” and Exhibit “D”, respectively. Fredonia’s Management’s Discussion and Analysis should be read in conjunction with the audited financial and unaudited

financial statements of Fredonia for the corresponding periods which are appended hereto as Exhibit “A” and Exhibit “C” and respectively.

Disclosure of Outstanding Security Data

The Company has one class of shares outstanding, being ordinary shares. As of the date of this filing statement, 109,006,378 Fredonia Shares were issued and outstanding. The Company has no share purchase warrants outstanding.

Description of Securities

Fredonia currently has 109,006,378 Fredonia Shares issued and outstanding. After giving effect to the Qualifying Transaction, the Concurrent Financing, and following the exchange of the RRCC and Fredonia Shares, there will be 150,863,428 Resulting Issuer Shares issued and outstanding, an additional 20,996,779 Resulting Issuer Warrants outstanding, and 441,174 Resulting Issuer Options outstanding. No new Fredonia Shares will be distributed in connection with the Qualifying Transaction, and the Resulting Issuer will hold all of the outstanding Fredonia Shares.

Fredonia Shares

Holders of Fredonia Shares are entitled to receive notice of any meetings of shareholders, to attend and to cast one vote per Fredonia Share at all such meetings on a poll, and one vote per holder on a show of hands. Fredonia Shareholders do not have cumulative voting rights with respect to the election of directors and, accordingly, holders of a majority of the Fredonia Shares entitled to vote and voting in any election of directors may elect all directors standing for election. Election of directors takes place by way of ordinary resolution in respect of each director. Fredonia Shareholders are entitled to receive on a pro rata basis such dividends, if any, as and when declared by the Fredonia Board at its discretion from funds legally available therefor and upon the winding-up of Fredonia are entitled to receive on a pro rata basis the net assets of Fredonia after payment of debts and other liabilities, in each case subject to the rights, privileges, restrictions and conditions attaching to any other series or class of shares ranking senior in priority to or on a pro rata basis with the Fredonia Shares with respect to dividends or liquidation. The Fredonia Shares do not carry any pre-emptive, subscription, redemption or conversion rights, nor do they contain any sinking or purchase fund provisions.

Dividend Policy

Fredonia has not declared or paid any dividends or other distributions on its Fredonia Shares since the date of its incorporation. Fredonia currently does not anticipate paying cash dividends in the foreseeable future. The declaration and payment of any dividends in the future will be determined by the Board, in its discretion, and will depend on a number of factors, including Fredonia’s earnings, capital requirements, overall financial condition and contractual restrictions. There can be no assurance that Fredonia will ever pay dividends under any circumstances before the completion of the Qualifying Transaction.

Consolidated Capitalization

The following table sets out the consolidated capitalization of Fredonia as of March 31, 2021 on an actual basis, but prior to giving effect to the Concurrent Financing, and on a pro forma basis as adjusted to give effect to the Concurrent Financing and completion of the Qualifying Transaction. The table should be read in conjunction with the audited consolidated financial statements and interim consolidated financial statements of Fredonia, along with the related notes thereto and the associated management’s discussion and analysis contained in this Filing Statement.

| | <u>Amount outstanding as of March 31, 2021 prior to giving effect to the Concurrent Financing</u> | <u>Amount outstanding as of March 31, 2021 after giving effect to the Concurrent Financing and Qualifying Transaction</u> |
|-----------------|---|---|
| Fredonia Shares | 109,006,378 | 150,863,453 ⁽¹⁾ |

| | <u>Amount outstanding as of March 31, 2021 prior to giving effect to the Concurrent Financing</u> | <u>Amount outstanding as of March 31, 2021 after giving effect to the Concurrent Financing and Qualifying Transaction</u> |
|-------------------|---|---|
| Fredonia Warrants | Nil | 18,722,655 ⁽²⁾ |
| Agents' Warrants | Nil | 2,274,124 ⁽³⁾ |

Notes:

- (1) Consists of 109,006,378 Fredonia Shares outstanding prior to the completion of the Arrangement, and the issuance of 37,445,310 Fredonia Shares to holders of Subscription Receipts which Fredonia Shares will participate in and be treated under the Merger and immediately exchanged for an equivalent number of Resulting Issuer Shares.
- (2) Each Fredonia Warrant will be exercisable to purchase one Resulting Issuer Share at a price of \$0.25 per Resulting Issuer Share for a period of 36 months from the Escrow Release Date.
- (3) Each Agent's Warrant will be exercisable to purchase one Resulting Issuer Share at a price of \$0.17 per Resulting Issuer Share for a period of 36 months from the Escrow Release Date.

Executive Compensation

The following discussion describes the significant elements that are expected to comprise Fredonia's executive compensation program, with particular emphasis on the process for determining compensation payable to the "named executive officers" or "NEOs" of Fredonia. Fredonia's NEO's are Estanislao Auriemma, Chief Executive Officer, Carlos Espinosa, Chief Financial Officer, and Ali Mahdavi, Chairman.

Fredonia does not currently does not pay any compensation or have any formal compensation program for its NEOs given its stage of development and desire to preserve cash. As at the date of this Filing Statement, there are no employment contracts in place between Fredonia and any of its executive officers and there are no provisions with Fredonia and its NEOs for compensation in the event of termination of employment or a change in responsibilities following a change of control.

Fredonia does not pay a retainer fee or attendance fee for directors. Fredonia may establish director's compensation plans, including such fees, in the future and will reimburse directors for all reasonable expenses incurred in order to attend meetings. It is anticipated that directors will also be compensated for their time and effort by granting them options to acquire Resulting Issuer Shares pursuant to the RRCC Option Plan as administered by the Resulting Issuer.

Fredonia has not yet established a compensation committee. Either prior to or upon completion of the Qualifying Transaction, Fredonia expects it or the Resulting Issuer will create a compensation committee expected to consist of Waldo Perez and Michael Doolan, each of whom are independent directors. The compensation committee will assist in discharging the Fredonia Board's oversight responsibilities relating to the attraction, compensation, evaluation and retention of key senior management employees. Fredonia expects the compensation committee will design and review Fredonia's compensation policies, including its compensation-related risk profile, as necessary, to ensure its compensation policies and practices are not reasonably likely to have a material adverse effect on Fredonia or encourage its NEOs to take any inappropriate or excessive risks.

To date, Fredonia has established a preliminary framework for executive compensation upon completion of the Qualifying Transaction. The provisions of the executive compensation program are to be designed to align with good or best market practices for a TSXV-listed company. Fredonia will identify a principal peer group to determine appropriate comparisons, focusing on gold-focused exploration and mining companies, ideally at a comparable stage of development compared to Fredonia with assets located in similar geographical locales. The compensation levels are expected to align with industry standards, be competitive relative to peers and be structured to allow for both top and bottom quartile pay levels to be reached upon either out-performance or under-performance relative to identified objectives. The target pay level is expected to be approximately the median of the identified peer group.

Compensation philosophy is expected to reward for the achievement of short-term objectives in the process of delivering on the long-term strategy, and create alignment between the board, management and the long-term performance of Fredonia. Given Fredonia does not currently have, and does not expect to have cash-flowing

activities in the near future, it is expected that at least initially, compensation will be weighted towards equity awards in order to preserve cash.

The executive compensation package is expected to include both short-term and long-term components. Given the Company is not expected to have revenues or operating income early in its corporate development, financial measures are not expected to be a primary consideration in compensation decisions. Instead, Fredonia expects it will determine compensation based on corporate operational and strategic outcomes until financial metrics are appropriate, with the potential for individual tailoring for each NEO. Long-term incentives will be designed to reward progress towards long-term strategic goals, increase retention, and align Fredonia's personnel with the best interests of its shareholders. Initially the long-term incentives will consist of option grants under the RRCC Option Plan, as administered by the Resulting Issuer.

Share-based and Option-based Awards, Stock Option Plan

No options to acquire Fredonia Shares have been granted to date. Upon consummation of the Qualifying Transaction, Fredonia expects that the RRCC Option Plan will continue in place for the Resulting Issuer. For a summary of the material terms of the RRCC Option Plan, see "*Part I – Information Concerning RRCC – RRCC Stock Option Plan.*".

Employment and Consulting Contracts

Fredonia does not currently have any employment or consulting contracts in place with its NEOs. Fredonia expects to enter into employment or consulting contracts with the NEOs upon completion of the Qualifying Transaction.

Indebtedness of Directors and Executive Officers

None of the Company's directors or executive officers nor any of their respective associates is indebted to the Company or has been the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding provided by the Company or any of its subsidiaries.

Non-Arm's Length Transactions

Legal Proceedings

There are no actual or pending material legal proceedings to which Fredonia is a party or to which any of its assets is subject. Management of Fredonia is not aware of any such legal proceedings contemplated against Fredonia.

Material Contracts

The only material contract which the Company or its subsidiaries have entered into in the past two years, or will enter into prior to the conclusion of the Qualifying Transaction, other than in the ordinary course of business, is the Definitive Agreement. See "*Business of the Company - Recent Developments*".

PART III – INFORMATION CONCERNING THE RESULTING ISSUER

Corporate Structure

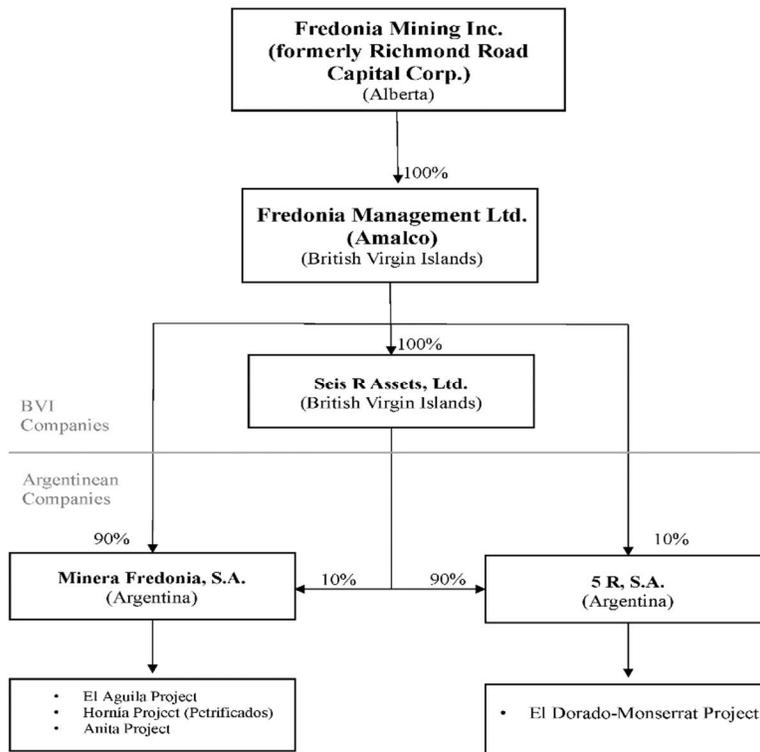
Name and Incorporation

The corporate name of the Resulting Issuer is expected to be “Fredonia Mining Inc.”, or such other similar name as Fredonia may direct and which is acceptable to the TSXV. It is anticipated that the head and registered office of the Resulting Issuer will be located at Av. Del Libertador 828 – 1ªA – (C1001ABV), Ciudad de Buenos Aires, Argentina.

After Completion of the Qualifying Transaction, the Resulting Issuer will exist under the *Business Corporations Act* (Alberta). It is anticipated that the Resulting Issuer Board will comprise Estanislao Auriemma, Ali Mahdavi, Dr. Ricardo Auriemma, Dr. Waldo Perez, and Michael Doolan.

Intercorporate Relationships

The following chart illustrates the anticipated organizational structure of the Resulting Issuer after giving effect to the Merger (including the Name Change):



As a result of the Merger, Amalco will be a wholly-owned subsidiary of the Resulting Issuer, and Seis R Assets Ltd., 5 R S.A. and Minera Fredonia, S.A. will each be indirect, wholly-owned subsidiaries of the Resulting Issuer.

Description of the Business

The business, business objectives, and milestones of the Resulting Issuer will be those of Fredonia. See “Part II – Information Concerning Fredonia”. A description of the funds available to the Resulting Issuer upon the completion of the Concurrent Financing, together with the intended uses for those funds (including a description of the business

objectives that the Resulting Issuer expects to accomplish using those funds), is set out below under the heading “Principal Purposes”.

Description of the Securities

The Resulting Issuer Shares will have the same rights, privileges, restrictions and conditions as the rights, privileges, restrictions and conditions attaching to the RRCC Shares. See “Part I - Information Concerning RRCC”.

Pro Forma Consolidated Capitalization

The following table sets forth the pro forma consolidated capitalization of the Resulting Issuer as at March 31, 2021, after giving effect to the Concurrent Financing, the Consolidation, and the Merger.

| Designation of Security | Amount authorized or to be authorized | Amount outstanding, on a pro forma basis as at March 31, 2021 after giving effect to the Concurrent Financing, the Consolidation, and the Merger |
|--------------------------|--|--|
| Resulting Issuer Shares | Unlimited | 150,863,453 |
| Fredonia Warrants | N/A | 18,722,655 ⁽¹⁾ |
| Agents Warrants | N/A | 2,274,124 ⁽²⁾ |
| Resulting Issuer Options | 10% of the outstanding Resulting Issuer Shares | 441,176 |

Notes:

- (1) Each Fredonia Warrant will be exercisable to purchase one Resulting Issuer Share at a price of \$0.25 per Resulting Issuer Share for a period of 36 months from the Escrow Release Date.
- (2) Each Agents’ Warrant will be exercisable to purchase one Resulting Issuer Share at a price of \$0.17 per Resulting Issuer Share for a period of 36 months from the Escrow Release Date.

Fully Diluted Share Capital

The following table sets forth the fully-diluted share capital of the Resulting Issuer after giving effect to the Concurrent Financing, the Consolidation, and the Merger.

| Designation of Security | Pro forma as at March 31, after giving effect to the Concurrent Financing, Consolidation and Merger | Approximate Percentage of Total |
|----------------------------------|---|---------------------------------|
| Resulting Issuer Shares | 150,863,453 | 87.56% |
| Fredonia Warrants ⁽¹⁾ | 18,722,655 | 10.87% |
| Agents’ Warrants ⁽²⁾ | 2,274,124 | 1.32% |
| Resulting Issuer Options | 441,176 | 0.26% |
| Total Fully Diluted: | 172,301,409 | 100%⁽³⁾ |

Notes:

- (1) Each Fredonia Warrant will be exercisable to purchase one Resulting Issuer Share at a price of \$0.25 per Resulting Issuer Share for a period of 36 months from the Escrow Release Date.
- (2) Each Agents’ Warrant will be exercisable to purchase one Resulting Issuer Share at a price of \$0.17 per Resulting Issuer Share for a period of 36 months from the Escrow Release Date.
- (3) Numbers may not add to 100% due to rounding.

Available Funds and Principal Purposes

Available Funds

As at March 31, 2021, on a pro forma basis, the estimated funds available to the Resulting Issuer after giving effect to the Concurrent Financing and the Merger, and after deducting the expenses of the Qualifying Transaction, would be approximately \$6,295,783. The pro forma cash position as at March 31, 2021 was \$6,102,482 less transaction costs of \$475,000, which consists of estimated legal expenses of \$400,000 and auditing expenses of \$75,000.

Principal Purposes of Funds

Upon the completion of the Concurrent Financing and the Merger, the Resulting Issuer will use the funds available to it to continue mineral exploration activities, including drilling, resource development and the satisfaction of general operating expenses. Specifically, management currently intends to use funds available over the next 12 months for the following purposes and in the following order of priority:

| Purpose | Unit Cost (US\$) | Amount (US\$) | Amount (CDN\$)⁽²⁾ |
|---|--|----------------------|-------------------------------------|
| El Dorado-Monserrat Project | | | |
| Drilling | \$175/m | 1,400,000 | 1,694,000 |
| Assaying of drill core | \$25 / sample | 105,750 | 127,958 |
| Mobilisation and demobilisation | \$10,000 | 20,000 | 24,200 |
| Drill road and site preparation | \$1,500/day for approximately 30 days | 45,000 | 54,450 |
| Landowner compensation and rehabilitation | Variable | 35,000 | 42,350 |
| Landowner compensation water | Variable | 15,000 | 18,150 |
| Geophysics | 22km GAIP / 11km CSMAT, plus mobilization. | 100,000 | 121,000 |
| Data review and GIS interrogation | | 20,000 | 24,200 |
| Trenching 2,000m | \$1,500/ day for approximately 35 days | 50,000 | 60,500 |
| Assaying of trenching samples (1,000 samples) | \$25/sample | 25,000 | 30,250 |
| Camp costs | Variable | 50,000 | 60,500 |
| Food and accommodation | 20 persons x 80 days @ \$110/day | 176,000 | 212,960 |
| Geologists | 5 x 3 months @ 5,000/month | 75,000 | 90,750 |
| Field Assistants | 5 x 3 months @ 1,500/month | 22,500 | 27,225 |
| Flights | | 7,000 | 8,470 |
| Consultant geologist | 80 days @ 800/day | 64,000 | 77,440 |
| VAT | 21% when applicable | 450,713 | 545,362 |
| 5% Contingency | | 133,048 | 160,988 |
| Exploration total | | 2,794,011 | 3,380,753 |
| Corporate and Regulatory Costs⁽¹⁾ | | 600,000 | 726,000 |
| Unallocated Working Capital | | 100,000 | 121,000 |
| Total | | \$3,494,011 | \$4,227,753 |

Notes:

- (1) Consists of general and administrative costs, legal fees, listing fees, accounting fees, marketing and management fees.
- (2) Costs are estimated in US\$ and exchanged for this presentation at a rate of US\$1.00 = CDN\$1.21.

There may be circumstances where, on the basis of results obtained or for other sound business reasons, a re-allocation of funds may be necessary or prudent. Accordingly, management of the Resulting Issuer will have broad discretion in the application of the working capital. The actual amount that the Resulting Issuer spends in connection with each intended purpose set out above may vary significantly from the amounts specified above and will depend on a number of factors, including those referred to under “*Risk Factors*”.

Dividend Policy

Fredonia has not paid dividends in the past and has no plans to pay dividends for the foreseeable future. The future dividend policy of the Resulting Issuer will be determined by the Resulting Issuer Board.

Principal Securityholders

To the knowledge of the management of Fredonia, no person or entity is anticipated to own of record or beneficially, directly or indirectly, or exercise control or direction over, more than 10% of the outstanding shares of any class of the Resulting Issuer (each a “**principal shareholder**”) after giving effect to the Merger except as stated below:

| Name and Municipality of Residence of Principal Shareholder | Resulting Issuer Shares Owned Immediately After the Merger | |
|--|---|--------------------------------------|
| | Number | Approximate % (fully-diluted) |
| Resource Capital Fund VI L.P. | 29,594,472 | 17.18% |
| Ricardo Auriemma | 19,089,825 | 11.08% |
| María Amalia Leguizamón | 17,395,707 | 10.10% |

Directors, Officers and Promoters

Board of Directors

Upon completion of the Qualifying Transaction, it is expected that the Resulting Issuer Board will consist of Estanislao Auriemma, Dr. Ricardo Auriemma, Dr. Waldo Perez, and Michael Doolan. It is further expected that the management of the Resulting Issuer will consist of Estanislao Auriemma, Chief Executive Officer; Carlos Espinosa, Chief Financial Officer; and Ali Mahdavi, Chairman of the Board. All directors and officers of RRCC will resign at the closing of the Qualifying Transaction. Key members of the Resulting Issuer’s management team and Resulting Issuer Board have experience running business operations in emerging markets, including specifically in Argentina.

The following table sets out, for each director and officer of the Resulting Issuer (assuming the completion of the Merger), the individual’s name, municipality of residence, position(s) to be held with the Resulting Issuer, age, principal occupation(s) within the five preceding years, the number of Resulting Issuer Shares beneficially owned, directly or indirectly, or over which control or direction will be exercised, and, if a director, the year in which the individual became a director of Fredonia. The Resulting Issuer’s directors will be elected annually and, unless re-elected, retire from office at the end of the next annual general meeting of shareholders.

| Name, Province and Country of Residence | Proposed Position(s) with the Resulting Issuer | Director of Fredonia Since | Principal Occupation During the Past Five Years | Resulting Issuer Shares (After Giving Effect to the Consolidation and the Merger) | |
|--|---|-----------------------------------|--|--|---------------------------------|
| | | | | Number | Percentage⁽¹⁾ |
| Ricardo A. Auriemma Buenos Aires, Argentina | Director | April 12, 2010 | Entrepreneur | 18,525,119 | 12.28% |
| Estanislao Ricardo Auriemma Buenos Aires, Argentina | Chief Executive Officer, Director | November 22, 2016 | Entrepreneur | 11,133,865 | 7.14% |
| Dr. Waldo Perez Asunción, Paraguay | Director | February 5, 2021 | Chief Executive Officer, Neo Lithium Corp. | 423,770 | 0.28% |
| Michael F. Doolan Ontario, Canada | Director | February 5, 2021 | Corporate Director | 150,000 | 0.10% |
| Carlos Espinosa Ontario, Canada | Chief Financial Officer | November 16, 2016 | Mining Executive | 103,722 | 0.07% |
| Ali Mahdavi Ontario, Canada ⁽²⁾ | Chairman of the Board | February 5, 2021 | Finance Consultant | 1,016,880 | 0.67% ⁽²⁾ |

Notes:

- (1) Based on 150,863,453 Resulting Issuer Shares outstanding on a non-diluted basis after giving effect to the Consolidation, the Merger, and satisfaction of the Escrow Release Conditions prior to completion of the Merger.
- (2) Held indirectly through Spinnaker Capital Markets Inc.

Assuming the completion of the Merger, the directors and officers of the Resulting Issuer (as a group) will own, or exercise direction or control over, approximately 20.78% of the Resulting Issuer Shares on a basic basis and 18.76% on a fully-diluted basis.

The directors and officers of the Resulting Issuer are expected to devote their time and attention to the business of the Resulting Issuer in approximately the following percentages Ricardo A. Auriemma- 25%, Estanislao Ricardo Auriemma –100%, Dr. Waldo Perez – 15%, Michael F. Doolan – 15%, Carlos Espinosa – 40% and Ali Mahdavi – 25%.

Each of the directors and officers are expected to enter into employment or agreements or similar agreements with the Resulting Issuer which will include confidentiality and non-competition covenants.

See “*Part II – Information Concerning Fredonia –Executive Compensation*”.

Biographies

The following are brief profiles of the proposed members of management and directors of the Resulting Issuer.

Estanislao Auriemma – Chief Executive Officer and Director, Age 47

Mr. Auriemma joined Grupo Minero Aconcagua S.A. in 1996 and has held several positions within the group. He has participated in the promotion of major mining projects such as Hualilan (gold), Agua Rica (copper), and San Jorge (copper). Between 2011 and 2015 he assumed the Presidency and was formerly a director of Samco S.A., and is currently a director of Neo Lithium Corp. (TSXV).

Dr. Ricardo Auriemma – Director, Age 74

Dr. Auriemma has a PhD in Natural Sciences (Universidad Nacional de La Plata). He is the co-founder, vice president and director of Northern Orion Explorations Ltd. and President in Argentina of all its subsidiaries, Recursos Americanos Argentinos S.A., Minera San Jorge S.A. y Agua Rica S.A. 1994 – 2003. He is the President of Grupo Minero Aconcagua S.A. (2001 – Present) and was a director of Samco Ltd. (2011 – 2016).

Dr. Waldo Perez – Director, Age 56

Dr. Perez PhD, is the discoverer of several producing mines as well as founder of Lithium Americas Corp. (NYSE, TSX) and Neo Lithium Corp. (TSXV). He is currently the Chief Executive Officer, President and a director of Neo Lithium Corp.

Michael Doolan – Director, Age 59

Mr. Doolan was until recently Executive Vice President, Finance and Chief Financial Officer of Neo Performance Materials (successor to Molycorp, Inc.), a position he held since June 2012 when Molycorp acquired Neo Material Technologies. He served in the same position with Neo Material Technologies from 2005 until 2012. Prior to that, Mr. Doolan served as Senior Vice President and Chief Financial Officer of Falconbridge Limited of Toronto before its merger with Noranda, Inc. He has over 35 years’ experience in all aspects of financial management, with specific expertise in international mergers and acquisitions, offshore financing structures, and international treasury management.

Ali Mahdavi – Chairman of the Board, Age 47

Mr. Mahdavi is the Founder and Managing Director of Spinnaker Capital Markets Inc., a Toronto based capital markets advisory firm with a 15 year track record in charting long term success for private and public companies in a variety of sectors specializing in finding growth capital, mergers and acquisitions, and investor relations. Prior to Spinnaker, Mr. Mahdavi was the Director of Corporate Finance at Minacs Worldwide where he was in charge of the Company’s activities in the capital markets including mergers and acquisitions, and prior to that, he held senior

positions at the Canadian Imperial Bank of Commerce and the Bank of Nova Scotia. Mr. Mahdavi attended York University where he studied Economics and Business.

