The following management's discussion and analysis ("MD&A") should be read in conjunction with the Company's financial statements and notes thereto for the six months ended March 31, 2025 (the "financial statements"). This MD&A was prepared by the management of Pender Street Capital Corp. (the "Company") and was approved by the Board of Directors on May 30, 2025. Additional information relating to the Company is available on SEDAR+ at www.sedarplus.ca.

BASIS OF PRESENTATION

This MD&A and the financial statements have been prepared in Canadian dollars, unless otherwise indicated, and in accordance with IFRS Accounting Standards ("IFRS").

FORWARD-LOOKING INFORMATION

Certain statements contained in this document constitute "forward-looking information". When used in this document, the words "may", "would", "could", "will", "intend", "plan", "propose", "anticipate", "believe", used by any of the Company's management, are intended to identify forward-looking information. Such statements reflect the Company's forecasts, estimates and expectations, as they relate to the Company's current views based on their experience and expertise with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the Company's actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward- looking statements. The Company does not intend, and does not assume any obligation, to update any such factors or to publicly announce the result of any revisions to any of the forward-looking statements contained herein to reflect future results, events or developments unless required by law.

COMPANY OVERVIEW

The Company was incorporated on September 2, 2021 under the Business Corporations Act of British Columbia. The Company's head office and registered and records office address is 2303 Lawson Avenue, West Vancouver, BC, V7V 2E5.

The Company is a Capital Pool Company ("CPC"), defined in Policy 2.4 of the TSX Venture Exchange ("TSX-V"). As a CPC, the Company's principal business is to identify, evaluate and acquire assets, properties or businesses which would constitute a qualifying transaction in accordance with Policy 2.4 of the TSX-V ("Qualifying Transaction"). Such a transaction will be subject to shareholder and regulatory approval. Until completion of the Qualifying Transaction, the Company will not carry on any business other than the identification and evaluation of businesses or assets with a view to completing a potential Qualifying Transaction.

Under Policy 2.4 of the TSX-V, proceeds raised from the sale of common shares may only be used to identify and evaluate assets or businesses for future investment, with the exception that not more than the lesser of 30% of the gross proceeds from the sale of common shares and $210,000 may be used to fund prescribed costs of selling the common shares and administrative and general expenses not related to the identification and evaluation of a Qualifying Transaction. No more than $3,000 per month may be used to cover general and administrative expenditures of the Company. These restrictions apply until the completion of a Qualifying Transaction by the Company as defined under the policies of the TSX-V.

COMPANY OVERVIEW (cont'd …)

There are many external factors that can adversely affect general workforces, economies and financial markets globally. Examples include, but are not limited to, political conflicts in other regions. It is not possible for the Company to predict the duration or magnitude of the adverse results of these factors and their effects on the Company's business or results of operations or its ability to raise funds.

On March 23, 2022, the Company closed its Initial Public Offering ("IPO") of 2,000,000 common shares at a price of $0.10 per common share, for total proceeds of $200,000. The Company paid a total of $50,600 in agent's commissions and fees and issued 200,000 agent's warrants. Each agent's warrant entitles the holder to purchase one common share at a price of $0.10 per common share, for a period of twenty-four months from the date of issue.

Prior to completing its IPO, the Company issued 4,000,001 shares for gross proceeds of $200,000 ("Seed Shares"). All of the 4,000,001 Seed Shares issued are held in escrow until completion of a Qualifying Transaction. On completion of the Qualifying Transaction, twenty-five percent of these common shares will be released on the issuance of the Final Exchange Bulletin and an additional twenty-five percent will be released on the dates 6 months, 12 months, and 18 months following the initial release.

