UNAUDITED CONSOLIDATED INTERIM CONDENSED FINANCIAL STATEMENTS

FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023

(EXPRESSED IN CANADIAN DOLLARS)

NOTICE TO READER

The accompanying unaudited consolidated interim condensed financial statements ("**Interim Financial Statements**") of Pedro Resources Ltd. (the "**Company**") for the three and nine months ended September 30, 2024, and 2023 are the responsibility of the Company's management ("**Management**"). Management is responsible for the preparation, fair presentation and integrity of the Interim Financial Statements, including the selection of appropriate accounting principles, judgments and estimates necessary to prepare the Interim Financial Statements in accordance with International Accounting Standard 34 'Interim Financial Reporting' using accounting policies consistent with International Financial Reporting Standards as issued by the International Accounting Standards Board.

In accordance with National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the Interim Financial Statements, they must be accompanied by a notice indicating that they have not been reviewed by an auditor. In this respect, the Company advises that its independent auditor has not performed a review or audit of these Interim Financial Statements**.**

Pedro Resources Ltd.
Unaudited Consolidated Interim Condensed Statements of Financial Position
(*Expressed in Canadian dollars)*

	Note	**September 30, 2024 ($)**	December 31, 2023 ($)
Assets			
Current assets			
Cash		**9,165**	2,212
Taxes and other receivables		**27,117**	22,919
Prepaid expenses		**-**	30,000
		36,282	55,131
Mineral claims		**-**	1
Total assets		**36,282**	55,131
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		**391,489**	444,868
Consideration payable - short-term	6	**162,720**	460,183
Due to related parties	3,7	**31,500**	163,616
Total current liabilities		**585,709**	1,068,667
Convertible debenture	6(v)	**534,368**	-
Total liabilities		**1,120,077**	1,068,667
Shareholders' deficit			
Share capital	6	**9,871,340**	9,462,040
Contributed surplus	6	**186,367**	186,367
Accumulated deficit		**(11,141,502)**	(10,661,942)
Total shareholders' deficit		**(1,083,795)**	(1,013,535)
Total liabilities and shareholders' deficit		**36,282**	55,132

Nature of Business and Going Concern (Note 1)
Commitments (Note 8)

Approved by the Board

"Brian Stecyk"	***"Ronald Mercier"***	***"Jacqueline Wilkie"***
Director *(Signed)*	***Director*** *(Signed)*	***Director*** *(Signed)*

See accompanying notes to the unaudited consolidated interim condensed financial statements

Pedro Resources Ltd.
Unaudited Consolidated Interim Condensed Statements of Loss and Comprehensive Loss
(*Expressed in Canadian dollars)*

	Note	Three Months Ended September 30		Nine Months Ended September 30	
		2024	2023	2024	2023
		$	$	$	$
Expenses					
Accounting fees		**37,090**	-	**50,650**	-
Advertising & promotions		**24,544**	2,799	**27,096**	2,779
Audit fees		**22,000**	-	**22,000**	-
Bank charges		**255**	-	**1,062**	-
Consulting fees	8	**38,941**	11,133	**181,123**	38,116
General & administrative office expenses		**18,312**	4,853	**21,540**	7,498
Interest on convertible debentures	6(v)	**6,623**	-	**34,368**	-
Legal fees		**101,387**	-	**101,387**	-
Listing fees		**12,530**	-	**12,530**	-
Meals		**3,134**	-	**3,134**	-
Professional fees		**(4,000)**	33,227	**-**	50,569
Regulatory & transfer agent costs		**(4,672)**	6,747	**3,934**	15,648
Shareholder communications		**3,750**	2,510	**3,750**	4,155
Travel		**8,058**	5,539	**11,538**	13,316
Share-based compensation	6 (iii)	**5,448**	-	**5,448**	-
Loss before finance and other items		**(273,400)**	(66,788)	**(479,560)**	(132,081)
Accretion expenses		**-**	(2,517)	**-**	(4,040)
Net loss & comprehensive loss		**(273,400)**	(69,305)	**(479,560)**	(136,121)
Loss per share – basic and diluted		**(0.00)**	(0.00)	**(0.00)**	(0.00)
Weighted average number of common shares outstanding – basic and diluted		**39,713,004**	32,570,830	**36,824,012**	32,570,830