Carlos Espinosa – Chief Financial Officer, Age 54

Mr. Espinosa is a mining executive with over 25 years of experience within Canadian capital markets, international business development and commercial banking. He is President, CEO and Director at Monarca Minerals (TSXV:MMN), Former Director at Latitude Silver and former Head of Business Development, Global Mining at the TSX and TSXV. Mr. Espinosa earned an MBA from Kellogg School of Management, Northwestern University and a B.B.A. from Universidad Nacional Autónoma de Mexico.

Chairman of the Board

Ali Mahdavi will be the Chairman of the Resulting Issuer Board, and in such role, will be principally responsible for overseeing the operations and affairs of the Resulting Issuer Board.

Resulting Issuer Board Mandate

It is expected that the Resulting Issuer Board will adopt a written charter describing, *inter alia*, its role and overall responsibility to supervise the management of the business and affairs of the Resulting Issuer following completion of the Qualifying Transaction (the “**Board Mandate**”).

Ethical Business Conduct

It is expected that the Resulting Issuer Board will adopt a written code of ethics (the “**Code**”) applicable to all of its employees, executive officers and directors following completion of the Qualifying Transaction.

Committees of the Board of Directors

The Resulting Issuer Board will establish an Audit Committee and a compensation committee following the completion of the Qualifying Transaction. For a description of the expected composition and objectives of the compensation committee, see “*Part II - Information Concerning Fredonia – Executive Compensation*”.

Audit Committee

The Audit Committee will be composed of Ricardo Auriemma, Waldo Perez and Michael Doolan, of whom Michael Doolan and Waldo Perez meet the requirements for independence under NI 58-101. Michael Doolan will be the Chair of the Audit Committee. For the education and experience of each member of the Audit Committee relevant to the performance of his duties as a member of the Audit Committee, see “*Directors, Officers and Promoters – Biographies*”.

Each of the proposed members of the Audit Committee is financially literate within the meaning of NI 52-110. A director is “financially literate” within the meaning of NI 52-110 if he has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Resulting Issuer’s financial statements. Additionally, two of the members of the Audit Committee are independent within the meaning of NI 52-110. Subject to certain exceptions, a director is “independent” within the meaning of NI 52-110 if he has no direct or indirect material relationship with the issuer. A “material relationship” is a relationship that could, in the view of the Resulting Issuer Board, be reasonably expected to interfere with the exercise of a director’s independent judgment.

The Audit Committee shall be responsible for overseeing the accounting and financial reporting practices of the Resulting Issuer and audits of the Resulting Issuer’s financial statements. The Audit Committee’s responsibilities also include the selection, recommendation and oversight of Resulting Issuer’s independent auditors, as well as the oversight of its internal audit process and system of internal controls over financial reporting and disclosure. The

Audit Committee shall also be responsible for the pre-approval of all non-audit services to be provided to the Resulting Issuer by its independent auditors.

Executive Compensation

The Resulting Issuer will adopt the executive compensation policies of Fredonia. For information on the compensation of Fredonia's directors and officers see "*Part II – Information Concerning Fredonia – Executive Compensation*".

As of the date of this Filing Statement, the compensation anticipated to be paid by the Resulting Issuer for the 12 month period after giving effect to the Qualifying Transaction to the NEOs under Form 51-102F6 is set out in the table below:

| <u>Name and Principal Position</u> | <u>Year</u> | <u>Salary (\$)</u> |
|--|--------------------|---------------------------|
| Estanislao Auriemma, Chief Executive Officer | 2021 | \$180,000 |
| Carlos Espinosa, Chief Financial Officer | 2021 | \$72,000 |
| Ali Mahdavi, Chairman | 2021 | \$180,000 |

Promoter Consideration

Estanislao Auriemma may be considered a promoter of Fredonia and the Resulting Issuer.

As at the date hereof, Mr. Auriemma beneficially owns, controls or directs, directly or indirectly, 10,769,159 Fredonia Shares, comprising approximately 9.88% of the issued and outstanding Fredonia Shares (without giving effect to the Qualifying Transaction) and, after giving effect to the Qualifying Transaction will beneficially own, control or direct, directly or indirectly, 11,316,218 Resulting Issuer Shares, comprising approximately 7.14% of the issued and outstanding Resulting Issuer Shares (on a non-diluted basis).

Corporate Cease Trade Orders or Bankruptcies

No proposed director or officer of the Resulting Issuer is, or within the ten years prior to the date of this Filing Statement has been, a director, chief executive officer or chief financial officer of any company that: (a) was subject to (i) a cease trade order; (ii) an order similar to a cease trade order; or (iii) an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer, or (b) was subject to an order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Except as disclosed below, no proposed director or officer of the Resulting Issuer, or shareholder of the Resulting Issuer who may materially affect control of the Resulting Issuer (a) is, as at the date the Filing Statement, or has been within the 10 years before the date of the Filing Statement, a director or executive officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Personal Bankruptcies

No proposed director, officer or promoter of the Resulting Issuer, nor securityholder anticipated to hold a sufficient number of securities of the Resulting Issuer to affect materially the control of the Resulting Issuer, nor a personal holding company of any such person has, within the 10 years before the date of the Filing Statement, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of such proposed director or officer, or personal holding company of any such person.

Penalties or Sanctions

No proposed director, officer or promoter of the Resulting Issuer, nor securityholder anticipated to hold a sufficient number of securities of the Resulting Issuer to affect materially the control of the Resulting Issuer, has (a) been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (b) been subject to any other penalties or sanctions imposed by a court or regulatory body, including a self-regulatory body, that would be likely to be considered important to a reasonable securityholder making a decision concerning the Merger.

Conflicts of Interest

To the best of Fredonia's knowledge, there are no known existing or potential conflicts of interest among the Resulting Issuer or a subsidiary of the Resulting Issuer and a proposed director, officer or promoter of the Resulting Issuer or a subsidiary of the Resulting Issuer as at the date hereof.

Other Reporting Issuer Experience

The following table sets out the proposed directors, officers and promoters of the Resulting Issuer that are, or have been within the last five years, directors, officers or promoters of other reporting issuers:

| Proposed Individual | Name and Jurisdiction of Reporting Issuer | Market or Exchange Traded On | Position | From | To |
|-----------------------------|---|-------------------------------------|--|--------------------------|------------------------|
| Ricardo A. Auriemma | Northern Orion Corp., Canada | TSXV | Director and President of the Argentine subsidiaries | July 1994 | March 2000 |
| | La Mancha Resources Inc., Canada | TSXV | Director | December 2003 | December 2004 |
| | Samco Gold Ltd., Canada | TSXV | Director | March 2011 | May 2016 |
| Estanislao Ricardo Auriemma | Samco Gold Ltd., Canada and Argentina | TSXV | Director and President of Argentine subsidiaries | March 2011 | July 2016 |
| | Neo Lithium Corp., Canada | TSXV | Director | October 2018 | Present |
| Dr. Waldo Perez | Neo Lithium Corp., Canada | TSXV | Director, President and CEO | July 2016 | Present |
| | Lithium Americas Corp., Canada | TSX | Director, President and CEO | May 2010 | June 2013 |
| | Latin American Minerals Corp., Canada | TSX | Director President and CEO | September 2006 2008 | 2010 September 2010 |
| Michael F. Doolan | Route 1 Inc., Canada | TSXV | Director | June 2005 | Present |
| | UGE International, Canada | TSXV | Director | Sept 2015 | Dec 2019 |
| Carlos Espinosa | Monarca Minerals, Inc., Canada | TSXV | Director | July 2016 | Present |
| | | | President CEO | August 2017 June 2018 | Present Present |
| Ali Mahdavi | Boulevard Industrial Real Estate Income Trust, Canada | TSXV | Director | June 2015 | September 2015 |

Indebtedness of Directors and Officers

Following the completion of the Merger, no director, executive officer or senior officer, and no individual nominated by management for election as a director of the Resulting Issuer or any associate thereof, will be indebted to the Resulting Issuer, or has been so indebted at any time during the preceding financial year.

Investor Relations Arrangements

The Resulting Issuer has no plans to enter any agreements or understandings, either written or oral, with any person to provide promotional or investor relations services.

Security Based Compensation Plans

The RRCC Option Plan will continue to be the stock option plan for the Resulting Issuer. The RRCC Option Plan provides that the Board of Directors of RRCC may, from time to time, in its discretion, and in accordance with the requirements of the TSXV, grant to officers, directors, and technical consultants to RRCC, non-transferable options to purchase RRCC Shares, provided that the number of RRCC Shares reserved for issuance will not exceed 10% of the issued and outstanding RRCC Shares exercisable for a period of up to 10 years from the date of grant. The number of RRCC Shares reserved for issuance to any individual director or officer will not exceed 5% of the issued and outstanding RRCC Shares. The number of RRCC Shares reserved for issuance to all technical consultants will not exceed 2% of the issued and outstanding RRCC Shares. Options representing not more than 10% of the issued and outstanding RRCC Shares may be granted to insiders of RRCC within any twelve-month period.

Management

Information regarding each proposed director and officer of the Resulting Issuer is set forth above under the heading “*Directors, Officers and Promoters*”.

Options to Purchase Securities

The Resulting Issuer Stock Option Plan allows for the grant of incentive stock options to the employees, directors, officers, consultants and advisors of the Resulting Issuer or a subsidiary of the Resulting Issuer, subject to applicable law, provided that the number of Resulting Issuer Shares reserved for issuance may not exceed 10% of the outstanding Resulting Issuer Shares from time to time, which upon the completion of the Consolidation, will represent approximately 441,176 Options to purchase Resulting Issuer Shares. See “*Part I – Information Concerning RRCC – RRCC Stock Option Plan.*”

Escrow Securities

Under the CPC Escrow Agreement, an aggregate of 3,000,000 RRCC Shares (on a pre-Consolidation basis) held by AOI Maru Corp., Lastmile Ventures Ltd., Michael A. Brown Professional Corporation, Michael Doyle, Brett Undershute, Berkley Pennock are currently held in escrow pursuant to the rules of the TSXV.

To the knowledge of RRCC and Fredonia, as of the date hereof, the following table sets out the name and municipality of residence of the securityholders whose Resulting Issuer Shares at the completion of the Qualifying Transaction will be escrowed pursuant to the terms of the QT Escrow Agreement.

| Name and municipal residence of securityholder | Designation of Class | Prior to giving effect to the Qualifying Transaction and prior to giving effect to the Consolidation | | After giving effect to the Qualifying Transaction, including the Consolidation ⁽¹⁾ | | |
|--|----------------------|--|------------------------------------|---|--|--|
| | | Number of securities held in escrow | Percentage of class ⁽²⁾ | Designation of Class | Number of securities to be held in escrow ⁽¹⁾ | Percentage of class Following Completion of Transaction ⁽³⁾ |
| Ricardo A. Auriemma Buenos Aires, Argentina ⁽³⁾ | Fredonia Shares | 17,395,707 | 15.96% | Resulting Issuer Shares | 17,395,707 | 11.53% |
| Maria Amalia Leguizamon, Buenos Aires, Argentina ⁽⁴⁾ | Fredonia Shares | 17,395,707 | 15.96% | Resulting Issuer Shares | 17,395,707 | 11.53% |

| Name and municipal residence of securityholder | Designation of Class | Prior to giving effect to the Qualifying Transaction and prior to giving effect to the Consolidation | | After giving effect to the Qualifying Transaction, including the Consolidation ⁽¹⁾ | | |
|---|----------------------|--|------------------------------------|---|--|--|
| | | Number of securities held in escrow | Percentage of class ⁽²⁾ | Designation of Class | Number of securities to be held in escrow ⁽¹⁾ | Percentage of class Following Completion of Transaction ⁽³⁾ |
| Estanislao Auriemma Buenos Aires, Argentina | Fredonia Shares | 10,769,159 | 9.88% | Resulting Issuer Shares | 10,769,159 | 7.14% |
| Dr. Waldo Perez Asunción, Paraguay | Fredonia Shares | 129,653 | 0.12% | Resulting Issuer Shares | 129,653 | 0.09% |
| Michael F. Doolan Ontario, Canada | Fredonia Shares | Nil | Nil | Resulting Issuer Shares | Nil | Nil |
| Carlos Espinosa Ontario, Canada | Fredonia Shares | 103,722 | 0.10% | Resulting Issuer Shares | 103,722 | 0.07% |
| Ali Mahdavi Ontario, Canada | Fredonia Shares | 1,016,880 | 0.93% | Resulting Issuer Shares | 1,016,880 | 0.67% |
| | | | | | 1,120,602 | |

Notes:

- (1) "Principal Securities" will be subject to a Tier 2 Value Escrow Agreement. 10% of the escrowed Resulting Issuer Shares will be released from escrow on the issuance of a Final Exchange Bulletin (the "Initial Release") and an additional 15% will be released on the dates that are 6 months, 12 months, 18 months, 24 months, and 36 months following the Initial Release.
- (2) Based on 109,006,378 Fredonia Shares outstanding on a non-diluted basis after giving effect to the Consolidation, the Merger, and satisfaction of the Escrow Release Conditions prior to completion of the Merger.
- (3) Based on 150,863,453 Resulting Issuer Shares outstanding on a non-diluted basis after giving effect to the Consolidation, the Merger, and satisfaction of the Escrow Release Conditions prior to completion of the Merger.
- (4) Ricardo A. Auriemma and Maria Amalia Leguizamon are spouses and reside at the same address, therefore Mrs. Leguizamon's securities are deemed to be "Principal Securities" and subject to escrow requirements under TSXV Policies.

Other Resale Restrictions

An aggregate of 6,803,274 Resulting Issuer Shares held by approximately 20 non-principal shareholders of the Resulting Issuer will be subject to Seed Share Resale Restrictions ("SSRR") pursuant to TSXV Policy 5.4 - *Escrow, Vendor Consideration and Resale Restrictions*. SSRRs are TSXV hold periods of variable length which apply where seed shares are issued to non-principals by private companies prior to the completion of a Qualifying Transaction. The terms of the applicable SSRRs are based on the length of time such Fredonia Shares have been held by the seed shareholder, and the original price paid for such Fredonia Shares.

| Designation of Class | Aggregate Number of securities subject to resale restrictions | Percentage of class | Expiry date of the resale restrictions |
|-------------------------|---|---------------------|---|
| Resulting Issuer Shares | 6,803,274 | 4.51% | Subject to Tier 2 value escrow agreement ⁽¹⁾ |

Notes:

- (1) 10% of the escrowed Resulting Issuer Shares will be released from escrow on the issuance of a Final Exchange Bulletin (the "Initial Release") and an additional 15% will be released on the dates that are 6 months, 12 months, 18 months, 24 months, and 36 months following the Initial Release.

Auditors, Transfer Agent and Registrar

The Resulting Issuer's independent auditors will be MNP LLP, at 111 Richmond Street West, Toronto, ON, M5H 2G4.

The transfer agent and registrar for the Resulting Issuer Shares will be TSX Trust at its principal offices in Toronto.

Risk Factors

Fredonia's current business will be the Resulting Issuer's business upon completion of the Merger. An investment in the securities of the Resulting Issuer involves significant risks. Additional risks and uncertainties not presently known to RRCC and Fredonia or that RRCC and Fredonia currently consider immaterial may also impair the business and operations of the Resulting Issuer and cause the trading price of the Resulting Issuer Shares to decline. If any of the following or other risks occur, the Resulting Issuer's business, prospects, financial condition, results of operations and cash flows could be materially adversely impacted. In that event, the trading price of the Resulting Issuer Shares could decline and shareholders could lose all or part of their investment. There is no assurance that risk management steps taken will avoid future loss due to the occurrence of the risks described below or other unforeseen risks.

As used in this section "Risk Factors", references to Fredonia shall include a reference to the Resulting Issuer and to each of such entity's subsidiaries. References to "Fredonia" in connection with risks to which Fredonia may be subject following the completion of the Merger should be considered to be risk factors affecting the Resulting Issuer.

Risks Relating to the Resulting Issuer's Business and the Merger

AN INVESTMENT IN NATURAL RESOURCE COMPANIES INVOLVES A SIGNIFICANT DEGREE OF RISK. THE DEGREE OF RISK INCREASES SUBSTANTIALLY WHERE THE COMPANY'S PROPERTIES ARE IN THE EXPLORATION AS OPPOSED TO THE DEVELOPMENT STAGE.

Uncertainty of Additional Capital

The exploration and development of Fredonia's Properties, including continuing exploration and development projects, the construction of mining facilities and commencement of mining operations and the growth of Fredonia, will require substantial additional financing. Fredonia has limited financial resources and has no source of operating income. Failure to obtain sufficient financing could result in a delay or indefinite postponement of exploration, development or production on any or all of Fredonia's Properties or even a loss of a property interest. An important source of funds available to Fredonia is through the sale of equity capital, properties, royalty interests or the entering into of joint ventures. Additional financing may not be available when needed or, if available, the terms of such financing might not be favourable to Fredonia and might involve substantial dilution to existing shareholders. Failure to raise capital when needed would have a material adverse effect on Fredonia's business, financial condition and results of operations and ability to grow.

Early Stage Exploration

Fredonia is in the early stage of exploration. As such, Fredonia is subject to many risks common to such enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources and the lack of revenue. There is no assurance that Fredonia will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of its early stage of operations.

While Fredonia has been successful in raising financing to date, there can be no assurance that it will be able to do so in the future. The consolidated financial statements of Fredonia included in this Filing Statement do not reflect the adjustments to the carrying values of assets and liabilities, the reported expenses and statement of financial position classifications that would be necessary if the going concern assumption was inappropriate. These adjustments could be material.

Exploration, Development and Operating Risks

The exploration for and development of mineral deposits involve significant risks that even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of an ore body may result in substantial rewards, few properties that are explored are ultimately developed into producing mines. There is no assurance that Fredonia's mineral exploration activities will result in any discoveries of commercial bodies of ore. Major expenses may be required to locate and establish mineral reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. It is impossible to ensure that the exploration or

development programs planned by Fredonia or any of its joint venture partners will result in a profitable commercial mining operation as the economic viability of the project would depend on obtaining favourable exploration results and commodity prices. Whether a mineral deposit will be commercially viable depends on a number of factors, some of which may include the particular attributes of the deposit, such as size, grade and proximity to infrastructure; mineral prices that are highly cyclical; and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The effect of these factors cannot be accurately predicted, but the combination of these factors may result in Fredonia not receiving an adequate return on invested capital. No assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a favourable basis. In addition, even if mineral resources can be discovered in sufficient quantities and with sufficient grades to prove economically feasible, there is no certainty that the metallurgical processes will or can be developed to separate economically valuable products from waste, or that metallurgical processes that are developed and the resulting by-products will not have deleterious effects on people, the environment or products, and by consequence, Fredonia and its business.

If any of Fredonia's Properties are found to have mineral deposits in economically feasible quantities and grades, Fredonia would be subject to additional risks respecting any development and production activities. Mining operations generally involve a high degree of risk. Fredonia's future operations would be subject to all the hazards and risks normally encountered in the exploration, development and production of mineral properties, including unusual and unexpected geologic formations, seismic activity, ground failure, rock bursts, cave-ins, flooding and other conditions involved in the drilling, blasting, removal and evaporation of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability.

There is no certainty that the expenditures made by Fredonia towards the search and evaluation of mineral deposits will result in discoveries of commercial quantities of ore. Fredonia's ability to execute its planned exploration programs on a timely basis is dependent on a number of factors beyond Fredonia's control including availability of drilling services, ground conditions, weather conditions and permitting.

Uncertainty in the Estimation of Mineral Resources

Fredonia and the qualified persons have carefully prepared and verified the mineral resource estimates and believe the methods of estimating mineral resources have been verified by mining experience. All mineral resource estimates have been prepared in accordance with NI 43-101 and the CIM Definition Standards. However, such figures are estimates, and no assurance can be given that the indicated level of mineral will be produced. Mineral resources that are not mineral reserves do not have demonstrated economic viability. There are numerous uncertainties inherent in estimating mineral resources, including many factors beyond Fredonia's control. Fluctuations in the price of gold or silver may render mineral resources containing lower grades of mineralization uneconomic. Market price fluctuations of gold or silver may render the present mineral resources unprofitable for periods of time.

Fredonia's calculations of mineral resources are estimates and depend upon geological interpretation and statistical inferences drawn from drilling and sampling analysis, which may prove to be inaccurate. Actual recoveries of gold and silver from mineralized material may be lower than those indicated by test work. Any material change in the quantity of mineralization, grade or stripping ratio, may affect the economic viability of Fredonia's Properties. In addition, there can be no assurance that metal recoveries in small-scale laboratory tests will be duplicated in larger scale tests under on-site conditions or during production. There remains the possibility that the mineralized material may not perform in commercial production in the same manner as it did in testing. Mining and metallurgy are inexact sciences and, accordingly, there always remains an element of risk that a mine may not prove to be commercially viable.

Until a deposit is actually mined and processed, the quantity of mineral resources and mineral reserves and grades must be considered as estimates only. In addition, the quantity of mineral resources and mineral reserves may vary depending on, amongst other things, metal prices, cut-off grades and operating costs. Any material change in quantity of mineral reserves, mineral resources, grade, percent extraction of those mineral reserves recoverable by underground mining techniques or the stripping ratio for those mineral reserves recoverable by open pit mining

techniques may affect the economic viability of Fredonia's mining projects and could have a material adverse effect on its future revenues, cash flows, profitability, results of operations, financial condition and prospects and result in write-downs of Fredonia's investment in mining properties and increased amortization charges.

Fluctuation in gold or silver prices, results of drilling, metallurgical testing and production and the evaluation of mine plans subsequent to the date of any estimate may require revision of such estimate. Any material reductions in estimates of mineral resources, or of Fredonia's ability to extract these mineral resources, could have a material adverse effect on Fredonia's operations and financial condition.

Commodity Prices

The profitability of Fredonia's operations will be dependent upon the market price of silver and gold. Mineral prices fluctuate widely and are affected by numerous factors beyond the control of Fredonia. The level of interest rates, the rate of inflation, global and regional consumption patterns, the world supply of and demand for mineral commodities and the stability of exchange rates can all cause significant fluctuations in prices. Such external economic factors are in turn influenced by changes in international investment patterns, monetary systems and political developments. The effect of these factors cannot be accurately predicted. The price of mineral commodities has fluctuated widely in recent years and future price declines could cause commercial production to be impracticable, thereby having a material adverse effect on Fredonia's business and financial condition.

In addition to adversely affecting Fredonia's mineral resource estimates and its financial condition, declining commodity prices can impact operations by requiring a reassessment of the feasibility of a particular project. Such a reassessment may be the result of a management decision or may be required under financing arrangements related to a particular project. Even if the project is ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays or may interrupt operations until the reassessment can be completed.

The profitability of Fredonia's Properties will also be dependent on the costs of consumables used in its operations. Profitability will be impacted by the cost of such consumables including fuel, energy, steel and other products required to be used in future operations.

No History of Earnings

Fredonia has limited financial resources, has earned nominal revenue since commencing operations, has no source of operating cash flow and there is no assurance that additional funding will be available to it for exploration and development. Furthermore, additional financing will be required to continue the development of Fredonia's Properties even if Fredonia's exploration program is successful. There can be no assurance that Fredonia will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of Fredonia's Properties with the possible loss of such properties.

Land Title

The acquisition of title to mineral properties is a very detailed and time-consuming process. Title to, and the area of, mineral concessions, surface rights, and water rights may be disputed. Although Fredonia believes it has taken reasonable measures to ensure proper title to its Properties, there is no guarantee that title to any of its Properties will not be challenged or impaired. Third parties may have valid claims underlying portions of Fredonia's interests, including prior unregistered liens, agreements, transfers or claims, including native land claims, and title may be affected by, among other things, undetected defects. If title defects do exist, it is possible that Fredonia may lose all or a portion of its right, title, estate and interest in its Properties.

In Argentina, legal rights applicable to exploration and exploitation licenses are different and separate from legal rights applicable to surface lands. Accordingly, title holders of licenses must reach agreement with surface land owners on adequate remuneration to compensate for mining activities on their land. Not all surface rights are registered interests such that there may be doubt concerning the ownership of surface rights and the validity of agreements related to surface rights. See "*Risk Factors – Surface Rights*"

Surface Rights

Fredonia must acquire all necessary surface rights over the area of a mine and must come to an agreement with the surface owner specifying the activity to be conducted prior to commencing production. This agreement usually includes the provision or use of water and other facilities that the owner may be in a position to provide, and the agreement must be filed with the mining authorities. There can be no assurance that Fredonia will come to an agreement with the surface owners of its properties and that it will acquire all necessary surface rights, or acquire such rights at prices currently contemplated. There are significant risks that the acquisition of all necessary surface rights could be delayed due to circumstances beyond Fredonia's control and any such delays could negatively impact Fredonia's development plans and result in additional expenses. However, the Mining Code provides that mining or exploration activities take priority over the rights of the surface owner such that if for any reason it is not possible to reach an agreement with the owner, the Company can file a surety bond (a guarantee) in favour of the owner and start exploration.