SELECTED ANNUAL INFORMATION

The following table sets out selected annual financial information for the financial years ended September 30, 2022, 2023, and 2024 derived from the Company's audited financial statements:

		Year ended September 30, 2024		**Year ended September 30, 2023**		**Year ended September 30, 2022**
Revenue	$	Nil	$	Nil	$	Nil
Loss from continuing operations	$	(28,260)	$	(33,946)	$	(101,657)
- per share[(1)]	$	(0.00)	$	(0.01)	$	(0.02)
Loss and comprehensive loss	$	(28,260)	$	(33,946)	$	(101,657)
- per share[(1)]	$	(0.00)	$	(0.01)	$	(0.02)
Total assets	$	195,419	$	223,197	$	250,283
Total non-current financial liabilities	$	Nil	$	Nil	$	Nil
Cash dividends declared - per share	$	Nil	$	Nil	$	Nil

1. Fully diluted loss per share was not calculated as the effect was anti-dilutive.

SUMMARY OF QUARTERLY RESULTS

The following table sets out selected unaudited quarterly financial information for the most recent eight quarters. The amounts presented have been prepared in accordance with IFRS for all quarters.

Three months ended		**March 31, 2025**		**December 31, 2024**		**September 30, 2024**		**June 30, 2024**
Revenue	$	Nil	$	Nil	$	Nil	$	Nil
Loss from continuing operations	$	(4,337)	$	(11,091)	$	(7,356)	$	(6,562)
- per share(1)	$	(0.00)	$	(0.00)	$	(0.00)	$	(0.00)
Loss and comprehensive loss	$	(4,337)	$	(11,091)	$	(7,356)	$	(6,562)
- per share (1)	$	(0.00)	$	(0.00)	$	(0.00)	$	(0.00)
Total assets	$	191,105	$	195,419	$	199,251	$	217,438
Total non-current financial liabilities	$	Nil	$	Nil	$	Nil	$	Nil
Cash dividends declared - per share	$	Nil	$	Nil	$	Nil	$	Nil

Three months ended		**March 31, 2024**		**December 31, 2023**		**September 30, 2023**		**June 30, 2023**
Revenue	$	Nil	$	Nil	$	Nil	$	Nil
Loss from continuing operations	$	(6,562)	$	(3,251)	$	(3,414)	$	(8,301)
- per share(1)	$	(0.00)	$	(0.00)	$	(0.00)	$	(0.00)
Loss and comprehensive loss	$	(6,562)	$	(3,251)	$	(3,414)	$	(8,301)
- per share (1)	$	(0.00)	$	(0.00)	$	(0.00)	$	(0.00)
Total assets	$	217,438	$	220,310	$	223,197	$	219,214
Total non-current financial liabilities	$	Nil	$	Nil	$	Nil	$	Nil
Cash dividends declared – per share	$	Nil	$	Nil	$	Nil	$	Nil

1. Fully diluted loss per share was not calculated as the effect was anti-dilutive.

RESULTS OF OPERATIONS

The Company currently has no business operations and until such time as the Company completes a Qualifying Transaction as defined by the TSX-V, corporate expenditures will be restricted to costs of raising equity financing, administrative costs to maintain the Company in good standing, and costs to identify and evaluate potential qualifying transactions.

The Company incurred a loss of $7,245 for the six months ended March 31, 2025 compared to a loss of $9,813 for the six months ended March 31, 2024. The Company incurred a loss of $4,337 for the three months ended March 31, 2025 compared to a loss of $6,562 for the three months ended March 31, 2024. The current decrease is a result of lower fees for administrative costs and a reduction in the transfer agent fees. Overall, the expenditures have remained relatively constant on a quarter-by-quarter basis. The most significant costs are the filing fees, which are in relation to the Company's sustaining fee and financial statement filing fee. The Company is working on keeping expenditures consistent and at a minimum as it focuses on finding a Qualifying Transaction.

LIQUIDITY AND CAPITAL RESOURCES

As at March 31, 2025, the Company had cash of $189,030 ($193,111 as at September 30, 2024) and net working capital of $173,459 (working capital of $180,704 at September 30, 2024). The decrease in cash is from costs incurred on operating activities. There were no investing or financing costs in either period.