See accompanying notes to the unaudited consolidated interim condensed financial statements

Pedro Resources Ltd.
Unaudited Consolidated Interim Condensed Statements of Changes in Shareholders' Deficit
(Expressed in Canadian dollars)

	Number of common shares	Share capital ($)	Contributed surplus ($)	Warrant reserve ($)	Accumulated Deficit ($)	Total ($)
Balance at January 1, 2023	32,570,830	9,449,540	-	151,231	(10,397,741)	(796,970)
	-	-	-	-	-	-
Share-based compensation	-	-	292,796	-	(292,796)	-
Net loss for the period	-	-	-	-	(136,121)	(136,121)
Balance at September 30, 2023	**32,570,830**	**9,449,540**	**292,796**	**151,231**	**(10,826,658)**	**(933,091)**
	-	-	-	-	-	-
Private placement	250,000	12,500	-	-	-	12,500
Warrants expiry	-	-	151,231	(151,231)	-	-
Options expiry	-	-	(257,660)	-	257,660	-
Net loss for the period	-	-	-	-	(92,944)	(92,944)
Balance at December 31, 2023	**32,820,830**	**9,462,040**	**186,367**	**-**	**(10,661,942)**	**(1,013,535)**
Share issuance on exercise of options	200,000	15,448	(5,448)	-	-	10,000
Share Issuances	6,790,000	393,852	-	-	-	393,852
Share-based compensation	-		5,448	-	-	5,448
Net loss for the period	-	-	-	-	(479,560)	(479,560)
Balance at September 30, 2024	**39,810,830**	**9,871,340**	**186,367**	**-**	**(11,141,502)**	**(1,083,795)**

See accompanying notes to the unaudited consolidated interim condensed financial statements

Pedro Resources Ltd.
Unaudited Consolidated Interim Condensed Statements of Cash Flows
(*Expressed in Canadian dollars)*

Nine months ended September 30,	**2024 ($)**	2023 ($)
Operating activities		
Comprehensive loss for the period	**(479,560)**	(136,121)
Adjustments for:		
Share-based compensation	**5,448**	-
Accretion expense	**-**	4,040
Change in non-cash operating working capital		
Receivables	**(4,198)**	64,344
Prepaid expenses	**30,000**	(20,000)
Accounts payable and accrued liabilities	**73,263**	53,205
Net cash flows (used in) provided by operating activities	**(375,047)**	(34,532)
Financing activities		
Proceeds from share issuance, net of costs	**340,500**	-
Proceeds from the exercise of options	**10,000**	
Advances from (repayment to) related parties	**31,500**	46,392
Cash flows from (used in) financing activities	**382,000**	46,392
(Decrease) increase in cash and equivalents	**6,953**	11,860
Cash, beginning of period	**2,212**	523
Cash, end of period	**9,165**	12,383

See accompanying notes to the unaudited consolidated interim condensed financial statements

1. Nature of Business and Going Concern

Pedro Resources Ltd. (the "**Company**") is a publicly traded company actively engaged in the acquisition, exploration and development of mineral properties. The address of the Company's corporate office and principal place of business is 5th Floor – 410 West Georgia Street, Vancouver, British Columbia V6B 1Z3.

These unaudited consolidated interim condensed financial statements for the three and nine months ended September 30, 2024, and 2023 (the "**Financial Statements**") have been prepared using International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board ("**IASB**") on a going concern basis which assumes the Company will be able to meet its obligations and continue its operations for the next 12 months. During the nine months ended September 30, 2024, the Company incurred a net loss and comprehensive loss of $ 479,560 (2023 – $136,121), and as at September 30, 2024, had a shareholders' deficit of $ 1,083,795 (December 31, 2023 –$1,013,535) and a working capital deficit of $ 1,083,795 (December 31, 2023 –$1,013,535).