Processing Technology

Even if Fredonia is successful in identifying mineral resources in sufficient quantities and with sufficient grades to prove economically feasible, there is no certainty that the metallurgical processes will or can be developed to separate economically valuable products from waste, or that metallurgical processes that are developed and the resulting by-products will not have deleterious effects on people, the environment or products, and by consequence, Fredonia and its business. Any inability to develop metallurgical processes amenable to extraction from minerals present on Fredonia's Properties may result in a material and adverse effect on Fredonia's profitability, results of operation and financial condition.

Approvals and Permits

Government approvals and permits are currently, or may in the future be, required in connection with Fredonia's operations. To the extent such approvals are required and not obtained Fredonia may be curtailed or prohibited from proceeding with planned exploration, development or operation of Properties. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations and parties that were engaged in operations in the past, may be required to compensate those suffering loss or damage by reason of such mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or the more stringent implementation thereof, could have a material adverse impact on Fredonia and cause increases in exploration expenses, capital expenditures or production costs, reduction in levels of production at producing properties, or abandonment or delays in development of new mining properties.

To proceed with drilling at the Properties, Fredonia must obtain approval for EIRs submitted to government authorities. There is no assurance that Fredonia will be able to obtain all necessary permits and approvals that may be required to undertake exploration activity or commence construction or operation of mine facilities on the Properties or any other properties the Company may acquire in the future. See "*Risk Factors – Environmental Risks and Hazards*".

Negative Cash Flow

Fredonia has no producing mines and has no source of cash to fund operating expenses or capital costs other than through the sale of equity or joint venture interests, or debt financing. As such, Fredonia had negative operating cash flow for the financial year ended September 30, 2019, and the year ended September 30, 2020 Fredonia anticipates that it will continue to have negative operating cash flow for the foreseeable future and that it will need to allocate a portion of its cash reserves to fund such negative cash flow. Fredonia may also be required to raise additional funds through the issuance of equity or debt securities. There can be no assurance that additional capital or other types of financing will be available when needed or that any financing will be on terms favourable to Fredonia.

Government Regulation of the Mineral Exploration and Development Industry

The current and future operations of Fredonia, from exploration through development activities and commercial production, if any, are and will be governed by laws and regulations governing mineral concession acquisition, prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters. Companies engaged in exploration activities and in the development and operation of mines and related facilities may experience increased costs and delays in production and other schedules as a result of the need to comply with applicable laws, regulations and permits. Permits are subject to the discretion of government authorities and there can be no assurance that Fredonia will be successful in obtaining all required permits. Amendments to current laws and regulations governing the operations and activities of Fredonia or more stringent implementation thereof could have a material adverse effect on Fredonia's business, financial condition and results of operations. Further, there can be no assurance that all permits which Fredonia may require for future exploration, construction of mining facilities and conduct of mining operations, if any, will be obtainable on reasonable terms or on a timely basis, or that such laws and regulations would not have an adverse effect on any project which Fredonia may undertake.

Failure to comply with applicable laws, regulations and permits may result in enforcement actions thereunder, including the forfeiture of claims, orders issued by regulatory or judicial authorities requiring operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or costly remedial actions. Fredonia may be required to compensate those suffering loss or damage by reason of its mineral exploration activities and may have civil or criminal fines or penalties imposed for violations of such laws, regulations and permits. Fredonia is not currently covered by any form of environmental liability insurance. See "*Insurance and Uninsured Risks*". Existing and possible future laws, regulations and permits governing operations and activities of exploration companies, or more stringent implementation thereof, could have a material adverse impact on Fredonia and cause increases in capital expenditures or require abandonment or delays in exploration.

Environmental Risks and Hazards

All phases of Fredonia's operations are subject to environmental regulations in the various jurisdictions in which it operates including but not limited to the maintenance of air and water quality, land reclamation, environmental pollution and the generation of transportable storage and disposal of hazardous waste. Environmental legislation is evolving in a manner that will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that existing or future environmental regulation will not materially adversely affect Fredonia's business, financial condition and results of operations. Environmental hazards may exist on the Properties on which Fredonia holds interests which are unknown to Fredonia at present and which have been caused by previous or existing owners of the Properties. To the extent Fredonia is subject to environmental liabilities, the payment of any liabilities or the costs that may be incurred to remedy environmental impacts will reduce funds otherwise available for operations.

Mining related activities in Argentina require the submission and approval of environmental impact report ("**EIR**"). Fredonia has submitted EIRs for some of its Properties and has received approvals but they are subject to renewal and there is no assurance that approval will be obtained in the future. Failure to obtain such approval could result in the delay or indefinite postponement of Fredonia's further exploration and development of its Properties.

In addition, Argentine laws stipulate that any performing mining activities shall be responsible for all environmental damage that is produced as a result of non-fulfillment of environmental regulations, regardless of whether the damage is caused directly or indirectly by persons under control of such person. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations and, in particular, environmental laws.

Land Reclamation Requirements

Land reclamation requirements are generally imposed on companies with mining operations or mineral exploration companies in order to minimize long term effects of land disturbance. Reclamation may include requirements to, among other things, control dispersion of potentially deleterious effluents, and reasonably re-establish pre-disturbance land forms and vegetation. In order to carry out reclamation obligations imposed on Fredonia in connection with its business, Fredonia may be required to allocate financial resources that might otherwise be spent on exploration and contemplated development programs. If Fredonia is required to carry out unanticipated reclamation work or provide security for further reclamation work, Fredonia's funds otherwise available for operations will be reduced and its business and financial position could be adversely affected.

Climate Change Legislation

A number of governments have introduced or are moving to introduce climate change legislation and treaties at the international, national, state/provincial and local levels. Regulation relating to emission levels (such as carbon taxes) and energy efficiency is becoming more stringent. If the current regulatory trend continues, this may result in increased costs at Fredonia's operations. In addition, the physical risks of climate change may also have an adverse effect on Fredonia's operations. These risks include:

- changes in sea levels could affect ocean transportation and shipping facilities that are used to transport supplies, equipment and workforce and products from Fredonia's operations to world markets; and
- extreme weather events (such as prolonged drought) have the potential to disrupt operations at Fredonia's mines and may require Fredonia to make additional expenditures to mitigate the impact of such events.

Fredonia's future projects are expected to depend on regular supplies of consumables (diesel, tires, reagents, etc.) to operate efficiently. In the event that the effects of climate change or extreme weather events cause prolonged disruption to the delivery of essential commodities, production levels at Fredonia's operations may be reduced.

There can be no assurance that efforts to mitigate the risks of climate change will be effective and that the physical risks of climate change will not have an adverse effect on Fredonia's business, financial condition, results of operations, cash flows or prospects.

Dependence on Key Personnel

Fredonia is dependent upon a number of key management and technical personnel. Fredonia's ability to manage its exploration and development activities, and hence its success, will depend in large part on the efforts of these individuals. Fredonia faces competition for qualified personnel and there can be no assurance that Fredonia will be able to attract and retain such personnel. Failure to retain key employees or to attract and retain additional key employees with necessary skills could have a materially adverse impact on Fredonia's growth and profitability. Fredonia does not have "key man" insurance on any of its directors or officers.

Dilution and Expenditures from Future Acquisitions and Uncertainty of Adequate Returns

Fredonia may seek to expand through future acquisitions of either companies or properties, however, there can be no assurance that Fredonia will locate attractive acquisition candidates, or that Fredonia will be able to acquire such candidates on economically acceptable terms, if at all, or that Fredonia will not be restricted from completing acquisitions pursuant to contractual arrangements. Future acquisitions may require Fredonia to expend significant amounts of cash, resulting in Fredonia's inability to use these funds for other business or may involve significant issuances of equity. Future acquisitions may also require substantial management time commitments, and the negotiation of potential acquisitions and the integration of acquired operations could disrupt Fredonia's business by diverting management and employees' attention away from day-to-day operations. The difficulties of integration may be increased by the necessity of coordinating geographically diverse organizations, integrating personnel with disparate backgrounds and combining different corporate cultures.

Any future acquisition involves potential risks, including, among other things: (i) mistaken assumptions and incorrect expectations about mineral properties, mineral resources and costs; (ii) an inability to successfully integrate

any operation Fredonia acquires; (iii) an inability to recruit, hire, train or retain qualified personnel to manage and operate the operations acquired; (iv) the assumption of unknown liabilities; (v) limitations on rights to indemnity from the seller; (vi) mistaken assumptions about the overall cost of equity or debt; (vii) unforeseen difficulties operating acquired projects, which may be in geographic areas new to Fredonia; and (viii) the loss of key employees and/or key relationships at the acquired project.

At times, future acquisition candidates may have liabilities or adverse operating issues that Fredonia fails to discover through due diligence prior to the acquisition. If Fredonia consummates any future acquisitions with unanticipated liabilities or that fails to meet expectations, Fredonia's business, results of operations, cash flows or financial condition may be materially adversely affected. The potential impairment or complete write-off of goodwill and other intangible assets related to any such acquisition may reduce Fredonia's overall earnings and could negatively affect Fredonia's statement of financial position.

Insurance and Uninsured Risks

Fredonia's business is subject to a number of risks and hazards including adverse environmental conditions, industrial accidents, labour disputes, unusual or unexpected geological conditions, ground or slope failures, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods and earthquakes. Such occurrences could result in damage to mineral properties or production facilities, personal injury or death, environmental damage to Fredonia's Properties or the properties of others, delays in mining, monetary losses and possible legal liability. Although Fredonia will maintain liability insurance in amounts which it considers adequate, the nature of these risks is such that liabilities might exceed policy limits, the liabilities and hazards might not be insurable, or Fredonia may elect not to insure against such liabilities due to high premium costs or other reasons, in which event Fredonia could incur significant costs that could have a materially adverse effect upon its financial position.

Fredonia is not insured against environmental risks. Insurance against environmental risks (including potential liability for pollution or other hazards as a result of the disposal of waste products occurring from exploration) has not been generally available to companies within the industry. Fredonia will periodically evaluate the cost and coverage of the insurance against certain environmental risks that is available to determine if it would be appropriate to obtain such insurance. Fredonia may be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Without such insurance, and if Fredonia becomes subject to environmental liabilities, the payment of such liabilities would reduce or eliminate its available funds or could exceed the funds Fredonia has to pay such liabilities and result in bankruptcy. Should Fredonia be unable to fund fully the remedial cost of an environmental problem it might be required to enter into interim compliance measures pending completion of the required remedial work.

Social Activism Against Extractive Industries

There is an increasing level of public concern relating to the effects of mining on the natural landscape, on communities and on the environment. Certain non-governmental organizations, public interest groups and reporting organizations ("NGOs") who oppose resource development can be vocal critics of the mining industry. In addition, there have been many instances in which local community groups have opposed resource extraction activities, which have resulted in disruption and delays to the relevant operation. While Fredonia seeks to operate in a socially responsible manner and believes it has good relationships with local communities in the regions in which it operates, NGOs or local community organizations could direct adverse publicity against and/or disrupt the operations of Fredonia in respect of one or more of its Properties, regardless of its successful compliance with social and environmental best practices, due to political factors, activities of unrelated third parties on lands in which Fredonia has an interest or Fredonia's operations specifically. Any such actions and the resulting media coverage could have an adverse effect on the reputation and financial condition of Fredonia or its relationships with the communities in which it operates, which could have a material adverse effect on Fredonia's business, financial condition, results of operations, cash flows or prospects.

Competition

The mining industry is intensely competitive in all phases of exploration, development and production and Fredonia competes with many companies currently possessing greater financial and technical resources. Competition in the mining industry is primarily for mineral rich properties that can be developed and produced economically; the technical expertise to find, develop and operate such properties; the labour to operate such properties; and the capital for the purpose of funding such properties. Many competitors not only explore for and mine gold or silver, but conduct refining and marketing operations on a global basis. Such competition may result in Fredonia being unable to acquire desired properties, to recruit or retain qualified personnel or to acquire the capital necessary to fund its operations and develop its Properties. There is no assurance that even if commercial quantities of minerals are discovered, a ready market will exist for their sale. Factors beyond the control of Fredonia may affect the marketability of any minerals discovered. These factors include market fluctuations, the proximity and capacity of commercial markets and processing equipment, government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in Fredonia not receiving an adequate return on invested capital or issuing its investment capital. Existing or future competition in the mining industry could materially adversely affect Fredonia's prospects for mineral exploration and success in the future.

Legal Proceedings and Enforceability of Judgments

Fredonia may be subject to regulatory investigations, civil claims, lawsuits and other proceedings in the ordinary course of its business. The results of these legal proceedings cannot be predicted with certainty due to the uncertainty inherent in regulatory actions and litigation, the difficulty of predicting decisions of regulators, judges and juries and the possibility that decisions may be reversed on appeal. Defense and settlement costs of legal disputes can be substantial, even with claims that have no merit. Management is committed to conducting business in an ethical and responsible manner, which it believes will reduce the risk of legal disputes. However, if Fredonia is subject to legal disputes, there can be no assurances that these matters will not have a material adverse effect on Fredonia's business, financial condition, results of operations, cash flows or prospects.

As Fredonia's assets are located outside of Canada, there may be difficulties in enforcing any judgments obtained by Fredonia in foreign jurisdictions in Canadian courts. Fredonia may be subject to legal proceedings and judgments in foreign jurisdictions. It may be difficult for investors to enforce within Canada any judgments obtained against Fredonia, including judgments predicated upon the civil liability provisions of applicable Canadian securities laws or otherwise. Consequently, investors may be effectively prevented from pursuing remedies against Fredonia under Canadian securities laws or otherwise. Similarly to the extent that Fredonia's assets are located outside of Canada, investors may have difficulty collecting from Fredonia on any judgments obtained in Canadian courts and predicated on the civil liability provisions of applicable securities legislation. Fredonia may also be hindered or prevented from enforcing its rights with respect to a governmental entity or instrumentality because of the doctrine of sovereign immunity.

Fredonia and its subsidiaries are incorporated in the British Virgin Islands and Argentina, respectively. It may not be possible for shareholders to effect service of process against Fredonia's officers and directors who are not resident in Canada. In the event a judgment is obtained in a Canadian court against one or more of Fredonia's officers and/or directors for violations of Canadian securities laws or otherwise, it may not be possible to enforce such judgment against those officers and/or directors not resident in Canada. Additionally, it may be difficult for an investor, or any other person or entity, to assert Canadian securities law or other claims in original actions instituted in the British Virgin Islands or Argentina. Courts in those jurisdictions may refuse to hear a claim based on a violation of Canadian securities laws or otherwise on the grounds that such jurisdiction is not the most appropriate forum to bring such a claim. Even if a foreign court agrees to hear a claim, it may determine that the local law, and not Canadian law, is applicable to the claim. If Canadian law is found to be applicable, the content of applicable Canadian law must be proven as a fact, which can be a time-consuming and costly process. Certain matters of procedure will also be governed by foreign law.

Anti-corruption and Bribery Regulation

Fredonia is required to comply with anti-corruption and anti-bribery laws in jurisdictions where it has operations. In recent years, there has been a general increase in both the frequency of enforcement and the severity of penalties under such laws, resulting in greater scrutiny and punishment of companies convicted of violating anti-corruption and anti-bribery laws. Furthermore, a company may be found liable for violations by not only its employees, but also by its contractors and third-party agents. Although Fredonia will take steps intended to address these matters, no assurance can be given that Fredonia, or its employees, contractors or third-party agents will comply with such steps or with such laws. If Fredonia is the subject of an enforcement action or in violation of such laws, it may result in significant penalties, fines and/or sanctions imposed on Fredonia resulting in a material adverse effect on Fredonia's reputation and results of its operations.

In addition, ESTMA requires public disclosure of payments to governments by mining and oil and gas companies engaged in the commercial development of oil, gas and minerals who are either publicly listed in Canada or with business or assets in Canada. Mandatory annual reporting is required for extractive companies with respect to payments made to foreign and domestic governments at all levels, including entities established by two or more governments, and including aboriginal groups. ESTMA requires reporting on the payments of any taxes, royalties, fees, production entitlements, bonuses, dividends, infrastructure improvement payments, and any other prescribed payment over \$100,000. Failure to report, false reporting or structuring payments to avoid reporting may result in fines of up to \$250,000 (which may be concurrent). If Fredonia finds itself subject to an enforcement action or in violation of ESTMA, this may result in significant penalties, fines and/or sanctions imposed on Fredonia resulting in a material adverse effect on its reputation.

Conflicts of Interest

Certain directors and officers of Fredonia are or may become associated with other companies which may give rise to conflicts of interest. The directors and some of the officers of Fredonia have either other full-time employment or other business or time restrictions placed on them and accordingly, Fredonia will not be the only business enterprise of these directors and officers. See "*Directors and Executive Officers - Conflicts of Interest*".

Current Global Financial Conditions

Following the onset of the credit crisis in 2008, global financial conditions were characterized by extreme volatility and several major financial institutions either went into bankruptcy or were rescued by governmental authorities. While global financial conditions subsequently stabilized, there remains considerable risk in the system given the extraordinary measures adopted by government authorities to achieve that stability. Global financial conditions could suddenly and rapidly destabilize in response to future economic shocks, as government authorities may have limited resources to respond to future crises. Future economic shocks may be precipitated by a number of causes, including a rise in the price of oil, geopolitical instability and natural disasters. Any sudden or rapid destabilization of global economic conditions could impact Fredonia's ability to obtain equity or debt financing in the future on terms favourable to Fredonia. Additionally, any such occurrence could cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. Further, in such an event, Fredonia's operations and financial condition could be adversely impacted.

Furthermore, general market, political and economic conditions, including, for example, inflation, interest and currency exchange rates, structural changes in the global mining industry, global supply and demand for commodities, political developments, legislative or regulatory changes, social or labour unrest and stock market trends will affect Fredonia's operating environment and its operating costs, profit margins and share price. Any negative events in the global economy could have a material adverse effect on Fredonia's business, financial condition, results of operations, cash flows or prospects.

Loss of Investment

An investment in Fredonia Shares is speculative and may result in the loss of an investor's entire investment. Only potential investors who are experienced in high risk investments and who can afford to lose their entire investment should consider an investment in Fredonia.

Price Volatility

Securities of resource exploration companies have experienced substantial volatility in the past, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include macroeconomic developments in North America and globally, and market perceptions of the attractiveness of particular industries. As a result of any of these factors, the market price of the securities of Fredonia at any given point in time may be subject to market trends and macroeconomic conditions generally, notwithstanding any potential success of Fredonia in creating revenues, cash flows or earnings and may not accurately reflect the long-term value of Fredonia. There can be no assurance that the continual fluctuations in price will not occur. The value of the securities distributed hereunder may be affected by such volatility.

No Assurance of Active Market for Shares

Upon completion of the Merger, the Resulting Issuer Shares will be listed on the TSXV. However, there can be no assurance that an active and liquid market for the Resulting Issuer Shares will develop or be maintained.

If an active public market does not develop or is not maintained, shareholders of the Resulting Issuer may have difficulty selling the Resulting Issuer Shares that such shareholders will acquire as a result of the Merger. The offering price for the Concurrent Financing was determined by negotiation between Fredonia and RRCC based on several factors and may bear no relationship to the price at which the Resulting Issuer Shares will trade in the public market subsequent to the Merger. The market price of the Resulting Issuer Shares may materially decline below the offering price of the Concurrent Financing.

Dilution to the Resulting Issuer Shares

Any increase in the number of Resulting Issuer Shares subsequent to the Qualifying Transaction may have a depressive effect on the price of the Resulting Issuer Shares, and any such increase will dilute the voting power of holders of Resulting Issuer Shares.

Fredonia may in the future grant to some or all of its directors, employees and consultants options to purchase Resulting Issuer Shares at exercise prices equal to market prices at times when the public market is depressed. To the extent that significant numbers of such options are granted and exercised, the interests of then existing shareholders of Fredonia will be subject to additional dilution.

Further, any additional issuance of equity securities following the closing of the Qualified Transaction could dilute the interests of existing shareholders and could negatively affect the trading price of the Resulting Issuer Shares. Fredonia may issue equity securities in the future for a number of reasons, including to finance its operations and business strategy (including in connection with acquisitions, strategic collaborations or other transactions), to adjust the ratio of any future debt to equity and to satisfy Fredonia's obligations upon the exercise of outstanding warrants or options or for other reasons. Sales of a substantial number of Resulting Issuer Shares or other equity-related securities in the public market (or the perception that such sales may occur) could depress the market price of the Resulting Issuer Shares and impair Fredonia's ability to raise capital through the sale of additional equity securities. Fredonia cannot predict the effect that future sales of the Resulting Issuer Shares or other equity-related securities would have on the market price of the Resulting Issuer Shares.

Public Company Status

Fredonia will incur significant legal, accounting, insurance and other expenses as a result of being a public company, which may negatively impact Fredonia's performance and could cause Fredonia's results of operations and financial condition to suffer. Compliance with applicable securities laws and the rules of the TSXV increases Fredonia's expenses, including Fredonia's legal and accounting costs, and make some activities more time-consuming and costly which uses management resources that would otherwise be used for advancing the business.

Reporting Requirements and Continuous Disclosure

Upon completion of the Qualifying Transaction, Fredonia will become subject to reporting and other obligations under applicable Canadian securities laws and rules of any stock exchange on which the Resulting Issuer Shares are then-listed, including National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings*. These reporting and other obligations will place significant demands on Fredonia's management, administrative, operational and accounting resources. In order to meet such requirements, Fredonia will, among other things, establish systems, implement financial and management controls, reporting systems and procedures and, if necessary, hire qualified accounting and finance staff. However, if Fredonia is unable to accomplish any such necessary objectives in a timely and effective manner, Fredonia's ability to comply with its financial reporting obligations and other rules applicable to reporting issuers could be impaired. Moreover, any failure to maintain effective internal controls could cause Fredonia to fail to satisfy its reporting obligations or result in material misstatements in its financial statements. If Fredonia cannot provide reliable financial reports or prevent fraud, its reputation and operating results could be materially adversely effected which could also cause investors to lose confidence in Fredonia's reported financial information, which could result in a reduction in the trading price of the Resulting Issuer Shares.

Fredonia does not expect that its disclosure controls and procedures and internal controls over financial reporting will prevent all error or fraud. A control system, no matter how well-designed and implemented, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Due to the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues within an organization are detected. The inherent limitations include the realities that judgments in decision making can be faulty, and that breakdowns can occur because of simple errors or mistakes. Controls can also be circumvented by individual acts of certain persons, by collusion of two or more people or by management override of the controls. Due to the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and may not be detected in a timely manner or at all.

Dividend Policy

Fredonia has not paid dividends in the past and has no plans to pay dividends for the foreseeable future. The future dividend policy of the Resulting Issuer will be determined by the Resulting Issuer Board.

Certain Events May be Outside of the Control of Fredonia

Events, including those beyond the control of Fredonia, may damage its operations. In addition, these events may negatively affect customers' demand for Fredonia's products. Such events include, but are not limited to, non-performance by third party contractors; increases in materials or labour costs; breakdown or failure of equipment; failure of quality control processes; contractor or operator errors; as well as major incidents and/or catastrophic events such as fires, explosions, earthquakes, terrorist attacks and natural disasters. Despite any precautions Fredonia and the Resulting Issuer may take, system interruptions and delays could occur if there is an unanticipated event or other unanticipated problem at Fredonia's facilities, and such disruptions could harm Fredonia's ability to run its business and cause lengthy delays in meeting customer and client demand, or future demand when it arises, which could have a material adverse effect on the business, financial condition and results of operations of Fredonia.

Employee Health and Safety Regulations

Fredonia's operations are subject to employee health and safety laws and regulations. Fredonia will incur ongoing costs and obligations related to compliance with employee health and safety matters. Failure to comply with health and safety laws and regulations may result in additional costs for corrective measures, penalties or in restrictions on Fredonia's manufacturing operations. In addition, changes in employee health and safety or other laws, more vigorous enforcement thereof or other unanticipated events could require extensive changes to Fredonia's operations or give rise to material liabilities, which could have a material adverse effect on the business, financial condition and results of operations of Fredonia.

Control by Majority Shareholders

Following the Qualifying Transaction, the Resulting Issuer will not have control over who owns the Resulting Issuer Shares. A holder of a substantial amount of Resulting Issuer Shares may be able to exercise a controlling influence on the Resulting Issuer, which may affect the Resulting Issuer's governance and operations. For so long as such shareholders maintain their interest in the Resulting Issuer, such shareholders may be able to exercise a controlling influence over the business and affairs and the Resulting Issuer, the selection of senior management, the acquisition or disposition of the Resulting Issuer's assets, access to capital markets, the payment of dividends and any change of control of the Resulting Issuer, such as a merger or take-over. The effect of this control may be to limit the price that investors are willing to pay for the Resulting Issuer Shares. In addition, a sale of Resulting Issuer Shares by such shareholders, or the perception of the market that a sale may occur, may adversely affect the market price of the Resulting Issuer Shares.

