Management's Discussion and Analysis

For the three months ended March 31, 2022 and 2021

(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") has been prepared based on information available to Pedro Resources at May 30, 2022, the date of this MD&A, and should be read in conjunction with Pedro Resources unaudited consolidated interim financial statements and related notes for the three months ended March 31, 2022 and 2021. The 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 ("IASB") and interpretations of the IFRS Interpretations Committee. Information contained herein is presented as of May 30, 2022, 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 Resources unaudited consolidated interim financial statements and related notes for the three months ended March 31, 2022 and 2021, which are available on our website at www.pedroresources.com and under the Company's profile on SEDAR at www.sedar.com.

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 mineral properties, focusing on mineral exploration in North America. The Company does not operate any mines.

Pedro Resources continued operations are dependent upon the Company's ability to obtain financing for the continued exploration of its mineral properties. The Company has not yet determined whether any of its mineral properties contain mineralization that is economically recoverable.

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"). The Transaction was carried out by way of a share purchase agreement dated November 27, 2020 between the Company, Voisey's Bay and the shareholders of Voisey's Bay (collectively, the "Vendors"). 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 (the "Vale's Property").

As consideration for the Transaction, the Company issued an aggregate of 8,000,000 common shares in the capital of the Company (the "Consideration Shares") at a fair value of $0.125 per Consideration Share to the vendors and agreed to make cash payments of $155,000 payable on each of the first three anniversaries of the closing of the Transaction. The cash consideration payable was recorded in the consolidated statement of financial position using a discount rate of 6%, totaling $414,317 on initial recognition. All securities issued pursuant to the Transaction were subject to a statutory hold period of four months and one day from the issuance thereof, as applicable, in accordance with applicable securities laws.

In connection with the Transaction, the Company granted a 2.5% net smelter returns royalty ("NSR") in favour of a syndicate, subject to the ability of the Company to purchase 1.5% of the NSR (resulting in the remaining NSR being 1%) for a purchase price of $1,500,000 at any time before fifth anniversary of the date hereof.

On September 13, 2021, the Company closed a non-brokered private placement financing for gross proceeds of $581,700. The Company issued 3,878,000 units (each a "Unit") at a price of $0.15 per Unit. Each Unit consists of one common share of the Company and one-half of one common share purchase warrant. Each warrant entitles the holder thereof to purchase one common share at a price of $0.30 for a period of two years.

On March 3, 2022, the Company granted 2,500,000 stock options to certain directors, officers, employees and consultants of the Company. The stock options entitle the holders to purchase the same number of common shares of the Company at a price of $0.15 per share for a period of five years. 50% of the options vested immediately on the date of grant, while the remaining 50% will vest on September 3, 2022. The fair value of the stock options granted was estimated to be $292,796, while a stock-based compensation related to the grant in the three months ended March 31, 2022 was $169,661 and is included in the statements of loss and comprehensive loss.

Summary of Quarterly Results

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

		Q1 2022		Q4 2021		Q3 2021		Q2 2021
Statement of Loss and Comprehensive Loss								
Net loss	**$**	**(227,011)**	$	(1,033,391)	$	(754,534)	$	(80,736)
Basic and diluted loss per share	**$**	**(0.01)**	$	(0.03)	$	(0.02)	$	(0.00)
Statement of Financial Position								
Cash & cash equivalents	**$**	**105,807**	$	167,901	$	476,753	$	65,753
Total assets		**167,947**		225,398		527,117		101,268
Total liabilities		**714,163**		714,262		324,843		289,508
Shareholders' equity (deficiency)	**$**	**(546,216)**	$	(488,866)	$	202,274	$	(188,240)

