

This offering document constitutes an offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities and to those persons to whom they may be lawfully offered for sale. This offering document is not, and under no circumstances is to be construed as a prospectus or advertisement or a public offering of these securities.

No securities regulatory authority or regulator has assessed the merits of these securities or reviewed this document. Any representation to the contrary is an offence. This Offering (as defined herein) may not be suitable for you and you should only invest in it if you are willing to risk the loss of your entire investment. In making this investment decision, you should seek the advice of a registered dealer.

These securities have not been registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”), or any of the securities laws of any state of the United States, and may not be offered or sold within the United States or for the account or benefit of U.S. persons or persons in the United States except pursuant to an exemption from the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. This offering document does not constitute an offer to sell, or the solicitation of an offer to buy, any of these securities within the United States or to, or for the account or benefit of, U.S. persons or persons in the United States. “United States” and “U.S. person” have the meanings ascribed to them in Regulation S under the U.S. Securities Act.

OFFERING DOCUMENT UNDER THE LISTED ISSUER FINANCING EXEMPTION

January 23, 2026



Fredonia Mining Inc.

SUBSCRIPTION PRICE: \$0.40 PER UNIT

PART 1 SUMMARY OF OFFERING

What are we offering?

Securities Offered:	Freドonia Mining Inc. (the “Company” or “Fredonia”) is hereby offering for sale up to 12,500,000 units of the Company (“Units”) for gross proceeds of up to \$5,000,000 (the “Base Offering”). There is no minimum offering amount. Subject to compliance with applicable regulatory requirements and in accordance with National Instrument 45-106 - <i>Prospectus Exemptions</i>
----------------------------	--

	(“ NI 45-106 ”), the Offering is being made to purchasers resident in all provinces of Canada (except Québec) (the “ Selling Jurisdictions ”), pursuant to the listed issuer financing exemption under Part 5A of NI 45-106 (“ Part 5A of NI 45-106 ”), as amended and supplemented by the Coordinated Blanket Order 45-935 <i>Exemptions from Certain Conditions of the Listed Issuer Financing Exemption</i> (the “ Order ” and collectively with Part 5A of NI 45-106, the “ Listed Issuer Financing Exemption ”).
Description of the Securities Offered:	Each Unit comprises one common share of the Company (a “ Unit Share ”) and one-half of one common share purchase warrant of the Company (each whole warrant, a “ Warrant ”). Each whole Warrant entitles the holder thereof to acquire one common share of the Company (a “ Warrant Share ”) at an exercise price of \$0.56 at any time before 5:00 p.m. (Toronto time) on the date that is 36 months following the Closing Date (as defined herein).
Offering Price:	\$0.40 per Unit (the “ Offering Price ”).
Agent:	The Company has entered into an engagement letter with Cormark Securities Inc. (the “ Agent ”), to act as sole agent and bookrunner on a “best efforts” agency basis in connection with the Offering. The Units will be offered and sold pursuant to an agency agreement (the “ Agency Agreement ”) to be entered into between the Company and the Agent.
Agent’s Option:	The Company has granted to the Agent (as defined herein) an option, exercisable in full or in part, at the sole direction of the Agent, at any time prior to the Closing Date, to sell up to an additional 2,500,000 Units at the Offering Price for additional gross proceeds of up to \$1,000,000 (the “ Agent’s Option ”). The Base Offering and the Agent’s Option shall be collectively referred to as the “ Offering ”.
Offering Jurisdictions:	The 12,500,000 Units that may be sold pursuant to the Base Offering will be offered by way of the Listed Issuer Financing Exemption in the Selling Jurisdictions. The Units may also be offered in the United States on a private placement basis pursuant to one or more exemptions from registration requirements of the U.S. Securities Act, and certain offshore foreign jurisdictions pursuant to applicable regulatory requirements and in accordance with OSC Rule 72-503 – <i>Distributions Outside Canada</i> (“ OSC Rule 72-503 ”).
Closing Date:	Closing will occur on or around February 4, 2026 (the “ Closing Date ”), or on such other date as may be agreed upon by the Company and the Agent, provided that such date may not be later than the 45 th day following the announcement of the Offering.