Use of Proceeds from the Financing Transaction

Fredonia cannot specify with certainty the particular uses of the net proceeds it will receive from the Concurrent Financing. The Resulting Issuer's management will have broad discretion in the application of the net proceeds, including for any of the purposes described in "Part III – Information Concerning the Resulting Issuer – Available Funds and Principal Purposes". Accordingly, a holder of Resulting Issuer Shares will have to rely upon the judgment of the Resulting Issuer's management with respect to the use of the proceeds, with only limited information concerning management's specific intentions. The Resulting Issuer's management may spend a portion or all of the net proceeds from the Concurrent Financing in ways that the Resulting Issuer's shareholders may not desire, that may not yield a favourable return or that may not increase the value of the Resulting Issuer Shares. The failure by the Resulting Issuer's management to apply such funds effectively could harm the Resulting Issuer's business, financial condition and operations. Pending their use, the Resulting Issuer may invest the net proceeds from the Concurrent Financing in a manner that does not produce income or that loses value.

Publication of Inaccurate or Unfavourable Research and Reports

Following the listing of the Resulting Issuer Shares, the trading market for the Resulting Issuer Shares will rely in part on the research and reports that securities analysts and other third parties choose to publish about the Resulting Issuer. The Resulting Issuer will not control these analysts or other third parties. The price of the Resulting Issuer Shares could decline if one or more securities analysts downgrade the Resulting Issuer Shares or if one or more securities analysts or other third parties publish inaccurate or unfavourable research about the Resulting Issuer or cease publishing reports about the Resulting Issuer. If one or more analysts cease coverage of the Resulting Issuer or fail to regularly publish reports on the Resulting Issuer, the Resulting Issuer could lose visibility in the financial markets, which in turn could cause the Resulting Issuer's share price or trading volume to decline.

The COVID-19 Public Health Crisis could materially affect the Resulting Issuer's business, operations and financial condition.

The Resulting Issuer's business, operations and financial condition could be materially and adversely affected by the outbreak of epidemics or pandemics or other health crises, including the recent global outbreak of the COVID-19 novel coronavirus. On January 30, 2020, the World Health Organization declared the outbreak a global health emergency, and on March 11, 2020, the World Health Organization declared the outbreak a pandemic. To date, there have been a large number of temporary business closures, quarantines and a general reduction in consumer activity worldwide, including in Argentina. The outbreak has caused companies and various international jurisdictions to impose travel, gathering and other public health restrictions. While these effects are expected to be temporary, the duration of the various disruptions to businesses locally and internationally and the related financial impact cannot be reasonably estimated at this time. Similarly Fredonia cannot estimate whether or to what extent this outbreak and the potential financial impact may extend to countries outside of those currently affected.

RRCC and Fredonia are actively assessing and responding where possible to the potential impact of the COVID-19 pandemic. Such public health crises can result in volatility and disruptions in the supply and demand for metals and minerals, global supply chains and financial markets, as well as declining trade and market sentiment and reduced mobility of people, all of which could affect commodity prices, interest rates, credit ratings, credit risk and inflation.

The risks to Fredonia of such public health crises also include risks to employee health and safety, a slowdown or temporary suspension of operations in geographic locations affected by an outbreak, increased labour and fuel costs, regulatory changes, political or economic instabilities or civil unrest. At this point, the extent to which COVID-19 may impact Fredonia and the Resulting Issuer is uncertain and these factors will be beyond the control of the Resulting Issuer; however, it is possible that COVID-19 may have a material adverse effect on the Resulting Issuer's business, results of operations and financial condition

Argentina Risks Factors

Currency Fluctuations

Holders of Resulting Issuer Shares may be subject to currency exchange rate risk. Although the Resulting Issuer Shares will trade in Canadian dollars and Fredonia's financial statements are expressed in Canadian dollars, Fredonia's business will be primarily conducted in Argentina, and expenses will be primarily incurred in Argentine pesos. Fluctuations in the value of currencies including the Canadian dollar and Argentine peso may materially affect the financial position and results of Fredonia. Fredonia does not currently take any steps to hedge against currency fluctuations although it may elect to hedge against the risk of currency fluctuations in the future. There can be no assurance that steps taken by Fredonia to address such currency fluctuations will eliminate all adverse effects and, accordingly, Fredonia may suffer losses due to adverse foreign currency fluctuations.

Foreign Subsidiaries

Fredonia will conduct its business through its Argentinean subsidiaries and certain assets are held in such entities. Accordingly, any limitation on the transfer of cash or other assets between Fredonia and such entities, or among such entities, could restrict Fredonia's ability to fund its operations efficiently. Any such limitations, or the perception that such limitations may exist now or in the future, could have an adverse impact on Fredonia's valuation and stock price.

Mining Operations in an Emerging Market

Fredonia actively operates in Argentina, which is considered an emerging market. Emerging market investments generally pose a greater degree of risk than investment in more mature market economies because the economies in the developing world are more susceptible to destabilization resulting from domestic and international developments. Fredonia's operations in Argentina expose it to heightened risks relating to prevailing political and socioeconomic conditions which have historically included, but are not limited to: high rates of inflation; military repression; social and labour unrest; violent crime; civil disturbance; extreme fluctuations in currency exchange rates; expropriation and nationalization; renegotiation or nullification of existing concessions, licenses, permits and contracts; changes in taxation policies; underdeveloped industrial and economic infrastructure; unenforceability of contractual rights; restrictions on foreign exchange and repatriation; and changing political norms, currency controls and governmental regulations that favour or require Fredonia to award contracts in, employ citizens of, or purchase supplies from, a particular jurisdiction.

Fredonia has not purchased any "political risk" insurance coverage and currently has no plans to do so. Argentinean regulators have broad authority to shut down and/or levy fines against operations that do not comply with regulations or standards. In addition to factors such as those listed above, Fredonia's mineral exploration and potential future mining activities in Argentina may also be affected in varying degrees by government regulations with respect to restrictions on production, price controls, foreign exchange controls, export controls, taxes, royalties, environmental legislation and mine safety. Such risks are more acute with the election of President Alberto Fernandez in 2019.

In September 2019, the Argentine government introduced a series of capital controls and foreign exchange regulations. To date, these controls and regulations have included, but are not limited to, a requirement that proceeds of exports be repatriated at the applicable exchange rate; restrictions on payment of dividends without the approval of the Argentinian Central Bank; and restrictions on debt from foreign lenders, unless such debt is brought into Argentina at the applicable exchange rate. It is possible that the Argentine government expands the existing controls, or introduces new regulations, at any time. Historically, such capital controls and foreign exchange regulations have

had broad impact, including limitations on imports, and at times, nationalization of privately-held businesses. Regardless of the economic viability of Fredonia interest in its properties, and despite being beyond Fredonia's control, such factors thus may prevent or restrict mining of some or all of any deposits which Fredonia may find on its properties.

Provincial governments of Argentina have considerable authority over exploration and mining in their province and there are Argentinean provinces where the provincial government has taken an anti-mining stance by passing laws to curtail or ban mining in those provinces. Argentina has, in the past, and is currently enduring a period of high inflation which could increase Fredonia's operating costs relating to work carried out on Fredonia's properties. Fredonia also plans to purchase certain supplies and retain the services of various companies in Argentina to meet its future business plans. It may be difficult to find or hire qualified people in the mining industry who are situated in Argentina or to obtain all of the necessary services or expertise in Argentina or to conduct operations on its projects at reasonable rates. If qualified people and services or expertise cannot be obtained in Argentina, Fredonia may need to seek and obtain those services from people located outside of Argentina which will require work permits and compliance with applicable laws and could result in delays and higher costs to Fredonia to conduct its operations in Argentina. In addition, Argentina's status as a developing country may make it more difficult for Fredonia to obtain any required financing for its projects. If a dispute arises regarding Fredonia's interest to its properties, Fredonia cannot rely on Canadian legal standards in defending or advancing its interests.

In May 2012, the government of Argentina re-nationalized Yacimientos Petrolíferos Fiscales, the country's largest oil and gas company. There can be no assurance that the government of Argentina will not nationalize other businesses operating in the country, including the business of Fredonia.

Government authorities in emerging market jurisdictions often have a high degree of discretion and may at times appear to act selectively or arbitrarily, without hearing or prior notice, and sometimes in a manner that may not be in full accordance with the law or that may be influenced by political or commercial considerations. Unlawful, selective or arbitrary governmental actions could include denial or withdrawal of licences, sudden and unexpected tax audits, forced liquidation, criminal prosecutions and civil actions. Although unlawful, selective or arbitrary government action may be challenged in court, such action, if directed at Fredonia or its shareholders, could have a material adverse effect on Fredonia's business, results of operations, financial condition and future prospects. Companies operating in emerging markets are subject from time to time to the illegal activities of others, corruption or claims of illegal activities. Often in these markets the bribery of officials remains common, relative to developed markets. Social instability caused by criminal activity and corruption could increase support for renewed central authority, nationalism or violence and thus materially adversely affect Fredonia's ability to conduct its business effectively. Such activities have not had a significant effect on Fredonia's operations; however, there can be no assurance that they will not in the future, in which case they could restrict Fredonia's operations, business, financial condition, results of operations and future prospects, and the value of Fredonia could be adversely affected by illegal activities by others, corruption or by claims, even if groundless, implicating Fredonia in illegal activities. Investors in emerging markets should be aware that these markets are subject to greater risk than more developed markets, including in some cases significant legal, fiscal, economic and political risks. Accordingly, investors should exercise particular care in evaluating the risks involved in an investment in Fredonia and must decide for themselves whether, in the light of those risks, their investment is appropriate. Generally, investment in emerging and developing markets is suitable only for sophisticated investors who fully appreciate the significance of the risks involved.

The Company, Promoter, Directors, Officers and Assets Outside Canada

The Company and Promoter and a majority of their respective directors and officers are resident outside of Canada and it may not be possible to effect service of process upon such parties and, since all or a substantial portion of the assets of such parties are located outside of Canada, there may be difficulties in enforcing against such parties judgments obtained in Canadian courts.

Risks to RRCC Shareholders Relating to the Merger

Conditions Precedent to the Proposed Transaction

If the conditions precedent to the completion of the Merger are not satisfied or waived, as applicable, RRCC will continue to be a CPC governed by the CPC Policy and will continue to pursue a qualifying transaction in accordance with the CPC Policy. The RRCC Shares were listed on the TSXV on March 24, 2016. Pursuant to its policies, TSXV may suspend from trading or delist the RRCC where it has not issued a Final Exchange Bulletin to within 24 months after the date of listing, unless RRCC has received TSXV and shareholder approval to remove the consequences of failing to complete a qualifying transaction within 24 month of the date of listing.

The Transaction May Not be Completed

The Merger is subject to final acceptance of the TSXV. There can be no assurance(s) that the necessary regulatory approvals will be obtained. If the Merger is not completed for these reasons or for any other reason(s), RRCC will have incurred significant costs associated with the failed implementation of the Merger.

Furthermore, RRCC has only limited funds with which to identify and evaluate potential Qualifying Transactions and there can be no assurance that RRCC will be able to identify a suitable Qualifying Transaction in the future. Even if a proposed Qualifying Transaction is identified in the future, there can be no assurance that RRCC will be able to successfully complete such transaction and the completion of such other Qualifying Transaction is subject to a number of conditions including acceptance by the TSXV and, in the case of a Non Arm's Length Qualifying Transaction, approval of the majority of the minority shareholders.

Operating History

RRCC has not commenced commercial operations and has no assets other than cash. RRCC has no history of earnings and will not generate earnings or pay dividends until at least after the completion of a Qualifying Transaction. Until completion of a Qualifying Transaction, RRCC is not permitted to carry on any business other than the identification and evaluation of potential transactions.

Management and Conflicts of Interest

The ability of RRCC to successfully complete a Qualifying Transaction is dependent on the performance of its current directors and officers, who devote only a portion of their time to the business and affairs of RRCC and are, or will be, engaged in other projects or businesses. The current directors and officers of RRCC also serve as directors and/or officers of other companies which may compete with RRCC in its search for the businesses or assets targeted in order to complete a Qualifying Transaction. Accordingly, situations may arise where the directors and officers of RRCC are in a position of conflict with RRCC.

PART V - GENERAL MATTERS

Sponsorship and Relationships

Sponsorship of a TSXV qualifying transaction of a CPC, like the Qualifying Transaction, is required by the TSXV unless exempt therefrom in accordance with the TSXV's policies or a waiver is obtained. Fredonia has been granted an exemption from the sponsorship requirement pursuant to section 3.4(a)(ii) of Policy 2.2 - *Sponsorship Requirements*.

Experts

Messrs. Marc Sale and James Hogg are the authors of and qualified persons for the Technical Report and neither Messrs. Marc Sale and James Hogg own any securities of RRCC or Fredonia.

No person or company whose profession or business gives authority to a statement made by the person or company and who is named as having prepared or certified a part of this Filing Statement or as having prepared or certified a report or valuation described or included in this Filing Statement holds any beneficial interest, direct or indirect, in any securities or property of RRCC or Fredonia or of an Associate or Affiliate of RRCC or Fredonia, respectively, and no such person is expected to be elected, appointed or employed as a director, officer or employee of RRCC or Fredonia or of an Associate or Affiliate of RRCC or Fredonia, respectively.

MNP LLP is independent of each of Fredonia and NBS in accordance with the rules of professional conduct in Alberta and in Ontario.

Other Material Facts

There are no material facts about RRCC, Fredonia or the Merger which are not otherwise disclosed in this Filing Statement.

RRCC Board Approval

The RRCC Board has approved this Filing Statement. Where information contained in this Filing Statement rests particularly within the knowledge of a person other than RRCC, RRCC has relied upon information furnished by such person.

Fredonia Board Approval

The Fredonia Board has approved this Filing Statement. Where information contained in this Filing Statement rests particularly within the knowledge of a person other than Fredonia, Fredonia has relied upon information furnished by such person.

Acknowledgement – Personal Information

“Personal Information” means any information about an identifiable individual, and includes information contained in any Items in the Filing Statement that are analogous to Items 4.2, 11, 12.1, 15, 17.2, 18.2, 23, 24, 26, 31.3, 32, 33, 34, 35, 36, 37, 38, 40 and 41 of Form 3B2 of the TSXV, as applicable.

[remainder of page intentionally left blank]

The undersigned hereby acknowledges and agrees that it has obtained the express written consent of each individual to:

- (a) the disclosure of Personal Information by the undersigned to the TSXV pursuant to this Filing Statement; and
- (b) the collection, use and disclosure of Personal Information by the TSXV for purposes described in Appendix 6B of Exchange Form 3B2 or as otherwise identified by the TSXV from time to time.

FREDONIA MANAGEMENT LTD.

RICHMOND ROAD CAPITAL CORP.

Per: “Estanislao Ricardo Auriemma”
Estanislao Ricardo Auriemma, Chief
Executive Officer

Per: “Michael Doyle”
Michael Doyle, Chief Executive Officer

EXHIBIT "A"
AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF FREDONIA FOR THE
YEARS ENDED SEPTEMBER 30, 2020 AND 2019

(see attached)

Fredonia Management Limited
CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED SEPTEMBER 30, 2020 AND 2019
(EXPRESSED IN US DOLLARS)

To the Shareholders of Fredonia Management Limited:

Opinion

We have audited the consolidated financial statements of Fredonia Management Limited and its subsidiaries (the "Company"), which comprise the consolidated statements of financial position as at September 30, 2020 and September 30, 2019, and the consolidated statements of loss, changes in shareholders' equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at September 30, 2020 and September 30, 2019, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits or otherwise appears to be materially misstated. We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material

misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

Toronto, Ontario

June 21, 2021

MNP LLP

Chartered Professional Accountants

Licensed Public Accountants

Fredonia Management Limited
Consolidated Statements of Financial Position
(Expressed in US Dollars)

| | As at September 30, 2020 | As at September 30, 2019 |
|---|---|---|
| ASSETS | | |
| Non-current assets | | |
| Evaluation and exploration assets (Note 4) | 1,404,671 | 1,371,888 |
| Total non-current assets | 1,404,671 | 1,371,888 |
| Current assets | | |
| Other receivables (Note 5) | 4,957 | 4,272 |
| Cash and cash equivalents (Note 6) | 7,961 | 21,023 |
| Total current assets | 12,918 | 25,295 |
| Total assets | 1,417,589 | 1,397,183 |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | |
| Non-current liabilities | | |
| Borrowings (Note 8) | 80,235 | - |
| Trade payable – Non-current (Note 7) | 250,000 | 450,000 |
| Total non-current liabilities | 330,235 | 450,000 |
| Current liabilities | | |
| Trade and other payables (Note 7) | 578,757 | 319,327 |
| Total current liabilities | 578,757 | 319,327 |
| Total liabilities | 908,992 | 769,327 |
| Share capital (Note 10) | 4,550,229 | 4,550,229 |
| Deficit | (4,041,632) | (3,922,373) |
| Total shareholders' equity | 508,597 | 627,856 |
| Total liabilities and shareholders' equity | 1,417,589 | 1,397,183 |

Subsequent events – Note 12

Approved and authorized by the Board of Directors:

(Signed) “Estanislao Auriemma”

(Signed) “Carlos Espinosa”

The accompanying notes are an integral part of these consolidated financial statements.

Fredonia Management Limited
Consolidated Statements of Loss
(Expressed in US Dollars)

| | For the year ended September 30, 2020 | For the year ended September 30, 2019 |
|---|--|--|
| Expenses | | |
| Administrative and office expenses | 49,681 | 72,014 |
| Payroll expenses | 26,517 | 50,180 |
| Professional fees | 20,814 | 97,923 |
| Travel expenses | 23,807 | 72,951 |
| Other expenses | 14,779 | 19,192 |
| | <u>135,598</u> | <u>312,260</u> |
| Exchange rate differences | (16,874) | (47,359) |
| Interest expenses | 535 | - |
| | <u>(16,339)</u> | <u>(47,359)</u> |
| Net loss - before income tax | <u>119,259</u> | <u>264,901</u> |
| Income tax (Note 9) | - | - |
| Net loss for the year | <u><u>119,259</u></u> | <u><u>264,901</u></u> |
| Loss per share (Basic and diluted) | <u>(0.001)</u> | <u>(0.002)</u> |
| Number of shares outstanding | <u><u>109,006,378</u></u> | <u><u>108,101,633</u></u> |

The accompanying notes are an integral part of these consolidated financial statements.

Fredonia Management Limited
Consolidated Statements of Changes in Shareholders' Equity
(Expressed in US Dollars)

| | Number of Common Shares | Share Capital | Deficit | Total Shareholders' Equity |
|-------------------------------------|-------------------------------|-------------------------|---------------------------|----------------------------------|
| Balance -September 30, 2018 | <u>105,396,452</u> | <u>4,195,229</u> | <u>(3,657,472)</u> | <u>537,757</u> |
| Common stock issued (Note 10) | 3,609,926 | 355,000 | - | 355,000 |
| Net loss for the year | - | - | (264,901) | (264,901) |
| Balance -September 30, 2019 | <u>109,006,378</u> | <u>4,550,229</u> | <u>(3,921,257)</u> | <u>627,856</u> |
| Net loss for the year | - | - | (119,259) | (119,259) |
| Balance - September 30, 2020 | <u>109,006,378</u> | <u>4,550,229</u> | <u>(4,041,632)</u> | <u>508,597</u> |

The accompanying notes are an integral part of these consolidated financial statements.

Fredonia Management Limited
Consolidated Statements of Cash Flow
(Expressed in US Dollars)

| | For the year ended September 30, 2020 | For the year ended September 30, 2019 |
|--|--|--|
| Cash Flows from Operating Activities | | |
| Net loss for the year | (119,259) | (264,901) |
| Adjustments to reconcile net loss to net cash used in operating activities: | | |
| Accrued Interest | 535 | - |
| Decrease (increase in other receivables | (685) | 487 |
| Increase (decrease) in trade and other payables | 59,430 | (39,464) |
| Net cash used in operating activities | <u>(59,979)</u> | <u>(302,762)</u> |
| Cash Flows from Investing Activities | | |
| Evaluation and exploration expenditures (Note 4) | (32,783) | (283,006) |
| Net cash used in investing activities | <u>(32,783)</u> | <u>(284,122)</u> |
| Cash Flows from Financing Activities | | |
| Increase in borrowings with related parties (Note 8) | 79,700 | - |
| Proceeds from issuance of shares (Note 10) | - | 355,000 |
| Net cash provided by financing activities | <u>79,700</u> | <u>355,000</u> |
| Decrease in cash and cash equivalents | <u>(13,062)</u> | <u>(231,884)</u> |
| Cash and cash equivalents, beginning of year | 21,023 | 252,907 |
| Cash and cash equivalents, end of year | <u>7,961</u> | <u>21,023</u> |

The accompanying notes are an integral part of these consolidated financial statements.

Fredonia Management Limited

Consolidated Statements of Cash Flow

(Expressed in US Dollars)

1. Business of the company

Fredonia Management Limited (Fredonia or the Company) was incorporated under the laws of the British Virgin Islands on March 22, 2010. Its registered office is located at the offices of Trident Trust Company (BVI) Limited, Trident Chambers, P.O. Box 146, Road Town, Tortola, British Virgin Islands, and the address of the Company's corporate office and principal place of business is located at Av. Del Libertador 828 - 1ºA - (C1001ABV), Ciudad de Buenos Aires, Argentina.

These consolidated financial statements were approved for issuance by the Company's Board of Directors on June 21, 2021

About the Project, acquisitions and financing

Fredonia, directly or indirectly, owns a 100% interest in certain license areas, all within the Deseado Massif geological region in the Province of Santa Cruz, Argentina. The Company's material property is El Dorado-Monserrat Project. The Company also owns the El Aguila, Petrificados, and Anita properties. (collectively, the "Aguila Project").

Nature of operations and global pandemic

The Company has not yet established whether its mineral properties contain resources or reserves that are economically recoverable. The recovery of amounts capitalized as mineral properties is dependent upon the discovery of economically recoverable resources or reserves, the ability of the Company to arrange appropriate financing to complete the development of properties, and upon future profitable production, or alternatively, upon the Company's ability to dispose of its interests on an advantageous basis, all of which are uncertain.

Novel Coronavirus ("COVID-19"). The Company's operations could be significantly adversely affected by the effects of a widespread global outbreak of a contagious disease, including the recent outbreak of respiratory illness caused by COVID-19. The Company cannot accurately predict the impact COVID-19 will have on its operations and the ability of others to meet their obligations with the Company, including uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, and the length of travel and quarantine restrictions imposed by governments of affected countries. In addition, a significant outbreak of contagious diseases in the human population could result in a widespread health crisis that could adversely affect the economies and financial markets of many countries, resulting in an economic downturn that could further affect the Company's operations and ability to finance its operations.

Fredonia Management Limited

Consolidated Statements of Cash Flow

(Expressed in US Dollars)

2. Basis of preparation and accounting policies

2.1 Basis for the preparation

The Company's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the IFRS Interpretations Committee. The policies applied in the Company's consolidated financial statements are based on IFRS effective for the year ended December 31, 2020.

2.2 Basis of consolidation

Subsidiaries are entities controlled by the Company. The Company 'controls' an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

The wholly owned subsidiaries of Fredonia are as follows:

Seis R Assets, Ltd. ("6R") (British Virgin Islands)
Minera Fredonia, S.A. ("MFSA") (Argentina)
5R, S.A. ("5R") (Argentina)

2.3 Conversion of foreign currency

a) Functional Currency and Presentation Currency

The Company's (and its subsidiaries) presentation and functional currency is the US Dollar. The functional currency, as determined by management. For the purpose of the consolidated financial statements, the results and financial position are expressed in U.S. dollar.

b) Foreign Currency Transactions

Transactions in currencies other than the Company's functional currency are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date. All foreign currency adjustments are included in the statement of loss and comprehensive loss.

2.4 Significant Accounting Estimates and Judgements

The application of the Company's accounting policies requires management to use estimates and judgments that can have significant effect on the revenues, expenses, assets, and liabilities

Fredonia Management Limited

Consolidated Statements of Cash Flow

(Expressed in US Dollars)

recognized and disclosures made in the consolidated financial statements. Management's best estimates concerning the future are based on the facts and circumstances available at the time estimates are made. Management uses historical experience, general economic conditions, and assumptions regarding probable future outcomes as the basis for determining estimates. Estimates and their underlying assumptions are reviewed periodically, and the effects of any changes are recognized immediately. Actual results could differ from the estimates used.

The following areas require management's critical estimates and judgments:

Functional currency

Under IAS 21, "The Effect of Changes in Exchange Rates", an entity must define its functional currency as the currency of the primary economic environment in which the Company operates. In determining the functional currency of the Company and its subsidiary companies, management considered the currency that mainly influences sales and the cost of providing goods and services in each jurisdiction in which each of the companies operates. The Company also considered secondary indicators including the currency in which each funds from financing activities are denominated, the currency in which funds are retained and whether the activities of the subsidiaries are carried out as an extension of the Company or if they are carried out with a degree of autonomy.