		Q1 2021		Q4 2020		Q3 2020		Q2 2020
Statement of Loss and Comprehensive Loss								
Net loss		(23,517)	$	(86,026)	$	(36,204)	$	(66,821)
Basic and diluted loss per share	$	(0.00)	$	(0.01)	$	(0.00)	$	(0.00)
Statement of Financial Position								
Cash & cash equivalents	$	502	$	3,194	$	23,528	$	37,490
Total assets		29,096		31,334		96,111		57,977
Total liabilities		206,349		185,070		163,820		89,482
Shareholders' equity (deficiency)	$	(177,253)	$	(153,736)	$	67,709	$	(31,506)

RESULTS OF OPERATIONS

Comparison of the three months ended March 31, 2022 and 2021

The Company sustained a loss of $227,011 for the three months ended March 31, 2022 versus a loss of $23,517 for the same period ended March 31, 2021. This loss is largely attributable to share-based compensation expense of $169,661 incurred during the period.

The Company has yet to generate any revenues, while the operating results for the three months ended March 31, 2022 continue to reflect the Company's ongoing administrative and project advancement costs.

Exploration and Development Expenses

During the three months ended March 31, 2022, Pedro did not incur any exploration and development costs related to its Voisey's Bay property (Q1 2021 - $nil).

Professional and Consulting Fees, and Shareholder Communications

		2022		2021
Consulting/Management fees	**$**	**27,390**	$	15,000
Professional fees		**1,486**		-
Shareholder communications		**19,743**		6,628
Total	**$**	**48,619**	$	21,628

Consulting fees consist of management consultants and communication consultants. During the three months ended March 31, 2022, consulting fees were slightly higher than the comparable period due to an increase in the use of direct consultants.

Professional fees includes legal and audit costs that are related to compliance, government relations and other legal costs related to business development initiatives.

Shareholder communication expenses consist of filing, listing, transfer agent and investor relation fees, as well as communications consultant expenses. During the three months ended March 31, 2022, shareholder communication expenses were higher than the comparable period due to the increase in the use of investor relations campaigns.

General and Administrative Expenses

		2022		2021
Bank charges	**$**	**198**	$	114
Insurance		**2,213**		1,775
Office and general		**76**		-
Total	**$**	**2,487**	$	1,889

General and administrative expenses were higher than the comparable period mainly due to an increase in insurance costs.

FINANCIAL CONDITION, LIQUIDITY AND SOLVENCY, AND CAPITAL RESOURCES

Financial Condition and Operations

During the three months ended March 31,2022 the Company incurred a loss of $227,011 compared to a loss of $23,517 for the comparative period ended March 31, 2021. These losses reflect the Company's share-based compensation expense of $169,66, consulting and management fees of $27,390 and shareholder communication expenses of $19,743 incurred during the period.

There were no financings that took place during the three months ended March 31, 2022.

Liquidity and Capital Management

As of March 31, 2022, the Company had cash of $105,807 (December 31, 2021 – $167,901) and a working capital deficit of $546,216 (December 31, 2021 – deficit $213,705), respectively.

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 Company's operations to date have been funded by issuing equity by way of private placements and/or the exercise of warrants or stock options. The future exercise of stock options or the sale of securities by way of private placement is largely dependent on the market prices and the market liquidity of the Company's securities and there can be no guarantee that warrants and options will be exercised or that security sales will be realized.

The Company's mineral property interests are all in the exploration stage. As such, the Company is dependent on external financing to fund its exploration activities and administrative costs. Management continues to assess the merits of mineral properties on an ongoing basis and may seek to acquire new properties or increase ownership interests if it believes there is sufficient geologic and economic potential.

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 exploration 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

		2022		2021
Net cash used in operating activities	$	**(62,094)**	**$**	(7,692)
Net cash provided by investing activities		**-**		5,000
	$	**(62,094)**	**$**	(2,692)

CHANGES IN ACCOUNTING POLICIES AND CRITICAL ACCOUNTING ESTIMATES

Nature of Business and Continuance of Operations

The Company has transitioned into mineral exploration and is constantly reviewing mineral projects of merit which may be suitable for acquisition given its current level of operations.

