

COLLABORATION AGREEMENT

THIS AGREEMENT dated as of the 2nd day of October, 2023 (the “**Effective Date**”), as amended January 9, 2024.

AMONG:

PEDRO RESOURCES LTD., a corporation existing under the laws of the Province of British Columbia;
 (“**Pedro**”)

AND

OIL-OUT LTD., a corporation existing under the laws of the Province of Alberta;
 (“**OOL**”)

AND

FCS SOLUTIONS LTD., a corporation existing under the laws of the Province of Alberta;
 (“**FCS**” and together with OOL, “**FCSOOL**”. Pedro and FCSOOL are collectively referred to as the “**Parties**” or individually a “**Party**”)

WHEREAS FCS is a company engaged in the business of selling and distributing a consumer product denominated as Ure-Out, a microbial stain and odour remover (“**Ure-Out**”);

AND WHEREAS OOL is a company that was previously engaged in providing remediation services for the oil and gas industry and is currently engaged solely in the business of selling and distributing a product denominated as Oil-Out, a product designed to use naturally occurring waste-degrading microorganisms to eliminate a wide range of organic wastes including hydrocarbons, oils and greases (“**Oil-Out**”).

AND WHEREAS Pedro is a Canadian exploration company listed on the Canadian Securities Exchange focused on mineral exploration and development;

AND WHEREAS the Parties entered into a letter of intent made as of March 9, 2023 whereby they, along with Dirty Dirt Services Ltd., agreed to enter into definitive collaboration agreements for the purpose of developing and using biotechnology for the environmental benefit, remediation and development of resource extraction projects (the “**Project**”);

AND WHEREAS in connection with the Project, FCSOOL desires to sublicense to Pedro the rights to white label Ure-Out and Oil-Out and to market and distribute such products subject to the terms and conditions hereof;

NOW THEREFORE, in consideration of the covenants and agreements herein contained and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the Parties hereto do hereby covenant and agree as follows:

1. INTERPRETATION

1.1 Definitions. Unless otherwise indicated, words and expressions appearing in the Agreement shall be interpreted or construed as follows:

“**Affiliate**” means any entity controlling, controlled by or under common control of a party, as the context requires. For this definition, “control” means the: (i) direct or beneficial ownership of fifty percent (50%) or more of the entity’s voting securities; or (ii) ability to elect a majority of the entity’s directors;

“**Agreement**” means this agreement including its recitals and schedules, any related or ancillary agreement or document identified therein, as well as any amendment made thereto from time to time by the Parties; the terms

“herein”, “hereof”, “hereto”, “herewith”, “hereunder”, “hereby” and other similar terms, when used in the Agreement, shall generally refer to the agreement as a whole rather than to a specific part thereof, unless otherwise indicated in the text;

“**Applicable Law**” means all applicable domestic or foreign law, rule, statute, regulation, by-law, order, ordinance, protocol, code, guideline, treaty, policy, notice, direction, or judicial, arbitral, administrative, ministerial or departmental judgment, award, decree, treaty, directive, or other requirement or guideline, as issued by each governmental authority having jurisdiction over the Parties or the Project, or as otherwise duly enacted, enforceable by law, the common law or equity. For certainty, the term “Applicable Law” includes repeals of, replacements of, successors of and amendments to the foregoing, where applicable, made by a governmental authority.