Impairment of mineral properties

Mineral properties are tested for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. When an indicator of impairment is identified, the Company determines the recoverable amount of the mineral property, which is the higher of an asset's fair value less costs of disposal or value in use. An impairment loss is recognized if the carrying value exceeds the recoverable amount. The recoverable amount of a mineral property may be determined by reference to estimated future operating results and discounted net cash flows, current market valuations of similar properties or a combination of the above. In undertaking this review, management of the Company is required to make significant estimates of, amongst other things: reserve and resource amounts, future production and sale volumes, forecast commodity prices, future operating, capital and reclamation costs to the end of the mine's life and current market valuations from observable market data which may not be directly comparable. These estimates are subject to various risks and uncertainties, which may ultimately have an effect on the expected recoverable amount of a specific mineral property asset. Changes in these estimates could have a material impact on the carrying value of the mineral property amounts and the impairment losses recognized.

Going Concern

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay its ongoing operating expenditures, meet its liabilities for the ensuing year, and to fund planned and contractual exploration programs involves significant judgment based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

Fredonia Management Limited

Consolidated Statements of Cash Flow

(Expressed in US Dollars)

Income taxes

The Company computes an income tax provision in accordance with the applicable income tax laws. However, actual amounts of income tax expense only become final upon filing and acceptance of the tax return by the relevant authorities, which occurs subsequent to the issuance of the consolidated financial statements. Additionally, estimation of income taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the ability to use the underlying future tax deductions before they expire against future taxable income. The assessment is based upon existing tax laws and estimates of future taxable income. To the extent estimates differ from the final tax return, earnings would be affected in a subsequent period.

The income tax provision is based on estimates of full-year earnings by jurisdiction. The average annual effective income tax rates are re-estimated at the end of each reporting period. To the extent that forecasts differ from actual results, adjustments are recorded in subsequent periods.

2.5 Determination of fair value

Fair value is determined based on the price that would be received to sell an asset or paid to transfer a liability in an arms-length transaction at the measurement date. Fair value is measured using the assumptions when pricing an asset or liability. Fair value is determined by using quoted prices in active markets for identical or similar assets or liabilities. When quoted prices in active markets are not available, fair value is determined using valuation techniques that maximize the use of observable inputs.

When observable valuation inputs are not available, significant judgment is required to determine fair value by assessing the valuation techniques and valuation inputs. The use of alternative valuation techniques or valuation inputs may result in a different fair value.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments which are measured at fair value by valuation technique:

- Level I: Quoted (unadjusted) prices in active markets for identical assets or liabilities.
- Level II: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
- Level III: Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Company determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fredonia Management Limited

Consolidated Statements of Cash Flow

(Expressed in US Dollars)

2.6 Financial Instruments and Financial Risk

Under IFRS 9, financial assets are classified and measured either at amortized cost, fair value through other comprehensive income (“FVOCI”) or fair value through profit or loss (“FVTPL”) based on the business model in which they are held and the characteristics of their contractual cash flows.

All financial assets not classified at amortized cost or FVOCI are measured at FVTPL.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated at FVTPL:

- It is held within a business model whose objective is to hold the financial asset to collect the contractual cash flows associated with the financial asset instead of selling the financial asset for a profit or loss;
- Its contractual terms give rise to cash flows that are solely payments of principal and interest.

All financial instruments are initially recognized at fair value on the consolidated statement of financial position.

Subsequent measurement of financial instruments is based on their classification. Financial assets and liabilities classified at FVTPL are measured at fair value with changes in those fair values recognized in the consolidated statement of loss and comprehensive loss for the year. Financial assets classified at amortized cost and financial liabilities are measured at amortized cost using the effective interest method.

The financial assets of the company comprise: cash and equivalents (FVTPL) and other receivables (amortized cost).

Financial liabilities are classified as either financial liabilities at FVTPL or at amortized cost. The Company determines the classification of its financial liabilities at initial recognition. The Company’s financial liabilities comprise trade and other payables and borrowings which are recorded at amortized cost.

i. Amortized cost

Financial liabilities are classified as measured at amortized cost unless they fall into one of the following categories: financial liabilities at FVTPL, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition, financial guarantee contracts, commitments to provide a loan at a below-market interest rate, or contingent consideration recognized by an acquirer in a business combination.

The Company’s accounts payable and other liabilities do not fall into any of the exemptions and are therefore classified as measured at amortized cost.

Fredonia Management Limited

Consolidated Statements of Cash Flow

(Expressed in US Dollars)

ii. Financial liabilities recorded FVTPL

Financial liabilities are classified as FVTPL if they fall into one of the five exemptions detailed above.

Subsequent measurement

Instruments classified as FVTPL are measured at fair value with unrealized gains and losses recognized in profit or loss. Instruments classified as amortized cost are measured at amortized cost using the effective interest rate method. Instruments classified as FVTOCI are measured at fair value with unrealized gains and losses recognized in other comprehensive income.

Derecognition

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled, or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

2.7 Evaluation and exploration asset

Costs incurred by the Company before obtaining the rights to explore a property are expensed. Subsequent to obtaining the rights to explore its mineral properties, the Company's accounting policy is to capitalize mineral property costs relating to the acquisition of rights to explore including acquisition costs for mineral rights, topographical, geological, geochemical and geophysical studies, exploratory drilling, metallurgical testing, trenching, technical feasibility studies and other costs directly attributable to exploration projects, until such time as the properties are technically feasible or put into production, sold, determined not to be economically viable or abandoned.

Mineral properties are carried at cost less accumulated impairment losses, if any. The Company assesses the facts and circumstances and determines if there is an indication that the carrying amount of a mineral property may exceed its recoverable amount. If there is an indication of impairment, the Company determines the recoverable amount of this asset by determining the asset's recoverable amount and compares this to the carrying amount as at the reporting date. If the carrying amount exceeds the recoverable amount, an impairment loss is recognized in the statement of loss.

2.8 Impairment of Non-financial Assets

The Company assesses the carrying amount of non-financial assets including evaluation and explorations costs at each reporting date to determine whether there is any indication of impairment. Internal factors, such as budgets and forecasts, as well as external factors, such as expected future prices, costs and other market factors are also monitored to determine if indications of impairment exist.

Fredonia Management Limited

Consolidated Statements of Cash Flow

(Expressed in US Dollars)

An impairment loss is the amount equal to the excess of the carrying amount of the individual asset or the cash-generating unit ("CGU") over the recoverable amount. The recoverable amount is the higher of estimated value in use and the estimated fair value less costs of disposal.

Impairment is assessed at the individual asset or CGU level which is the geographical operating segments of the Company. A CGU is the smallest identifiable group of assets that generates cash inflows largely independent of the cash inflows from other assets or group of assets.

An impairment loss for an individual asset or CGU shall be reversed if there has been a change in estimates used to determine the recoverable amount since the last impairment loss was recognized and is only reversed to the extent that the assets carrying amount does not exceed the carrying amount that would have been determined, if no impairment loss had been recognized.

2.9 Cash and Cash Equivalents

Cash and cash equivalents include bank deposits at financial institutions with terms of less than 90 days.

2.10 Trade and other payables

Liabilities are recognized for amounts to be paid in the future for goods or services received, whether billed by the supplier or not. Accruals are recognized when the Company has an obligation (legal or constructive) arising from a past event, and the costs to settle this obligation are both probable and able to be reliably measured.

2.11 Income Taxes

The income tax expense or benefit for the reporting period consists of two components: current and deferred taxes.

The current income tax payable or recoverable is calculated using the tax rates and legislation that have been enacted or substantively enacted at each reporting date in each of the jurisdictions and includes any adjustments for taxes payable or recoverable in respect of prior periods.

Current tax assets and liabilities are offset when they relate to the same jurisdiction, the entity has a legally enforceable right to offset and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Deferred taxes are calculated using the liability method. Temporary differences arising from the difference between the tax basis of an asset or liability and its carrying amount on the consolidated balance sheet are used to calculate deferred income tax liabilities or assets. Deferred income tax liabilities or assets are calculated using substantively enacted tax rates anticipated to apply in the periods that the temporary differences are expected to reverse. The effect of a change in tax rates is recognized in income in the period that includes the date of enactment or substantive enactment. The

Fredonia Management Limited

Consolidated Statements of Cash Flow

(Expressed in US Dollars)

recognition of future benefits is limited to the extent that the realization of such benefits is more likely than not.

Current and deferred taxes that relate to items recognized directly in equity are also recognized in equity. All other taxes are recognized in income tax expense in the consolidated statements of loss and comprehensive loss.

3. Financial instruments and risk management

Fair Value of Financial Instruments

The Company presents its financial instruments (and other financial assets and liabilities reported at fair value) into three hierarchy levels (Level 1, 2, or 3) based on the transparency of inputs used in measuring the fair value. The three levels are defined as follows:

Level 1 – investment with quoted market price;

Level 2 – investment which valuation technique is based on observable market inputs; and

Level 3 – investment which valuation technique is based on non-observable market inputs.

Risks Arising from Financial Instruments and Risk Management

The Company's activities expose it to a variety of financial risks: such as market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance of the Company. The Company uses various methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks.

a) Market Risk

Foreign exchange risk

The Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures. The Company primarily operates in Argentina. Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities denominated in a currency that is not the Company's functional currency. The Company's risk management policy is to review its exposure to non-dollar forecasts operating costs on a case-by-case basis. The majority of the Company's forecast operating costs are in Argentinean pesos and dollars. The risk is measured using sensitivity analysis and cash flow forecasting.

The carrying amount of the Company's foreign currency denominated monetary assets and liabilities are as follows in US dollars:

Fredonia Management Limited
Consolidated Statements of Cash Flow
(Expressed in US Dollars)

| | As at September 30, 2020 | |
|-----------------|---------------------------------|--------------------|
| | Assets | Liabilities |
| Argentine pesos | 6,562 | 58,366 |
| | As at September 30, 2019 | |
| | Assets | Liabilities |
| Argentine pesos | 4,815 | 49,972 |

Sensitivity

Based on the financial instruments held at September 30, 2020, had the US dollar weakened/strengthened by 10% against these foreign currencies with all other variables held constant, the Company's post-tax loss for the period would have been \$5,180 higher/lower as a result of foreign exchange gains/losses on translation of non-US dollar denominated financial instruments as detailed above. The Company's deficit would have been \$4,516 higher/lower had the US dollar weakened/strengthened by 10% as a result of foreign exchange gains/losses on translation of non-US dollar denominated financial instruments.

Cash flow fair value interest rate risk

The Company has variable interest-bearing borrowings for which general rate fluctuations apply. (Note 8)

Based on the financial instruments held at September 30, 2020, had the variable interest increase/decrease by 1% with all other variables held constant, the Company's post-tax loss for the period would have been \$804 higher/lower as a result of variable interest losses/gains.

b) Credit Risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in a financial loss to the Company. Credit risk arises from cash and cash equivalents with banks and financial institutions as well as credit exposures to outstanding receivables.

It is management's opinion that the Company is not exposed to significant credit risk arising from these financial instruments.

c) Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash at all times and committed credit facilities to meet the Company's commitments as they arise. The Company manages liquidity risk by maintaining adequate cash reserves and by continuously monitoring forecast and actual cash flows. All of the company's liabilities were due in the next 12 months.

Fredonia Management Limited

Consolidated Statements of Cash Flow

(Expressed in US Dollars)

d) Fair Value Estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. The carrying values of cash and cash equivalents, accounts receivables, borrowings and payables are assumed to approximate their fair values due to their short-term nature.

e) Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital, as well as the level of dividends to ordinary shareholders.

The board of directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowing and the advantages and security afforded by a sound capital position.

The Company defines capital that it manages as its shareholders' equity. The Company's objectives when managing capital are to safeguard its ability to continue as a going concern and provide increased shareholder value. The Company is not exposed to any externally imposed capital requirements.

4. Evaluation and exploration assets

The Company's primary exploration project is the El Dorado-Monserrat Project located in Santa Cruz Province, Argentina assessing for gold-silver mineralization. There is a 1.5% NSR royalty on the project.

The Company also has a secondary exploration project being the El Aguila project located in Santa Cruz Province, Argentina. The project is subject to a 1% net profit interest royalty. In addition, the Company has certain amounts owing to the original sellers (see Note 7).

| | El Aguila | El Dorado | Total |
|---------------------------|-----------|------------------|------------------|
| September 30, 2018 | 1 | 1,088,881 | 1,088,882 |
| Additions | - | 283,006 | 283,006 |
| September 30, 2019 | 1 | 1,371,887 | 1,371,888 |
| Additions | - | 32,783 | 32,783 |
| September 30, 2020 | 1 | 1,404,670 | 1,404,671 |

Fredonia Management Limited
Consolidated Statements of Cash Flow
(Expressed in US Dollars)

5. Other receivables

| | As at September 30, 2020 | As at September 30, 2019 |
|-------------|---|---|
| Advances | 2,963 | 3,064 |
| Tax credits | 1,994 | 1,208 |
| | <u>4,957</u> | <u>4,272</u> |

6. Cash and cash equivalents

| | As at September 30, 2020 | As at September 30, 2019 |
|--------------|---|---|
| Cash in hand | 5,903 | 5,801 |
| Cash at bank | 2,058 | 15,222 |
| | <u>7,961</u> | <u>21,023</u> |

7. Trade and other payables

| | As at September 30, 2020 | As at September 30, 2019 |
|---|---|---|
| Consideration payable – Total | 650,000 | 650,000 |
| Consideration payable – Long term portion | (250,000) | (450,000) |
| Consideration payable – Current | 400,000 | 200,000 |
| Trade accounts payable and accruals | 96,801 | 87,096 |
| Related parties (Note 11) | 81,956 | 32,231 |
| | <u>578,757</u> | <u>319,327</u> |

The consideration payable is amounts due to the seller on acquisition of the Aguila property. As at September 30, 2020 and 2019 \$650,000 is payable to the seller of which \$400,000 are due or payable within a year and \$250,000 payable in January 2022 (2019: \$200,000 are due or payable within a year; \$200,000 in January 2021 and 250,000 in January 2022)

8. Borrowings

8.1 Borrowings

| | As at September 30, 2020 | As at September 30, 2019 |
|---------------------------|---|---|
| Related parties (Note 11) | 80,235 | - |
| | <u>80,235</u> | <u>-</u> |

Fredonia Management Limited

Consolidated Statements of Cash Flow

(Expressed in US Dollars)

8.2 Terms and repayment schedule

On October 1, 2019 the company contracted a credit facility with a shareholder and director for up to \$200,000 payable two years after each advance made with interest at LIBOR +1%.

During the year \$79,700 were drawn from the credit facility at different dates and interest of \$535 were accrued.

The advances are payable staggered from October 2021 to September 2022.

9. Income tax

The reconciliation of the Company's expected expense (recovery) of income taxes at the tax losses carry forward statutory rate of 0% (2019 - 0%) to the Company's provision for income taxes is as follows:

| | <u>2020</u> | <u>2019</u> |
|---|-------------|-------------|
| Loss before income taxes | (119,259) | (264,901) |
| Expected income tax recovery | - | - |
| Permanent differences | - | 204,414 |
| Impact of inflation | 2,190 | 9,303 |
| Non-deductible expenses | 14,461 | 25,517 |
| Impact of difference in foreign tax rates | (34,516) | (52,078) |
| Change in tax benefits not recognized | 101,309 | (143,135) |
| Foreign exchange and other | (83,444) | (44,021) |
| | <u>-</u> | <u>-</u> |

Deferred taxes for the Company have not been recognised in respect of the deductible temporary differences set out below:

| | <u>2020</u> | <u>2019</u> |
|---|----------------|----------------|
| Evaluation and exploration assets | (127,011) | (74,579) |
| Accruals | 3,262 | 4,338 |
| Interest expense deductible in future periods | 52,230 | 39,154 |
| Tax Inflation adjustment | 5,154 | (5,582) |
| Non-capital losses carried forward | 435,817 | 304,813 |
| | <u>369,453</u> | <u>268,144</u> |

The Company's unused tax losses expire as follows:

| | <u>2020</u> |
|------|------------------|
| 2021 | 88 |
| 2022 | 51,433 |
| 2023 | 641,714 |
| 2024 | 74,680 |
| 2025 | 684,808 |
| | <u>1,452,723</u> |

Fredonia Management Limited

Consolidated Statements of Cash Flow

(Expressed in US Dollars)

10. Share Capital

The Company's capital is represented by 109,006,378 ordinary shares with no par value and carrying one vote each. During the year ended September 30, 2019 the Company issued 3,609,926 shares for proceeds of \$355,000 in cash.

11. Related Party Transactions and Balances

During the year ended September 30, 2020, the Company incurred the following related party transactions:

i) Transactions:

- a) Salaries and benefits to key management personnel for the year ended September 30, 2020 were \$6,478 (2019: \$24,529) and are included as part of payroll expenses on the consolidated statement of loss.
- b) Salaries and benefits to key management personnel for the year ended September 30, 2019 were \$96,650 and are included as part of capitalized evaluation and exploration assets in the consolidated statement of financial position.
- c) Professional services charged by key management personnel and directors for the year ended September 30, 2020 were \$8,972 (2019: \$85,536) and are included as part of professional fees on the consolidated statement of loss.
- d) Interest expense incurred for the year ended September 30, 2020 from a loan payable to a director and shareholder is \$535.
- e) Rent expense incurred for the year ended September 30, 2020 charged by a company controlled by Directors of the company were \$18,000 (2019: \$19,500).

ii) Year-end balances:

- a) As at September 30, 2020, trade and other payables included \$20,000 (September 30, 2019 - \$20,000) payable to a company related to a director for payments made on behalf of the Company.
- b) As at September 30, 2020, trade and other payables included \$1,770 (September 30, 2019 - \$2,673) payable to a company related to a director in relation to the rent of the administrative office.
- a) As at September 30, 2020, trade and other payables included \$15,138 (September 30, 2019 - \$6,058) payable to a consulting firm for services provided by the Company's CFO in his role.
- b) As at September 30, 2020, trade and other payables included \$41,548 (September 30, 2019 - Nil) payable to directors and key management for payments made on behalf of the Company.
- c) As at September 30, 2020, trade and other payables included \$3,500 (September 30, 2019 - \$3,500) payable to directors and key management for professional services.
- d) In addition as at September 30, 2020 there is a loan payable to a director and shareholder as described in Note 8.

All related party transactions were in the normal course of operations.

Fredonia Management Limited

Consolidated Statements of Cash Flow

(Expressed in US Dollars)

12. Subsequent events

On October 29, 2020 the Company signed a letter of intent with Richmond Road Capital Corp. ("RRCC") to complete a merger pursuant to which RRCC will acquire all of the outstanding shares of the company in exchange for 109,006,378 RRCC Shares, plus an amount of RRCC Shares equal to the number of Subscription Receipts issued in a concurrent financing , and as a result of which the company will become a wholly-owned subsidiary of RRCC. This transaction will constitute RRCC's Qualifying Transaction under TSXV Policy 2.4.

On April 7, 2021, Fredonia and RRCC entered into the definitive agreement setting out the principal terms on which RRCC will acquire all of the issued and outstanding shares of the Company. Subsequent to or concurrently with the completion of the transaction, RRCC is expected to change its name to "Fredonia Mining Ltd."

During February 2021 the company completed a concurrent financing of subscription receipts of 37,445,310 units at a price of CAD\$0.17 per unit (gross proceeds of CAD\$ 6,365,703) each unit corresponds to one common share and half warrant. Each whole warrant entitles the holder to one common share at a price of CAD\$0.25 exercisable during a period of three years after the release of funds in escrow by the time of closing the transaction.

EXHIBIT “B”
MANAGEMENT’S DISCUSSION AND ANALYSIS OF FREDONIA FOR THE YEARS
ENDED SEPTEMBER 30, 2020 AND 2019

(see attached)



**Fredonia
Management Ltd.**

FREDONIA MANAGEMENT, LTD.

**Management's Discussion & Analysis
For the Year Ended September 30, 2020**

This Management Discussion and Analysis (“MD&A”) provides relevant information on the operations and financial condition of Fredonia Management, Ltd. (“Fredonia” or the “Company”) for the year ended September 30, 2020. This MD&A should be read in conjunction with the audited consolidated financial statements for the years ended September 30, 2020 and 2019. Fredonia’s audited consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board. The Fredonia Board of Directors approved both this MD&A and the audited consolidated financial statements for the years ended September 30, 2020 and 2019 on June 21, 2021.

This MD&A provides information that the management of Fredonia believes is important to assess and understand the results of operations and financial condition of the Company. Our objective is to present readers with a view of Fredonia from management’s perspective by interpreting the material trends and activities that affect the operating results, liquidity, and financial position of Fredonia. All monetary amounts unless otherwise specified are expressed in US dollars. This discussion contains forward looking information that is qualified by reference to, and should be read in conjunction, with the “Caution Regarding Forward Looking Statements” below.

Caution Regarding Forward Looking Statements

Readers are cautioned that actual results may differ materially from the results projected in any “forward-looking” statements included in the foregoing report, which involve a number of risks or uncertainties. This MD&A contains “forward-looking statements” and “forward-looking information” within the meaning of the applicable Canadian securities legislation. Forward-looking statements are not historical facts and include statements regarding the Company’s planned development activities, anticipated future profitability, losses, revenues, expected future expenditures, the Company’s intention to raise new financing, sufficiency of working capital for continued operations and other statements regarding anticipated future events and the Company’s anticipated future performance.

Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as “plans”, “expects” or “does not expect”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “continue”, “anticipates” or “does not anticipate”, or “believes” or a variation of such words and phrases that state that certain actions, events or results “may”, “could”, “would”, “might” or “will be taken”, “occur” or “be achieved”. All forward-looking statements are based on our beliefs and assumptions based on information available at the time the assumption was made. While Fredonia considers its assumptions to be reasonable and appropriate based on the current information available, there is a risk that they may not be accurate. Forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievement of Fredonia to be materially different from those expressed or implied by such forward-looking statements, including but not limited to risks related to the integration of acquisitions, as well as those factors discussed in the section entitled “Risk Factors” in this MD&A. Before making any investment decisions and for a detailed discussion of the risks, uncertainties and environment associated with our business.

Although management has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. Fredonia does not undertake to update any forward-looking statements that are incorporated by reference herein, except as required by law.

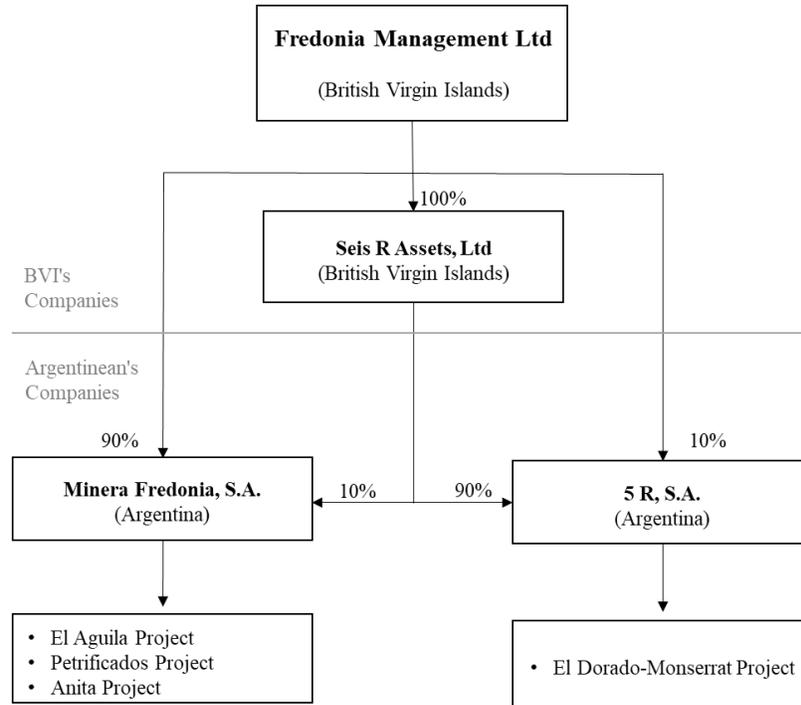
Business Overview

Fredonia was incorporated under the laws of the British Virgin Islands on March 22, 2010. Its registered office is located at the offices of Trident Trust Company (BVI) Limited, Trident Chambers, P.O. Box 146, Road Town, Tortola, British Virgin Islands.

Fredonia, directly or indirectly, owns a 100% interest in certain license areas (totaling approximately 18,300 ha.), all within the Deseado Massif geological region in the Province of Santa Cruz, Argentina. The Company’s only material property is the advanced El Dorado-Monserrat Project, which covers approximately 6,200ha located close to Anglo Gold Ashanti’s Cerro Vanguardia mine, subject to a 1.5% net smelter return royalty. The Company also owns the El Aguila, Hornía (Petrificados), and Anita properties, which are not “material properties” of Fredonia under NI 43-101

or “qualifying” properties under TSXV policies.

The following chart identifies Fredonia’s subsidiaries, including their jurisdiction of incorporation, and where in the corporate structure the Company’s properties are held.



