**Management's Discussion and Analysis**

For the quarter ended March 31, 2025, and 2024

(Expressed in Canadian Dollars)

***This Management's Discussion and Analysis ("MD&A") of financial position and results of operations of Pedro Resources Ltd. ("Pedro Resources", "Pedro" or the "Company") for the first and third-month period ended March 31, 2025 and 2024, has been prepared based on information available to Pedro Resources at August 03, 2025 the date of this MD&A, and should be read in conjunction with the accompanying audited consolidated financial statements and related notes for the third-month periods ended March 31, 2025 and 2024, and related notes. The audited consolidated financial statements and MD&A are presented in Canadian dollars and have prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and interpretations of the IFRS Interpretations Committee. Information contained herein is presented as of March 31, 2025, unless otherwise indicated.***

***Readers are cautioned that this MD&A may contain forward-looking statements and that actual events may vary from management's expectations. Readers are encouraged to read the "Cautionary Statement on Forward-Looking Information" at the end of this MD&A and to consult Pedro's unaudited consolidated financial statements and related notes for the first and three months ended March 31, 2025 and 2024, which are available on our website at www.pedroresources.com and under the Company's profile on SEDAR+ at www.sedarplus.ca.***

## FORWARD-LOOKING STATEMENTS

This MD&A and the documents incorporated into this MD&A contain "forward-looking statements" and "forward-looking information" within the meaning of applicable securities laws (forward-looking information and forward-looking statements being collectively hereinafter referred to as "forward-looking statements"). Such forward-looking statements are based on expectations, estimates and projections as at the date of this MD&A or the dates of the documents incorporated herein, as applicable. Any statements that involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often but not always using phrases such as "expects" or "does not expect", "is expected", "anticipates" or "does not anticipate", "plans", "budget", "scheduled", "forecasts", "estimates", "believes" or "intends", or variations of such words and phrases, or stating that certain actions, events or results "may" or "could", "would", "should", "might" or "will" be taken, occur or be achieved) are not statements of historical fact and may be forward-looking statements and are intended to identify forward-looking statements.

Forward-looking statements are based on the beliefs of the Company's management, as well as on assumptions, which such management believes to be reasonable based on information currently available at the time such statements were made. However, by their nature, forward-looking statements are based on assumptions and involve known and unknown risks, uncertainties, and other factors that may cause the actual results, performance, or achievements to be materially different from any future results, performance, or achievements expressed or implied by the forward-looking statements. Forward-looking statements are subject to a variety of risks, uncertainties, and other factors that could cause actual events or results to differ from those expressed or implied by the forward-looking statements, including, without limitation, those risks outlined under the heading *Risk and Uncertainties* in this MD&A. The Company does not intend and does not assume any obligation, to update any forward-looking statements, other than as required by applicable law. For all these reasons, the Company's security holders should not place undue reliance on forward-looking statements.

## COMPANY OVERVIEW

Pedro Resources is a publicly listed corporation trading on the Canadian Securities Exchange ("**CSE**") under the symbol VBN. It is involved primarily in the identification, acquisition, and advancement of biotechnology for the remediation and reclamation of contaminated sites and properties and the use of microbes by the agricultural industry.

Pedro Resources is transitioning to the bioscience field to positively impact production in the agricultural, forestry, and associated plant growing industries and businesses. In keeping with this transition, the Company has reserved the name MiGlobe Biosciences Inc. and the symbol MGBS. The Company is working towards a proposed change of business (the "**Change of Business**") with the regulatory authorities.

**RECENT CORPORATE DEVELOPMENTS**

On July 14, 2021, the Company acquired (the "**Transaction**") all of the issued and outstanding common shares in the capital of Voisey's Bay West Nickel & Cobalt Corp. ("**Voisey's Bay**"). Voisey's Bay is a private company formed under the laws of Ontario, whose sole asset at the time of the acquisition was a 100% interest in 13 prospective mineral licenses, comprising 721 claims (18,025 hectares) (the "**Property**"), 4.5 km south of Vale's Voisey's Bay Mine in the province of Newfoundland and Labrador, Canada.