Resale Restrictions:	<p>The Unit Shares and Warrants comprising the Units sold under the Listed Issuer Financing Exemption to investors resident in Canada and the Unit Shares and Warrants comprising the Units sold to investors outside of Canada pursuant to OSC Rule 72-503, as well as the Warrant Shares issuable upon exercise of the Warrants, will not be subject to a hold period pursuant to applicable Canadian securities laws.</p> <p>Any securities acquired pursuant to the “accredited investor” and “minimum investment” exemptions under NI 45-106 will be subject to a hold period in Canada of four months pursuant to applicable Canadian securities laws.</p> <p>None of the Units, the Unit Shares and Warrants comprising the Units, nor the Warrant Shares issuable upon the exercise of the Warrants (collectively, the “Offered Securities”), have been nor will they be registered under the U.S. Securities Act, or any U.S. state securities laws, and may not be offered or sold in the United States or to, or for the account or benefit of, any U.S. person or any person in the United States, absent an exemption from the registration requirements of the U.S. Securities Act and any applicable U.S. state securities laws. The Warrants will not be exercisable by, or on behalf of, a person in the United States or a U.S. person unless exemptions from the registration requirements of the U.S. Securities Act and any applicable state securities laws are available at the time of exercise. Offered Securities issued to, or for the account or benefit of, a U.S. person or a person in the United States pursuant to exemptions from the registration requirements of the U.S. Securities Act and any applicable state securities laws will be “restricted securities” within the meaning of Rule 144 under the U.S. Securities Act subject to certain restrictions on transfer set forth therein, and may be represented by definitive certificates or other instruments bearing a legend regarding such restrictions.</p>
Exchange:	The common shares of the Company (the “ Common Shares ”) are listed for trading on the TSX Venture Exchange (“ TSXV ”) under the trading symbol “FRED”. The Warrants are not, and will not be, listed on any exchange.
Last Closing Price:	The closing price per share of the Common Shares on TSXV on January 22, 2026 was \$0.45.
Description of Common Shares:	Holders of Common Shares are entitled to receive notice of all meetings of shareholders of the Company and to attend and vote the Common Shares at such meetings, except meetings at which only holders of another specified class of shares are entitled to vote, and holders of Common Shares shall be entitled to one vote for each Common Share held. Holders of Common Shares are also entitled to such dividends

	<p>payable out of earnings of the Company as may be declared by the board of directors in its discretion, subject to the rights, privileges, restrictions and conditions attaching to any other class of shares of the Company, and to receive the remaining property of the Company upon dissolution, subject to the rights, privileges, restrictions and conditions attaching to any other class of shares of the Company. The Common Shares carry no pre-emptive or conversion rights.</p>
Description of Warrants:	<p>Each Warrant will entitle the holder to acquire, subject to adjustment in certain circumstances, one Warrant Share at an exercise price of \$0.56 until 5:00 p.m. (Toronto time) on the date that is 36 months following the Closing Date, after which time the Warrants will be void and of no value. The Warrants will be governed by the terms and conditions set out in a warrant indenture to be dated on or about the Closing Date (the “Warrant Indenture”), in form and substance to be agreed to by the Company and the Agent, a copy of which will be made available on the System for Electronic Document Analysis and Retrieval+ (“SEDAR+”) at www.sedarplus.ca.</p> <p>The Warrant Indenture will provide for adjustment in the number of Warrant Shares issuable upon the exercise of the Warrants and/or the exercise price per Warrant Share upon the occurrence of certain customary events. No fractional Warrant Shares will be issuable to any holder of Warrants upon the exercise thereof, and no cash or other consideration will be paid in lieu of fractional shares. The holding of Warrants will not make the holder thereof a shareholder of the Company or entitle such holder to any right or interest in respect of the Warrants except as expressly provided in the Warrant Indenture. Holders of Warrants will not have any voting or pre-emptive rights or any other rights of a holder of Common Shares.</p>

The Company is conducting a listed issuer financing under section 5A.2 of NI 45-106. In connection with this Offering, the Company represents the following is true:

- **The Company has active operations and its principal asset is not cash, cash equivalents or its exchange listing.**
- **The Company has filed all periodic and timely disclosure documents that it is required to have filed.**
- **The Company is relying on the exemptions in the Order and is qualified to distribute securities in reliance on the exemptions included in the Order.**
- **The total dollar amount of this Offering, in combination with the dollar amount of all other offerings made under the Listed Issuer Financing Exemption in the 12 months immediately preceding the date of the news release announcing this Offering, will not**

exceed the amount that is equal to 20% of the aggregate market value of the Company's listed securities as calculated in accordance with the Order, to a maximum of \$50,000,000.

- **The Company will not close this Offering unless the Company reasonably believes it has raised sufficient funds to meet its business objectives and liquidity requirements for a period of 12 months following the distribution.**
- **The Company will not allocate the available funds from this Offering to an acquisition that is a significant acquisition or restructuring transaction under securities law or to any other transaction for which the Company seeks security holder approval.**

Cautionary Note Regarding Forward-Looking Statements

Information and statements contained in this offering document that are not historical facts are forward-looking information or forward-looking statements within the meaning of Canadian securities legislation (hereinafter collectively referred to as "**forward-looking statements**") that involve risks and uncertainties. This offering document contains forward-looking statements such as estimates and statements that describe the Company's future plans, objectives or goals, including words to the effect that the Company or management expects a stated condition or result to occur. Forward-looking statements contained in this offering document are based on assumptions about future events, including economic conditions and proposed courses of action, based on management's assessment of the relevant information currently available, and on other material factors, including but not limited to those relating to:

- the use of the available funds following completion of the Offering;
- the completion and closing of the Offering and the timing thereof;
- the Company's exploration program at the EDM Project (as defined herein) for 2026 and beyond;
- the Company's mineral resource estimates and the underlying assumptions used to generate such estimates;
- estimates of costs for testing and drilling;
- the Company's ability to meet the requirements for the maintenance of each of its mining concessions;
- the Company's ability to continue accessing the surface lands overlying its concessions;
- the Company's ability to comply with permitting and regulatory requirements related to the exploration and development of its projects in Argentina, and to secure the required permitting approvals from relevant regulatory bodies in those jurisdictions;
- the Company's ability to manage and/or mitigate any environmental and/or social risks associated with the development of any of its projects to the mining stage, as well as through mine construction and operation;
- the Company's ability to continue as a going concern;

- the Company's going-forward strategy;
- commodity prices;
- the adequacy of the Company's working capital;
- the Company's expectation that it will incur operating losses in future periods due to ongoing expenses associated with the holding, exploration and development of its mineral property interests, and its expectations regarding the sufficiency of its capital resources and the need for additional capital;
- the Company's ability, through the application of legal norms in the respective jurisdiction, and with the support of the relevant government authorities, to prevent illegal mining activity on its concessions;
- the Company's ability to obtain additional funds through the sale of equity or debt securities;
- the Company's intention to retain any future earnings and other cash resources for the future development and operation of its business; and
- the Company's intention not to declare or pay any cash dividends in the foreseeable future.

Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such risks and other factors include, among others, and without limitation:

- risks relating to price fluctuations for precious metals;
- risks inherent in any mineral resource estimation;
- risks relating to government expropriation or termination of the Company's mineral property interests;
- risks relating to inaccurate geological and engineering assumptions;
- risks relating to all of the Company's mineral concessions and projects being located in Argentina, including political, social, economic, security and regulatory instability;
- risks relating to changes in political leadership in Argentina, including impacts these may have on general and mining-specific public policies, administrative agencies and social stability;
- risks relating to local political and social unrest, including opposition to mining, pressure for economic benefits such as employment or social investment programs, access to land for agricultural or artisanal or illegal mining purposes, claims by aboriginal or indigenous peoples or other demands;
- risks relating to the social, political, administrative, environmental and geological conditions in areas in proximity to the concessions under development;

- risks relating to the Company's rights or activities being impacted by litigation or administrative processes including administrative refusal to approve registration of transfers of corporate interests and mining agreements;
- risks relating to the Company's ability to access concession surface areas and other properties needed to advance its exploration and development programs;
- risks relating to the Company's operations being subject to environmental requirements, including remediation;
- risks relating to the Company's ability to source qualified human resources, including managers, employees, consultants, attorneys, and sub-contractors, as well as to the performances of all such resources (including human error and actions outside of the control of the Company, such as negligence or malfeasance of its counterparties or agents, accidents and labour disputes);
- risks of title disputes or claims affecting mining concessions or surface ownership rights;
- risks relating to adverse changes to laws, regulations or other norms placing increased regulatory burdens or extending timelines for regulatory approval processes, including environmental, safety, social, taxation and other matters;
- risks associated with the Company's community relationships, anti-development or anti-mining non-governmental organizations;
- risks relating to delays in obtaining governmental agreements, approvals or permits necessary for the execution of exploration, development or construction activities;
- risks relating to competition inherent in the mining exploration industry, in Argentina and elsewhere;
- risks of impacts from unpredictable natural occurrences, such as adverse weather conditions, fire, natural erosion, landslides, and geological activity, including earthquakes and volcanic activity;
- risks related to climate change, civil unrest, public health concerns (including health epidemics or pandemics or outbreaks of communicable diseases such as COVID-19) and other geopolitical uncertainties;
- risks relating to inadequate insurance or inability to obtain insurance;
- risks relating to the Company's ability to obtain necessary funding for its operations, at all or on terms acceptable to the Company;
- risks relating to the Company's working capital and requirements for additional capital;
- risks relating to currency exchange fluctuations or changes in national currency;
- risks relating to fluctuations in interest and inflation rates;
- risks relating to restrictions on access to and movement of capital;
- risks relating to the value of the Company's Common Shares fluctuating based on market factors;

- risks relating to the Company's dependence on key personnel; and
- other risks of the mining industry.