Mineral Properties

El Dorado-Monserrat Project:

5R SA is the Argentine company that owns 100% El Dorado-Monserrat project. On September 29, 2017, Seis R Asset Ltd, a British Virgin Islands’ company acquired 90% of 5R SA shares and Fredonia acquired the remaining 10% shares of 5R SA, without any exchange of cash or shares.

On November 20, 2017, Fredonia approved the acquisition of all the issued and outstanding shares of Seis R Asset Ltd, and issued 51,861,059 shares, taking full control and ownership directly or indirectly of 5R, SA and El Dorado-Monserrat project.

The El Dorado-Monserrat Project is located in an area of low rolling hills in the Deseado Massif of Santa Cruz Province, close to a number of known mines and prospects. Santa Cruz Province is part of the region of Patagonia which has the Andes Mountains to the west and the Atlantic coast to the east. In general, the area is very sparsely populated, and a large proportion of employment is in sheep farming which is managed from widely scattered ‘estancias’.

The nearest major centres to the Fredonia licences are Puerto Deseado (population 10,000), Puerto San Julian (population 6,000), Caleta Olivia (population 36,000) to the northeast, Gobernador Gregores in the southwest and Comodoro Rivadavia (population 140,000). Rio Gallegos (population 79,000), the capital of Santa Cruz Province, lies to the south of the project areas. These major centres can provide basic goods and services, and the national power grid serves these centres. Comodoro Rivadavia and Rio Gallegos are serviced with national airports. A well-

maintained concrete airstrip is located at Puerto Deseado, serviced via small to mid-size charter aircraft. Workers are readily available from the surrounding area.

ACA Howe and the Qualified Persons for the study have reviewed the drilling data collected by Fredonia and the historical drilling, trenching and other data collected by previous operators. ACA Howe concludes that the El Dorado-Monserrat Project is a Property of Merit with clear potential for low sulphidation epithermal vein style gold-silver mineralisation. The El Dorado-Monserrat Project is strategically located near to the major Cerro Vanguardia gold mine and is underlain by significant amounts of Chon Aike Formation rhyolitic volcanic rocks and by Bajo Pobre Formation. These formations are the principal host to mineralisation in the Deseado Massif.

There is significant potential and the drilling, trenching and surface exploration conducted on the other prospects by prior operators are adequate to demonstrate the overall potential of the El Dorado-Monserrat Project. Additional exploration, including surface sampling, trenching, re-assaying of available drill core and additional drilling will be required to fully assess the potential of the Main Vein area and other prospects. In addition, a thorough review of historical data is recommended.

The Exploration Target for the Main Vein area shows possible tonnages of mineralisation in this area with reasonable prospects of economic extraction are in the region of 3.5 to 6.5 million tonnes, with possible average gold grades above a 0.5 g/t cut off of 0.6-1 g/t and silver grades of 20 to 35 g/t (see table below). Based on this, possible contained metal is in the region of 100,000-200,000 Oz of gold and 3-6 MOz of silver (ounces are troy ounces).

Within the Main Vein area, the Camila C area has higher grade gold and silver mineralisation than other parts of the project area. The Exploration Target of approximately 300,000 to 500,000 tonnes of mineralisation, from surface to 100 m depth, has a grade of 1.5 to 3 g/t Au and 40 to 80 ppm Ag (see table below). This presents a potential opportunity for the extraction of shallow, higher grade mineralised zones.

Summary of Exploration Target in the Main Vein Area

| Area | Depth below surface | Bulk Density | Tonnes | | Grades | |
|---------------------------------------|---------------------|-----------------------|-------------|-------------|-------------------------|-------------------------|
| | | | Lower Range | Upper Range | Lower Range | Upper Range |
| Main Vein area | 150 m | 2.4 g/cm ³ | 3.5 million | 6.5 million | 0.6 g/t Au 20 ppm Ag | 1.0 g/t Au 35 ppm Ag |
| Camila C (part of the Main Vein area) | 100 m | 2.4 g/cm ³ | 300,000 | 500,000 | 1.5 g/t Au 40 ppm Ag | 3 g/t Au 80 ppm Ag |

These Exploration target tonnages and grades are conceptual in nature and have been estimated from limited data, some of which has not been verified by the Qualified Persons. There has been insufficient exploration to define a mineral resource and as a result the tonnages and grades presented do not represent an estimation of mineral resource as defined by NI 43-101, CIM or a similar CRIRSCO aligned reporting code. It is uncertain that additional exploration work will result in any part of the exploration target being converted to a mineral resource, and grade and tonnage may increase or decrease as additional information becomes available.

Outside the Main Vein area, there is also considerable potential for additional mineralised zones to be identified. Follow-up exploration at Monserrat West, Abanico, La Herradura and Beethoven will enable an improved understanding of the geometry and extent of the mineralised zones in these areas. Further to this, additional exploration of the Monserrat East and Bajo Pedernal areas will determine the potential for significant mineralised zones.

El Aguila Project:

On September 15, 2016 an Arm's length purchase agreement (the "Wink Agreement") between Fredonia and Wink

Sociedad Anonima wherein Fredonia agrees to acquire the following properties - Winki: “Winki II”, “Petrificados”, “Aguila I” and “Aguila II”, in the Province of Santa Cruz, Argentina (collectively, the “El Aguila Project”) for the sum of \$1,400,000.00, and 1% of the net profit interest of FM during the production/exploitation phases of the project (the “Royalty”).

On November 11, 2016, Fredonia and Jorge Valvano (an arm’s length party and 50% participant under the Winki Agreement) reached an agreement to jointly participate in the development of Fredonia on the basis of a partnership in equal parts. Under this agreement, Fredonia provided its structure and know-how in the mining industry, as well as access to the capital market and Jorge Valvano agreed to accept 50% of the share capital of Fredonia in exchange for his rights under the Winki Agreement to receive half of the purchase proceeds and half of the Royalty from the purchase and sale of the Aquila Project. Accordingly, only \$700,000 and one half of the Royalty is currently owing to Hector Carrizo under the terms of the Winki Agreement.

The El Aguila project is located in the eastern sector of the Deseado Massif and comprises three licence blocks that cover 9,124ha. The project is located 70 km northeast of Cerro Vanguardia mine and 45 km west of Cerro Moro.

The geological interpretation of the Aguila project area is a ‘failed’ caldera environment. Structures define both ring fractures at the margins of the caldera striking as well as radial fractures hosting gold silver mineralisation within the ring structure. The NW orientation is strike-slip faults with dextral movements, and NS fractures are tensional. Post-mineral event ENE striking fault system displaces part of the vein-like mineralized structures.

El Aguila has distinct styles of mineralisation from classic low sulphidation epithermal quartz veining hosting gold-silver as well as stockwork and breccias (draped around a felsic dome complex) and a new exploration target represented by veins in sandstone.

Drilling on the project is scout exploration style and is neither advanced nor grid style systematic. However, based on the geochemical data generated to date and the interpretation of geology hosting the identified mineralisation, of the five main sectors identified to date, Aguila Main is considered the most prospective. Fredonia conducted a limited diamond drilling programme of 2,428m for 11 holes throughout the project, focusing on Aguila Main.

Hornía Project (previously Petrificados):

The oldest rocks in the property are andesitic flows, volcanic breccias and tuffs from the Bajo Pobre Formation, exposed in the southern part of the area. This unit is overlaid and partially in fault contact with coarse grained-partially welded rhyolitic crystal tuff, from the Chon Aike Formation exposed along the western side of the property. This unit is covered and partially inter-fingered with layered fine grained ash fall tuffs and volcanoclastic sediments assigned to La Matilde Formation (both belonging to Bahía Laura Group), largely exposed in the western and northern portions of the property. These are the three most prospective formations in the Deseado.

Alteration and mineralization coincides primarily with strongly silicified N°30-N°60 west-trending tabular structures. The silicified zones contain veins, veinlets, stockworks and hydrothermal breccias hosted in welded rhyolitic tuffs. Veins and breccias show a variety of textures indicative of multiple episodes of brecciation and silica deposition, including carbonate replacement textures and massive to banded veins with chalcedony, jasper and fine grained saccharoidal white to gray silica, interpreted as being formed at shallow depths within the hydrothermal system.

Gold mineralisation is associated with anomalous values of ‘pathfinder’ elements. Arsenic (As), mercury (Hg), antimony (Sb), these are typical vectors to epithermal gold mineralisation.

Fredonia intends to undertake a thorough review of the historical data before embarking on a project wide exploration programme of surface reconnaissance and geophysics prior to an anticipated scout exploration drill programme.

Review of Financial Results

The following tables set forth selected financial information with respect to the Company’s audited consolidated financial statements for the year ended September 30, 2020 and 2019. The following should be read in conjunction

with the said financial statements and related notes that are included elsewhere in this Filing Statement.

Selected Financial Information

| | Year ended September 30, 2020 (Audited) (\$) | Year ended September 30, 2019 (Audited) (\$) |
|--|---|---|
| Exchange rate differences and Interest expense | 16,339 | 47,359 |
| Expenses | 135,598 | 312,260 |
| Net loss | 119,259 | 264,901 |
| Basic and Diluted loss per share | (0.001) | (0.002) |

| Statement of Financial Position | As of September 30, 2020 (Audited) (\$) | September 30, 2019 (Audited) (\$) |
|---|--|--|
| Assets | | |
| Current assets | 12,918 | 25,295 |
| Exploration and Evaluation Assets | 1,404,671 | 1,371,888 |
| Total Assets | 1,417,589 | 1,397,183 |
| Liabilities | | |
| Current liabilities | 588,757 | 319,327 |
| Shareholders' Equity | 508,597 | 627,856 |
| Total Liabilities and Shareholders' Equity | 1,417,589 | 1,397,183 |

Overall Performance

The Company is a junior exploration company engaged in the exploration and development of the El Dorado-Monserrat Project. The Company's future performance depends on, among other things, its ability to discover and develop ore reserves at commercially recoverable quantities, the prevailing market price of commodities it produces, the Company's ability to secure required financing, and in the event ore reserves are found in economically recoverable quantities, the Company's ability to secure operating and environmental permits to commence and maintain mining operations.

Results of Operations

The Company reported a net loss of \$119,259 during the year ended September 30, 2020 compared to net loss of \$264,901 during the year ended September 30, 2019. The net loss for the 2020 fiscal year was lower primarily due to reduction in operational and exploration expenses to cash preservation.

Summary of Quarterly Results

Since inception, the Company has not prepared quarterly interim financial statements. As a result, and in accordance with form NI 52-101F1, the Company is unable to provide a summary of the quarterly results for the years ended September 30, 2020 and 2019.

Financing Activities

On December 9, 2016, arm's length investors invested in the Company, purchasing a total of 14,744,811 Fredonia Shares at a price of \$0.09834 per share, paid in cash, for aggregate gross proceeds of \$1,450,000.00.

On January 19, 2018, arm's length investors invested in the Company, purchasing a total of 12,202,602 Fredonia Shares at a price of \$0.09834 per share, paid in cash, for aggregate gross proceeds of \$1,200,000.00.

Between May 15, 2018 and February 22, 2019, arm's length investors invested in the Company, purchasing a total of 8,447,906 Fredonia Shares at a price of \$0.09834 per share, paid in cash, for aggregate gross proceeds of \$830,767.00.

Liquidity and Capital Resources

As of September 30, 2020, the Company had cash of \$7,961 and a working capital deficiency of \$565,839. During the year ended September 30, 2020, net cash used in operating activities was \$(59,979), net cash used in investing activities was \$(32,783) related to exploration and evaluation costs incurred, and loans from related parties of \$79,700.

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholders and to maintain a flexible capital structure that optimizes the costs of capital within a framework of acceptable risk. In the management of capital, the Company includes the components of shareholders' equity as well as cash. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash. The Company is dependent on the capital markets as its primary source of operating working capital and the Company's capital resources are largely determined by its ability to compete for investor support of its projects.

The consolidated financial statements have been prepared assuming the Company will continue as a going concern, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. At September 30, 2020, the Company had accumulated losses of \$4,041,632 and expects to incur further losses in the development of its business. The continuation of the Company is dependent upon obtaining necessary financing to meet its ongoing operational levels of exploration and corporate overhead. In March 2020, there was a pandemic outbreak of COVID-19. The actual and threatened spread of the virus globally has had a material adverse effect on the global economy and specifically, the regional economies in which the Company operates. The pandemic could result in delays in the course of business and the Company's ability to raise new capital. These events and conditions indicate a material uncertainty that may cast significant doubt upon the Company's ability to continue as a going concern.

Additional funds will be required to enable the Company to continue its operations and there can be no assurance that financing will be available on terms which are acceptable to the Company. These consolidated financial statements do not give effect to any adjustments to the amounts and classifications of assets and liabilities which might be necessary should the Company be unable to continue its operations as a going concern.

Related Party Transactions

The Company incurred charges to directors and officers, or to companies associated with these individuals, during the year ended September, 2020 and September 30, 2019:

- i) Transactions:
 - a) Salaries and benefits to Estanislao Auriemma, Chief Executive Officer and Director for the year ended September 30, 2020 were \$6,478 (2019: \$24,529) and are included as part of payroll expenses on the consolidated statement of loss.
 - b) Salaries and benefits to Ricardo Auriemma, President and Director, Jorge Valvano, VP of Exploration, Martin Auriemma, Geologist, and Facundo Auriemma, Geologist for the year ended September 30, 2019 were \$96,650 and are included as part of capitalized evaluation and exploration assets in the consolidated statement of financial position.

- c) Key management includes Ricardo Auriemma, President and Director, Estanislao Auriemma Chief Executive Officer and Director, and Carlos Espinosa Chief Financial Officer. During the year ended September 30, 2020 were \$8,972 (2019: \$85,536) and are included as part of professional fees on the consolidated statement of loss.
 - d) Interest expense incurred for the year ended September 30, 2020 from a loan payable to Ricardo Auriemma, President, Director and shareholder is \$535.
 - e) Rent expense incurred for the year ended September 30, 2020 charged by a company controlled by Ricardo Auriemma, President and Director of the company were \$18,000 (2019: \$19,500).
- ii) Year-end balances:
- a) As at September 30, 2020, trade and other payables included \$20,000 (September 30, 2019 - \$20,000) payable to Grupo Minero Aconcagua S.A., a company related to Ricardo Auriemma, President and Director for payments made on behalf of the Company.
 - b) As at September 30, 2020, trade and other payables included \$1,770 (September 30, 2019 - \$2,673) payable to payable to Grupo Minero Aconcagua S.A., a company related to Ricardo Auriemma, President and Director in relation to the rent of the administrative office.
 - c) As at September 30, 2020, trade and other payables included \$15,138 (September 30, 2019 - \$6,058) payable to The SoftLanding Group, Mexico, Inc. a consulting firm for services provided by Carlos Espinosa, the Company's CFO in his role.
 - d) As at September 30, 2020, trade and other payables included \$41,548 (September 30, 2019 - Nil) payable to Ricardo Auriemma, President and Director, and Estanislao Auriemma CEO and Director for payments made on behalf of the Company.
 - e) As at September 30, 2020, trade and other payables included \$3,500 (September 30, 2019 - \$3,500) payable to Ricardo Auriemma, President & Director for professional services. On October 1, 2019 the company contracted a credit facility with a Ricardo Auriemma, President, Director and shareholder for up to \$200,000 payable two years after each advance made with interest at LIBOR+1%. During the year \$79,700 were drawn from the credit facility at different dates and interest of \$535 were accrued

All related party transactions were in the normal course of operations.

Financial Instruments

The Company's financial instruments consist of cash, accounts payable and accrued liabilities, and loans from related parties. Unless otherwise noted, management is of the opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The Company's cash is recorded at its fair value, and the fair values of these accounts payable and accrued liabilities, and loans from related parties approximate their carrying values due to their short-term nature.

Critical Judgments and Estimates

Going concern assumption

The financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The assessment of the Company's ability to source future operations and continue as a going concern involves judgment. Estimates and assumptions are continually evaluated and are based on historical experience and other factors,

including expectations of future events that are believed to be reasonable under the circumstances. If the going concern assumption were not appropriate for these consolidated financial statements, then adjustments would be necessary in the carrying value of assets and liabilities, the reported revenue and expenses and the statement of financial position classifications used.

Impairment of exploration and evaluation assets

The carrying value and recoverability of exploration and evaluation assets requires management to make certain estimates, judgments, and assumptions about its mineral projects. Management considers the economics of the project, including the latest resource prices and the long-term forecasts, and the overall economic viability of the project.

Issuances of shares for properties

Management makes judgments in determining the share price attributed to issuances of shares for mineral properties. Management considers market conditions, recent or pending private placements of the Company, and or contracted terms of the issuance. Should management's judgment as to an appropriate share price be incorrect, the value attributed to properties could be materially different.

Share-based payment

The Company measures the cost of equity-settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

Off-Balance Sheet Arrangements

The Company has not entered into any off-balance sheet arrangements such as guarantee contracts, contingent interests in assets transferred to unconsolidated entities or derivative financial obligations.

Additional Disclosure for Junior Issuers

Other than as disclosed in this Filing Statement, the Company does not anticipate incurring any other material capital expenditures.

Assuming that the Company has expended its exploration expenses in accordance with the recommendations of the technical report on the El Dorado-Monserrat Project, the Company will have achieved one of its material stated business objectives which is to determine whether El Dorado-Monserrat Project contains mineralized deposits and whether the results warrant the Company carrying out further work on the El Dorado -Monserrat Project.

If a further work program is recommended on the El Dorado-Monserrat Project, the Company may be required to raise additional funding to carry out additional exploration programs on its El Dorado-Monserrat project. In addition, should the opportunity to acquire other mineral exploration properties be presented to the Company, whether located in Argentina or elsewhere, then the Company would have to determine the appropriate method of acquiring those properties. In the event that common shares could not be used to acquire the said properties, then the Company may have to look to raise further capital.

Disclosure of Outstanding Security Data

The Company has one class of shares outstanding, being ordinary shares. As of the date of this filing statement, 109,006,378 Fredonia Shares were issued and outstanding. The Company has no share purchase warrants outstanding.

Description of Securities

Fredonia currently has 109,006,378 Fredonia Shares issued and outstanding.

Fredonia Shares

Holders of Fredonia Shares are entitled to receive notice of any meetings of shareholders, to attend and to cast one vote per Fredonia Share at all such meetings on a poll, and one vote per holder on a show of hands. Fredonia Shareholders do not have cumulative voting rights with respect to the election of directors and, accordingly, holders of a majority of the Fredonia Shares entitled to vote and voting in any election of directors may elect all directors standing for election. Election of directors takes place by way of ordinary resolution in respect of each director. Fredonia Shareholders are entitled to receive on a pro rata basis such dividends, if any, as and when declared by the Fredonia Board at its discretion from funds legally available therefor and upon the winding-up of Fredonia are entitled to receive on a pro rata basis the net assets of Fredonia after payment of debts and other liabilities, in each case subject to the rights, privileges, restrictions and conditions attaching to any other series or class of shares ranking senior in priority to or on a pro rata basis with the Fredonia Shares with respect to dividends or liquidation. The Fredonia Shares do not carry any pre-emptive, subscription, redemption or conversion rights, nor do they contain any sinking or purchase fund provisions.

Dividend Policy

Fredonia has not declared or paid any dividends or other distributions on its Fredonia Shares since the date of its incorporation. Fredonia currently does not anticipate paying cash dividends in the foreseeable future. The declaration and payment of any dividends in the future will be determined by the Board, in its discretion, and will depend on a number of factors, including Fredonia's earnings, capital requirements, overall financial condition and contractual restrictions. There can be no assurance that Fredonia will ever pay dividends under any circumstances before the completion of the Qualifying Transaction.

EXHIBIT “C”
INTERIM UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE
THREE AND SIX MONTHS ENDED MARCH 31, 2021

(see attached)

Fredonia Management Limited

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED MARCH 31, 2021 AND 2020
(UNAUDITED)
EXPRESSED IN US DOLLARS**

Fredonia Management Limited
Condensed Consolidated Interim Statements of Financial Position
Expressed in US Dollars

| | As at March 31, 2021 | As at September 30, 2020 |
|---|-------------------------------------|---|
| ASSETS | | |
| Non-current assets | | |
| Evaluation and exploration assets | 1,421,501 | 1,404,671 |
| Total non-current assets | 1,421,501 | 1,404,671 |
| Current assets | | |
| Other receivables | 6,847 | 4,957 |
| Cash and cash equivalents | 9,108 | 7,961 |
| Total current assets | 15,955 | 12,918 |
| Total assets | 1,437,456 | 1,417,589 |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | |
| Non-current liabilities | | |
| Borrowings (Note 6) | 120,706 | 80,235 |
| Trade payable – Non Current (Note 5) | - | 250,000 |
| Total non-current liabilities | 120,706 | 330,235 |
| Current liabilities | | |
| Borrowings (Note 6) | 38,639 | - |
| Trade and other payables (Note 5) | 1,101,739 | 578,757 |
| Total current liabilities | 1,140,378 | 578,757 |
| Total liabilities | 1,261,084 | 908,992 |
| Share capital (Note 7) | 4,550,229 | 4,550,229 |
| Deficit | (4,373,857) | (4,041,632) |
| Total shareholders' equity | 176,372 | 508,597 |
| Total liabilities and shareholders' equity | 1,437,456 | 1,417,589 |

Subsequent events – Note 9

Approved and authorized by the Board of Directors:

(Signed) "Estanislao Auriemma"

(Signed) Carlos Espinosa"

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

Fredonia Management Limited
Condensed Consolidated Interim Statements of Loss
Expressed in US Dollars

| | Three Months Ended | | Six Months Ended | |
|---|---------------------------|---------------------------|---------------------------|---------------------------|
| | March 31, 2021 | March 31, 2020 | March 31, 2021 | March 31, 2020 |
| Expenses | | | | |
| Administrative and office expenses | 20,855 | 12,522 | 32,338 | 22,436 |
| Payroll expenses | 146,161 | 7,385 | 151,616 | 14,039 |
| Professional fees | 155,045 | 11,681 | 153,560 | 17,770 |
| Travel expenses | - | 23,634 | - | 23,807 |
| Other expenses | 5,033 | 2,827 | 8,309 | 5,188 |
| | 327,094 | 58,049 | 345,823 | 83,240 |
| Exchange rate differences | (7,105) | (3,775) | (12,453) | (11,524) |
| Interest expenses | (351) | (176) | (1,145) | (236) |
| | (7,456) | (3,951) | (13,598) | (11,760) |
| Net loss - before income tax | 319,638 | 54,098 | 332,225 | 71,480 |
| Income tax | - | - | - | - |
| Net loss for the year | 319,638 | 54,098 | 332,225 | 71,480 |
| Loss per share (Basic and diluted) | (0.003) | (0.000) | (0.003) | (0.001) |
| Number of shares outstanding | 109,006,378 | 109,006,378 | 109,006,378 | 109,006,378 |

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

Fredonia Management Limited

Condensed Consolidated Interim Statements of Changes in Shareholders' Equity Expressed in US Dollars

| | Number of Common Shares | Share Capital | Deficit | Total Shareholder's Equity |
|------------------------------------|-------------------------------|-------------------------|---------------------------|----------------------------------|
| Balance -September 30, 2020 | <u>109,006,378</u> | <u>4,550,229</u> | <u>(4,041,632)</u> | <u>508,597</u> |
| Net loss for the period | - | - | (332,225) | (332,225) |
| Balance - March 31, 2021 | <u>109,006,378</u> | <u>4,550,229</u> | <u>(4,373,857)</u> | <u>176,372</u> |

| | Number of Common Shares | Share Capital | Deficit | Total Shareholder's Equity |
|------------------------------------|-------------------------------|-------------------------|---------------------------|----------------------------------|
| Balance -September 30, 2019 | <u>109,006,378</u> | <u>4,550,229</u> | <u>(3,922,373)</u> | <u>627,856</u> |
| Net loss for the period | - | - | (71,480) | (71,480) |
| Balance - March 31, 2020 | <u>109,006,378</u> | <u>4,550,229</u> | <u>(3,993,853)</u> | <u>556,376</u> |

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

Fredonia Management Limited
Consolidated Condensed Interim Statements of Cash Flows
Expressed in US Dollars

| | Six months ended March 31, 2021 | Six months ended March 31, 2020 |
|--|--|--|
| Cash Flows from Operating Activities | | |
| Net loss for the year | (332,225) | (71,480) |
| Adjustments to reconcile net loss to net cash used in operating activities | | |
| Accrued Interest | (1,145) | (236) |
| Decrease in other receivables | (1,890) | (7,679) |
| Increase in trade and other payables | 272,982 | 44,950 |
| Net cash used in operating activities | (62,278) | (34,445) |
| Cash Flows from Investing Activities | | |
| Evaluation and exploration expenditures | (16,830) | (14,139) |
| Net cash used in investing activities | (16,830) | (14,139) |
| Cash Flows from Financing Activities | | |
| Increase in borrowings with related parties | 80,255 | 38,472 |
| Net cash provided by financing activities | 80,255 | 38,472 |
| Increase (decrease) in cash and cash equivalents | 1,147 | (10,112) |
| Cash and cash equivalents, beginning of period | 7,961 | 21,023 |
| Cash and cash equivalents, end of period | 9,108 | 10,911 |

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

Fredonia Management Limited

Notes to the Condensed Consolidated Interim Financial Statements Expressed in US Dollars

1. Business of the company

Fredonia Management Limited (Fredonia or the Company) was incorporated under the laws of the British Virgin Islands on March 22, 2010. Its registered office is located at the offices of Trident Trust Company (BVI) Limited, Trident Chambers, P.O. Box 146, Road Town, Tortola, British Virgin Islands, and the address of the Company's corporate office and principal place of business is located at Av. Del Libertador 828 - 1ºA - (C1001ABV), Ciudad de Buenos Aires, Argentina.