The Company's continuation as a going concern is dependent upon successful results from its mineral property exploration activities and upcoming mine reclamation and restoration activities and its ability to attain profitable operations and generate funds therefrom and/or raise equity capital or borrowings sufficient to meet current and future obligations. There is no assurance that the Company will continue to be able to obtain adequate financing in the future or that such financing will be on terms acceptable to the Company. These material uncertainties may cast significant doubt about the Company's ability to continue as a going concern.

These Financial Statements do not give effect to any adjustments to the carrying values and classifications of assets and liabilities that might be necessary if the Company is unable to continue as a going concern. Such adjustments could be material.

2. Basis of Presentation

(i) Statement of Compliance

These Financial Statements, including comparatives, have been prepared in accordance with International Accounting Standards ("**IAS**") 34 'Interim Financial Reporting' ("**IAS 34**") using accounting policies consistent with the IFRS issued by the International Accounting Standards Board ("**IASB**") and Interpretations of the International Financial Reporting Interpretations Committee ("**IFRIC**").

(ii) Principles of Consolidation

These Financial Statements include the accounts of Pedro Resources Ltd. and its wholly owned subsidiary, Voisey's Bay West Nickel & Cobalt Corp. All intercompany balances and transactions have been eliminated upon consolidation.

(iii) Basis of Measurement

These Financial Statements have been prepared on a going concern basis, under the historical cost convention except for certain financial instruments that have been measured at fair value. In addition, these Financial Statements have been prepared using the accrual basis of accounting, except for cash flow information. The principal accounting policies and critical estimates and judgments used when compiling these Financial Statements are set out below. These Financial Statements were approved by the Board of Directors on December 2, 2024.

(iv) Basis of Presentation

These Financial Statements have been prepared on the basis of accounting policies and methods of computation consistent with those applied in the Company's December 31, 2023, annual consolidated financial statements.

(v) Critical Accounting Estimates, Judgements and Assumptions

The preparation of the Financial Statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the Financial Statements and the reported amounts of revenues and expenses during the reporting period.

Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Uncertainty about these judgments, estimates and assumptions could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in future periods.

The significant areas of estimation uncertainty considered by management in preparing the Financial Statements were as follows:

a. Stock-based compensation expense

The Company uses the Black-Scholes option pricing model to determine the fair value of options in order to calculate stock-based compensation expense. The Black-Scholes model involves six key inputs to determine the fair value of an option: risk-free interest rate, exercise price, market price at the date of issue, expected dividend yield, expected life, and expected volatility. Certain of the inputs are estimates that involve considerable judgment and are or could be affected by significant factors that are out of the Company's control. The Company is also required to estimate the future forfeiture rate of options based on historical information in its calculation of stock-based compensation expense.

b. Valuation of warrants

The Company uses the Black-Scholes option pricing model to calculate the value of warrants issued using the relative fair value method as part of the Company's private placements. The Black-Scholes model requires six key inputs to determine a value for a warrant: risk-free interest rate, exercise price, market price at the date of issue, expected dividend yield, expected life and expected volatility. Certain of the inputs are estimates which involve considerable judgment and are, or could be, affected by significant factors that are out of the Company's control. For example, a longer expected life of the warrant or a higher volatility number used would result in an increase in the warrant value.

c. Going concern

The Company's management has made an assessment of the Company's ability to continue as a going concern and the Financial Statements continue to be prepared on a going concern basis. However, management does not believe the Company has sufficient cash on hand to meet the Company's operating expenditures beyond September 30, 2025, which may cast significant doubt upon the Company's ability to continue as a going concern. These Financial Statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

d. Deferred tax assets

Deferred tax assets are recognized in respect of tax losses and other temporary differences to the extent it is probable that taxable income will be available against which the losses can be utilized. Judgment is required to determine the amount of deferred tax assets that can be recognized based upon the likely timing and level of future taxable income together with future tax planning strategies.