Due to the costs, the short exploration season, and the difficulties in accessing and working in northern Labrador the company began a process to transition to the application of microbiological products to benefit the mining industry. Use of these products can help with contaminant remediation or removal of oils, greases, some metals, as well as some biological contaminants such as black mold in an environmentally friendly way.

The Company recognized that the market for these products was extensive and the opportunities for the Company's shareholders would be best served by moving into the biosciences field. Accordingly, the activities related to the Voisey's Bay properties were discontinued in 2023 and the Company intends to move forward with the Change of Business.

As announced in several news releases in the past year, collaboration agreements (the "**Collaboration Agreements**") have been negotiated with Fixed Earth Innovations Ltd. ("**FEI**"); Dirty Dirt Services Ltd. ("**Dirty Dirt**"), Oil-Out Ltd. ("**OOL**") and FCS Solutions Ltd. ("**FCS**"). Each of these companies has a lengthy history of working to resolve soil contamination using microbes and microbial products.

The Company's plan following completion of the proposed Change of Business is to expand upon the work and successes already achieved by its partners to structure marketing and sales plans with immediately marketable products. As new commercial relations are established, the Company intends to manage such relationships and offer integrated solutions to clients by leveraging the product offerings of its partners. Below is a brief description of the products and services offered by the Company's partners:

FEI is engaged in the business of developing, testing, and deploying tailored microbes for the removal of pollutants in soil and water as well as the use of soil microbes for promoting plant growth in ecosystem restoration and agricultural applications.

- Remediation Microbes for Organic Substances (PCE and PFAS remediation)
- Remediation Microbes for Inorganic Substances (biotransformation and immobilization of various metals)
- Ecosystem Restoration (employment of seed capsules)
- Urban Landscaping (including golf courses, road-side trees, sports fields, and gardens)
- Agriculture (Field testing of microbes for use in agricultural systems)
- Client-Driven Research (Specialized microbe research based on client needs when requested)

Each of FCS and OOL have developed microbe-based products used to remove contaminants from surfaces. OOL developed and commercializes OIL-OUT, a formulated cleaner designed to use naturally occurring waste-degrading micro-organisms to eliminate a wide range of organic wastes, including hydrocarbons, oils and greases. FCS developed and commercialized URE-OUT, a microbial cleaner for organic waste (urine, pet smells, black mold). Progress has been made on rebranding of the various products of FCS and OOL.

Dirty Dirt uses FEI's and OOL's products to provide in-situ remediation services for a wide variety of contaminated site scenarios such as oil and gas properties, brownfield municipal lots and landfill sites.

In the period ended March 31, 2025, the Company continued to advance its application with the Canadian Securities Exchange to effect the Change of Business. As of the date of this MD&A, the Company continues to address certain requirements and requests from the Canadian Securities Exchange. There can be no assurance that the Change of Business will be completed as proposed or at all.

## SUMMARY OF QUARTERLY RESULTS

The following table sets out selected financial information, presented in Canadian dollars and prepared in accordance with DFRS. The information contained herein is drawn from the consolidated financial statements of the Company for each of the eight quarters.

| **Statement of Loss and Comprehensive Loss** | **Q1 2025 ($)** | **Q4 2024 ($)** | **Q3 2024 ($)** | **Q2 2024 ($)** |
|---|---|---|---|---|
| Net loss | (32,191) | (665,903) | (273,400) | (125,776) |
| Basic and diluted loss per share | (0.00) | (0.00) | (0.00) | (0.00) |
| | | | | |
| **Statement of Financial Position** | | | | |
| Cash & cash equivalents | 5,264 | 6,493 | 9,165 | 799 |
| Total assets | 1 | 1 | 27,117 | 23,836 |
| Total liabilities | (1,200,656) | (1,200,814) | (1,120,077) | (838,329) |
| Shareholders' deficiency | (1,194,271) | (1,194,320) | (1,083,795) | (813,694) |