These consolidated financial statements were approved for issuance by the Company's Board of Directors on June 21, 2021

About the Project, acquisitions and financing

Fredonia, directly or indirectly, owns a 100% interest in certain license areas, all within the Deseado Massif geological region in the Province of Santa Cruz, Argentina. The Company's material property is El Dorado-Monserrat Project. The Company also owns the El Aguila, Petrificados, and Anita properties. (collectively, the "Aguila Project").

Nature of operations and global pandemic

The Company has not yet established whether its mineral properties contain resources or reserves that are economically recoverable. The recovery of amounts capitalized as mineral properties is dependent upon the discovery of economically recoverable resources or reserves, the ability of the Company to arrange appropriate financing to complete the development of properties, and upon future profitable production, or alternatively, upon the Company's ability to dispose of its interests on an advantageous basis, all of which are uncertain.

Novel Coronavirus ("COVID-19"). The Company's operations could be significantly adversely affected by the effects of a widespread global outbreak of a contagious disease, including the recent outbreak of respiratory illness caused by COVID-19. The Company cannot accurately predict the impact COVID-19 will have on its operations and the ability of others to meet their obligations with the Company, including uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, and the length of travel and quarantine restrictions imposed by governments of affected countries. In addition, a significant outbreak of contagious diseases in the human population could result in a widespread health crisis that could adversely affect the economies and financial markets of many countries, resulting in an economic downturn that could further affect the Company's operations and ability to finance its operations.

Fredonia Management Limited

Notes to the Condensed Consolidated Interim Financial Statements

Expressed in US Dollars

2. Basis of preparation and accounting policies

2.1 Basis for the Preparation

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"). These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by IASB and interpretations issued by IFRIC.

These unaudited condensed consolidated interim financial statements should be read in conjunction with the Company's annual consolidated financial statements for the years ended September 30, 2020 and 2019 which have been prepared in accordance with IFRS as issued by the IASB. The accounting policies and methods adopted are consistent with those disclosed in Note 2 to the Company's consolidated financial statements for the years ended September 30, 2020 and 2019.

3. Financial instruments and risk management

Financial Risks

The Company's activities are exposed to various financial risks, market risks (including the foreign exchange rate risk), credit risk, liquidity risk and capital risk.

Note 3 to these financial statements as of September 30, 2020 shows the information corresponding to the financial risk management as of such date. From September 30, 2020, there have been no significant changes in the management or the risk management policies applied by the Company.

4. Evaluation and exploration assets

The Company's primary exploration project is the El Dorado-Monserrat Project located in Santa Cruz Province, Argentina assessing for gold-silver mineralization. There is a 1.5% NSR royalty on the project.

The Company also has a secondary exploration project being the El Aguila project located in Santa Cruz Province, Argentina. The project is subject to a 1% net profit interest royalty. In addition, the Company has certain amounts owing to the original sellers (Note 5).

Fredonia Management Limited

Notes to the Condensed Consolidated Interim Financial Statements

Expressed in US Dollars

5. Trade and other payables

| | As at March 31, 2021 | As at September 30, 2020 |
|---|-------------------------------------|---|
| Current | | |
| Consideration payable – Total | 650,000 | 650,000 |
| Consideration payable – Long term portion | - | (250,000) |
| Consideration payable – Current | 650,000 | 400,000 |
| Trade accounts payable and accruals | 220,968 | 96,801 |
| Related parties (Note 8) | 230,771 | 81,956 |
| | <u>1,101,739</u> | <u>578,757</u> |

6. Borrowings

6.1 Borrowings

| | As at March 31, 2021 | As at September 30, 2020 |
|--------------------------|-------------------------------------|---|
| Non Current | | |
| Related parties (Note 8) | 120,706 | 80,235 |
| | <u>120,706</u> | <u>80,235</u> |
| Current | | |
| Related parties (Note 8) | 38,639 | - |
| | <u>38,639</u> | <u>-</u> |

6.2 Terms and repayment schedule

On October 1, 2019 the company contracted a credit facility with a shareholder and director for up to \$200,000 payable two years after each advance made with interest at LIBOR +1%, For de six and three months ended March 31, 2021 \$80,255 and \$55,202 (2020: \$38,472 and \$20,352) were drawn from the credit facility at different dates and interest of \$1,145 and \$351 (2020: \$236 and \$176) were accrued.

The advances are payable staggered from October 2021 to March 2023.

7. Share Capital

The Company's capital is represented by 109,006,378 ordinary shares with no par value and carrying one vote each,

Fredonia Management Limited

Notes to the Condensed Consolidated Interim Financial Statements

Expressed in US Dollars

8. Related Party Transactions and Balances

During the period ended March 31, 2021, the Company incurred the following related party transactions:

- i) Transactions:
 - a) Salaries and benefits to key management personnel for the six and three months ended March 31, 2021 were \$4,124 and \$1,804 (2020: \$4,337 and \$2,566) and are included as part of payroll expenses on the consolidated statement of loss,
 - b) Professional services charged by key management personnel and directors for the six and three months ended March 31, 2021 were \$183,746 and \$183,296 (2020: \$10,957 and \$4,408) and are included as part of professional fees on the consolidated statement of loss,
 - c) Interest expense incurred for the six and three ended March 31, 2021 from a loan payable to a director and shareholder were \$1,145 and \$351 (2020: \$236 and \$176),
 - d) Rent expense incurred for the six and three ended March 31, 2021 charged by a company controlled by Directors of the company were \$9,106 and \$4,529 (2020: \$9,092 and \$4,557),
- ii) Period-end balances:
 - a) As at March 31, 2021, trade and other payables included \$20,000 (September 30, 2020 - \$20,000) payable to a company related to a director for payments made on behalf of the Company,
 - b) As at March 31, 2021, trade and other payables included \$4,204 (September 30, 2020 - \$1,770) payable to a company related to a director in relation to the rent of the administrative office.
 - c) As at March 31, 2021, trade and other payables included \$15,138 (September 30, 2020 - \$15,138) payable to a consulting firm for services provided by the Company's CFO in his role,
 - d) As at March 31, 2021, trade and other payables included \$73,179 (September 30, 2020 - \$41,548) payable to directors and key management for payments made on behalf of the Company,
 - e) As at March 31, 2021, trade and other payables included \$118,250 (September 30, 2020 - \$3,500) payable to directors and key management for salaries and benefits.
 - f) In addition as at March 31, 2021 there is a loan payable to a director and shareholder as described in Note 6,

All related party transactions were in the normal course of operations,

9. Subsequent events

On October 29, 2020 the Company signed a letter of intent with Richmond Road Capital Corp, ("RRCC") to complete a merger pursuant to which RRCC will acquire all of the outstanding shares of the company in exchange for 109,006,378 RRCC Shares, plus an amount of RRCC Shares equal to the number of Subscription Receipts issued in a concurrent financing, and as a result of which the company will become a wholly-owned subsidiary of RRCC, This transaction will constitute RRCC's Qualifying Transaction under TSXV Policy 2,4,

Fredonia Management Limited

Notes to the Condensed Consolidated Interim Financial Statements

Expressed in US Dollars

On April 7, 2021, Fredonia and RRCC entered into the definitive agreement setting out the principal terms on which RRCC will acquire all of the issued and outstanding shares of the Company, Subsequent to or concurrently with the completion of the transaction, RRCC is expected to change its name to "Fredonia Mining Ltd,"

During February 2021 the company completed a concurrent financing of subscription receipts of 37,445,310 units at a price of CAD\$0,17 per unit (gross proceeds of CAD\$ 6,365,703) each unit corresponds to one common share and half warrant, Each whole warrant entitles the holder to one common share at a price of CAD\$0,25 exercisable during a period of three years after the release of funds in escrow by the time of closing the transaction,

EXHIBIT “D”
MANAGEMENT’S DISCUSSION AND ANALYSIS OF FREDONIA FOR THE THREE
AND SIX MONTHS ENDED MARCH 31, 2021

(see attached)



**Fredonia
Management Ltd.**

FREDONIA MANAGEMENT, LTD.

**Management's Discussion & Analysis
For the Six Months Ended March 31, 2021**

This Management Discussion and Analysis (“MD&A”) provides relevant information on the operations and financial condition of Fredonia Management, Ltd. (“Fredonia” or the “Company”) for the six months ended March 31, 2021. This MD&A should be read in conjunction with the unaudited condensed interim consolidated financial statements and the notes thereto for the six months ended March 31, 2021 and March 31, 2020. Fredonia’s unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by IASB and interpretations issued by IFRIC. The Fredonia Board of Directors approved both this MD&A and the unaudited consolidated financial statements and the notes thereto for the six months ended March 31, 2021 and March 31, 2020 on June 21, 2021.

This MD&A provides information that the management of Fredonia believes is important to assess and understand the results of operations and financial condition of the Company. Our objective is to present readers with a view of Fredonia from management’s perspective by interpreting the material trends and activities that affect the operating results, liquidity, and financial position of Fredonia. All monetary amounts unless otherwise specified are expressed in US dollars. This discussion contains forward looking information that is qualified by reference to, and should be read in conjunction, with the “Caution Regarding Forward Looking Statements” below.

Caution Regarding Forward Looking Statements

Readers are cautioned that actual results may differ materially from the results projected in any “forward-looking” statements included in the foregoing report, which involve a number of risks or uncertainties. This MD&A contains “forward-looking statements” and “forward-looking information” within the meaning of the applicable Canadian securities legislation. Forward-looking statements are not historical facts and include statements regarding the Company’s planned development activities, anticipated future profitability, losses, revenues, expected future expenditures, the Company’s intention to raise new financing, sufficiency of working capital for continued operations and other statements regarding anticipated future events and the Company’s anticipated future performance.

Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as “plans”, “expects” or “does not expect”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “continue”, “anticipates” or “does not anticipate”, or “believes” or a variation of such words and phrases that state that certain actions, events or results “may”, “could”, “would”, “might” or “will be taken”, “occur” or “be achieved”. All forward-looking statements are based on our beliefs and assumptions based on information available at the time the assumption was made. While Fredonia considers its assumptions to be reasonable and appropriate based on the current information available, there is a risk that they may not be accurate. Forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievement of Fredonia to be materially different from those expressed or implied by such forward-looking statements, including but not limited to risks related to the integration of acquisitions, as well as those factors discussed in the section entitled “Risk Factors” in this MD&A. Before making any investment decisions and for a detailed discussion of the risks, uncertainties and environment associated with our business.

Although management has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. Fredonia does not undertake to update any forward-looking statements that are incorporated by reference herein, except as required by law.

Business Overview

Fredonia was incorporated under the laws of the British Virgin Islands on March 22, 2010. Its registered office is located at the offices of Trident Trust Company (BVI) Limited, Trident Chambers, P.O. Box 146, Road Town, Tortola, British Virgin Islands.

Fredonia, directly or indirectly, owns a 100% interest in certain license areas (totaling approximately 18,300ha.), all within the Deseado Massif geological region in the Province of Santa Cruz, Argentina. The Company’s only material property is the advanced El Dorado-Monserrat Project, which covers approximately 6,200ha located close to Anglo

Gold Ashanti's Cerro Vanguardia mine, subject to a 1.5% net smelter return royalty. The Company also owns the El Aguila, Hornía (Petrificados), and Anita properties, which are not "material properties" of Fredonia under NI 43-101 or "qualifying" properties under TSXV policies.

Mineral Properties

El Dorado-Monserrat Project:

5R SA is the Argentine company that owns 100% El Dorado-Monserrat project. On September 29, 2017, Seis R Asset Ltd, a British Virgin Islands' company acquired 90% of 5R SA shares and Fredonia acquired the remaining 10% shares of 5R SA, without any exchange of cash or shares.

On November 20, 2017, Fredonia approved the acquisition of all the issued and outstanding shares of Seis R Asset Ltd, and issued 51,861,059 shares, taking full control and ownership directly or indirectly of 5R, SA and El Dorado-Monserrat project.

The El Dorado-Monserrat Project is located in an area of low rolling hills in the Deseado Massif of Santa Cruz Province, close to a number of known mines and prospects. Santa Cruz Province is part of the region of Patagonia which has the Andes Mountains to the west and the Atlantic coast to the east. In general, the area is very sparsely populated, and a large proportion of employment is in sheep farming which is managed from widely scattered 'estancias'.

The nearest major centres to the Fredonia licences are Puerto Deseado (population 10,000), Puerto San Julian (population 6,000), Caleta Olivia (population 36,000) to the northeast, Gobernador Gregores in the southwest and Comodoro Rivadavia (population 140,000). Rio Gallegos (population 79,000), the capital of Santa Cruz Province, lies to the south of the project areas. These major centres can provide basic goods and services, and the national power grid serves these centres. Comodoro Rivadavia and Rio Gallegos are serviced with national airports. A well-maintained concrete airstrip is located at Puerto Deseado, serviced via small to mid-size charter aircraft. Workers are readily available from the surrounding area.

ACA Howe and the Qualified Persons for the study have reviewed the drilling data collected by Fredonia and the historical drilling, trenching and other data collected by previous operators. ACA Howe concludes that the El Dorado-Monserrat Project is a Property of Merit with clear potential for low sulphidation epithermal vein style gold-silver mineralisation. The El Dorado-Monserrat Project is strategically located near to the major Cerro Vanguardia gold mine and is underlain by significant amounts of Chon Aike Formation rhyolitic volcanic rocks and by Bajo Pobre Formation. These formations are the principal host to mineralisation in the Deseado Massif.

There is significant potential and the drilling, trenching and surface exploration conducted on the other prospects by prior operators are adequate to demonstrate the overall potential of the El Dorado-Monserrat Project. Additional exploration, including surface sampling, trenching, re-assaying of available drill core and additional drilling will be required to fully assess the potential of the Main Vein area and other prospects. In addition, a thorough review of historical data is recommended.

The Exploration Target for the Main Vein area shows possible tonnages of mineralisation in this area with reasonable prospects of economic extraction are in the region of 3.5 to 6.5 million tonnes, with possible average gold grades above a 0.5 g/t cut off of 0.6-1 g/t and silver grades of 20 to 35 g/t (see table below). Based on this, possible contained metal is in the region of 100,000-200,000 Oz of gold and 3-6 MOz of silver (ounces are troy ounces).

Within the Main Vein area, the Camila C area has higher grade gold and silver mineralisation than other parts of the project area. The Exploration Target of approximately 300,000 to 500,000 tonnes of mineralisation, from surface to 100 m depth, has a grade of 1.5 to 3 g/t Au and 40 to 80 ppm Ag. This presents a potential opportunity for the extraction of shallow, higher grade mineralised zones.

These Exploration target tonnages and grades are conceptual in nature and have been estimated from limited data, some of which has not been verified by the Qualified Persons. There has been insufficient exploration to define a

mineral resource and as a result the tonnages and grades presented do not represent an estimation of mineral resource as defined by NI 43-101, CIM or a similar CRIRSCO aligned reporting code. It is uncertain that additional exploration work will result in any part of the exploration target being converted to a mineral resource, and grade and tonnage may increase or decrease as additional information becomes available.

Outside the Main Vein area, there is also considerable potential for additional mineralised zones to be identified. Follow-up exploration at Monserrat West, Abanico, La Herradura and Beethoven will enable an improved understanding of the geometry and extent of the mineralised zones in these areas. Further to this, additional exploration of the Monserrat East and Bajo Pedernal areas will determine the potential for significant mineralised zones.

El Aguila Project:

On September 15, 2016 an Arm's length purchase agreement (the "Winki Agreement") between Fredonia and Winki Sociedad Anonima wherein Fredonia agrees to acquire the following properties - Winki: "Winki II", "Petrificados", "Aguila I" and "Aguila II", in the Province of Santa Cruz, Argentina (collectively, the "El Aguila Project") for the sum of \$1,400,000.00, and 1% of the net profit interest of Fredonia during the production/exploitation phases of the project (the "Royalty").

On November 11, 2016, Fredonia and Jorge Valvano (an arm's length party and 50% participant under the Winki Agreement) reached an agreement to jointly participate in the development of Fredonia on the basis of a partnership in equal parts. Under this agreement, Fredonia provided its structure and know-how in the mining industry, as well as access to the capital market and Jorge Valvano agreed to accept 50% of the share capital of Fredonia in exchange for his rights under the Winki Agreement to receive half of the purchase proceeds and half of the Royalty from the purchase and sale of the Aquila Project. Accordingly, only \$700,000 and one half of the Royalty is currently owing to Hector Carrizo under the terms of the Winki Agreement.

The El Aguila project is located in the eastern sector of the Deseado Massif and comprises three licence blocks that cover 9,124ha. The project is located 70 km northeast of Cerro Vanguardia mine and 45 km west of Cerro Moro.

The geological interpretation of the Aguila project area is a 'failed' caldera environment. Structures define both ring fractures at the margins of the caldera striking as well as radial fractures hosting gold silver mineralisation within the ring structure. The NW orientation is strike-slip faults with dextral movements, and NS fractures are tensional. Post-mineral event ENE striking fault system displaces part of the vein-like mineralized structures.

El Aguila has distinct styles of mineralisation from classic low sulphidation epithermal quartz veining hosting gold-silver as well as stockwork and breccias (draped around a felsic dome complex) and a new exploration target represented by veins in sandstone.

Drilling on the project is scout exploration style and is neither advanced nor grid style systematic. However, based on the geochemical data generated to date and the interpretation of geology hosting the identified mineralisation, of the five main sectors identified to date, Aguila Main is considered the most prospective. Fredonia conducted a limited diamond drilling programme of 2,428m for 11 holes throughout the project, focusing on Aguila Main.

Hornía Project (previously Petrificados):

The oldest rocks in the property are andesitic flows, volcanic breccias and tuffs from the Bajo Pobre Formation, exposed in the southern part of the area. This unit is overlaid and partially in fault contact with coarse grained-partially welded rhyolitic crystal tuff, from the Chon Aike Formation exposed along the western side of the property. This unit is covered and partially inter-fingered with layered fine grained ash fall tuffs and volcanoclastic sediments assigned to La Matilde Formation (both belonging to Bahía Laura Group), largely exposed in the western and northern portions of the property. These are the three most prospective formations in the Deseado.

Alteration and mineralization coincides primarily with strongly silicified N°30-N°60 west-trending tabular structures. The silicified zones contain veins, veinlets, stockworks and hydrothermal breccias hosted in welded rhyolitic tuffs. Veins and breccias show a variety of textures indicative of multiple episodes of brecciation and silica deposition,

including carbonate replacement textures and massive to banded veins with chalcedony, jasper and fine grained saccharoidal white to gray silica, interpreted as being formed at shallow depths within the hydrothermal system.

Gold mineralisation is associated with anomalous values of ‘pathfinder’ elements. Arsenic (As), mercury (Hg), antimony (Sb), these are typical vectors to epithermal gold mineralisation.

Fredonia intends to undertake a thorough review of the historical data before embarking on a project wide exploration programme of surface reconnaissance and geophysics prior to an anticipated scout exploration drill programme.

Summary of Quarterly Results

Since inception, the Company has not prepared quarterly interim financial statements. As a result, and in accordance with form NI 52-101F1, the Company is unable to provide a summary of the quarterly results for the years ended September 30, 2020 and 2019.

Summary of Three- and Six-Months Results (unaudited)

| | Three Months Ended | | Six Months Ended | |
|------------------------------------|--------------------|--------------------|--------------------|--------------------|
| | March 31, 2021 | March 31, 2020 | March 31, 2021 | March 31, 2020 |
| Total Revenues | <u>nil</u> | <u>nil</u> | <u>nil</u> | <u>nil</u> |
| Net loss for the year | <u>(319,638)</u> | <u>(54,098)</u> | <u>(332,225)</u> | <u>(71,480)</u> |
| Loss per share (Basic and diluted) | <u>(0,003)</u> | <u>(0,000)</u> | <u>(0,003)</u> | <u>(0,001)</u> |
| Number of shares outstanding | <u>109,006,378</u> | <u>109,006,378</u> | <u>109,006,378</u> | <u>109,006,378</u> |

Summary of Six-Months Financial Position (unaudited)

| | As at March 31, 2021 | As at September 30, 2020 |
|----------------------------|-------------------------|-----------------------------|
| Total assets | <u>1,437,456</u> | <u>1,417,589</u> |
| Total current liabilities | 1,101,739 | 578,757 |
| Total liabilities | <u>1,261,084</u> | <u>908,992</u> |
| Total shareholders' equity | 176,372 | 508,597 |

Overall Performance

The Company is a junior exploration company engaged in the exploration and development of the El Dorado-Monserrat Project. The Company’s future performance depends on, among other things, its ability to discover and develop ore reserves at commercially recoverable quantities, the prevailing market price of commodities it produces, the Company’s ability to secure required financing, and in the event ore reserves are found in economically recoverable quantities, the Company’s ability to secure operating and environmental permits to commence and maintain mining operations.

Results of Operations – Three Months Ended March 31, 2021

For the three-month period ended March 31, 2021, the Company reported a net loss of \$319,638 compared to a net loss of \$54,098 reported in the second quarter of fiscal 2021. The main reasons are the Administrative expenses and Professional fees increased due to the Reverse Take Over transaction. The remaining costs were stable and largely relate to the cost of maintaining the Company and its properties. The resulting basic and diluted loss per share for the three-month period ended March 31, 2021 was \$0.003 (2020 – loss \$0.000).

Results of Operations – Six Months Ended May 31, 2020

For the six-month period ended March 31, 2021, the Company reported a net loss of \$332,225 compared to a net loss of \$71,480 reported in the similar period of fiscal 2020. The increase in costs of \$260,745 largely relates to the second quarter increase in Professional fees related to the Reverse Take Over transaction and Payroll expenses. The resulting basic and diluted loss per share for the six-month period ended March 31, 2021, was \$0.003 (2020 – loss \$0.001). The consistency in operating costs, is reflective of the company's approach to maintaining operating activities as the Company complete the RTO, raises equity funding and re-structures its governance and management as it resumes exploration and evaluation activities in fiscal 2021.

Financing and Investing Activities

On February 24, 2021, Fredonia and RRCC completed the Concurrent Financing in connection with the Qualifying Transaction (subject to TSXV approval). Each Fredonia Subscription Receipt was sold at a price of \$0.17 per subscription receipt. The Concurrent Financing was completed on both a brokered and non-brokered basis for an aggregate of 37,445,310 Fredonia Subscription Receipts for gross escrowed proceeds of approximately \$6,365,702.7 million.

The Agents were paid a cash fee of 7% of the gross proceeds of subscriptions for the persons introduced to the Concurrent Financing by the Agents, and 3.5% of the gross proceeds of subscriptions from the non-brokered portion of the subscriptions in the Concurrent Financing. The Agents were also issued 2,274,124 Agents' Warrants, representing 7% of the number of Fredonia Subscription Receipts subscribed for by persons introduced to the Concurrent Financing by the Agents, and 3.5% of the number of Fredonia Subscription Receipts subscribed for by persons in the non-brokered portion of the Concurrent Financing. Each Agents' Warrant is exercisable to purchase one Resulting Issuer Share at a price of \$0.17 for a period of 36 months from the date of closing of the Qualifying Transaction.

Pursuant to the terms of the Subscription Receipt Agreement, the gross proceeds from the Concurrent Financing less 50% of the Agents' fees and certain other expenses of the Qualifying Transaction were deposited in escrow with TSX Trust until the earlier to occur of (i) the satisfaction of the escrow release conditions described below, (the "**Escrow Release Conditions**"), or (ii) June 24, 2021. The Escrow Release Conditions are:

- raising minimum of \$5,000,000 under the Concurrent Financing;
- the receipt of all required corporate, shareholder and regulatory approvals in connection with the Concurrent Financing and the Qualifying Transaction;
- the completion, satisfaction or waiver of all conditions precedent to the Qualifying Transaction substantially in accordance with the Definitive Agreement, to the satisfaction of the Agents acting reasonably (other than the release of the escrowed funds);
- written confirmation to the Agents from each of Fredonia and RRCC that all conditions of the Qualifying Transaction have been satisfied or waived, other than release of the escrowed funds, and that the Qualifying Transaction shall be completed forthwith upon release of the escrowed funds;
- the distribution of (i) the Fredonia Shares and Fredonia Warrants and (ii) the Resulting Issuer Shares to be issued in exchange for the Fredonia Shares pursuant to the Qualifying Transaction following the satisfaction of the Escrow Release Conditions being exempt from applicable prospectus and registration requirements of applicable securities laws and not subject to any hold or restricted period;
- the Resulting Issuer Shares being conditionally approved for listing on the TSXV, and the completion, satisfaction or waiver of all conditions precedent to such listing, other than the release of the escrowed funds; and

- Fredonia and the Agents shall have delivered the release notice to the escrow agent in accordance with the terms of the subscription receipt agreements entered into with subscribers of the Concurrent Financing.

