



Fredonia Mining Inc.

FREDONIA MINING INC.

**Management's Discussion & Analysis
For the three months ended December 31, 2022**

This Management Discussion and Analysis (“MD&A”) provides relevant information on the operations and financial condition of Fredonia Mining Inc. (“Fredonia” or the “Company”) for the three months ended December 31, 2022. This MD&A should be read in conjunction with the Company’s interim condensed consolidated financial statements for the three months ended December 31, 2022 as well as the audited consolidated financial statements for the years ended September 30, 2022 and 2021 (“Financial Statements”). The Financial Statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). All dollar values are expressed in US dollars, unless otherwise indicated. The Fredonia Board of Directors approved both this MD&A and the interim condensed consolidated financial statements for the three months ended December 31, 2022 and 2021 on February 24, 2023.

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 Mining Inc. (the “Company”) is a mining extraction company incorporated under the Business Corporations Act (Alberta) on September 19, 2012, under the name Richmond Road Capital Corporation (“RRCC”). On June 24, 2021, the Company completed a transaction (the “Transaction”) whereby RRCC acquired all of the outstanding shares of Fredonia Management Limited, a private corporation registered under the laws of the territory of the British Virgin Islands with mining assets in the country of Argentina. The Transaction constituted a reverse asset acquisition in accordance with IFRS, whereby the shareholders of Fredonia Management Limited took control of RRCC. Following the completion of the Transaction, the Company changed its name from Richmond Road Capital Corporation to

Fredonia Mining Inc. References within this MD&A to the “Company” for periods, dates and/or transactions prior to the Transaction are in reference to Fredonia Management Limited, as the corporate entity of interest pre-Transaction. Alternatively, references within this MD&A to the “Company” for periods, dates and/or transactions subsequent to the Transaction are in reference to Fredonia Mining Inc., as the corporate entity of interest post-Transaction. The comparative periods reflected in this MD&A are those of Fredonia Management Limited. The Company is a publicly-traded company with its shares listed on the TSX Venture Exchange (“TSXV”). The Company operates from its primary office in Toronto, Ontario, Canada. Its registered head office is located at 350 Bay St. # 700, Toronto, Ontario, M5H 2S6.

The Company, 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 only material property is the advanced El Dorado-Monserrat Project. The Company also owns the El Aguila, Hornía (Petrificados), and Anita properties.

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.

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.

Mineral Properties

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 ranches called “*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) and Comodoro Rivadavia (population 140,000) to the northeast, Gobernador Gregores in the southwest. Río 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 Río 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.

The drilling data collected by the Company and the historical drilling, trenching and other data collected by previous operators has been reviewed by competent geological advisory professionals (“Qualified Persons”) who have concluded 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 prospects in the area. In addition, a thorough review of historical data is recommended.

Main Veins: 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 range 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. Based on this, possible contained metal is in the region of 100,000-200,000 Oz of gold (Au) and 3-6 MOz of silver (Ag), (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 meters (“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 and QA/QC 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, Canadian Institute of Mining, Metallurgy and Petroleum (CIM) or a similar Committee for Minerals Reserves International Reporting Standards (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.

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.

Outside the Main Vein area, there is also considerable potential for additional mineralised zones to be identified. Follow-up exploration at Monserrat Oeste, 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 Este and Bajo Pedernal areas will determine the potential for significant mineralised zones.

Further exploration outside of the Main Vein area in 2021/2022 included the completion of two phases of drilling on the La Herradura project as well as 6 drill holes at Monserrat Oeste for 1,841m and one drill hole at Gladys.

During the reporting period over 4,289 samples (including standards, blanks and duplicates) were submitted for gold fire assays and multi-element inductively coupled plasma (ICP) to an independent certified laboratory, these were predominantly (3,991) comprised of drill core samples.

La Herradura: low sulphidation deposit located in a maar-diatreme complex, just in the contact between andesitic volcanic rocks and dacitic dikes and domes inside a transtensive tectonic environment. The outcropping area of the diatreme is 400mx200m and its depth is unknown. This body is a dacitic matrix breccia, with chalcedonic veins fragments, andesitic bombs, juvenile dacitic magma fragments and xenoliths from the host volcanic rock. The maar is inferred base on the surge deposits and the lapilli tuff ring.