Forward-looking statements and other information contained herein, including general expectations concerning the mining industry, are based on estimates and forecasts prepared by the Company employing data from publicly available industry sources, as well as from market research and industry analysis, and on assumptions based on data and knowledge of the industry and the operating environments in Argentina which the Company believes to be reasonable. Although generally indicative of relative market positions, market shares and performance characteristics, this data is inherently imprecise. While the Company is not aware of any misstatements regarding any data presented herein, the mining industry involves risks and uncertainties and the data is subject to change based on various factors.

In addition, all disclosure contained herein concerning future plans for the EDM Project is subject to the assumptions and qualifications set forth in the technical report prepared in accordance with National Instrument 43-101 – *Standards of Disclosure for Mineral Projects*, (“NI 43-101”) titled “Maiden Mineral Resource Estimate on the El Dorado Monserrat Property, Gold and Silver Project, Santa Cruz Province, Argentina” prepared by Mario Alfaro and Fernando Ganem (each a “Qualified Person” within the meaning of NI 43-101 (the “Qualified Persons”)), with an effective date of November 8, 2024.

An investment in the securities of the Company is speculative and subject to risks and uncertainties, and these risks and uncertainties may impact the factors and assumptions identified above, as well as the forward-looking information contained in this offering document, including as it relates to anticipated use of funds and the Company’s business objectives. The occurrence of any one or more of these risks or uncertainties could have a material adverse effect on the value of any investment in the Company and the business, prospects, financial position, financial condition or results of operations of the Company. Additional risks and uncertainties not presently known to the Company or that the Company currently deems immaterial may also impair the Company’s business operations.

Readers of this offering document are cautioned not to put undue reliance on forward-looking information due to its inherent uncertainty. The Company disclaims any intent or obligation to update any forward-looking information, whether as a result of new information, future events or results or otherwise, except in accordance with applicable securities legislation. This forward-looking information should not be relied upon as representing management’s views as of any date subsequent to the date of this offering document.

Qualified Person

Mr. Fernando Ganem, P. Geo., a Qualified Person, has reviewed and approved the scientific and technical information in this offering document.

Currency

References in this offering document to “\$” are to Canadian dollars and to “US\$” are to United States dollars.

PART 2 SUMMARY DESCRIPTION OF BUSINESS

What Is Our Business?

Fredonia is a mineral resource exploration company, headquartered in Toronto, Canada, with a focus on exploring the El Dorado Monserrat gold and silver property in Santa Cruz Province, Argentina (the “**EDM Project**”). The EDM Project is the Company’s only material mineral project.

In November 2024, the Company announced an initial mineral resource estimate on the EDM Project. A summary of the mineral resource estimate is below.

Mineral Resource Estimate Statement ⁽¹⁻⁶⁾

Category	Ktons	Au Eq* g/t	Au g/t	Ag g/t	Au Eq* Moz	Au Moz	Ag Moz
North	Measured	35,554.4	0.93	0.66	20.26	1.064	0.756
	Indicated	36,481.3	0.81	0.56	18.52	0.950	0.660
	Inferred	180.1	1.01	0.61	29.71	0.006	0.004
South	Measured	1,406.1	0.75	0.58	12.64	0.034	0.026
	Indicated	7,906.3	0.78	0.60	14.22	0.199	0.151
	Inferred	386	0.78	0.57	15.62	0.010	0.007
Total (M&I)		81,348.1	0.86	0.61	18.76	2.248	1.593
Total (Inferred)		566.1	0.85	0.58	20.10	0.015	0.366

Note: Ktons: thousands of tonnes.

Moz: millions of ounces.

Figures may not add exactly due to rounding.

(1) Mineral resources which are not mineral reserves do not have demonstrated economic viability. The estimate of mineral resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues. It is noted that no specific issues have been identified as yet.

(2) The quantity and grade of reported Inferred mineral resources in this estimation are uncertain in nature and there has been insufficient exploration to define these Inferred mineral resources as an Indicated or Measured mineral resources and it is uncertain if further exploration will result in upgrading them to an Indicated or Measured mineral resource category.

(3) Mineral Resources were estimated utilizing S-Gems and Rec-Min software and conventional block modeling within 3D wireframes defined on a 0.40% gold cut-off, capped composites and inverse distance grade interpolation.

(4) The mineral resources in this report were estimated using the Canadian Institute of Mining, Metallurgy and Petroleum (CIM), CIM Standards on Mineral Resources and Reserves, Definitions and Guidelines prepared by the CIM Standing Committee on Reserve Definitions and adopted by the CIM Council.

(5) The 0.40% gold resource cut-off grade was derived from long term average gold price of US\$1,800/oz, 90.0% process recovery, 4.5% royalties, US\$ 7.0/t process cost, US\$ 5.0/t transportation & refining and US\$ 4.0/t G&A cost. An optimized pit shell was utilized for resource reporting that utilized a US\$ 2.0/t mining cost and 45 degree pit slopes.

