AETHER GLOBAL INNOVATIONS CORP.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Three months ended February 28, 2026 and 2025

(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW OF
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, the financial statements must be accompanied by a notice indicating that they have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements of the Company have been prepared by, and are the responsibility of, management.

The Company's independent auditor has not performed a review of these condensed interim financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

AETHER GLOBAL INNOVATIONS CORP.
Condensed Consolidated Interim Statements of Financial Position
(Unaudited - Expressed in Canadian dollars)

	Note	February 28, 2026	November 30, 2025
ASSETS			
Current assets			
Cash		**$ 11,344**	$ 242,533
Sales tax receivable		**41,101**	23,603
Prepaid expenses	3	**24,789**	33,508
Loans receivable	4	**28,442**	7,131
Total current assets		**105,676**	306,775
Non-current assets			
Loans receivable	4	**477,470**	479,541
Long-term receivable	4	**1**	1
Total assets		**$ 583,147**	$ 786,317
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	5	**$ 721,135**	$ 677,488
Loans payable	7	**199,923**	48,000
Due to related parties	6	**10,500**	10,500
Total liabilities		**931,558**	735,988
SHAREHOLDERS' EQUITY			
Share capital	9	**16,700,070**	16,695,946
Contributed surplus	9	**2,709,790**	2,709,790
Reserves	9	**629,202**	535,598
Deficit		**(20,387,473)**	(19,891,005)
Total shareholders' equity (deficit)		**(348,411)**	50,329
Total liabilities and shareholders' equity		**$ 583,147**	$ 786,317

Nature of operations and going concern – Note 1
Commitments and contingencies – Note 12
Subsequent events – Note 15

These Condensed consolidated interim financial statements are authorized for issuance by the Board of Directors on April 29, 2026.

Approved on behalf of the Board:

“Philip Lancaster”	*“Douglas Smith”*
Philip Lancaster, Director	Douglas Smith, Director

The accompanying notes are an integral part of these condensed consolidated interim financial statements

AETHER GLOBAL INNOVATIONS CORP.
Condensed Consolidated Interim Statements of Loss and Comprehensive Loss
(Unaudited - Expressed in Canadian dollars)

	Notes		Three Months Ended February 28, 2026		Three Months Ended February 28, 2025
OPERATING EXPENSES					
General and administrative	6,13	**$**	**509,880**	$	68,978
Total operating expenses			**(509,880)**		(68,978)
OTHER INCOME (EXPENSES)					
Interest expense	7		**(1,923)**		(6,376)
Interest income	4		**16,609**		-
Expected credit loss reversal on loan receivable	4		**9,724**		-
Foreign exchange gain (loss)			**(10,998)**		8,780
Total other income (expense)			**13,412**		2,404
TOTAL LOSS AND COMPREHENSIVE LOSS		**$**	**(496,468)**	$	(66,574)
LOSS PER COMMON SHARE - BASIC AND DILUTED		**$**	**(0.02)**	$	(0.01)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES - BASIC AND DILUTED			**24,651,036**		10,562,446

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

AETHER GLOBAL INNOVATIONS CORP.

Condensed Consolidated Interim Statements of Changes in Shareholders' Equity (Deficit)

(Unaudited - Expressed in Canadian dollars)

	Share Capital			Reserves			
	Number of shares	Amount	Contributed Surplus	Warrants	Options	Deficit	Total
Balance, November 30, 2024	**10,560,449**	**$ 13,920,198**	**$ 2,709,790**	**$ 149,340**	**$ 87,172**	**$ (17,956,118)**	**$ (1,089,618)**
Shares issued for interest payment	10,000	3,000	-	-	-	-	3,000
Loss for the period	-	-	-	-	-	(66,574)	(66,574)
Balance February 28, 2025	**10,570,449**	**$ 13,923,198**	**$ 2,709,790**	**$ 149,340**	**$ 87,172**	**$ (18,022,692)**	**$ (1,153,192)**
Balance, November 30, 2024	**24,648,103**	**$ 16,695,946**	**$ 2,709,790**	**$ 331,888**	**$ 203,710**	**$ (19,891,005)**	**$ 50,329**
Share-based compensation	-	-	-	-	93,604	-	93,604
Warrant exercised	16,500	4,124	-	-	-	-	4,124
Loss for the period	-	-	-	-	-	(496,468)	(496,468)
Balance, February 28, 2026	**24,664,603**	**16,700,070**	**2,709,790**	**331,888**	**297,314**	**(20,387,473)**	**(348,411)**

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

AETHER GLOBAL INNOVATIONS CORP.
Condensed Consolidated Interim Statements of Cash Flows
(Unaudited - Expressed in Canadian dollars)