“**Confidential Information**” means all information (including Know-How, Intellectual Property and information in the form not only of written information but also information which may be transmitted orally, electronically, visually or by any other means and whether or not it is identified as “confidential”) divulged, disclosed or otherwise made available, directly or indirectly by one Party (the “**Disclosing Party**”) to the other party, its Affiliates or Representatives (the “**Receiving Party**”), relating to the Disclosing Party and/or its affiliates and their respective business, affairs, financial position, assets, liabilities, operations, prospects or activities including, without limitation: (i) trade secrets, patent ideas, concepts, or plans, patents pending, or patent applications, pre- or post-filing; (ii) research, development, experimental work, design details and specifications, drawings, works of authorship, models, inventions, processes, apparatuses, equipment, algorithms, software programs, software source documents, and formulae related to the current, future, and proposed products and services; (iii) product plans, designs, costs, prices, marketing plans, business opportunities, business models, customer contacts, customer lists, customer requirements, forecasts, financials, employees, contractor or consultant information, procurement requirements, purchasing, manufacturing, investors, or contractual relationships; (iv) information provided to the other regarding third parties, including without limitation identity of any proposed third party partner, customer or investor, while bound by this Agreement; or any other documents or information pertaining in any way whatsoever to the Disclosing Party and/or its affiliates together with all analysis, evaluations, compilations, notes, studies or other documents prepared by the Receiving Party or its Representatives (as defined herein) containing or based upon, in whole or in part, such information and includes all information, if any, previously made available to the Receiving Party or its Representatives; provided that Confidential Information will not include any information which: (i) the Receiving Party is able to demonstrate is or was at the time of its disclosure to the Receiving Party, or thereafter becomes, generally available to, and known by the public (other than as a result of a disclosure directly or indirectly by the Receiving Party or its Representatives); (ii) the Receiving Party is able to demonstrate is or was available to it on a non-confidential basis from a source other than the Disclosing Party provided that such source is not and was not, to the knowledge of the Receiving Party after due inquiry, prohibited or restricted from transmitting or communicating the information to the Receiving Party by confidentiality agreement with or other contractual, legal or fiduciary obligation to, the Disclosing Party or any of its affiliates; or (iii) the Receiving Party is able to demonstrate has been independently acquired or developed by the Receiving Party without violating any of its obligations under this Agreement or any other agreement it may have with any person;

“**Effective Date**” has the meaning set out on the face page of this Agreement;

“**Force Majeure**” means any event beyond the control of a Party which could not have been reasonably foreseen and against which it could not have protected itself such as, without limiting the generality of the foregoing, natural disasters, epidemics, fires, accidents, acts of war (whether declared or not), insurrections, riots, acts of terrorism, lock-outs, changes in market conditions, power or communications breakdowns, interventions by civil or military authorities, compliance with any orders of governmental authorities, courts or tribunals or public authorities;

“**Intellectual Property**” means any intangible asset, including any proprietary rights related to the Products, which may be protected by contract such as trade secrets, Know-How and other similar assets and any intangible asset, the proprietary rights of which are protected by Canadian or foreign laws such as patents, copyright, trademarks, industrial designs, integrated circuit topographies or plant species and includes any application made to and any registration or patent issued by a public authority for the purpose of securing proprietary and/or IP Rights to such intangible assets;

“**IP Right**” means any right that is or may be granted or recognized regarding patents, copyright, moral rights, trade secrets, trademarks, domain names, industrial designs, integrated circuit topography, and personality rights, and any other legislative provision or common or civil law principle regarding intellectual property, whether registered or unregistered, and includes rights in any application for any of the foregoing.

“**Know-How**” means all information and materials, including but not limited to discoveries, improvements, processes, methods, protocols, formulas, data, inventions, know-how and trade secrets, patentable or otherwise, which during the term of this Agreement (i) are in the possession or control of a Party or its Affiliates; (ii) are not generally known; and (iii) are necessary or useful to the other Party in connection with the Project, including all information and data related to the Products and Intellectual Property;

“**person**” means, as the case may be, a natural person, partnership, joint-stock company, business corporation, cooperative, association, labour union, trust or any other organization whether incorporated or unincorporated, or any public authority of foreign, federal, provincial, territorial or municipal jurisdiction which is not a party to the Agreement, and includes their Representatives;

“**Products**” means, collectively, Ure-Out and Oil-Out, the Know-How or methodology for production thereof, including any enhancements, upgrades, refinements or new versions that FCSOOL produces of Ure-Out and Oil-Out;

“**Project**” has the meaning ascribed to such term in the Recitals to this Agreement;

“**Representatives**” means, in respect of each Party and, as the case may be, its authorized assignee, when a natural person, the executors of his estate or administrators of his property, his legal heirs, legatees, devisees, successors or mandataries and, when a corporation, its directors, officers, employees, advisors, and agents;

“**Term**” has the meaning ascribed to such term as set out in Section 5.1 of this Agreement.