(6) Gold grade equivalent (Au Eq) is derived from gold metal price US\$1,800/oz, and silver metal price US\$24/oz. Au Eq assume Au and Ag recoveries of 90.0%. The limited metallurgical studies by Fredonia (selective bottle rolls from main veins material) have indicated high (>90%) recovery of gold in oxide material. The Cerro Vanguardia mine to the east of the EDM Project with similar mineralization reports recoveries in the high 90% for Au. Accordingly, the formula used for gold grade equivalent (Au Eq) is:

$$Au\ Eq\ (g/t) = Au\ (g/t) + [Ag\ (g/t) \times (24/1,800) \times (0.9/0.9)]$$

Summary Of Sensitivity Results for Gold Cut-Off Grade

Cut-off	Ktons	Au Eq* g/t	Au g/t	Ag g/t	Au Eq* Moz	Moz Au	Moz Ag
0.1	131,223.6	0.71	0.49	16.53	3.016	2.086	69.754
0.2	128,674.0	0.72	0.50	16.73	2.995	2.072	69.224
0.3	110,174.7	0.78	0.54	17.48	2.747	1.921	61.916
0.4	81,348.1	0.86	0.61	18.76	2.248	1.593	49.067
0.5	46,884.5	1.02	0.72	21.87	1.534	1.092	33.111
0.6	21,994.5	1.24	0.93	23.74	0.878	0.654	16.786
0.7	12,666.9	1.45	1.13	24.06	0.592	0.461	9.797

Notes: the base case estimate presented above is subject to the same assumptions and qualifications described in Notes 1-6 of the table above.

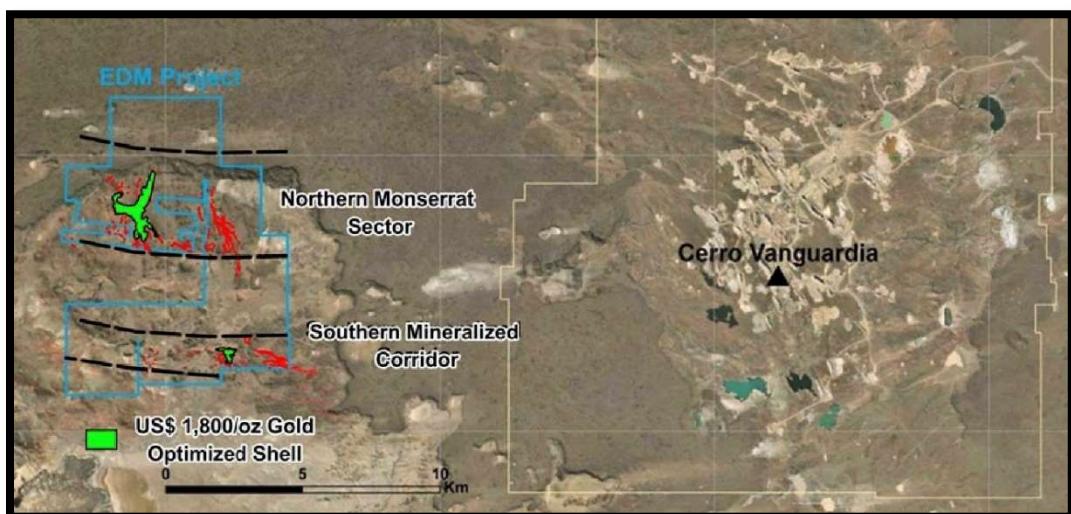


Figure 1. Plan view of the north and south deposits (resource area in green) and their proximity in relation to the Cerro Vanguardia Mine.

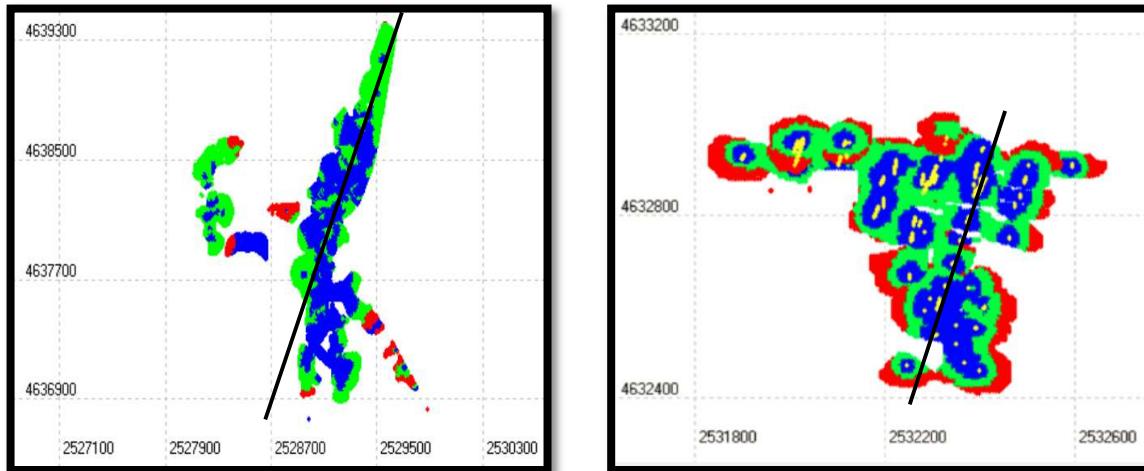


Figure 2. Plan view of the north and south deposit at El Dorado Monserrat. (Blue measured, green indicated, red inferred).