| **Statement of Loss and Comprehensive Loss** | **Q1 2024 ($)** | **Q4 2023 ($)** | **Q3 2023 ($)** | **Q2 2023 ($)** |
|---|---|---|---|---|
| Net loss | (100,383) | (92,944) | (69,305) | (38,193) |
| Basic and diluted loss per share | (0.01) | (0.01) | (0.01) | (0.01) |
| | | | | |
| **Statement of Financial Position** | | | | |
| Cash & cash equivalents | 29,124 | 2,212 | 12,383 | 32,451 |
| Total assets | 52,919 | 55,132 | 45,289 | 57,041 |
| Total liabilities | (814,960) | (1,068,667) | 978,380 | 920,827 |
| Shareholders' deficiency | (732,917) | (1,013,535) | (933,091) | (852,786) |

### Correction of Prior Period Errors

During Q4 2024, the Company determined that the amounts previously recorded in Q1 2024, Q2 2024 and Q3 2024 for net losses, total assets, liabilities and shareholder deficiency had not been calculated appropriately as a result of the Company having limited access to its financial information due to a dispute with its former chief financial officer. The Company has recorded adjustments in the comparative periods in this MD&A upon identifying expenses and entries that either had been incorrectly entered or not entered at all including an aggregate of $41,493 for consulting fees in Q2 2024. The net loss for Q1 2024 was adjusted to ($238,558) (reported – ($100,383)). The net loss for Q2 2024 was adjusted to ($167,934) (reported ($125,776)). The cash & cash equivalents in Q2 2024 were adjusted to $9,368 (reported - $799). Total assets were adjusted for Q1 2024 to $65,443 (reported - $82,043) and for Q2 2024 to $37,195 (reported- $24,635). Total liabilities were adjusted for Q1 2024 to $945,538 (reported - $814,960) and for Q2 2024 to $896,521 (reported – $838,329). Shareholders' deficiency was adjusted for Q1 2024 to ($65,433) (reported – ($732,917)) and for Q2 2024 to ($796,823) (reported – ($813,694)). The loss per share in each of the comparative periods did not change as a result of these corrections. Corresponding adjustments were made in the comparative columns of the financial statements accompanying this MD&A.

## RESULTS OF OPERATIONS

### Comparison of the periods ended March 31, 2025, and 2024

The Company sustained a loss of $32,191 for the months ended March 31, 2025 versus a loss of $218,250 for the period ended March 31, 2024. The increase is due to a reduction in activity of the company as it continues to navigate regulatory approvals relating to its proposed Change of Business.

The Company has yet to generate any revenues, while the operating results for the period ended March 31, 2025, continue to reflect the Company's ongoing listing and project advancement costs.

**Exploration and Development Expenses**

During the first quarter Pedro did not incur any exploration and development expenses related to the Property.

**Professional and Consulting Fees**

| For the period ended March 31 | 2025 | 2024 |
|---|---|---|
| **Consulting/Management fees** | $nil | $201,130 |
| **Professional fees** | $13,970 | $212,992 |
| **TOTAL** | **$13,970** | **$414,122** |

Consulting/management fees consist of management consultants and communication consultants, including payments made under the Collaboration Agreements to the Company's partners to advance the Change of Business.

Professional fees relate to legal and audit costs incurred for compliance, government relations and other services retained for business development initiatives.

**General and Administrative Expenses**

| For the period ended March 31 | 2025 | 2024 |
|---|---|---|
| **Bank charges** | $311 | $1,263 |
| **Office and general** | $nil | $28,092 |
| **TOTAL** | **$311** | **$29,355** |

**Regulatory and Transfer Agent Fees**

During the three-month period ended March 31, 2025, Pedro's regulatory and transfer agent fees were $8,858.

## FINANCIAL CONDITION, LIQUIDITY AND SOLVENCY AND CAPITAL RESOURCES

**Financial Condition and Operations**

During the first quarter of 2025 the Company incurred a loss of $32,191 compared to a loss of $218,250 for the comparative period ended March 31, 2024.