2. PURPOSE AND RIGHTS

2.1 License. Subject to the terms and provisions of the Agreement, the Parties hereby agree to proceed, in good faith, with a working collaboration whereby FCSOOL grants Pedro and its Affiliates a worldwide right and license to white label the Products for the purposes of the Project as described in more detail in Schedule “A” to this Agreement, and agrees to collaborate with Pedro in the implementation of the Project by providing and sharing its Know-How. The Parties acknowledge and agree that Pedro may conduct all of the activities contemplated under this Agreement, including the exercise of the right of first offer (as described in Section 2.6 hereto) through its Affiliates. The Parties hereby agree that each Party shall conduct its operations in all material respects in the normal course of its respective business, including but not limited to entering into any material transaction or material contract entered into in the ordinary course of business.

2.2 Consideration. As consideration for the above, Pedro will make cash payments to FCSOOL in the aggregate of CDN\$50,000, payable in accordance with the payment schedule set out in Schedule “B” to this Agreement. The use of proceeds of these \$50,000 shall be at Pedro’s direction with and including guidance and confirmation from FCSOOL.

2.3 Specific Terms. The Parties hereby agree that Schedule “A” attached hereto, and the terms and conditions set out therein, form part of this Agreement, and the Parties shall be bound thereby. Either Party may make proposals to expand the scope of this Agreement, and such proposals shall be reviewed, and approved or rejected, as applicable, by both Parties. Any amendment to the scope of the Agreement shall be reduced to writing and signed by the Parties’ respective Representatives before, or to become, effective.

2.4 Know-How. Pedro agrees to keep all FCSOOL’s Know-How confidential subject to Section 6 of this Agreement.

2.5 Sublicenses. Pedro shall have the right to sublicense (through multiple tiers of sublicenses) any or all of the rights granted to Pedro hereunder. Pedro shall be responsible for ensuring that the performance by any of its sublicensees that are exercising rights under a sublicense hereunder is in accordance with the applicable terms of this Agreement, and the grant of any such sublicense shall not relieve Pedro of its obligations under this Agreement except to the extent they are performed by such sublicensee(s) in accordance with this Agreement.

2.6 Future Business Opportunities.

- (a) FCSOOL has represented to Pedro that it will be amenable to a future purchase offer from Pedro, for good and valuable consideration, for: (i) the customer base, formulations, Know-How and Intellectual Property associated to the Products; and/or (ii) all of its assets or share capital. The Parties agree that they shall conduct any such negotiations in good faith and acting reasonably.
- (b) If FCSOOL wishes to make a *bona fide* offer to one or more persons to enter into any form of share purchase, business combination, amalgamation or other agreements of similar nature with respect to FCSOOL or a purchase offer with respect to its customer base, formulations, Know-How and Intellectual Property associated to the Products (the “**Offered Interest**”) then prior to making any such offer, FCSOOL shall give notice in writing to Pedro of the terms and conditions upon which it would be prepared to enter into with respect to the Offered Interest, which shall be in written form (the “**Notice**”). A Notice shall be deemed to constitute an offer (the “**1st Offer**”) by FCSOOL to Pedro on the terms and conditions set out in the Notice and shall be open for acceptance by Pedro for a period of 45 days from the date of its receipt. If Pedro gives notice to FCSOOL electing to accept the 1st Offer within the 45-day period, such acceptance shall constitute a binding agreement between FCSOOL and Pedro in respect of the Offered Interest on the terms and conditions set out in the Notice. If Pedro does not accept the 1st Offer within the 45-day period, FCSOOL may enter into agreements for the Offered Interest with any other person or persons on the terms and conditions set out in the Notice (or other terms and conditions as may be agreed, provided such terms and conditions are no more favourable to such person or persons) and such purchase and sale shall be completed within 45 days of the expiration of the right of Pedro to accept the 1st Offer provided for in this Section, failing which FCSOOL must again comply with the provisions of this Section in respect of the Offered Interest. For greater certainty and without limitation, if the purchase and sale of the Offered Interest to any other person or persons is for any consideration other than in cash, FCSOOL’s good faith estimate of the cash equivalent of the non-cash consideration shall be used in determining if the terms and conditions of such sale were no more favourable to such person or persons. If Pedro, acting reasonably, does not agree with such good faith estimate, the matter shall be referred to arbitration in accordance with the terms of this Agreement, in which case all time periods referred to in this Section shall be extended by the time taking to obtain such final determination.
- (c) If FCSOOL encounters new prospects or opportunities relating to its business (the “**New Business**”) during the Term, and the New Business requires financing, FCSOOL shall promptly present it to Pedro by way of written notice (the “**Notice of Offer**”). The Notice of Offer must specify FCSOOL’s good faith estimate of the financial and other requirements for the New Business and the proposed extent and terms under which Pedro would be involved in the New Business. Upon the Notice of Offer being given, Pedro will have the first right to finance the New Business. If Pedro desires to exercise its right to finance the New Business, it will give notice of such desire to FCSOOL within 15 days after receipt of the Notice of Offer. If Pedro does not exercise its right to finance the New Business, FCSOOL may enter into agreements with any third parties to move forward with the New Business.