3. Due to Related Parties

The amount due to related parties represents funds received from a company with common directors and funds received from a shareholder. The amounts are non-interest bearing and have no fixed terms of repayment. As at September 30, 2024, $31,500 was due to related parties (December 31, 2023 - $163,616).

4. Capital Management

The capital structure of the Company consists of shareholders' equity or deficit. The Company's objectives when managing capital are to ensure sufficient liquidity for operations and adequate funding for growth and capital expenditures while maintaining an efficient balance between debt and equity.

The Company makes adjustments to its capital structure upon approval from its Board of Directors, in light of economic conditions and the Company's working capital requirements. There were no changes in the Company's approach to capital management during the nine months ended September 30, 2024. The Company does not presently utilize any quantitative measures to monitor its capital. There are no external restrictions on capital.

5. Financial Instruments

The Company is exposed in varying degrees to a variety of financial instrument-related risks. The Company's Board of Directors approves and monitors its risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

(i) Fair Values

For the Company's financial instruments, including cash, other receivables, due to related parties, accounts payable and accrued liabilities, the carrying amounts approximate fair value due to their immediate or short-term maturity.

(ii) Currency Risk

The Company currently does not have any significant exposure to foreign currency risk.

(iii) Credit Risk

Credit risk arises from cash held with banks and financial institutions, and credit exposure to clients or tax or tax authorities, including outstanding receivables. The maximum exposure to credit risk is equal to the carrying value of the financial assets. To reduce credit risk, cash is held at major financial institutions.

(iv) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company tries to ensure that there are sufficient funds to meet its short-term business requirements, considering its anticipated cash flows from operations and its holdings of cash. Currently, the Company's main source of funding is from the issuance of equity securities for cash, primarily through private placements. As at September 30, 2024, the Company had cash of $9,165 (December 31, 2023 - $2,212), accounts payable and accrued liabilities of $391,489 (December 31, 2023 - $444,868), short-term consideration payable of $162,720 (December 31, 2023 - $460,183), and due to related parties of $31,500 (December 31, 2023 - $163,616).

6. Share capital

The Company's authorized share capital includes an unlimited number of common shares having no par value. As at September 30, 2024, 39,810,830 common shares (December 31, 2023 – 32,820,830) were issued and outstanding. Please refer to the unaudited consolidated interim condensed statements of changes in shareholders' deficit for movements in share capital during the nine months ended September 30, 2024 and 2023.

(i) Share purchase options

In fiscal 2011, the Company adopted a stock option plan ("**SOP**") pursuant to which the Company is able to grant to directors, officers, employees and service providers options to purchase common shares of the Company. The maximum number of options which may be outstanding at any point in time is 10% of the Company's then-outstanding common shares. Generally, options granted will have a maximum term of ten years and a vesting period determined by the Company's Board of Directors.

(ii) Share-based payment reserve

The share-based payment reserve records items recognized as share-based compensation expense until such time that the stock options are exercised, at which time the corresponding amount will be transferred to share capital. If the options expire unexercised or are cancelled, the amount recorded is transferred to the accumulated deficit.

(iii) Stock Options outstanding

The continuity of outstanding stock options is as follows:

	Number of stock options	Weighted average exercise price per share ($)
Outstanding – December 31, 2022	2,500,0000	0.15
Expired	(2,200,000)	0.15
Outstanding – December 31, 2023	300,000	0.15
Granted	200,000	0.05
Exercised	(200,000)	0.05
Outstanding September 30, 2024	**300,000**	**0.15**

An aggregate of 2,200,000 stock options expired on December 15, 2023.