Gold mineralization is located in veins, hydrothermal breccias and stockworks of uncertain azimuth. These structures are syngenetic and epigenetic

Mineralized hydrothermal breccias and veins were formed during and after the maar-diatreme stages, related to volcanic activity at La Herradura. Explosive phreatic breccias were followed by *in-situ* hydraulic breccias, and then by major veins as the system returned to steady-state geothermal conditions.

The drill statistics for the drilling at La Herradura is tabulated below.

Drill hole	Coord. East	Coord. North	Elevation	Azimuth	Dip	Length
HDDH029	2532502	4632911	193	188	-60	221.00
HDDH030	2532450	4633063	178	188	-60	344.50
HDDH031	2532231	4632990	189	188	-60	246.50

HDDH032	2531732	4632994	194	188	-60	302.50
HDDH033	2532201	4632873	213	188	-60	230.50
HDDH034	2532105	4632877	213	188	-60	238.50
HDDH035	2532104	4632889	202	8	-45	175.00
HDDH036	2532272	4632780	217	10	-45	250.00
HDDH037	2532089	4632829	200	10	-45	278.50
HDDH038	2532252	4632729	209	10	-50	338.50
HDDH039	2532252	4632728	209	190	-70	200.00
HDDH040	2532380	4632820	226	10	-60	305.00
HDDH041	2532468	4632796	201	8	-60	292.80
HDDH042	2531906	4632716	171	180	-60	152.00
HDDH043	2532583	4632833	181	8	-50	212.50
HDDH044	2531871	4632640	177	0	-45	68.50
Total						3,856.30

Significant drill intersections for the reporting period are tabulated below

Hole ID	From	To	Interval	Au Eq g/t	Au g/t	Ag g/t
HDDH029	53	74	21	0.73	0.61	9.39
<i>Incl.</i>	64	66	2	2.36	2.11	18.83
HDDH029	125	132	7	0.63	0.61	1.18
<i>incl.</i>	125	127	2	1.36	1.34	1.65
HDDH031	161	198	37	1.01	0.74	20.00
<i>incl.</i>	161.5	162	0.5	4.86	4.38	35.68
<i>incl.</i>	188	189	1	2.56	2.38	13.77
HDDH033	59	109	50	0.40	0.31	6.89
<i>incl.</i>	74	75	1	1.73	1.55	13.53
<i>incl.</i>	79	80	1	3.40	3.35	3.67
<i>incl.</i>	83	90	7	0.80	0.63	12.65
HDDH034	83	90.5	7.5	0.58	0.52	4.82
<i>incl.</i>	84	84.5	0.5	6.17	5.90	19.91
HDDH035	99.7	101	1.3	2.11	1.93	13.62
HDDH035	120	120.5	0.5	3.78	3.28	37.59
HDDH036	66.8	105	38.2	0.43	0.34	6.76
<i>incl.</i>	77.7	78.2	0.5	3.81	3.55	19.81
HDDH036	180.6	181.2	0.6	2.33	1.65	50.99
HDDH036	220.4	221.5	1.1	3.39	2.52	65.37
HDDH036	224	225	1	5.47	4.89	43.40
<i>incl.</i>	224	224.5	0.5	9.55	8.54	75.61
HDDH037	162	176.5	14.5	1.08	0.91	12.69
<i>incl.</i>	163.1	164.2	1.1	2.35	1.91	33.16