3. REPRESENTATIONS AND WARRANTIES

3.1 Mutual representations and warranties. Each of the Parties hereby represents and warrants to the other Parties that:

- (a) It is duly incorporated under the laws of its jurisdictions and is in compliance with all of the regulatory filing duties and obligations incumbent upon it under applicable laws to maintain it in good standing. It has full right, power and authority to enter into the Agreement and to perform all of its duties and obligations hereunder and there are no contractual or legal restrictions prohibiting it from carrying out the Agreement.
- (b) The Agreement represents a legal, valid and binding agreement enforceable against it and its authorized assigns except as such enforcement may be limited by applicable bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium or other laws affecting creditors’ rights generally.

- (c) Each Party is acting on its own behalf and is not a nominee, undisclosed agent or representative of a third party.
- (d) Each of the Parties and their respective Representatives shall comply with Applicable Law in relation to the Project during the Term.

3.2 Specific Representations and Warranties of FCSOOL. FCSOOL hereby represents and warrants to Pedro that:

- (a) It is the sole and exclusive owner of the IP Rights and Know-How with respect to the Products relevant to the Project, all of which are and shall be free and clear of all liens, charges and encumbrances and no other person, corporate or other private entity, or governmental entity or subdivision thereof, has or shall have any claim of ownership whatsoever with respect to the above.
- (b) The exercise of the license granted to Pedro under this Agreement for the purposes of the Project does not interfere with or infringe any Intellectual Property owned or possessed by any third party.
- (c) There are no claims, judgements or settlements against or owed by FCSOOL (or any of its Affiliates) and no pending or threatened claims or litigation relating to its IP Rights, Know-How or Products.
- (d) FCSOOL shall notify Pedro in writing of any deviations from Applicable Law, regulatory or other legal requirements. FCSOOL hereby agrees to conduct its business and the Project in a manner which is consistent with both, Applicable Law and good business ethics.

4. OWNERSHIP OF INTELLECTUAL PROPERTY

4.1 Intellectual Property. Each Party or its Affiliates, respectively, solely owns and will continue to solely own all rights, title and interests in and to any Intellectual Property (a) controlled by such Party or its respective Affiliates prior to the Effective Date; or (b) that is created before, during or after the Term independent of the Project.

4.2 Products and Markets. Pedro specifically acknowledges that FCSOOL has developed a market and a customer base for the Products in several locations throughout the world. The clients, and the markets in which the Products are currently commercialized, are listed in Schedule “C” to this Agreement. All Products shall be and shall remain the exclusive property of FCSOOL and, unless otherwise agreed in writing by the parties, Pedro hereby agrees not to pursue any business with respect to the Products with the clients listed in Schedule “D”.

5. TERM AND EXCLUSIVITY

5.1 Term. The initial term of this Agreement shall commence on the Effective Date and, subject to earlier termination in accordance with this Agreement, shall continue in full force and effect until the date that is five (5) years from the Effective Date (the “Term”). The Term may be extended by mutual written agreement of the Parties for subsequent three five (5) year terms.

5.2 Exclusivity. During the Term and its extensions, FCSOOL shall not have in place any other formal or informal, direct or indirect, co-development partnerships with respect to the Products with any other person, other than those partnerships entered into in the normal course of business.