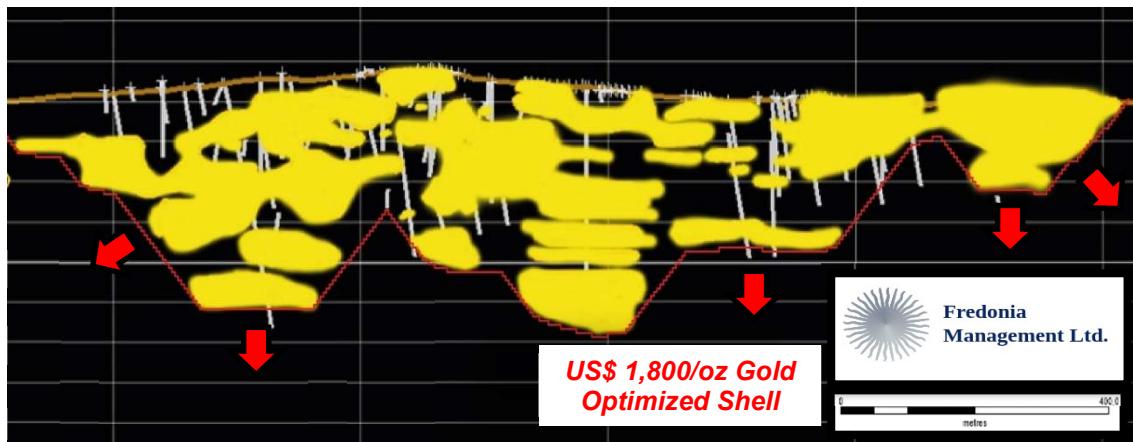


Figure 3. Gold grade Shell with a view to the West. Long Section of the MRE at Northern Monserrat Sector.



Figure 4. Gold grade Shell with a view to the west. Cross Section of the MRE at Southern Mineralized Corridor (included only Herradura Hill).

Preparation of Mineral Resource Calculation

The mineral resource estimate was prepared by independent Qualified Person Mario Alfaro Cortés of Chile, commissioned by Fredonia, and is calculated for two deposits, North and South. The estimate was prepared using the Canadian Institute of Mining, Metallurgy and Petroleum Standards on Mineral Resources and Reserves 2014 Definitions and Guidelines.

Recent Developments

There are no material recent developments in respect of the Company that have not been disclosed in this offering document or in any other document filed by the Company in the 12 months preceding the date of this offering document.

The following is a summary of key recent developments involving or affecting the Company which have been previously disclosed.

On December 17, 2025, the Company announced it intended to amend the exercise price of certain outstanding common share purchase warrants and implement an early warrant exercise incentive program with respect to certain other outstanding warrants of the Company to encourage their exercise and provide proceeds for ongoing corporate development activities.

The Company had three series of warrants outstanding, exercisable, in each case, on a post-consolidated basis, at prices of \$0.30 for one Common Share (the “**\$0.30 Warrants**”), \$0.50 for one Common Share (the “**\$0.50 Warrants**”), and \$1.40 for one Common Share (the “**\$1.40 Warrants**”).

To encourage their eventual exercise, the Company proposed to amend the exercise price of the \$1.40 Warrants and the \$0.50 Warrants to \$0.45 for one Common Share in each case. As a requirement of the amendment to the exercise price of the \$1.40 Warrants, the term of the \$1.40 Warrants must also be amended to include an accelerated expiry clause such that the exercise period of the \$1.40 Warrants will be reduced to 30 days if, for any ten consecutive trading days during the unexpired term of the \$1.40 Warrants, the closing trading price of the Common Shares is \$0.57 or more, with such reduced exercise period to begin no more than seven calendar days after the tenth such trading day. The Company is in the process of seeking the consent of relevant registered and beneficial warrantholders for the amendment to the term in accordance with the warrant indenture governing the \$1.40 Warrants between the Company and TSX Trust Company, as warrant agent, dated April 27, 2022 in order to effect the amendment to the price and terms of the \$1.40 Warrants.

The \$0.50 Warrants are now exercisable at \$0.45 per Common Share until February 16, 2026, provided that a maximum of 175,544 Common Shares can be issued to insiders based on the reduced exercise price of the \$0.50 Warrants.