<i>and</i>	166	166.5	0.5	8.45	7.57	66.19
<i>and</i>	176	176.5	0.5	7.05	6.26	59.39
HDDH037	189	190	1	2.02	1.73	21.59
HDDH038	34	55	21	1.01	0.91	7.43
<i>incl.</i>	42	42.6	0.6	4.72	4.53	14.53
<i>and</i>	51.5	54	2.5	3.02	2.91	8.42
HDDH038	92	124.15	32.15	0.93	0.81	8.83
<i>incl.</i>	101	102	1	2.30	2.10	14.70
<i>and</i>	114	114.5	0.5	7.36	6.49	65.29
<i>and</i>	116	116.64	0.64	13.74	12.83	68.39
<i>and</i>	123.6	124.15	0.55	2.24	2.12	9.04
HDDH038	216	260	44	0.87	0.73	10.62
<i>incl.</i>	234.5	235.1	0.6	6.42	5.85	42.88
<i>and</i>	244.8	246.5	1.7	5.42	4.35	79.95
<i>and</i>	248	249.3	1.3	2.99	2.93	4.76
HDDH038	251	251.5	0.5	4.94	4.87	5.33
HDDH039	107.5	108	0.5	1.59	1.52	5.61
HDDH040	99	104.5	5.5	0.92	0.59	24.53
HDDH040	131.5	164.6	33.1	0.47	0.35	9.21
<i>incl.</i>	157	157.5	0.5	4.29	3.68	45.49
HDDH040	168.8	191	22.2	1.78	1.58	14.72
<i>incl.</i>	174	175	1	9.83	9.53	22.39
<i>and</i>	177.3	178	0.7	9.26	8.75	38.14
<i>and</i>	180	180.65	0.65	5.72	4.69	77.30
<i>and</i>	184	187	3	3.86	3.43	32.60
HDDH040	198	200	2	3.92	2.72	90.36
HDDH040	207	212	5	0.78	0.75	2.65
<i>incl.</i>	209	210	1	3.06	2.96	7.16
HDDH040	219.5	227	7.5	0.49	0.45	3.23
<i>incl.</i>	226	227	1	2.56	2.44	8.66
HDDH040	255	262	7	1.91	1.88	2.57
<i>incl.</i>	255.5	255.9	0.4	26.74	26.47	20.16
HDDH041	40.5	63.7	23.2	0.36	0.29	5.18
<i>incl.</i>	59.9	60.8	0.9	1.64	1.52	9.01
HDDH041	98.5	99.2	0.7	3.29	3.01	20.70
HDDH041	103.4	110.6	7.2	0.42	0.37	3.80
<i>incl.</i>	110	110.6	0.6	2.72	2.57	11.11
HDDH041	116.8	121	4.2	0.76	0.70	3.99
HDDH043	161.6	163.4	1.8	0.38	0.30	5.83
HDDH044	60.5	62.5	2	0.54	0.49	3.28

The anomalous, potentially ore grade, gold-silver intersections confirm and expand the area of interest identified by historic drilling and demonstrate wide low-grade Au-Ag intersections and 'included' higher grade zones.

The drill holes at La Herradura were drilled to target both the roughly east west mineralised trend including the central diatreme at La Herradura 'hill' and to expand the gold anomalism identified in the historic drilling which extends over 1,100m to depths of >200m. The current drill programmes have added potentially 300m of strike to the mineralised complex.

The recent drilling, while of limited meters, has enhanced the project's potential and confirmed the presence of wide intersections of 1g/t AuEqv. material with higher grade inclusions. The system remains open in all directions and Fredonia believes more drilling is warranted.

Monserrat Oeste is located 1 km west of the Main Vein area, in a shear corridor with a general NNE strike, whose mineralized zones are related to veining and breccia along 1.6 km, and dip 55° to 75 ° east. The structure is open at depth and in both directions. The outcrop shows a layer of silica, secondary oxidation, leaching, breccia, and residual quartz textures, however much of the structure is not exposed.

Historical drilling suggests that the mineralized zones are hosted by mafic lava flows, agglomerates and breccias of andesitic composition, belonging to the Bajo Pobre formation; veins of barite and calcite predominate, and hydrothermal breccias of drusy gray quartz silica, with mineralization of native Au, Argentite-Pyrargyrite, Acanthite, black Sphalerite and ruby Sphalerite, Galena, Hematite, Arsenopyrite and Pyrite scarce. Intermediate argillic Alteration (Kao + ill + Smc + Py), and distal propylitic (Chl + CO3 + Py), oxidation at superficial levels and related to structures at depth.

In the central sector of Monserrat Oeste, drill holes outline a main mineralized feeder approximately 200 meters long x 200 meters deep, dipping 65° to the south. Average intercepts range between 0.5 and 5.00 m (apparent width), with grades up to 13.50 g/t Au and 7,000 ppm Ag plus base metals.

The recent drilling program evaluated the southern sector of Monserrat Oeste, intersecting 6m of hydrothermal breccias with light/dark gray quartz with abundant sulfides.