As a CPC, the Company's routine expenses are limited to general administrative costs such as TSX-V filing fees, audit and accounting fees, and administrative fees. When the Company has identified a potential Qualifying Transaction, additional legal or other transaction-related costs may be incurred, regardless of whether or not the transaction is ultimately completed.

It is uncertain as to when a Qualifying Transaction can be completed, but the Company's current cash balance is sufficient to pay its existing accounts payable and accrued liabilities, to maintain routine on-going operations and to investigate potential Qualifying Transactions for the next 12 months.

OFF-BALANCE SHEET ARRANGEMENTS

As at March 31, 2025, and up to the date of this MD&A, the Company had no off-balance sheet arrangements.

TRANSACTIONS BETWEEN RELATED PARTIES

The Company considers key management personnel to consist of its directors and officers. During the six months ended March 31, 2024 and 2025, there were no related party transactions. As at March 31, 2025, included in accounts payable and accrued liabilities was $nil (September 30, 2024 - $nil) owing to related parties.

PROPOSED TRANSACTIONS

As at March 31, 2025, and up to the date of this MD&A, there were no proposed transactions with the Company.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. As at March 31, 2025, the Company's risk exposure and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's credit risk is primarily attributable to its liquid financial assets, being cash. The bank account is held with a major Canadian bank and this minimizes the risk to the Company.

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's approach to managing liquidity is through regular monitoring of cash requirements. When necessary, the Company obtains financing from various investors to ensure all future obligations are fulfilled. The Company has sufficient cash as at March 31, 2025 to settle its current liabilities as they come due.

The contractual maturity dates of each of cash and accounts payable and accrued liabilities is less than three months as at March 31, 2025.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of three types of market price changes:

<u>Foreign currency exchange risk</u>

This risk relates to any changes in foreign currencies in which the Company transacts. The Company is currently not exposed to foreign currency exchange rate fluctuations as the Company only conducts business in Canada and in Canadian dollars.

<u>Interest rate risk</u>

This risk relates to the change in the borrowing rates of the Company. The Company is not exposed to interest rate risk as it does not have any significant financial instruments with interest rates.

<u>Price risk</u>

This risk relates to fluctuations in commodity and equity prices. The Company closely monitors commodity prices of precious and base metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company. Fluctuations in pricing may be significant.

The Company does not currently use financial instruments designed to hedge these market risks.

CHANGES TO ACCOUNTING POLICIES

The following amendments to existing standards have been adopted by the Company commencing October 1, 2024:

IAS 1, Presentation of Financial Statements

The amendments clarify the requirements for classifying liabilities as current or non-current. The amendments provide a more general approach to the classification of liabilities based on the contractual arrangements in place at the reporting date. The adoption of these amendments did not materially impact the condensed interim financial statements of the Company.

OUTSTANDING SHARE DATA

As of the date of this MD&A, the Company had 6,000,001 common shares outstanding of which 4,000,001 are held in escrow. The Company had no options nor warrants outstanding.

RISKS AND UNCERTAINTIES

The Company is a CPC as that term is defined in Policy 2.4 of the TSX-V. The Company is actively working to identify assets or businesses in order to complete a Qualifying Transaction. During this time, the Company will have no source of recurring income.

Although management of the Company will be working to identify a Qualifying Transaction, there is no assurance that a Qualifying Transaction will be entered into or be completed. Nor can there be an assurance that the Company will be able to obtain additional financing in the future on terms acceptable to the Company or at all.

The Company is relying solely on the past business success of its directors and officers to identify a Qualifying Transaction of merit. The success of the Company is dependent upon the efforts and abilities of its management team. The loss of any member of the management team could have a material adverse effect upon the business and prospects of the Company. In such event, the Company will seek satisfactory replacements but there can be no guarantee that appropriate personnel may be found.

Completion of the Qualifying Transaction is subject to a number of conditions, including acceptance by the Exchange and in the case of a Non-Arm's Length Qualifying Transaction, majority of minority approval.