The Company also concurrently implemented an incentive program (the “**Incentive Program**”) to encourage the early exercise of all outstanding \$0.30 Warrants during the 30-day period

commencing on December 18, 2025 until 4:00 pm on January 19, 2026 (the “**Incentive Period**”). Under the Incentive Program, the Company offered one additional Common Share purchase warrant (an “**Incentive Warrant**”) as an incentive to each holder who exercised a \$0.30 Warrant during the Incentive Period. Each Incentive Warrant entitles the holder to acquire one additional Common Share at an exercise price of \$0.60 per Common Share for a period of 24 months from the date of issuance. The Incentive Warrants are, and any Common Shares issued upon exercise thereof will be, subject to a statutory hold period of four months and one day from the date of issuance of the Incentive Warrants, in accordance with applicable Canadian securities laws and, where applicable, TSXV Policies. \$0.30 Warrants that remain unexercised after the Incentive Period will continue to be exercisable on their original terms until September 27, 2027, however, no Incentive Warrants will be issued in respect of the exercise of any \$0.30 Warrants after January 19, 2026. Insider participation in the Incentive Program is limited to the issuance of 666,667 Incentive Warrants. As of the date hereof, the Company has received notices of exercise for 1,410,000 \$0.30 Warrants during the Incentive Program, resulting in proceeds to the Company of \$422,999.79 and the issuance of 1,410,000 Incentive Warrants and 1,410,000 Common Shares on the exercise of \$0.30 Warrants.

More detailed information regarding the above recent developments, together with all of the Company’s other material information, can be obtained by reviewing copies of the applicable news releases and other materials filed on SEDAR+ under the Company’s profile at www.sedarplus.ca.

Material Facts

There are no material facts about the Company and the securities being distributed hereunder that have not been disclosed either in this offering document or in another document filed by the Company in the 12 months preceding the date of this offering document on the Company’s profile on SEDAR+ at www.sedarplus.ca. You should read these documents prior to investing.

What are the business objectives that we expect to accomplish using the available funds?

The Company intends to use the available funds raised in connection with the Offering for (a) continued exploration and development of the EDM Project through an approximately 9,000 m drilling program, if the Agent’s Option is not exercised, or a 12,000 m drilling program if the Agent’s Option is exercised, and (b) general corporate purposes and working capital.

The recommended work program for the EDM Project for which the most significant portion of the net proceeds of the Offering will be used is designed to generate the geological, metallurgical, and engineering data required to eventually support the preparation of a preliminary economic assessment on the project, subject to satisfactory drilling results and data validation.

The business objectives of the planned exploration program are to improve confidence in the geological and structural interpretation of known mineralized zones, support an updated mineral resource estimate, provide preliminary metallurgical and geotechnical inputs required for conceptual mine and processing studies, and evaluate the potential for resource growth through step-out drilling and early-stage exploration drilling.

The Company believes the time frame to accomplish the business objectives described herein is approximately 12 months. The Company intends to examine the results of the planned exploration

programs and technical studies aggregated in their totality to generate an updated mineral resource estimate taking into account the data generated within the approximate 12 month period. Positive exploration and testing results reflected in an updated mineral resource estimate would represent satisfaction of the stated objectives. See *How will we use the available funds?* for more details on the specific costs associated with the exploration programs and technical studies which the Company intends to fund with the proceeds of the Offering.

PART 3 USE OF AVAILABLE FUNDS

What will our available funds be upon the closing of the Offering?

	Source	Assuming 100% of the Base Offering (\$)	Assuming Full exercise of Agent's Option (\$)
A	Amounts to be raised by the Offering	\$5,000,000	\$6,000,000
B	Selling commissions and fees	\$300,000	\$360,000
C	Estimated Offering costs (e.g., legal, accounting, audit)	\$250,000	\$250,000
D	Net proceeds of Offering: D = A – (B+C)	\$4,450,000	\$5,390,000
E	Working capital as at December 31, 2025	\$(978,000)	\$(978,000)
F	Additional sources of funding ⁽¹⁾	\$423,000	\$423,000
G	Total available funds: G = D+E+F	\$3,895,000	\$4,835,000

(1) Note: Additional sources of funding constitute the proceeds of the Incentive Program.

How will we use the available funds?