Table of drill-hole statistics

Drill hole	Coord. East	Coord. North	Elevation	Azimuth	Dip	Length
MODDH001	2528490	4638590	220	270	-55	347.50
MODDH002	2528484	4638163	218	270	-55	323.50
MODDH003	2528458	4638065	202	270	-50	296.50
MODDH004	2528600	4637900	206	275	-55	281.30
MODDH005	2528534	4638595	194	270	-55	311.00
MODDH006	2528414	4637989	219	270	-55	281.00
Total						1,840.80

Table of best intersections

Hole ID	From	To	Interval	Au Eq g/t	Au g/t	Ag g/t
MODDH001	168	169	1	5.51	4.81	52.70
MODDH001	174.3	176.7	2.4	20.06	0.18	1490.98
<i>incl.</i>	<i>176.2</i>	<i>176.7</i>	<i>0.5</i>	<i>94.21</i>	<i>0.38</i>	<i>7037.43</i>
MODDH002	60.25	72.45	4.7	0.75	0.04	53.64
<i>incl.</i>	<i>72.1</i>	<i>72.45</i>	<i>0.35</i>	<i>3.01</i>	<i>0.08</i>	<i>219.91</i>
MODDH002	275	303.4	9.65	0.52	0.40	9.10
<i>incl.</i>	<i>296.08</i>	<i>303.4</i>	<i>7.32</i>	<i>0.61</i>	<i>0.51</i>	<i>7.66</i>
<i>incl.</i>	<i>302</i>	<i>303.4</i>	<i>1.4</i>	<i>1.71</i>	<i>1.38</i>	<i>25.38</i>
MODDH004	87	91	4	2.68	0.51	163.04
<i>incl.</i>	<i>87</i>	<i>87.5</i>	<i>0.5</i>	<i>10.96</i>	<i>2.15</i>	<i>660.42</i>
MODDH005	91	92	1	2.76	0.01	206.09
MODDH005	253	266	13	0.30	0.13	13.00
MODDH006	236	252	16	0.50	0.30	15.12

Monserrat Este: Located 3km at the East of Main Veins, the structure is emplaced in a right-hand NW structural corridor as shown by friction mirrors and veinlet distribution, with two preferential structures (N300° to N330° and N350° to N20°) and dipping from -90° to 65° to the east. In the north, the predominant host rock corresponds to lavas and agglomerates mafic units, with a general trend N80°/15° to the south. In the centre-south, it changes to dacitic tuffs with sub-horizontal lamination. In the southern sector, the host rock is a subvolcanic dacitic dome. The hydrothermal fills have thicknesses from a few cm to 40 cm, accompanied by silicification up to 10m, with argillic alteration extending up to 30 meters towards both walls. The pervasive silicification is intense while the filling of the breccias and veins is opal-chalcedony, translucent quartz and grey silica veins and veinlets with scarce mineralization in pyrite boxworks, filling to jarosite and patches of copper colour. Changes in azimuth and host rock control the size of the veins and the extent of pervasive alteration; while changes in the erosive level, control the phases of hydrothermal filling and mineralization.

Beethoven: this prospect is 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 and extend across the extreme southwestern corner of the project licence. They are hosted in ignimbrites and exhibit areas of focused hydrothermal alteration. The vein zones comprise multiple quartz structures up to 3 m wide 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.

Anita: the eastern part of Abanico sector. It is a quartz vein of 600m length and 1.5-2 m of thickness (N330°/85°), which contains abundant colloform and brecciated textures. Sulphides and oxides present are pyrite, acanthite, hematite and iron oxides. This structure is hosted in volcanoclastic rocks from Bajo Pobre Formation.

Abanico (South): at the southern end of the Abanico, as a continuation of the Mónica and Emilia-Alicia veins, two structures are located: 1- a horsetail structure develops off a main vein that strikes N20° and dips from subvertical to 65°E. The NW vein splay shows strikes from N330° to N300° with dips from subvertical to 70° to the NE. 2- a fault jog develops from the main structure with a N350° strike, and NW-WNW sigmoid veins. The host rock is an andesite belonging to Bajo Pobre Formation, exhibiting argillic alteration in the footwall (to the west), and strong oxidation towards the hanging wall (to the east). The N-S veins are mainly composed of barite, while the NW-WNW veins vary from microcrystalline to coarse quartz, with sulphides: pyrite + chalcopyrite + acanthite + hematite + iron oxide + manganese oxide. The horsetail and the fault jogs are configured from a NW dextral shear, with a NE-SW maximum stress.