**Liquidity and Capital Management**

As of March 31, 2025, the Company had cash and cash equivalents of $5,264 (December 31, 2023 - $6,493).

In managing liquidity, the Company's primary objective is to ensure the entity can continue as a going concern while raising additional funding to meet its obligations as they come due.

The Change of Business, the Company's transition away from mineral exploration is in process. As such, the Company is dependent on external financing to fund its exploration activities and administrative costs. Management continues to assess opportunities on an ongoing basis but is determined to pursue activities that generate revenue and returns to shareholders. Management mitigates the risk and uncertainty associated with raising additional capital in adverse economic or stock market conditions through cost control measures that minimize discretionary disbursements and reduces expenditures that are deemed of limited strategic value.

The Company manages its capital structure (consisting of shareholders' equity or deficit) on an ongoing basis and makes adjustments in response to changes in economic or stock market conditions and its underlying assets' risk characteristics. Adjustments to the Company's capital structure may involve the issuance of new shares, debt, acquisition or disposition of assets, or adjustments to the amounts held in cash, cash equivalents and short-term investments.

**Operating Activities**

| For the period ended March 31 | 2025 | 2024 |
|---|---|---|
| **Net cash (used in) provided by operating activities** | $(1,229) | $(104,119) |
| **Net cash (used in) provided by financing activities** | $nilk | $101,908 |
| **TOTAL** | **$(1,229)** | **$2,211** |

**Capital Resources**

The Company has significant commitments for capital expenditures in connection with the Collaboration Agreements which require payments from the Company for an aggregate amount of $276,000. As at March 31, 2025, the Company has made aggregate payments in the amount of $128,000 in the year ending 2024. The Company expects that further capital expenditures will be required in connection with the proposed Change of Business.

The Company is looking to secure additional funding in 2025 through capital raising activities for the purposes of satisfying its commitments for capital expenditures.

**Transactions with Related Parties**

Key management includes the Company's directors, officers and any employees with authority and responsibility for planning, directing and controlling the activities of an entity, directly or indirectly.

During the twelve months ended December 31, 2023:

- 360349 Alberta Ltd., a corporation beneficially owned and controlled by Mr. Brian Stecyk, a director of the Company: (i) made payments in respect of certain administrative and public company expenses of the Company in the amount of $9,500 on behalf of the Company.

- Mr. Ronald Mercier, a director of the Company, made payments to FEI and Dirty Dirt pursuant to the Collaboration Agreements on behalf of the Company totaling $22,000 which remain outstanding.

The amount invoiced from NMP Group, the corporation of the former Chief Financial Officer, in connection with services provided, and expenses paid on behalf of the Company, by the former Chief Financial Officer is $40,650., which is presented as an account payable. The Company continues to engage with the former Chief Financial Officer in an attempt to settle the amounts owing to her.

**CHANGES IN ACCOUNTING POLICIES AND CRITICAL ACCOUNTING ESTIMATES**

**Nature of Business and Continuance of Operations**

The company intends to effect the proposed Change of Business and is transitioning to a bioscience field to positively impact production in the agricultural, forestry, and associated plant growing industries and businesses.

The Company's audited consolidated financial statements have been prepared on the assumption that the Company is a going concern, meaning that it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the normal course of operations.

The Company is looking to secure additional funding in 2025 so that its capital resources will be sufficient to carry its operations through the next twelve months. However, there are several conditions that cast significant doubt on the Company's ability to continue as a going concern.

The application of the going-concern concept is dependent upon the Company's ability to generate future profitable operations and receive continued financial support from its creditors and shareholders. The Company's consolidated financial statements do not include any adjustments to the amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue as a going concern. Management is actively engaged in the review and due diligence on new projects, is seeking to raise the necessary capital to meet its funding requirements and

has undertaken available cost-cutting measures. There can be no assurance that the management's plan will be successful.

These material uncertainties may cast significant doubt on the Company's ability to continue as a going concern. If the going concern assumption was not appropriate for its consolidated financial statements, then adjustments would be necessary in the carrying value of assets and liabilities, the reported expenses and the balance sheet classifications used. Such adjustments could be material.