6. RULES REGARDING CONFIDENTIAL INFORMATION

6.1 Undertaking. Each Party, as a Receiving Party, agrees during the Term and for so long as the Receiving Party possesses Confidential Information (or any shorter period expressly required under Applicable Law): (a) to hold the Disclosing Party’s Confidential Information in confidence by using the same degree of care to safeguard such Confidential Information as it uses to protect its own information of like character, but in no event less than a reasonable degree of care; (b) to limit disclosure of Confidential Information to its employees, agents or subcontractors having a need to know the Confidential Information for the purposes of this Agreement; (c) not to directly or indirectly disclose any Confidential Information to any third party unless and only to the extent required by applicable law or with the prior written consent of the Disclosing Party; (d) to use the Confidential Information solely and exclusively in accordance with the terms of this Agreement; (e) not remove or obscure proprietary rights notices that appear on

Confidential Information and copies thereof; and (f) advise the Disclosing Party promptly in writing of any unauthorized disclosure or use of Confidential Information. Notwithstanding the preceding, if, pursuant to a law, final judicial order, regulation or governmental directive, the Receiving Party is obligated to disclose Confidential Information of the Disclosing Party, such disclosure is not considered to be in breach of this confidentiality undertaking, as long as the Receiving Party: (i) provides the Disclosing Party with prompt prior notice of such requirements, to the extent legally permitted, so that the Disclosing Party may: (a) seek a protective order or other appropriate remedy (directly or indirectly through the Receiving Party); or (b) waive compliance of the terms of this Agreement, which waiver may not be unreasonably withheld; and (ii) seeks a protective order or other appropriate remedy, if requested by the Disclosing Party. If the Disclosing Party does not obtain a protective order or other remedy, directly or indirectly through the Receiving Party, or provides a waiver, as set out above, the Receiving Party may disclose only those portions of the Disclosing Party's Confidential Information which are legally required, and exercise its best efforts to obtain assurances that such portions of Confidential Information will be treated in confidence. The provisions of this Section 6.1 shall survive and remain in full force and effect following the expiry or termination of this Agreement.

6.2 Return or Destruction. Each of the Parties, as a Receiving Party, undertakes to return or destroy, at the Disclosing Party's option and, in any event, when this Agreement has expired or terminated, any Confidential Information of the Disclosing Party received by it (including any copies of such Confidential Information retained by the Receiving Party) and all other materials derived from Disclosing Party's Confidential Information in the Receiving Party's possession and control without retaining any copy or excerpt of such Confidential Information whatsoever unless the prior written authorization of the Disclosing Party was obtained. Notwithstanding anything to the contrary in this Agreement, the Receiving Party will not be required to purge any electronic documents in Receiving Party's electronic archive system, provided that all Confidential Information retained in accordance with this Section 6.2 (Return or Destruction) will remain subject to the confidentiality obligations under this Agreement at all times and wherever it resides. The provisions of this Section 6.2 shall survive and remain in full force and effect following the expiry or termination of this Agreement.

6.3 Non-Use. The Parties agree, mutually and reciprocally, not to use (other than for the Project in strict compliance with the terms and conditions of this Agreement), in whole or in part, for personal benefit, or to allow use by a third party of, the Confidential Information for as long as the Disclosing Party keeps such information in the private domain. The provisions of this Section 6.3 shall survive and remain in full force and effect following the expiry or termination of this Agreement.

7. MARKETING AND PUBLICITY

7.1 Marketing and Publicity. The Parties shall maintain in confidence and not make any public statement relating to the existence or content of this Agreement without the other Party's prior consent. Neither Party shall use, including in its communications, customer lists or marketing materials: (i) the name of the other Party or any of their respective brands, marks or related official seals; or (ii) any information which may reasonably be seen to imply that the Party has entered into an agreement with or has a relationship with the other Party, without first obtaining the other Party's written approval. Provided, however, that no Party shall be prevented from making any disclosure statement which is required to be made by law or any rule of a stock exchange or similar organization to which it is bound. Upon the execution of this Agreement, Pedro may issue a press release as may be required by applicable securities law, and FCSOOL shall have the opportunity to review, comment on and approve the content of such press release in a timely manner (which in no event shall exceed two business days) prior to its issuance. The provisions of this Section 7.1 shall survive and remain in full force and effect following the expiry or termination of this Agreement.