Gladys: a structure dominated by a quartz vein located 1.5km at southeast of Main Veins. It is controlled by a Dacitic Dyke, intruded on the andesitic lavas. The strike is N300/80°SW and the thickness is up to 2.4m. three pulses are identified: hydrothermal breccia with hematite cement, barite vein, and black vein of sulphides. One drill hole of 210m depth was drilled in Q3 of 2022.

Pamela: group of structures located 3 km at the west of La Herradura. Two outcropping structures of up to 40 m length, and less than 0.5 m in thickness. Both structures are hosted in Chon Aike Formation and are composed of a fine, massive, light to dark grey quartz, with iron oxides (limonites and hematite) accompanied by minor barite, with main orientations N 60° E and EW. No fresh sulphides have been observed on surface however the intense oxidation observed may indicate the occurrence of sulphides at depth. Quartz floats are aligned along strike approximately 100m arranged in the same orientation of the outcrops.

Tiburón: located 1.2km to the East of Main Veins consists in a fault structure N20° dipping to the east, has been identified. This structure can be followed continuously for 500 meters and discontinuously up to 1km. The host rock corresponds to andesites of the Bajo Pobre Formation. The fault (1.5m thickness) is composed of a fault gouged with hematite and manganese and andesite clasts breccia. An intense pervasive silicification develops in the hanging wall. Veinlets forming flexures filled with chalcedonic quartz, translucent quartz and kaolinite are observed along the fault, trending NW (330°), which become more frequent in footwall. A 5-metre thickness and N330° vein separates from the fault and is a continuous 50 meters long, in an opening zone produced by the left-hand shear of the fault.

Vanina Oeste: located 2.5km at southwest of Main Veins, shows a hydrothermal breccia and quartz+sericite vein controlled by N320° structure along 800m host in a lithic tuff from the Chon Aike Formation. The Fredonia license covers only part of the structure. It shows a crystalline to microcrystalline quartz vein of 0.5 to 1.5m in thickness and continuous extension of 200m in length. Predominant textures are crustiform and minor colloform. The dip is between subvertical (N320° strike) to 62° NE (N290° strike). In the inflexion zone, it is present a huge hydrothermal breccia with quartz-crustiform clast, and chalcedonic-limonitic cement. Mineralization consists in pyrite (jarosite) + argentite/acanthite + (hematite + goethite).

El Aguila Project:

On September 15, 2016 an Arm's length purchase agreement (the "Winki Agreement") between the Company and Winki Sociedad Anonima wherein the Company 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 the Company during the production/exploitation phases of the project (the "Royalty").

On November 11, 2016, the Company and an arm's length party who is a 50% participant under the Winki Agreement (the "Partner") reached an agreement to jointly participate in the development of Fredonia Management on the basis of a partnership in equal parts. Under this agreement, the Company provided its structure and know-how in the mining industry, as well as access to the capital market and the Partner agreed to accept 50% of the share capital of the Company in exchange for their rights under the Winki Agreement to receive half of the purchase proceeds and half of the Royalty from the purchase and sale of the Aguila Project.

On January 24, 2022, Fredonia Mining paid US\$150,000 in cash and issued 2,200,000 common shares to the other participant at Winki to satisfy the outstanding portion of the Purchase. The vendor retained 0.5% Net Profit Interest.

El Aguila is currently owned 100% by Fredonia Mining Inc or its subsidiaries.

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 kilometres northeast of Cerro Vanguardia mine and 45 kilometres 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 North-west orientation is strike-slip faults with dextral movements, and North-south fractures are tensional. Post-mineral event East-north-east 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. The Company conducted a limited diamond drilling programme of 2,428 meters 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 grey 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.