	Three months ended	
	February 28, 2026	**February 28, 2025**
Operating Activities		
Net loss for the period	**$ (496,468)**	$ (66,574)
Items not affecting cash:		
Interest expense	**1,923**	6,376
Interest income	**(16,609)**	-
Share-based compensation	**93,604**	-
Expected credit loss reversal on loan receivable	**(9,724)**	-
Foreign exchange loss	**12,094**	-
Changes in non-cash working capital items:		
Sales tax receivable	**(17,498)**	2,233
Prepaid expenses	**8,719**	-
Due to related parties	**-**	32,767
Accounts payable and accrued liabilities	**43,646**	15,485
Net cash used in operating activities	**(380,313)**	(9,713)
Investing activities		
Loan advanced	**(5,000)**	-
Net cash used in investing activities	**(5,000)**	-
Financing activities		
Exercise of warrants	**4,124**	-
Loan received	**150,000**	10,000
Net cash provided by financing activities	**154,124**	10,000
Change in cash	**(231,189)**	287
Cash, beginning of the period	**242,533**	198
Cash, end of the period	**$ 11,344**	$ 485

Supplemental cash flow information – Note 11

The accompanying notes are an integral part of these condensed consolidated interim financial statements

1. NATURE OF OPERATIONS AND GOING CONCERN

Aether Global Innovations Corp. (the "Company") was incorporated under the Business Corporations Act of British Columbia on October 17, 2011. The head office, principal address and registered and records office of the Company are located at 480 – 789 West Pender Street, Vancouver, B.C., V6C 1H2.

The Company's common shares are listed on the Canadian Securities Exchanged ("CSE") under the symbol "AETH" and on the Frankfurt Stock Exchange under the Symbol: 4XA, WKN# - A2N8RH.

The Company is an innovative UAV drone management and operations services company that focuses on three areas for critical infrastructure and large public and private facilities: (i) drone management and surveillance monitoring; (ii) automation and integration for flight planning, new, innovative sensor payloads and stand-alone power sources; and (iii) drone base station infrastructure and technology for autonomous self-landing, power charging, and take-off.

Going Concern

These condensed consolidated interim financial statements are prepared on a going concern basis, with the assumption that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. At present, the Company's operations do not generate cash flows. The Company has incurred losses since inception. The Company has a comprehensive loss of $496,468 for the three month ended February 28, 2026 (three month ended February 28, 2025 - $66,574), and had an accumulated deficit of $20,387,473 as at February 28, 2026 (November 30, 2025 - $19,891,005). The ability of the Company to continue as a going concern is dependent on achieving profitable operations, commercializing its technologies, and obtaining the necessary financing in order to develop these technologies further. The outcome of these matters cannot be predicted at this time. Management plans to continue reviewing the prospects of raising additional debt and equity financing to support its operations until such time that its operations become self-sustaining, to fund its research and development activities and to ensure the realization of its assets and discharge of its liabilities. While the Company is expanding its best efforts to achieve the above plans, there is no assurance that any such activity will generate sufficient funds for future operations. These material uncertainties cast significant doubt about the Company's ability to continue as a going concern and therefore it may be unable to realize its assets and discharge its liabilities in the normal course of business.

These condensed consolidated interim statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence. Such adjustments could be material.

The Company is not expected to be profitable during the ensuing 12 months from the date of the issuance of the condensed consolidated interim financial statement, and therefore must rely on securing additional funds from either issuance of debt or equity financing for cash consideration. During the three months ended February 28, 2026, the Company received net cash proceeds of $154,124 pursuant to financing activities. Management has been successful in raising capital through periodic private placements of the Company's common shares and loans in the past, however there is no certainty that financing will be available in the future, or certainty that management's planned actions to address this situation will be successful.

2. MATERIAL ACCOUNTING POLICIES

Basis of Presentation

These condensed consolidated interim financial statements have been prepared using accounting policies consistent with IFRS as issued by the International Accounting Standard Board ("IASB") and in accordance with International Accounting Standards ("IAS") 34, Interim Financial Reporting, using accounting policies that the Company expects to adopt in its condensed consolidated interim financial statements for the period ended February 28, 2026. These condensed consolidated interim financial statements do not include all the information required for the annual consolidated financial statements and should be read in conjunction with the Company's most recent audited consolidated financial statements for the year ended November 30, 2025, which are available on www.sedarplus.com

These condensed consolidated interim financial statements were authorized for issue by the Board of Directors on April 29, 2026.

The condensed consolidated interim financial statements have been prepared on a historical cost basis, except for financial instruments classified as fair value through profit or loss, which are measured at fair value, and have been prepared using the accrual basis of accounting.

These condensed consolidated interim financial statements are presented in Canadian dollars, which is the Company's functional currency.

Critical accounting judgments, estimates and assumptions

The preparation of the condensed consolidated interim financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and the reported amounts of income and expenses during the reporting period. Actual results may differ from those estimates.