7.2 Permitted Disclosure. Notwithstanding Section 7.1 above, the Parties agree that either Party may use the name of the other Party and the existence of this Agreement as an example to promote its business, in presentations or other materials, insofar as such information has been previously publicly disclosed by Pedro by way of press release. Both Parties shall have the opportunity to review, comment on and approve, in a timely manner (which in no event shall exceed two business days) the contents of any and all public communications prior to issuance. The provisions of this Section 7.2 shall survive and remain in full force and effect following the expiry or termination of this Agreement.

7.3 MiGlobe Biosciences Inc. FCSOOL acknowledges that Pedro has reserved the Canadian corporation name “MiGlobe Biosciences Inc.” (“**MiGlobe**”) and intends to use it for the purposes of marketing and branding activities of the Products. FCSOOL hereby agrees that the Products may be promoted under the MiGlobe brand by Pedro, and that Pedro will remain the sole owner over the name MiGlobe and any IP Rights or copyrights over such name and brand. The provisions of this Section 7.3 shall survive and remain in full force and effect following the expiry or termination of this Agreement.

7.4 Restriction on Trading. FCSOOL acknowledges that it is subject to restrictions imposed by applicable securities laws on the purchase or sale of securities of Pedro while in the possession of material non-public information concerning Pedro, and on the communication of that information to any other person. FCSOOL agrees to inform those of its affiliates and Representatives provided with any Confidential Information of such restrictions and to abide by, and use its best efforts to cause such persons to abide by, such restrictions. FCSOOL agrees that any disclosure of information by FCSOOL pertaining to Pedro to any third parties shall be comprised only of information that has been previously publicly disclosed by Pedro. The provisions of this Section 7.4 shall survive and remain in full force and effect following the expiry or termination of this Agreement.

8. SPECIAL PROVISIONS

8.1 Exclusions of Liability. Neither Party will be liable for any indirect, special, incidental, consequential, punitive or exemplary damages, including loss of revenue and loss of profits, regardless of the form of action, whether in contract or in tort, including negligence, even if a party has been advised of the possibility of such damages.

8.2 Exclusions Not Applicable. The exclusions of liability set out in section 8.1 (Exclusions of Liability) will not apply to: (i) either Party’s breach of their respective obligations under section 6 (Rules Regarding Confidential Information); (ii) the Parties’ respective obligations under section 8.3 (FCSOOL Indemnity), section 8.4 (OOL Indemnity) and 8.5 (Pedro Indemnity); (iii) either party’s gross negligence, wilful misconduct, or fraudulent or criminal action; and (iv) any liability which cannot legally be excluded or limited.

8.3 FCS Indemnity. FCS shall jointly defend, fully indemnify and hold harmless Pedro and its Representatives and customers from and against all actual and alleged claims, demands, causes of action and liability, of any kind, for damages, losses, costs and expenses, including legal fees or disbursements, arising out of or relating to any: (i) damages to persons or property, including death, caused by or in any way related to any use of Ure-Out; (ii) breaches by FCS or its Representatives of any representations, warranties, terms or conditions of this Agreement; and (iii) breaches by FCS of Applicable Law.

8.4 OOL Indemnity. OOL shall jointly defend, fully indemnify and hold harmless Pedro and its Representatives and customers from and against all actual and alleged claims, demands, causes of action and liability, of any kind, for damages, losses, costs and expenses, including legal fees or disbursements, arising out of or relating to any: (i) damages to persons or property, including death, caused by or in any way related to any use of Oil-Out; (ii) breaches by OOL or its Representatives of any representations, warranties, terms or conditions of this Agreement; and (iii) breaches by OOL of Applicable Law.

8.5 Pedro Indemnity. Pedro shall defend, fully indemnify and hold harmless FCSOOL and its Representatives and customers from and against all actual and alleged claims, demands, causes of action and liability, of any kind, for damages, losses, costs and expenses, including legal fees or disbursements, arising out of or relating to any: (i) breaches by Pedro or its Representatives of any representations, warranties, terms or conditions of this Agreement; and (ii) breaches by Pedro of Applicable Law.