The Company 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 interim condensed consolidated financial statements for the period ended December 31, 2022 and 2021. 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

	Three months ended December 31, 2022	Three months ended December 31, 2021
	\$	\$
Other Comprehensive Loss	(91)	(1,533)
Net (loss)/income	(75,307)	326,185
Basic and Diluted (loss)/income per share	(0.000)	0.002

Statement of Financial Position

	As at December 31, 2022	As at September 30, 2022
Assets		
Current assets	1,675,199	2,775,697
Exploration and evaluation assets	7,464,380	5,859,211
Property, plant and equipment	6,073	5,430
Total Assets	9,145,652	8,640,338
Liabilities		
Current liabilities	1,034,752	454,040
Shareholders' equity	8,110,900	8,186,298
Total liabilities and shareholders' equity	9,145,652	8,640,338

Results of Operations

The Company reported a net loss of \$75,398 during the three months ended December 31, 2022, compared to net income of \$326,185 during the three months ended December 31, 2021. The net loss for the three months ended December 31, 2022 was primarily on account of gains realized on the exchange of US dollar contributions to the Argentine subsidiaries for Argentine pesos through third-party financial markets in contrast to the Argentina national posted currency rates. The difference between the official bank rate and the market rate obtained resulted in significant gain of \$385,952 for the period ended December 31, 2022. This was partially offset by \$294,801 of general and administrative expenses incurred in the period primarily consisting of salaries and wages, professional fees and administrative and office expenses.

Summary of Quarterly Results

The following table sets out selected quarterly financial information of the Company and is derived from unaudited quarterly financial data prepared by management in accordance with IFRS:

	Q1 2023	Q4 2022	Q3 2022	Q2 2022
Net (loss) income	(75,307)	353,807	(8,351)	91,664
Comprehensive (loss) income	(75,398)	234,661	(13,461)	91,802
Net (loss) income per share (basic & diluted):				
Net (loss) income	(0.000)	0.001	(0.000)	0.001

	Q4 2022	Q4 2021	Q3 2021	Q2 2021
Net income (loss)	326,185	(1,136,862)	(1,653,324)	(319,638)
Comprehensive income (loss)	324,652	(1,136,141)	(1,653,324)	(319,638)
Net income (loss) per share (basic & diluted):				
Net income (loss)	0.002	(0.026)	(0.006)	(0.003)

Over the past eight quarters, fluctuations in net (losses) income on a quarter-over-quarter basis have been impacted by factors such as G&A expenses, finance expenses, share-based compensation expense, gains on currency exchange and fluctuations in exchange rates.

The results of the Company consist primarily of G&A expenses which over the 2022 fiscal year, have seen a steady decrease quarter over quarter. The reduction in these expenses have been offset by significant gains on currency exchange. This has resulted in the Company having net (loss)/income or lower net losses quarter over quarter.

Investing Activities

During three months period ended December 31, 2022, the company used in investing activities \$1,605,1069 (three months period ended December 31, 2021 - \$ 1,559,071) in evaluation and exploration expenditures and \$704 (three months period ended December 31, 2022 – \$nil) in purchases in property plant and equipment.

Financing Activities

No activity during the three months period ended December 31, 2022. During the three months period ended December 31, 2022, the company paid out \$13,300 for borrowings.

Restructuring transaction and Funding

Reverse Take Over:

The Qualifying Transaction was completed pursuant to a business combination agreement (the “Agreement”) dated June 24, 2021, between the Company, formerly RRCC, and a corporation existing under the laws of the British Virgin Islands, Fredonia Management Limited (the “Target”). As an initial step to be taken in connection with the Qualifying Transaction, the issued and outstanding RRCC shares and RRCC stock options were consolidated by a factor of 0.73529 (the “Consolidation”), resulting in 4,411,764 post-Consolidation RRCC shares and 441,176 post-Consolidation RRCC stock options. Following the Consolidation of RRCC shares, the Qualifying Transaction was effected by way of a “three-cornered” amalgamation, in which: (a) the BVI subsidiary of RRCC was amalgamated with the Target to form an amalgamated company (“Amalco”); (b) all issued and outstanding shares of the Target were exchanged for 109,006,378 post Consolidation RRCC shares; and (c) Amalco became a wholly-owned

subsidiary of the Company and was renamed as Fredonia Management Ltd. Following the completion of the Transaction, the Company changed its name to “Fredonia Mining Inc.” and carried on the business previously carried on by the Target.