On August 8, 2024, the Company granted 200,000 stock options to purchase common shares to a consultant of the Company. The stock options vested on the date of grant and were exercisable at a price of $0.05 per common share for a period of two years from the date of grant. The 200,000 stock options were exercised and, as a result, on August 14, 2024 the Company issued 200,000 common shares to the consultant.

The fair value of the 200,000 stock options granted on August 8, 2024 was estimated using the Black-Scholes option pricing model for pricing options using the following assumptions:

Risk-free interest rate	3.31%
Expected stock volatility	184%
Expected Life	2 years
Dividend yield	0%

As of the date of these Financial Statements, there are 300,000 stock options outstanding which were granted on March 3, 2022, exercisable at $0.15 per common share until March 4, 2027.

(iv) Warrants

The following table shows the continuity of warrants for the periods ended September 30, 2024 and 2023:

	Number of Warrants	Weighted average exercise price per share ($)
Outstanding – December 31, 2022	2,035,780	0.30
Expired	(2,035,780)	0.30
Outstanding – December 31, 2023	-	-
Outstanding – September 30, 2024	**-**	**-**

An aggregate of 2,035,780 warrants to purchase common shares at an exercise price of $0.30 per common share were issued on September 13, 2021 and expired unexercised on September 13, 2023.

(v) Convertible Debenture

On December 19, 2023, the Company closed a non-brokered private placement financing (the "**Offering**") of convertible debentures through the issuance of $725,000 principal amount convertible debentures of the Company (the "**Debentures**").

The Debentures bear interest at a rate of 7.2% per annum. The Debentures will mature on the date that is 36 months from the closing of the Offering (the "**Maturity Date**"). The Debentures are convertible into common shares in the capital of the Company at a price of $0.05 per common share, in whole or in part, at the option of the holder at any time prior to the Maturity Date. All securities issued in connection with the Offering were subject to a hold period of four months plus a day from the date of issuance and the resale rules of applicable securities legislation.

As of the date of this document, the Debentures have not been converted. As at September 30, 2024, the Company recorded $34,368 of interest relating to the Debentures (2023 - $nil).

As of March 30, 2024 payments were made in the total of $225,000, leaving a balance of $500,000 plus interest for a total of $534,358 as balance.

7. Key Management Personnel and Related Party Transaction

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors, as well as corporate officers, including the Company's Chief Executive Officer and Chief Financial Officer and/or their companies.

Key management personnel compensation for the three months ended September 30, 2024, and 2023 was as follows:

	2024	2023
Short-term compensation	$-	$18,000

During the nine months ended September 30, 2024, an amount of $31,500 was due to related parties (December 31, 2023 - $163,616).

8. Commitments

The Company entered into collaboration agreements (the "**Collaboration Agreements**") with Fixed Earth Innovations Ltd., Dirty Dirt Services Ltd., and FCS Solutions Ltd. and Oil-Out Ltd. in July and October 2023 (as amended in January 2024) for the purposes of exploring and developing biotechnology and processes to provide environmental and site-restoration services for contaminated soils and water. As the Company explored the potential stemming from the intellectual properties and products licensed through the Collaboration Agreements, it became apparent to management of the Company that the opportunities to employ microbiology to a much wider range of environmental challenges would be in the best interest of the Company and would ultimately represent a greater benefit to Shareholders.

The Company intends to effect a change of business through the redeployment of its assets and resources from the mining business towards the development of biotechnology for remediation and reclamation of contaminated sites and properties and the use of microbes by the agricultural and forestry industries for the health and growth of plants, resulting in a change to the principal business of the Company.

The change of business remains subject to approval from the Canadian Securities Exchange and there can be no assurance that the change of business will be completed as proposed or at all.

Pursuant to the Collaboration Agreements, the Company is required to make aggregate payments of $276,000.

As at September 30, 2024, the Company has made aggregate payments in the amount of $162,000 (2023 - $nil).