Liquidity and Capital Resources

As of March 31, 2021, the Company had cash of \$9,108, compared to \$7,961 on March 31, 2020. Working capital deficiency on March 31, 2021 of \$1,124,423 (2020 - \$578,757). For the period ended March 31, 2021, net cash used in operating activities was \$(62,278) Compared to March 31, 2020 \$(34,445), net cash used in investing activities on March 31, 2021 was \$(16,830) (2020 - \$(14,139)) related to exploration and evaluation costs incurred.

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholders and to maintain a flexible capital structure that optimizes the costs of capital within a framework of acceptable risk. In the management of capital, the Company includes the components of shareholders' equity as well as cash. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash. The Company is dependent on the capital markets as its primary source of operating working capital and the Company's capital resources are largely determined by its ability to compete for investor support of its projects.

The consolidated interim financial statements have been prepared assuming the Company will continue as a going concern, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. At March 31, 2021, the Company had accumulated losses of \$332,225 (2020 - \$(71,480)) and expects to incur further losses in the development of its business. The continuation of the Company is dependent upon obtaining TSXV approval Reverse Take Over and access to the financing to meet its ongoing operational levels of exploration and corporate overhead. In March 2020, there was a pandemic outbreak of COVID-19. The actual and threatened spread of the virus globally has had a material adverse effect on the global economy and specifically, the regional economies in which the Company operates. The pandemic could result in delays in the course of business and the Company's ability to raise new capital. These events and conditions indicate a material uncertainty that may cast significant doubt upon the Company's ability to continue as a going concern.

Related Party Transactions

During the period ended March 31, 2021, the Company incurred the following related party transactions:

- i) Transactions:
 - a) Salaries and benefits to key management personnel for the six and three months ended March 31, 2021 were \$4,124 and \$1,804 (2020: \$4,337 and \$2,566) and are included as part of payroll expenses on the consolidated statement of loss,
 - b) Professional services charged by key management personnel and directors for the six and three months ended March 31, 2021 were \$183,746 and \$183,296 (2020: \$10,957 and \$4,408) and are included as part of professional fees on the consolidated statement of loss,
 - c) Interest expense incurred for the six and three ended March 31, 2021 from a loan payable to a director and shareholder were \$1,145 and \$351 (2020: \$236 and \$176),
 - d) Rent expense incurred for the six and three ended March 31, 2021 charged by a company controlled by Directors of the company were \$9,106 and \$4,529 (2020: \$9,092 and \$4,557),

- ii) Period-end balances:
- a) As at March 31, 2021, trade and other payables included \$20,000 (September 30, 2020 - \$20,000) payable to a company related to a director for payments made on behalf of the Company,
 - b) As at March 31, 2021, trade and other payables included \$4,204 (September 30, 2020 - \$1,770) payable to a company related to a director in relation to the rent of the administrative office.
 - c) As at March 31, 2021, trade and other payables included \$15,138 (September 30, 2020 - \$15,138) payable to a consulting firm for services provided by the Company's CFO in his role,
 - d) As at March 31, 2021, trade and other payables included \$73,179 (September 30, 2020 - \$41,548) payable to directors and key management for payments made on behalf of the Company,
 - e) As at March 31, 2021, trade and other payables included \$118,250 (September 30, 2020 - \$3,500) payable to directors and key management for salaries and benefits.
 - f) In addition as at March 31, 2021 there is a loan payable to a director and shareholder as described in Note 6 of Financial Statements

All related party transactions were in the normal course of operations,

Subsequent Event

Reverse Take Over:

On April 7, 2021, Fredonia and RRCC entered into the Definitive Agreement setting out the principal terms on which RRCC will acquire all of the issued and outstanding Fredonia Shares in order to effect the Qualifying Transaction. As an initial step to be taken in connection with the Qualifying Transaction, the issued and outstanding RRCC Shares will be consolidated by a factor of 0.73529 (or such other factor as may be required to meet the minimum listing requirements of the TSXV). Following the Consolidation, and pursuant to a plan of merger under the BVI Act under which Fredonia and Subco will merge, RRCC will acquire all of the outstanding Fredonia Shares in exchange for 109,006,378 RRCC Shares, at a deemed price of \$0.17 per Fredonia Share, and Fredonia will become a wholly-owned subsidiary of RRCC. Subsequent to or concurrently with the completion of the Qualifying Transaction, RRCC is expected to change its name to "Fredonia Mining Ltd."

Fredonia and RRCC completed the Concurrent Financing in connection with the Qualifying Transaction on February 24, 2021. Each Fredonia Subscription Receipt was sold at a price of \$0.17 per subscription receipt, with each Fredonia Subscription Receipt entitling the holders to receive one Fredonia common share and one-half of one Fredonia common share purchase warrant. Funds raised under the private placement will be held in escrow pending the satisfaction or waiver of certain escrow release conditions.. The Concurrent Financing was completed on both a brokered and non-brokered basis for an aggregate of 37,445,310 Fredonia Subscription Receipts for gross escrowed proceeds of approximately \$6,365,702.7 million. Paradigm Capital Inc. and Red Cloud Securities Inc. acted as co-lead agents for the brokered portion of the Concurrent Financing. The Agents were paid a cash fee of 7% of the gross proceeds of subscriptions for the persons introduced to the Concurrent Financing by the Agents, and 3.5% of the gross proceeds of subscriptions from the non-brokered portion of the subscriptions in the Concurrent Financing. The Agents were also issued 2,274,124 Agents' Warrants, representing 7% of the number of Fredonia Subscription Receipts subscribed for by persons introduced to the Concurrent Financing by the Agents, and 3.5% of the number of Fredonia Subscription Receipts subscribed for by persons in the non-brokered portion of the Concurrent Financing. Each

Agents' Warrant is exercisable to purchase one Resulting Issuer Share at a price of \$0.17 for a period of 36 months from the date of closing of the Qualifying Transaction.

Upon release from escrow, the proceeds of the Concurrent Financing, will fund exploration and development of Fredonia's mineral projects. Future exploration and development will be financed through additional equity sales, the exercise of warrants or other financial methods deemed appropriate by management.

After giving effect to the issuance of 37,445,310 Fredonia Shares and 18,722,655 Fredonia Warrants pursuant to the automatic exchange of Fredonia Subscription Receipts upon satisfaction of the Escrow Release Conditions, and following the exchange of the RRCC and Fredonia Shares upon completion of the Qualifying Transaction, there will be an aggregate of approximately 151,304,602 Resulting Issuer Shares issued and outstanding, and an additional 20,996,779 convertible securities of the Resulting Issuer exercisable to purchase Resulting Issuer Shares outstanding. Former Fredonia shareholders will hold approximately 63.2649% of the Resulting Issuer Shares, and pre-Qualifying Transaction RRCC shareholders will hold 2.8165% of the Resulting Issuer Shares. The remaining 33.9185% of the issued and outstanding Resulting Issuer Shares will be held by persons who acquired such shares on the exchange of Fredonia Subscription Receipts purchased in the Concurrent Financing.

The Merger must be approved by the affirmative vote of not less than a majority in number, (greater than 50%) of the Fredonia Shareholders and SubCo Shareholders approving the Merger. Following receipt of all necessary approvals, the Merger will be submitted to the BVI Registrar of Corporate Affairs pursuant to sections 169 to 174 of the BVI Act.

Upon the completion of the Concurrent Financing and the Merger, the Resulting Issuer will use the funds available to it to continue mineral exploration activities, including drilling, resource development and the satisfaction of general operating expenses. Specifically, management currently intends to use funds available over the next 12 months for the following purposes and in the following order of priority:

Upon completion of the Qualifying Transaction, it is expected that the Resulting Issuer Board will consist of Estanislao Auriemma, Dr. Ricardo Auriemma, Dr. Waldo Perez, and Michael Doolan. It is further expected that the management of the Resulting Issuer will consist of Estanislao Auriemma, Chief Executive Officer; Carlos Espinosa, Chief Financial Officer; and Ali Mahdavi, Chairman of the Board. All directors and officers of RRCC will resign at the closing of the Qualifying Transaction. Key members of the Resulting Issuer's management team and Resulting Issuer Board have experience running business operations in emerging markets, including specifically in Argentina.

Upon completion of the Qualifying Transaction, it is expected that the Resulting Issuer Board will consist of Estanislao Auriemma, Dr. Ricardo Auriemma, Dr. Waldo Perez, and Michael Doolan. It is further expected that the management of the Resulting Issuer will consist of Estanislao Auriemma, Chief Executive Officer; Carlos Espinosa, Chief Financial Officer; and Ali Mahdavi, Chairman of the Board. All directors and officers of RRCC will resign at the closing of the Qualifying Transaction. Key members of the Resulting Issuer's management team and Resulting Issuer Board have experience running business operations in emerging markets, including specifically in Argentina.

Arm's Length Qualifying Transaction

The Merger is not a Non-Arm's Length Qualifying Transaction in accordance with the policies of the TSXV. No Non-Arm's Length Parties to RRCC have any interest in Fredonia or in the Properties or are currently insiders of Fredonia, nor is there any relationship between or among the Non-Arm's Length Parties to the Issuer and the Non-Arm's Length

Parties to the Qualifying Transaction, whether or not the proposed Qualifying Transaction constitutes a Non-Am's Length Qualifying Transaction.

The completion of the Qualifying Transaction is not subject to the approval of RRCC's Shareholders, however, the Name Change and the Consolidation were approved by RRCC Shareholders at the RRCC Meeting.

No finder's fee or commission was paid or is payable in relation to the Qualifying Transaction.

Financial Instruments

The Company's financial instruments consist of cash, accounts payable and accrued liabilities, and loans from related parties. Unless otherwise noted, management is of the opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The Company's cash is recorded at its fair value, and the fair values of these accounts payable and accrued liabilities, and loans from related parties approximate their carrying values due to their short-term nature.

Critical Judgments and Estimates

Going concern assumption

The financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The assessment of the Company's ability to source future operations and continue as a going concern involves judgment. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. If the going concern assumption were not appropriate for these consolidated financial statements, then adjustments would be necessary in the carrying value of assets and liabilities, the reported revenue and expenses and the statement of financial position classifications used.

Impairment of exploration and evaluation assets

The carrying value and recoverability of exploration and evaluation assets requires management to make certain estimates, judgments, and assumptions about its mineral projects. Management considers the economics of the project, including the latest resource prices and the long-term forecasts, and the overall economic viability of the project.

Issuances of shares for properties

Management makes judgments in determining the share price attributed to issuances of shares for mineral properties. Management considers market conditions, recent or pending private placements of the Company, and or contracted terms of the issuance. Should management's judgment as to an appropriate share price be incorrect, the value attributed to properties could be materially different.

Share-based payment

The Company measures the cost of equity-settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

Off-Balance Sheet Arrangements

The Company has not entered into any off-balance sheet arrangements such as guarantee contracts, contingent interests in assets transferred to unconsolidated entities or derivative financial obligations.

Additional Disclosure for Junior Issuers

Other than as disclosed in this Filing Statement, the Company does not anticipate incurring any other material capital expenditures.

Assuming that the Company has expended its exploration expenses in accordance with the recommendations of the technical report on the El Dorado-Monserrat Project, the Company will have achieved one of its material stated business objectives which is to determine whether El Dorado-Monserrat Project contains mineralized deposits and whether the results warrant the Company carrying out further work on the El Dorado-Monserrat Project.

If a further work program is recommended on the El Dorado-Monserrat Project, the Company may be required to raise additional funding to carry out additional exploration programs on its El Dorado-Monserrat project. In addition, should the opportunity to acquire other mineral exploration properties be presented to the Company, whether located in Argentina or elsewhere, then the Company would have to determine the appropriate method of acquiring those properties. In the event that common shares could not be used to acquire the said properties, then the Company may have to look to raise further capital.

Disclosure of Outstanding Security Data

The Company has one class of shares outstanding, being ordinary shares. As of the date of this filing statement, 109,006,378 Fredonia Shares were issued and outstanding. The Company has no share purchase warrants outstanding.

Description of Securities

Fredonia currently has 109,006,378 Fredonia Shares issued and outstanding.

Fredonia Shares

Holders of Fredonia Shares are entitled to receive notice of any meetings of shareholders, to attend and to cast one vote per Fredonia Share at all such meetings on a poll, and one vote per holder on a show of hands. Fredonia Shareholders do not have cumulative voting rights with respect to the election of directors and, accordingly, holders of a majority of the Fredonia Shares entitled to vote and voting in any election of directors may elect all directors standing for election. Election of directors takes place by way of ordinary resolution in respect of each director. Fredonia Shareholders are entitled to receive on a pro rata basis such dividends, if any, as and when declared by the Fredonia Board at its discretion from funds legally available therefor and upon the winding-up of Fredonia are entitled to receive on a pro rata basis the net assets of Fredonia after payment of debts and other liabilities, in each case subject to the rights, privileges, restrictions and conditions attaching to any other series or class of shares ranking senior in priority to or on a pro rata basis with the Fredonia Shares with respect to dividends or liquidation. The Fredonia Shares do not carry any pre-emptive, subscription, redemption or conversion rights, nor do they contain any sinking or purchase fund provisions.

Dividend Policy

Fredonia has not declared or paid any dividends or other distributions on its Fredonia Shares since the date of its incorporation. Fredonia currently does not anticipate paying cash dividends in the foreseeable future. The declaration and payment of any dividends in the future will be determined by the Board, in its discretion, and will depend on a number of factors, including Fredonia's earnings, capital requirements, overall financial condition and contractual restrictions. There can be no assurance that Fredonia will ever pay dividends under any circumstances before the completion of the Qualifying Transaction.

EXHIBIT “E”
PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION
OF THE RESULTING ISSUER AS AT MARCH 31, 2021

(see attached)

Fredonia Management Limited

Unaudited Pro Forma Consolidated Statement of Financial Position
(Expressed in US Dollars)

As at March 31, 2021

Fredonia Management Limited
Notes to Pro Forma Consolidated Statement of Financial Position
As at March 31, 2021
(Unaudited – Expressed in US Dollars)

| | Richmond Road Capital Corp. | Fredonia Management Limited | Note Ref. | Pro-Forma Adjustments | Pro-Forma Consolidated |
|---|--------------------------------|-----------------------------------|----------------------------------|--|---------------------------|
| | \$ | \$ | | \$ | \$ |
| ASSETS | | | | | |
| Non-current assets | | | | | |
| Evaluation and exploration assets | - | 1,421,501 | | - | 1,421,501 |
| Total non-current assets | - | 1,421,501 | | - | 1,421,501 |
| Current assets | | | | | |
| Other receivables | - | 6,847 | | - | 6,847 |
| Cash and cash equivalents | 5,069 | 9,108 | a) b.1) c) | 5,062,189 (735,330) (95,427) | 4,245,609 |
| Total current assets | 5,069 | 15,955 | | 4,231,432 | 4,252,456 |
| Total assets | 5,069 | 1,437,456 | | 4,231,432 | 5,673,957 |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | | | | |
| Non-current liabilities | | | | | |
| Borrowings | - | 120,706 | | - | 120,706 |
| Trade and other payables | - | - | | - | - |
| Total non-current liabilities | - | 120,706 | | - | 120,706 |
| Current liabilities | | | | | |
| Trade and other payables | 126,783 | 1,101,739 | | - | 1,228,522 |
| Borrowings | - | 38,639 | | - | 38,639 |
| Total current liabilities | 126,783.00 | 1,140,378 | | - | 1,267,161 |
| Total liabilities | 126,783 | 1,261,084 | | - | 1,387,867 |
| Share Capital | 304,862 | 4,550,229 | a) b.1) b.2) c) c) | 3,189,179 (463,258) (71,635) (304,862) 352,941 | 7,557,456 |
| Options reserve | 38,648 | - | c) c) | (38,648) 17,647 | 17,647.00 |
| Warrants reserve | - | - | a) b.1) b.2) b.2) c) | 1,873,010 (272,072) 113,706 (42,071) (587,729) | 1,672,573 |
| Deficit | (465,224) | (4,373,857) | c) | 465,224 | (4,961,586) |
| Total shareholders' equity | (121,714) | 176,372 | | 4,231,432 | 4,286,090 |
| Total liabilities and shareholders' equity | 5,069 | 1,437,456 | | 4,231,432 | 5,673,957 |

(Signed) "Estanislao Auriemma"

(Signed) Carlos Espinosa"

See accompanying notes to the unaudited pro-forma consolidated statement of financial position

Fredonia Management Limited

Notes to Pro Forma Consolidated Statement of Financial Position

As at March 31, 2021

(Unaudited – Expressed in US Dollars)

1. Basis of presentation

The accompanying unaudited pro forma consolidated statement of financial position of Fredonia Management Limited (“Fredonia” or “the Company”) and Richmond Road Capital Corp (“RRCC”) have been prepared by management as part of the reverse takeover (“RTO”).

The unaudited pro forma consolidated statement of financial position has been prepared in using accounting policies and practices consistent with those used in the preparation of Fredonia and RRCC recent financial statements, both of which are prepared under International Financial Reporting Standards. In preparing the unaudited pro forma consolidated financial information, consideration was given to identifying accounting policy differences between Fredonia and RRCC where the impact was potentially material and could be reasonably estimated.

The unaudited pro forma consolidated statement of financial position as at March 31, 2021 has been compiled from:

- The consolidated statement of financial position of Fredonia as at March 31, 2021 obtained from the unaudited interim financial statements of Fredonia.
- The statement of financial position of RRCC as at March 31, 2021 obtained from the unaudited interim financial statements of RRCC.

The unaudited pro forma consolidated statement of financial position has been prepared for illustration purposes only and may not be indicative of the combined results or financial position had the transaction been in effect at the date indicated.

RRCC’s unaudited interim statement of financial position as at March 31, 2021, has been translated per the Bank of Canada exchange rates using period end rate of CAD/USD of 1.2575

2. Pro Forma Transactions

On April 7, 2021, Fredonia and RRCC entered into the definitive agreement setting out the principal terms on which RRCC will acquire all of the issued and outstanding common shares of Fredonia. As an initial step to be taken in connection with the transaction, the issued and outstanding common shares of RRCC will be consolidated by a factor of 0.73529 post-consolidation share for 1 pre-consolidation RRCC Share. Following the consolidation, and pursuant to a plan of merger under the BVI Act under which Fredonia and a wholly-owned subsidiary of RRCC incorporated under the laws of the British Virgin Islands will merge, RRCC will acquire all of the outstanding shares of Fredonia in exchange for 109,006,378 RRCC shares, and Fredonia will become a wholly-owned subsidiary of RRCC. Subsequent to or concurrently with the completion of the transaction, RRCC is expected to change its name to “Fredonia Mining Ltd.”

Fredonia Management Limited
Notes to Pro Forma Consolidated Statement of Financial Position
As at March 31, 2021
(Unaudited – Expressed in US Dollars)

Fredonia Management Limited
Notes to Pro Forma Consolidated Statement of Financial Position
As at March 31, 2021
(Unaudited – Expressed in US Dollars)

3. Pro Forma Adjustments

The unaudited pro-forma consolidated statement of financial position has been prepared using the following assumptions and adjustments:

a) Financing

Fredonia and RRCC completed a financing in connection with the transaction on February 24, 2021. 37,445,310 subscription receipts were sold at a price of CAD\$0.17 each for gross escrowed proceeds of approximately \$5,062,189 (CAD\$6,365,703).

Pursuant to the terms of the agreement, the proceeds from the financing were deposited in escrow with TSX Trust until the earlier to occur of (i) the satisfaction of certain conditions, or (ii) June 24, 2021.

Each subscription receipt is exchangeable for one common share and one warrant exercisable at a price of \$0.17 per share for a period of three years from the release date.

Agents were paid a cash fee of 7% of the gross proceeds of subscriptions for the persons introduced to the financing and 3.5% of the gross proceeds of subscriptions from the non-brokered portion of the subscriptions. (See b.1) below). The Agents were also issued 2,274,124 Agents' Warrants, representing 7% of the number of subscription receipts subscribed for by persons introduced to the financing, and 3.5% of the number of subscription receipts subscribed for by persons in the non-brokered portion of the financing. (See b.2) below).

b) Estimated Financing Cost

The estimated financing cost related to the issuance of 37,445,310 subscription receipts is:

b.1) Cash cost (To agents as described in a) plus legal and professional fees) of \$735,330 allocated proportionally \$463,258 and \$272,414 between share capital and warrants respectively.

b.2) 2,274,124 warrants issuer to brokers as a fee, valued at \$0.05 each for a total \$113,706 allocated proportionally \$71,635 and \$42,071 between share capital and warrants respectively. The warrants were valued using a Black-Scholes pricing model with the following assumptions: exercise price of \$0.1352 (CAD\$0.17), expected stock price volatility of 114%, expected dividend yield of 0%, risk-free interest rate of 0.23%, and term of 36 months.

Fredonia Management Limited
Notes to Pro Forma Consolidated Statement of Financial Position
As at March 31, 2021
(Unaudited – Expressed in US Dollars)

c) The agreement

To give effect to the reverse take-over transaction of Fredonia, pursuant to the agreement, below is the breakdown of the listing expense:

| | | |
|---|-----------------------|-----|
| Shares of Fredonia issued to shareholders of RRCC | 352,941 | (1) |
| Options of RRCC revalued as options of Fredonia | 17,647 | (2) |
| Estimated listing transaction costs | 95,427 | (3) |
| | <u>466,015</u> | |
| Net liabilities of RRCC | <u>121,714</u> | (4) |
| Listing expense | <u>587,729</u> | (5) |

(1) Fair value of 4,411,765 shares

(2) 600,000 options of RRCC consolidated by a factor of 0.73529 post-consolidation option for 1 pre-consolidation RRCC option. Resulting in 441,176 options. The options were re valued as options of Fredonia using a Black-Scholes pricing model with the following assumptions: exercise price of \$0.0795 (CAD\$0.10), expected stock price volatility of 84%, expected dividend yield of 0%, risk-free interest rate of 0.23%, and term of 19.5 months.

(3) Estimated legal and professional fees.

(4) Net liabilities of RRCC at March 31, 2021.

(5) RRCC did not constitute a business as defined by IFRS 3. Accordingly, the excess of the consideration paid was recorded as share based payment under IFRS 2. Deficit has been charged with expenses representing the expense of listing, as detailed

4. Pro Forma Share Capital

After giving effect to the pro forma assumptions, the pro forma share capital of Fredonia Management has been determined as follows:

| | <u>Number of common shares</u> | <u>Amount</u> \$ |
|--|--|-------------------------|
| RRCC common shares issued and outstanding as at March 31, 2021 | 6,000,000 | 304,862 |
| Elimination of share capital of RRCC | (6,000,000) | (304,862) |
| Shares issued in exchange of 6,000,000 shares by a factor of 0.73529 | 4,411,765 | 352,941 |
| Fredonia common shares issued and outstanding as at March 31, 2020 | 109,006,378 | 4,550,229 |
| Shares to be issued in financing - See 3a) above | 37,445,310 | 3,189,179 |
| Estimated cost to issue (Cash expense and agent's warrants) – See 3b) above | - | <u>(534,893)</u> |
| | <u>150,863,453</u> | <u>7,557,456</u> |

EXHIBIT “F”
CERTIFICATE OF FREDONIA MANAGEMENT LTD.

Dated: June 22, 2021

The foregoing as it relates to Fredonia Management Ltd. constitutes full, true and plain disclosure of all material facts relating to the securities of Fredonia Management Ltd.

“Estanislao Ricardo Auriemma”

Estanislao Ricardo Auriemma
Chief Executive Officer

“Carlos Espinosa”

Carlos Espinosa
Chief Financial Officer

ON BEHALF OF THE BOARD

“Ricardo Auriemma”

Dr. Ricardo Auriemma
Director

“Michael Doolan”

Michael Doolan
Director

**EXHIBIT “G”
CERTIFICATE OF RICHMOND ROAD CAPITAL CORP.**

Dated: June 22, 2021

The foregoing as it relates to Richmond Road Capital Corp. constitutes full, true and plain disclosure of all material facts relating to the securities of Richmond Road Capital Corp.

“Michael Doyle”

Michael Doyle
Chief Executive Officer

“Berkley Pennock”

Berkley Pennock
Chief Financial Officer

ON BEHALF OF THE BOARD

“Robb McNaughton”

Robb McNaughton
Director

“Michael Brown”

Michael Brown
Director