The Qualifying Transaction constituted a reverse take over and did not constitute a business combination in accordance with IFRS 3. The consolidated financial statements are presented as a continuation of the Target but are issued in the name of the Company as a legal parent. The Qualifying Transaction has been measured at the fair value of the shares and options that are deemed to have been issued to the Company’s historical shareholders. Accordingly, the Qualifying Transaction has been recorded in these consolidated financial statements using a basis of accounting as summarized below:

- a) The historical equity of the Company has been eliminated and the excess of the fair value of deemed issuance of the equity instruments over the fair value of the net assets acquired has been recorded as listing expense in net loss for the year;
- b) The accumulated deficit and other equity balances presented in these consolidated financial statements are those of the Target;
- c) The assets and liabilities of the Target are included in these consolidated financial statements on a pre-transaction basis of accounting;
- d) The net assets of RRCC were measured at their estimated fair value on the date of the Qualifying Transaction; and
- e) Comparative information presented in these consolidated financial statements is that of the Target. The following summarizes the basis of accounting for the reverse takeover described above.

Under this basis of accounting, as consideration for 100% of the outstanding shares of RRCC by way of reverse acquisition, Target issued 4,411,764 shares on a one for one basis to the shareholders of RRCC, and 441,176 stock option to replace RRCC stock options. The shares were assigned a value of \$0.20 (C\$0.25) per share, the value of the recent financing realized through concurrent financing, and the stock options were assigned a value of \$0.14 (C\$0.17) based on a Black-Scholes valuation, for total consideration of \$950,412 (C\$1,177,941) before transaction costs, which has been allocated first to the fair value of the net assets acquired, with any excess to a non-cash cost of acquisition as follows:

Consideration	
4,411,764 shares at a value of \$0.20 (C\$0.25) per share	889,899
441,176 stock options at a value of \$0.14 (C\$0.17) per share	60,513
Transaction costs	277,236
Total Consideration	1,227,648
Net assets (liabilities) of RRCC	
Accounts payable	(171,573)
Total net assets (liabilities) acquired at fair value	(171,573)
Listing Expense	1,399,221

Arm’s Length Qualifying Transaction

The Qualifying Transaction was considered an Arm’s Length Transaction in accordance with the policies of the TSXV. No Non-Arm’s Length Parties to RRCC had any interest in Fredonia or in the Properties or were insiders of Fredonia, nor was 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 was 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 in relation to the Qualifying Transaction.

Liquidity and Capital Resources

As of December 31, 2022, the Company had cash of \$1,530,773 and a working capital surplus of \$640,447. During the three months ended December 31, 2022, net cash received from operating activities was \$550,785, net cash used in investing activities was \$1,605,873 related primarily to exploration and evaluation costs incurred and net cash from financing activities was \$13,300 relating primarily to the borrowings cost paid.

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 interim condensed 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 December 31, 2022, the Company had accumulated losses of \$6,476,045 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. The ongoing impact of COVID-19 on the Company's operations and future financial performance is uncertain. The continued impact of COVID-19 will depend on future developments that are uncertain and unpredictable, its continued impact on capital and financial markets on a macro-scale and any new information that may emerge COVID-19 continues to present uncertainty and risk with respect to the Company, its performance, and estimates and assumptions used by management in the preparation of its financial results. 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.

Related Party Transactions

During the three months period ended December 31, 2022 and 2021, the Company incurred the following related party transactions:

- i) Transactions:
 - a) Professional services charged by key management personnel and directors for the period ended December 31, 2022 were \$34,068 (2021: \$915).
 - b) Interest expense incurred for the period ended December 31, 2022 from a loan payable to a director and shareholder were \$nil (2021: \$300).
 - c) Rent expense incurred for the period ended December 31, 2022 charged by a company controlled by Directors of the company were \$4,500 (2021: \$4,500).
- ii) Period-end balances:
 - a) As at December 31, 2022, trade and other receivables included \$nil (September 30, 2022 – \$nil) receivable from a director of the Company.
 - b) As at December 31, 2022, trade and other payables included \$20,000 (September 30, 2021- \$20,000) payable to a company related to a director for payments made on behalf of the Company.

- c) As at December 31, 2022, trade and other payables included \$2,494 (September 30, 2022 - \$5,063) payable to a company related to a director in relation to the rent of the administrative office.