8.6 Force Majeure. A Party shall not be considered in default of its duties or obligations hereunder or liable for any damages or delay if such default, damages or delay is the result of Force Majeure. Should such a cause of delay occur, the Party unable to perform its obligations hereunder shall, whenever possible to do so, take the necessary steps to put an end to such cause of delay or, if unable to do so, to lessen the impact thereof on the other Party. The Party to whom the duty or obligation is owed in respect of which a cause of delay has occurred may, in such circumstances, for as long as such Force Majeure prohibits the other Party from performing its duties and obligations hereunder, take temporary steps to mitigate the damages it may sustain on the understanding that no claim may result from such actions in favour of the other Party.

8.7 Dispute Resolution. The Parties shall promptly use all reasonable efforts to resolve any claim or dispute arising out of or relating to this Agreement, including with respect to matters that survive its termination or expiration (each a "**Dispute**"). If the Parties cannot mutually resolve a Dispute within a period of thirty (30) days following the first notice of any dispute by any Party, then upon written notice by any Party to the other, the dispute shall be finally resolved by arbitration, under the Arbitration Rules of the ADR Institute of Canada, Inc. The number of arbitrators shall be one. The seat of arbitration shall be Toronto, Ontario. The language of the arbitration shall be English.

8.8 Continued Performance. The Parties shall continue to perform their respective obligations during the resolution of any Dispute.

9. INSURANCE

9.1 Insurance. During the Term, FCSOOL agrees to carry the minimum insurance as reasonably required by Pedro for liability, property damage, and any other coverage that Pedro may reasonably request. FCSOOL shall, upon the written request of Pedro, provide evidence of such insurance and of the good standing thereof.

9.2 FCSOOL shall cause a certificate(s) of insurance executed by the insurer named in the applicable policies described above (or by an authorized insurance broker) to be delivered to Pedro concurrently with FCSOOL's execution of this Agreement, upon annual renewal of said insurance, and from time to time following the receipt of a written request therefor from Pedro.

10. TERMINATION

10.1 Material Breach. Any Party may terminate this Agreement for cause, in whole or in part, by providing notice to the other Parties, on the date set out in such notice, if any other Party: (i) materially breaches any obligation in this Agreement; and (ii) fails to cure such breach within fourteen (14) days of receipt of notice of such breach. For greater certainty, and without limitation, the Parties hereby agree that any failure by FCSOOL to adhere to the specific terms as set out in Schedule "A" shall be deemed to be a material breach of FCSOOL's obligations under this Agreement.

11. GENERAL PROVISIONS

11.1 Notice. Any notice delivered to any Party under the provisions of this Agreement shall be valid and effective if delivered personally, by courier (overnight or otherwise), by email or other electronic means, to or, if given by registered or certified mail, postage prepaid, addressed to, such Party at the respective addresses set out below:

To FCSOOL:

Oil-Out Ltd. / FCS Solutions Ltd.
P.O. Box 71513
Oxford Park PO
Edmonton, Alberta T6V0E3
Attention: *[Redacted – Personal Information]*
Email: *[Redacted – Personal Information]*

To Pedro:

Pedro Resources Ltd.
2-51221 Range Road 265
Spruce Grove, AB T7Y 1E7
Attention: *[Redacted – Personal Information]*
Email: *[Redacted – Personal Information]*

Notice shall be deemed to have been given on the date of delivery personally, by courier, by email or other electronic means, if so delivered prior to 5:00 pm (Toronto time) on a business day and otherwise on the next business day or on the third business day after such letter has been mailed, as the case may be. Regardless of the foregoing, if there is a mail stoppage or labour dispute or threatened labour dispute which has affected or could affect normal mail delivery by the applicable postal service, then no notice or other communication may be delivered by registered mail. Any Party may from time to time change their address by giving ten calendar days' prior written notice in accordance with the terms of this Section 11.1.