Mineral Properties – Voisey's Bay

On July 14, 2021, the Company acquired all of the issued and outstanding common shares in the capital of Voisey's Bay. The Transaction was carried out by way of a share purchase agreement dated November 27, 2020 between the Company, Voisey's Bay and the shareholders of Voisey's Bay. Voisey's Bay is a private company formed under the laws of Ontario, whose sole asset at the time of acquisition was a 100% interest in 13 prospective mineral licenses, comprising 721 claims (18,025 hectares), 4.5 km south of Vale's Property in the province of Newfoundland and Labrador, Canada.

As consideration for the Transaction, the Company issued an aggregate of 8,000,000 common shares in the capital of the Company (the "Consideration Shares") at a fair value of $0.125 per Consideration Share to the vendors and agreed to make cash payments of $155,000 payable on each of the first three anniversaries of the closing of the Transaction. The cash consideration payable was recorded in the consolidated statement of financial position using a discount rate of 6% and totaled $414,317 on initial recognition. All securities issued pursuant to the Transaction were subject to a statutory hold period of four months and one day from the issuance thereof, as applicable, in accordance with applicable securities laws.

In connection with the Transaction, the Company granted a 2.5% NSR in favour of a syndicate, subject to the ability of the Company to purchase 1.5% of the NSR (resulting in the remaining NSR being 1%) for a purchase price of $1,500,000 at any time before fifth anniversary of the date hereof.

The Company selected this opportunity upon the recommendation of former senior Vale employees and consultants who had worked on the property and is based upon regional compilation of geological and geophysical data incorporating the most recent Vale models. Vale's Property has been in production since 2005 as an open pit (Ovoid) with underground operations (Eastern Deeps and Reid Brook) commencing in 2021. The mine has proven and probable geological resources (2018) of 32.4 million tonnes ore grading 2.13 % Ni (691 kilotonnes (kt)), 0.96% Cu (312 kt) and 0.13% Co (42 kt). The Company cautions investors that mineralization hosted on nearby or adjacent properties are not necessarily indicative of mineralization hosted on the Property.

Portions of Property had been explored in a reconnaissance manner between 1995 and 1998. As part of due diligence for the transaction, the Company commissioned a NI 43-101 technical report prepared by Mark Fekete, P. Geo and qualified person, entitled "Technical Report on the Voisey's Bay West, Labrador NTS Sheets 042D01, D02 and D07 56°17' N. Lat., 062°50' W. Long., for Pedro Resources Ltd.". Mr. Fekete's report noted that, although at a preliminary stage, the property merits additional exploration based upon:

- The Property being located in an area with lithologies and regional structures favourable for Vale's Property-type Ni-Cu- Co deposits but has not had seen any property-wide systematic mapping or rock sampling; and

- Compilations of historic airborne magnetic and electromagnetic surveys have identified numerous geophysical anomalies that remain untested by surface sampling or drilling rock types favourable for the style of mineralization typical of the Vale's Property deposits that have been identified on the Property.

The Company recognizes that both nickel and cobalt are key components in clean energy technologies particularly in the production of electric vehicles (EV's) and in the Company's view it is very fortunate to be able to acquire a property of this magnitude, in such close proximity to a major producer.

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 is looking to secure additional funding in 2022 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 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 consolidated financial statements requires 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 the depreciation of equipment, carrying values of assets, the determination of share-based payments and any amounts recognized with respect to deferred tax amounts. 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 therevision and future periods if the revision affects both current and further periods.

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

* The Company uses the Black-Scholes Option Pricing Model for valuation of share-based payments and warrants. 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.

* 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 unaudited consolidated interim financial statements for the three months ended March 31, 2022.