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

The following are the critical judgments that management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in these consolidated financial statements:

i) Impairment of property, plant and equipment and exploration and evaluation assets

Judgments are required to assess when impairment indicators, or reversal indicators, exist and impairment testing is required. In determining the recoverable amount of assets, in the absence of quoted market prices, impairment tests are based on estimates of reserves, production rates, future precious metals prices, future costs, discount rates, market value of land and other relevant assumptions.

ii) Exploration and evaluation assets

The application of the Company's accounting policy for exploration and evaluation assets requires management to make certain judgments as to future events and circumstances as to whether economic quantities of reserves have been found in assessing economic and technical feasibility.

iii) Income taxes

Judgments are made by management to determine the likelihood of whether deferred income tax assets at the end of the reporting period will be realized from future taxable earnings. To the extent that assumptions regarding future profitability change, there can be an increase or decrease in the amounts recognized in respect of deferred tax assets as well as the amounts recognized in profit or loss in the period in which the change occurs.

Key sources of estimation uncertainty

The following are the key assumptions concerning the sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing adjustments to the carrying amounts of assets and liabilities.

i) Share-based payments

All equity-settled, share-based awards issued by the Company are recorded at fair value using the Black-Scholes option-pricing model. In assessing the fair value of equity-based compensation, estimates have to be made regarding the expected volatility in share price, option life, dividend yield, risk-free rate and estimated forfeitures at the initial grant date.

ii) Tax provisions

Tax provisions are based on enacted or substantively enacted laws. Changes in those laws could affect amounts recognized in profit or loss both in the period of change, which would include any impact on cumulative provisions, and in future periods. Deferred tax assets (if any) are recognized only to the extent it is considered probable that those assets will be recoverable. This involves an assessment of when those deferred tax assets are likely to reverse.

iii) *Determination of functional currency*

As the Company has entities in multiple jurisdictions, the determination of functional currency involves certain judgements in establishing the primary economic environment in which these entities operate. In Argentina, the transactions may be denominated in Argentine pesos or USD. The functional currency is determined by the currency, being presently USD, wherein management's judgement the majority of the operating expenditures are denominated in.

Determination of fair values

A number of the Company's accounting policies and disclosures require the determination of fair value for financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the methods below. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Property, plant and equipment and exploration and evaluation assets

The fair value of property, plant and equipment and exploration and evaluation assets recognized in a business combination and in assessing the recoverable value for impairment testing, is based on market values. The market value of property, plant and equipment and exploration and evaluation assets is the estimated amount for which the assets could be exchanged on the acquisition date between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The market value of precious metals interests included in property, plant and equipment is estimated with reference to the discounted cash flows expected to be derived from precious metals production based on externally prepared reserve reports. The risk-adjusted discount rate is specific to the asset with reference to general market conditions. The market value for exploration and evaluation assets is determined based on quoted market prices for similar assets, if available, or discounted cash flows expected to be derived from precious metals production based on available resource reports. The discount rate is specific to the exploration and evaluation asset with reference to general market conditions.

Financial assets and liabilities

The fair value of financial assets and liabilities is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date, except for marketable securities which are fair valued based on quoted trading prices.

Stock options

The fair value of employee stock options is measured using a Black-Scholes option pricing model. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility (based on weighted average historic volatility), weighted average expected life of the instruments (based on historical experience and general option and warrant behaviour), expected dividends, expected forfeiture rate and the risk-free interest rate (based on government bonds).

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.

Management's Report on Internal Control over Financial Reporting

In connection with National Instrument 52-109 - Certification of Disclosure in Issuer's Annual and Interim Filings ("NI 52-109") adopted by each of the securities commissions across Canada, the Chief Executive Officer and Chief Financial Officer of the Company are required to file a Venture Issuer Basic Certificate with respect to the financial information contained in the unaudited interim financial statements and the audited annual financial statements and respective accompanying Management's Discussion and Analysis. The Venture Issuer Basic Certificate does not

include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52- 109.

Company Outlook

Other than as disclosed in this MD&A, 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.

Outstanding Securities

The Company has one class of shares outstanding, being ordinary shares. As of the date of this MD&A, 177,155,544 common shares were issued and outstanding.

The following options are outstanding at December 31, 2022:

Number of Options	Exercise Price C\$	Expiry Date
9,750,000	0.17	July 27, 2026
250,000	0.11	September 16, 2027
10,000,000		

The following warrants are outstanding at December 31, 2022:

Number of Warrants	Exercise Price C\$	Expiry Date
2,274,124	0.17	February 24 2023
1,582,475	0.18	April 27, 2024
18,722,655	0.25	June 24, 2024
24,091,992	0.28	April 27, 2027
46,671,246		