11.2 Relationship. This Agreement shall not create or confer upon the Parties, in any way or for any purpose, any relationship except that of contracting Parties, and in particular does not create a partnership, a principal and agent, a joint venture or a landlord and tenant relationship between Pedro and FCSOOL or an employer-employee relationship between Pedro or FCSOOL and the employees of the other Party. All dealings by a Party with its clients, creditors, suppliers, workmen, contractors, agents, employees, and other similar persons shall be conducted exclusively in such Party's name and shall not in any manner obligate the other Party on account thereof, and/or suggest to such persons that the other Party bears any obligation with respect to same.

11.3 Choice of Venue. This Agreement shall be governed by, and construed in accordance with the laws of the Province of British Columbia, without regard to conflicts of laws principles thereunder but subject to mandatory provisions of any applicable federal or provincial law. The provisions of this Section 11.3 shall survive and remain in full force and effect following any termination or expiry of this Agreement.

11.4 Amendment. The Agreement may be amended at any time by mutual consent of the Parties. However, any amendment must be set forth in writing and signed by each of the Parties to the Agreement. It shall be deemed effective as of the day of its recording in a written instrument duly signed by the Parties.

11.5 Electronic Transmission. The Parties agree that signatures duplicated by facsimile, electronic signatures or similar authentication modes shall be treated as originals and each Party proceeding in such a manner undertakes to provide the other Party with a copy of the Agreement bearing its original signature forthwith, upon demand. The Agreement may be signed in several counterparts and each of them when so signed shall be deemed to be an original and represent one and the same document.

11.6 Survival. The termination of the Agreement shall not affect the survival and enforceability of any provision of the Agreement which is expressly or implicitly intended to remain in effect after such termination.

11.7 Assignment. Neither this Agreement nor the licenses granted hereunder are assignable or transferable by either Party, without the prior written consent of the other Party.

11.8 Severability. If any provision of this Agreement shall be adjudged by any court of competent jurisdiction to be unenforceable or invalid, that provision shall be limited or eliminated to the minimum extent necessary so that this Agreement shall otherwise remain in full force and effect and enforceable.

11.9 Further Assurances. The Parties shall from time to time, execute and deliver all such deeds, documents, certificates, instruments and assurances and shall do all such further and other acts and things as shall be reasonably requested by the other Party to give full force and effect to the provisions hereof.

[Remainder of page intentionally left blank. Signature page follows]

IN WITNESS WHEREOF this Agreement has been executed by the Parties as of the date first written above.

PEDRO RESOURCES LTD.

Per: "Brian Stecyk" (Signed)
Authorized Signatory

FCS SOLUTIONS LTD.

Per: "Frank Zrim" (Signed)
Authorized Signatory

OIL-OUT LTD.

Per: "Frank Zrim" (Signed)
Authorized Signatory

SCHEDULE A
SPECIFIC TERMS

Products and Pricing:

(a) Product Description:

- (i) **Ure-Out:** *[Redacted – Commercially sensitive information.]*
- (ii) **Oil-Out:** *[Redacted – Commercially sensitive information.]*

(b) Product Pricing:

- (i) **Ure-Out:** *[Redacted – Commercially sensitive information.]*
- (ii) **Oil-Out:** *[Redacted – Commercially sensitive information.]*

(c) Production Capacity:

- (i) **Ure-Out:** *[Redacted – Commercially sensitive information.]*
- (ii) **Oil-Out:** *[Redacted – Commercially sensitive information.]*

(d) Product Delivery:

- (i) **For both Ure-Out and Oil-Out:** *[Redacted – Commercially sensitive information.]*

SCHEDULE B
PAYMENT SCHEDULE

Payment Schedule:

The consideration payable under Section 2.2 of the Agreement shall be paid by Pedro within forty-five (45) days following acceptance of the Agreement by the Canadian Securities Exchange.

The consideration is to be distributed as follows between FCS and OOL:

- FCS: \$40,000
- OOL: \$10,000

The Parties may agree to advance a portion of the consideration to satisfy Project needs. The Project needs and market plans and white label details to be developed with the above funds will be with FCS and OOL cooperation and input with Pedro making final decisions as to use of proceeds.

SCHEDULE C

LIST OF FCSOOL PRODUCTS AND MARKETS

FCS Solutions Ure-Out and Oil-Out products are as described in Schedule "A".

[Redacted – Commercially sensitive information.]