**Significant Accounting Estimates and Judgments**

The preparation of the Company's audited consolidated financial statements financial statements required management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, profit and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The most significant accounts that require the use of judgment and assumptions as a basis for determining the stated amounts include stock-based compensation expense, the valuation of warrants and outstanding options, management's assessment of the Company as a going concern and the amount of deferred tax assets to be recognized in respect of tax losses. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and further periods.

Critical accounting estimates relate to, but are not limited to, the following:

*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 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 consolidated 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 consolidated 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.

The Company's significant accounting policies are presented in the notes to the audited consolidated financial statements for the period ended December 31, 2024.

**OUTSTANDING SHARE DATA**

Pedro Resources is authorized to issue an unlimited number of common shares.

As of March 31, 2025, the number of common shares outstanding or issuable under other outstanding securities was as follows:

| Common Shares | Number |
|---|---|
| Outstanding | 39,810,830 |
| Issuable upon exercise of stock options | 300,000 |
| **Fully diluted common shares** | **40,110,830** |

- On February 13, 2024, the Company closed a non-brokered private placement financing of 20,000 common shares at $0.05 per common share for aggregate gross proceeds of $1,000. Net proceeds of the financing have been used by the Company for working capital and other general and administrative purposes in connection with the Company's proposed Change of Business, as announced by the Company on February 13, 2024.

- On February 21, 2024, the Company closed a non-broker private placement financing of 300,000 common shares at $0.05 per common share for aggregate gross proceeds of $15,000. Net proceeds of the financing have been used by the Company for working capital and other general and administrative purposes in connection with the Company's proposed Change of Business, as announced by the Company of February 21, 2024.

- On May 22, 2024, the Company closed a non-brokered private placement financing of 5,530,000 common shares at $0.05 per common share for aggregate gross proceeds of $276,500. Net proceeds of the financing have been used by the Company for working capital and other general and administrative purposes in connection with the Company's proposed Change of Business, as announced by the Company on May 22, 2024.

- On June 14, 2024, the Company closed a non-brokered private placement financing of 940,000 common shares at $0.05 per common share for aggregate gross proceeds of $47,000. Net proceeds of the financing have been used by the Company for working capital and other general and administrative purposes in connection with the Company's proposed Change of Business, as announced by the Company on June 14, 2024.

- On August 8, 2024, the Company issued 200,000 stock options to purchase common shares at an exercise price of $0.05 per common share for a period of two years. The stock options were issued to a consultant of the Company and were exercised on August 14, 2024.

- The issued and outstanding as of the date of this MD&A is 39,810,830 common shares.

On July 19, 2023, the Company announced a non-brokered private placement of convertible debentures which closed on December 19, 2023, through the issuance of $725,000 principal amount convertible debentures (the "**Debenture**") maturing on December 19, 2026, bearing an interest rate of 7.2% per annum and convertible at a price of $0.05 per common share at any time prior to maturity. The Debenture has not been converted as of the date of this MD&A.

As of the date of this MD&A, an aggregate of $225,000 of the principal amount of the Debenture has been repaid by the Company, leaving a balance of $500,000 principal amount outstanding.

**TRENDS, RISKS AND UNCERTAINTIES**

The Company is currently in the process of advancing a Change of Business. The following risk factors should be given special consideration:

***Going Concern***

The Company's consolidated financial statements have been prepared on the assumption that the Company is a going concern, meaning that it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the normal course of operations. The Company has an accumulated deficit of $11,327,793 as at March 31, 2025 (December 31, 2024 ($11,327,845)) and has no current source of revenue. The Company's continuation as a going concern is dependent on 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 can be no assurances that management's future plans for the Company will be successful.

These material uncertainties may cast significant doubt upon the Company's ability to continue as a going concern. The Company's consolidated financial statements do not include any adjustments to the recoverability and classification of assets and classification of liabilities that might be necessary, should the Company be insolvent.