OUTSTANDING SHARE DATA

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

As of May 30, 2022, the date of this MD&A, the number of common shares outstanding or issuable under other outstanding securities was as follows:

Common Shares	Number
Outstanding	31,814,630
Issuable upon the exercise of share purchase warrants (1)	2,035,780
Issuable upon the exercise of stock options (2)	2,500,000
Fully diluted common shares	36,350,410

(1) On September 15, 2021, the Company closed a non-brokered private placement financing for gross proceeds of $581,700. The Company issued 3,878,000 units at a price of $0.15 per Unit. Each Unit consists of one common share of the Company and one-half of one common share purchase warrant. The Company also issued 96,780 broker warrants. Each warrant entitles the holder thereof to purchase one Common Share at a price of $0.30 per common share.

(2) On March 3, 2022, the Company granted 2,500,000 stock options to certain directors, officers, employees and consultants of the Company. The options entitle the holders to purchase the same number of common shares of the Company at a price of $0.15 per share for a period of five years. 50% of the options vested immediately on the date of grant, while the remaining 50% will vest on September 3, 2022.

TRENDS, RISKS AND UNCERTAINTIES

The Company is currently in the process of identifying and evaluating opportunities in the natural resource sector. 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 had a sharedolder's deficit of $546,216 as at March 31, 2022 (December 31, 2021 - $488,866) 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 unable to continue as a going concern.

Substantial Capital Requirements; Liquidity

The Company anticipates that it may be required to make substantial capital expenditures for the future acquisition of mineral properties of merit and for the subsequent exploration and development of, and any production from, any of such mineral properties. The Company currently has no revenue and limited ability to expend the capital necessary to acquire any mineral properties of merit and to undertake or complete future programs of exploration on any such properties. 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 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 exploration, development and operation of mineral projects, 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 full 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, 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 loans 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, 2022, the Company had cash of $105,807 (December 31, 2021 – $167,901) to meet obligations of $714,163 (December 31, 2021 – $714,264). Management believes that the Company's sources of liquidity will be 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 three months ended March 31, 2022. 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.

Key management personnel compensation for the three months ended March 31, 2022 and 2021 was as follows:

		2022		2021
Short term compensation	**$**	**15,000**	$	15,000

COVID-19

The global outbreak of the COVID-19 coronavirus continues to evolve. The extent to which the COVID-19 coronavirus may impact the Company's business and development will depend on future developments, which are highly uncertain and cannot be predicted with confidence, such as the duration of the outbreak, travel restrictions and social distancing in Canada, the United States and other countries, business closures or business disruption, and the effectiveness of actions taken by governments around the globe to contain and treat the disease. It may also have an impact on capital markets and the ability of the Company to complete an equity raise.

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 Unaudited Consolidated Interim Financial Statements for the three months ended March 31, 2022 and 2021, that are available either on the Company's website at www.pedroresources.com or under its profile on SEDAR.

INTERNAL CONTROLS OVER FINANCIAL REPORTING AND DISCLOSURE CONTROLS AND PROCEDURES

In accordance with National Instrument 52-109, Certification of Disclosure in Issuer's Annual and Interim Filings ("NI 52-109"), the CEO and CFO file a Venture Issuer Basic Certificate with respect to the financial information contained in the unaudited consolidated interim financial statements and accompanying Management's Discussion and Analysis. The Venture Issuer Basic Certification includes a "Note to Reader" stating that the CEO and CFO do not make any representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal controls over financial reporting ("ICFR"), as defined in NI 52-109.

As part of our corporate governance practices, ICFR and DC&P have been designed. There has been no formal evaluation of the operation of these controls. The Company has designed its ICFR to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance IFRS. Management works to mitigate the risk of a material misstatement in financial reporting; however, a control system, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

The Company's DC&P have been designed to ensure that information required to be disclosed by the Company is accumulated and communicated to the Company's management as appropriate to allow timely decisions regarding required disclosure.

It should be noted that while the Company's CEO and CFO believe that the Company's DC&P provide a reasonable level of assurance that they are effective, they do not expect that the DC&P or ICFR will prevent all errors or fraud. There have been no material changes to the internal controls of the Company during the three months ended March 31, 2022.