

FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1 – Name and Address of Company:

Fredonia Mining Inc. (“Fredonia” or the “Company”)
350 Bay St. #700
Toronto, Ontario
M5H 2S6

Item 2 - Dates of Material Changes:

April 6, 2022 and April 7, 2022

Item 3 – News Releases:

News releases with respect to the material changes referenced in this report were disseminated on April 6, 2022 and April 7, 2022 via GlobeNewswire and copies were subsequently filed on the System for Electronic Document Analysis and Retrieval (SEDAR) website at www.sedar.com.

Item 4 – Summary of Material Change:

On April 6, 2022, the Company announced that it entered into an agreement with Paradigm Capital Inc. (the “Agent”), in connection with a private placement financing consisting of a minimum of 17,000,000 units of the Company (the “Units”) at a price of \$0.18 per Unit (the “Issue Price”) for gross proceeds to the Company of approximately C\$3,000,000 (the “Offering”). Each Unit will be comprised of one common share (a “Common Share”) and one common share purchase warrant (a “Warrant”). Each Warrant will be exercisable to purchase one additional Common Share for five years from the closing date at an exercise price of \$0.28 per Common Share.

On April 7, 2022, the Company announced that it increased the size of the Offering to 19,725,000 Units at the Issue Price, for gross proceeds to the Company of approximately C\$3,550,500. The Agent also has the option to increase the size of the Offering by up to 15%.

Item 5 – Full Description of Material Change:

5.1 Full Description of Material Change

On April 6, 2022, the Company announced that it entered into an agreement with the Agent in connection with a private placement financing, consisting of a minimum of 17,000,000 Units at the Issue Price for total gross proceeds to the Company of C\$3,000,000. Each Unit consists of one Common Share and one Warrant. Each

Warrant will be exercisable to purchase one additional Common Share for five years from the closing date at a an exercise price of \$0.28 per Common Share.

On April 7, 2022, the Company announced that it had agreed with the Agent to increase the size of the Offering to 19,725,000 Units at the Issue Price, for gross proceeds to the Company of approximately C\$3,550,500.

The Agent was also granted an option, exercisable in whole or part up to 48 hours prior to the closing date of the Offering, to arrange for the sale of up to an additional 15% of the Units sold pursuant to the base Offering size at the Issue Price. In the event the Agent's option is exercised in full, the Company would issue a total of 22,683,750 Units and the aggregate gross proceeds to the Company would be approximately \$4,083,075.

The Offering constitutes a "related party transaction" with respect to Fredonia within the meaning of that term pursuant to Multilateral Instrument 61-101 of the Canadian Securities Administrators - *Protection of Minority Security Holders in Special Transactions* ("MI 61-101"), as Ali Mahdavi, Chairman of the Board of Directors of the Company, Estanislao Auriemma, Chief Executive Officer and Director of the Company, and Michael F. Doolan, Waldo Perez and Ricardo Auriemma, each directors of the Company, are each expected to participate in the Offering on the same commercial terms as arms-length investors.

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

Enhanced disclosure requirements under MI 61-101 require that the Company disclose (i) the interest in a related party transaction of every "interested party" and of the related parties and associated entities of the interested parties, and (ii) the anticipated effect of the transaction on the percentage of securities of the Company, or of an affiliated entity of the Company, "beneficially owned" or controlled by each person referred to in subparagraph (i) for which there would be a material change in that percentage. For the purposes of this analysis and the table below, a person "beneficially owns" a security if the person (i) is the beneficial owner of a security convertible into the security within 60 days following that date, or (ii) has a right or obligation permitting or requiring the person, whether or not on conditions, to acquire beneficial ownership of the security within 60 days by a single transaction or a series of linked transactions, and the percentage of ownership is calculated on a "partially diluted" basis. The table below describes these interests and effects for each "interested party" of the Company in the Offering, assuming 153,063,452 Common Shares are issued and outstanding immediately prior to the closing date of the Offering, completion of the

Offering, exercise of the Agent’s option in full, and each director and officer listed in the table below completing a subscription in the indicated amount.

Interested Party	Pre-Offering Beneficial Ownership	Anticipated Subscription Size	Post-Offering Beneficial Ownership
Ali Mahdavi	Shares: 1,016,880 ⁽¹⁾ Options: 3,000,000 Warrants: N/A Beneficial ownership %: 2.57%	277,778 Units	Shares: 1,294,658 Options: 3,000,000 Warrants: 277,778 Beneficial ownership %: 2.55%
Estanislao Auriemma	Shares: 11,133,865 Options: 3,000,000 Warrants: 182,353 Beneficial ownership %: 9.16%	277,778 Units	Shares: 11,411,643 Options: 3,000,000 Warrants: 460,131 Beneficial ownership %: 8.30%
Michael Doolan	Shares: 150,000 Options: 750,000 Warrants: 75,000 Beneficial ownership %: 0.63%	140,000 Units	Shares: 290,000 Options: 750,000 Warrants: 215,000 Beneficial ownership %: 0.71%
Waldo Perez	Shares: 423,770 Options: 750,000 Warrants: 147,059 Beneficial ownership %: 0.86%	555,556 Units	Shares: 979,326 Options: 750,000 Warrants: 702,615 Beneficial ownership %: 1.37%
Ricardo Auriemma	Shares: 18,525,119 Options: 1,500,000 Warrants: 564,706 Beneficial ownership %: 13.27%	277,778 Units	Shares: 18,802,897 Options: 1,500,000 Warrants: 842,484 Beneficial ownership %: 11.87%

Notes:

- (1) The shares that are beneficially owned by Ali Mahdavi are owned by Spinnaker Capital Markets Inc., a holding company that is controlled by Ali Mahdavi.

The purpose and business reasons of the Offering is to fund ongoing exploration, updating technical studies, and for general corporate purposes. The Company believes completion of the Offering will permit the Company to continue to perform and interpret exploration activities on its mineral properties in Argentina.

The board of directors of the Company (the “**Board**”) authorized management to pursue the completion of an equity financing with the Agent prior to the announcement thereof, and the terms and size of the Offering and the relevant transaction agreements will be approved by written resolution of the Board prior to the Closing Date. The directors participating in the Offering will declare their interests in the Offering to the Corporation and abstain from voting on the portion of the Offering for which they are participating for the purposes of the resolution. A special committee was not considered

necessary to consider the Offering as (i) the Company does not generate any cash from operations and relies entirely on equity financing for continued operations; and (ii) additional equity ownership of the Company by directors and senior officers through participation in the Offering for cash on the same commercial terms as arm's length investors, and the injection of cash into the Company in a difficult macro equity financing environment, was objectively seen as a positive and desirable outcome by the entirety of the Board, who also represent significant ownership of Common Shares. The Offering was approved without any material disagreements or abstentions by any directors.

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

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

The Offering is expected to close on or about April 27, 2022. This material change report was not filed at least 21 days prior to the expected closing date of the Offering. Management of the Company believes this was reasonable and necessary in the circumstances, as it allowed the Company to take advantage of available financing opportunities with the Agent.

5.2 Disclosure for Restructuring Transactions

Not applicable.

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

Not applicable.

Item 7 - Omitted Information:

Not applicable.

Item 8 – Executive Officer:

Omar Salas
Chief Financial Officer
Tel: (416) 846-7807

Item 9 – Date of Report:

April 18, 2022