The Company intends to use the available funds as follows:

Description of intended use of available funds listed in order of priority	Assuming 100% of the Base Offering (\$)	Assuming Full exercise of Agent's Option (\$)
Diamond Drilling Program (approximately 9,000 m of hq drilling)	\$3,200,000	\$3,200,000

Description of intended use of available funds listed in order of priority	Assuming 100% of the Base Offering (\$)	Assuming Full exercise of Agent's Option (\$)
Additional Diamond Drilling Program (approximately 3,000 additional m of hq drilling)	N/A	\$1,000,000
Technical Studies		
<ul style="list-style-type: none"> • Bulk density (specific gravity) determinations 	\$300,000	\$300,000
<ul style="list-style-type: none"> • Metallurgical testwork 		
<ul style="list-style-type: none"> • Conceptual mine and plant design inputs for PEA-level studies 		
General Corporate Purposes and Working Capital	\$395,000	\$335,000
Total:	\$3,895,000	\$4,835,000

The above noted allocation of capital and anticipated timing represents the Company's current intentions based upon its present plans and business condition, which could change in the future as its plans and business conditions evolve. Although the Company intends to expend the proceeds from the Offering and its available funds as set forth above, there may be circumstances where, for sound business reasons, a reallocation of funds may be deemed prudent or necessary and may vary materially from that set forth above, as the amounts actually allocated and spent will depend on a number of factors, including the Company's ability to execute on its business plan. See the "Cautionary Note Regarding Forward-Looking Statements" section above.

As an exploration-stage company, the Company does not generate revenue and expects to continue experiencing negative cash flow from operating activities. The Company recorded negative cash flow from operations for the year ended September 30, 2025, and is not expected to generate revenue in the near term to offset ongoing operating expenses. As of December 31, 2025, the Company had cash and cash equivalents of \$15,850 and a working capital deficit of approximately \$978,000.

The Company has historically generated recurring losses. Its ability to continue as a going concern is dependent upon its ability to raise additional financing to be able to further explore its mineral properties, retain mining rights and to meet ongoing requirements for general operations. Even if the Company successfully raised financing in the past, there can be no assurance that additional debt or equity financings will be available to meet these requirements or available on terms acceptable to the Company. These matters represent a material uncertainty that casts significant doubt about the Company's ability to continue as a going concern. The proceeds of the Offering, together with the proceeds from exercise of outstanding warrants (including those exercised in the

Incentive Program) are expected to provide funding for operations for at least the next 12 months, however there can be no certainty that the Company will be able to continue to raise additional financing. The most recent audited annual financial statements and interim financial report of the Company included a going concern note. The Company expects its annual consolidated financial statements for the year ended September 30, 2025 will also include a note as to the uncertainty of whether the Company can continue as a going concern.

How have we used the other funds we have raised in the past 12 months?

The Company has not conducted any financing activities in the last 12 months.

PART 4 FEES AND COMMISSIONS

Who are the dealers or finders that we have engaged in connection with this Offering, if any, and what are their fees?

Agent:	Cormark Securities Inc., as sole Agent and bookrunner, will act on a “best efforts” agency basis in connection with the Offering. The Units will be offered and sold pursuant to the Agency Agreement to be entered into between the Company and the Agent.
Compensation Type:	Cash fee and non-transferrable broker warrants.
Cash Fee:	An amount equal to 6% of the aggregate gross proceeds of the Offering.
Broker Warrants:	A number of non-transferable broker warrants equal to 6% of the number of Units sold under the Offering. Each broker warrant is exercisable for one Common Share at the Offering Price at any time before 5:00 p.m. (Toronto time) on the date that is 36 months from the Closing Date.

Does the Agent have a conflict of interest?

To the knowledge of the Company, it is not a “related issuer” or “connected issuer” of or to any of the Agent, as such terms are defined in National Instrument 33-105 – *Underwriting Conflicts*.

PART 5 PURCHASERS’ RIGHTS

Rights of action in the Event of a Misrepresentation

If there is a misrepresentation in this offering document, you have a right

- (a) to rescind your purchase of these securities with the Company, or**
- (b) to damages against the Company and may, in certain jurisdictions, have a statutory right to damages from other persons.**

These rights are available to you whether or not you relied on the misrepresentation. However, there are various circumstances that limit your rights. In particular, your rights might be limited if you knew of the misrepresentation when you purchased the securities.

If you intend to rely on the rights described in paragraph (a) or (b) above, you must do so within strict time limitations. You should refer to any applicable provisions of the securities legislation of your province or territory for the particulars of these rights or consult with a legal adviser.

PART 6 ADDITIONAL INFORMATION ABOUT THE COMPANY

Where can you find more information about us?

You can access the Company's continuous disclosure under its profile on SEDAR+ at www.sedarplus.ca and at www.fredoniamanagement.com.

PART 7 DATE AND CERTIFICATE

Dated: January 23, 2026

This offering document, together with any document filed under Canadian securities legislation on or after January 23, 2025, contains disclosure of all material facts about the securities being distributed and does not contain a misrepresentation.

“Estanislao Auriemma”

Estanislao Auriemma
Chief Executive Officer

“Carlos Espinosa”

Carlos Espinosa
Chief Financial Officer