***Substantial Capital Requirements; Liquidity***

The Company anticipates that it may be required to make substantial capital expenditures for its proposed Change of Business. The Company currently has no revenue and limited ability to expend the capital necessary to undertake operations following the Change of Business. There can be no assurance that debt or equity financing, or cash generated will be available or sufficient to meet these requirements or for other corporate purposes or, if debt or equity financing is available, that it will be on terms acceptable to the Company.

Moreover, future activities may require the Company to alter its capitalization significantly. The inability of the Company to access sufficient capital for its operations would have a material adverse effect on the Company's financial condition, results of operations or prospects.

***Dilution***

It is likely that the Company will issue common shares or securities exercisable or convertible into common shares in the future, either to raise funding for its proposed Change of Business, ongoing operations or in connection with one or more acquisitions. The Company may issue securities on less than favorable terms to raise sufficient capital to fund its business plan. Any transaction involving the issuance of equity securities or securities convertible into common shares would result in dilution, possibly substantial, to present and prospective holders of common shares, could adversely affect the trading prices of the Company's common shares, and could impair the Company's ability to raise capital through future offerings of securities.

***Insurance***

The Company's future operations, particularly with respect to the proposed Change of Business may result in the Company becoming subject to liability for pollution, property damage, personal injury or other hazards. Insurance has limitations on liability that may not be sufficient to cover the frill extent of such liabilities.

In addition, such risks may not, in all circumstances, be insurable or, in certain circumstances, the Company may elect not to obtain insurance to deal with specific risks due to the high premiums associated with such insurance or other reasons. The payment of any such uninsured liabilities would reduce the funds available to the Company for its operations. The occurrence of a significant event that the Company is not fully insured against, or the insolvency of the insurer of such event, could have a material adverse effect on the Company's financial position, results of operations or prospects.

***Dividends***

The Company has not paid dividends on its common shares to date and may not be in a position to pay dividends for the foreseeable future. The Company's ability to pay dividends will depend on its ability to successfully acquire and develop to production one or more mineral projects and to generate earnings from the operation thereof. Further, the Company's initial earnings following the Change of Business, if any, will likely be retained to finance its operations. Any future dividends will depend upon the Company's earnings, its then-existing financial requirements, and other factors, and will be at the discretion of the Company's board of directors.

**FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

The Company's board of directors approves and monitors the risk management processes, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is as follows:

*Fair Values*

For certain of the Company's financial instruments, including receivables, accounts payable and accrued liabilities and consideration payable, the carrying amounts approximate fair value due to their immediate or short-term maturity. Cash is measured at fair value using level 1 inputs.

*Currency Risk*

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

*Credit Risk*

Credit risk arises from cash held with banks and financial institutions, and credit exposure to clients, 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.

*Liquidity Risk*

Liquidity risk is the risk that the Company will not be able to meet is 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 ensures that there are sufficient funds to meet its short-term business requirements, taking into account 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. At March 31, 2025, the Company had cash of $5,264 (December 31, 2024 - $6,492) to meet obligations. Management believes that the Company will be able to raise funds sufficient to meet the Company's requirements and to finance its operations in the near term.

**CAPITAL DISCLOSURES/MANAGEMENT OF CAPITAL**

The capital structure of the Company consists of shareholders' deficiency. 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 period ended March 31, 2025. The Company does not presently utilize any quantitative measures to monitor its capital. There are no external restrictions on capital.

## KEY MANAGEMENT PERSONNEL

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 consists 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. None of the Company's officers or directors received compensation during the twelve months ended December 31, 2024.

| December 31 | 2024 | 2023 |
|---|---|---|
| Short-term compensation | $7,500 | $63,150 |

## ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

The Company has not filed an Annual Information Form "AIF". Additional disclosure concerning the Company's general and administrative expenses is provided in the Company's Statement of Loss and Comprehensive Loss contained in its Financial Statements for the periods ended March 31, 2025 and 2024, and for the years ended December 31, 2025 and December 31, 2023 which are available either on the Company's website at www.pedroresources.ca or on its SEDAR+ Page Site at www.sedarplus.ca.