The judgments, estimates and assumptions applied in the condensed consolidated interim financial statements are consistent with those applied in the Company's audited consolidated financial statements for the year ended November 30, 2025. There have been no material changes to the Company's critical accounting judgments, estimates or assumptions during the interim period.

Changes in accounting policies

The accounting policies applied in the preparation of these condensed consolidated interim financial statements are consistent with those applied in the Company's audited consolidated financial statements for the year ended November 30, 2025. There were no changes in accounting policies during the interim period.

3. PREPAID EXPENSES

As at February 28, 2026 and November 30, 2025, the Company's prepaid expenses consisted of the following:

	February 28, 2026	November 30, 2025
Insurance	**$ 24,101**	$ 32,476
Transfer agent and filing fees	**688**	1,032
	$ 24,789	$ 33,508

(Unaudited - Expressed in Canadian dollars)

4. LOANS RECEIVABLE & LONG-TERM RECEIVABLE

Loans receivable

A continuity of loans receivable is as follows:

		February 28, 2026		November 30, 2025
Balance, opening	**$**	**486,672**	$	-
Loan advanced		**5,000**		493,920
Interest		**16,609**		7,162
Expected credit (loss) reversal		**9,724**		(9,724)
Foreign exchange translation		**(12,093)**		(4,686)
	$	**505,912**	$	486,672
Current		**28,442**		7,131
Non-current		**477,470**		479,541
	$	**505,912**	$	486,672

Loans receivable from 1509356 B.C. Ltd ("1509 BC").

i. On October 15, 2025, the Company advanced a $493,920 (US$ 350,000) secured loan to 1509 BC. The loan bears interest at 14% per annum, payable quarterly on an interest-only basis, with the first payment due January 31, 2026, and the principal due at maturity on October 31, 2027.

   The loan is secured by a first-ranking security interest in equipment procured for the sole benefit of the Company. If the Borrower does not repay the loan by the maturity date, the Company becomes entitled to 70% of the net profits the Borrower receives under its business participation agreement with Bravo Zulu Drone Defense Inc.

   During the three months ended February 28, 2026, the Company recorded interest income of $9,724 (three months ended February 28, 2025 - $Nil). The Company recorded a reversal of credit loss of $9,724 during the three months ended February 28, 2026. At February 28, 2026, the secured loan receivable balance is $505,912 (November 30, 2025 - $486,672).

ii. On December 12, 2025, the Company advanced a $5,000 to 1509356 B.C. Ltd. The amount is unsecured, non-interest bearing and payable on demand (November 30, 2025 - $Nil).

Long-term receivable

During fiscal year 2023, the Company has loaned to the third party a total of $209,703 (£122,203) including the interest incurred. During the fiscal year 2023, due to uncertainty surrounding collectability, the Company recognized impairment loss amounting to $209,702. As at February 28, 2026, the long-term receivable in the statement of financial position amounted to $1.

On March 5, 2024, pursuant to the facility agreements with a third party, the Company issued a conversion notice to borrower requiring the latter to convert the principal amount of $205,939 (£120,000) plus estimated accrued interest of $6,360 (£3,716) as at the date of this notice into fully paid ordinary shares in the capital of the third party. As of the date of this report, the shares have not been issued and the previously agreed upon conversion rate is still under negotiations with the said third party.

(Unaudited - Expressed in Canadian dollars)

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

As at February 28, 2026 and November 30, 2025, the Company's accounts payable and accrued liabilities consist of the following:

		February 28, 2026		November 30, 2025
Accounts payable	**$**	**615,554**	$	558,454
Accrued liabilities		**105,581**		119,034
	$	**721,135**	$	677,488

6. RELATED PARTY TRANSACTIONS AND BALANCES

Key management compensation

The amounts due to and from related parties are due to the directors and officers of the Company. The balances are unsecured, non-interest bearing and due on demand. These transactions are in the normal course of operations. Key management is comprised of directors and officers of the Company.

As at February 28, 2026, $10,500 (November 30, 2025– $10,500) is due to directors and officers of the Company:

	February 28, 2026	November 30, 2025
Company controlled by the CEO and interim CFO and interim Corporate Secretary	**10,500**	10,500

During the three months ended February 28, 2026 and 2025, the Company entered into the following transactions with related parties:

	Three months ended			
		February 28, 2026		February 28, 2025
Management fees	**$**	**45,000**	$	24,000
Professional fees		**-**		7,500
Share-based compensation		**93,604**		-
	$	**138,604**	$	31,500

Management fees consisted of the following:

	Three months ended			
		February 28, 2026		February 28, 2025
Company controlled by the President and former CEO	**$**	**15,000**	$	15,000
Company controlled by the CEO and interim CFO and interim Corporate Secretary		**30,000**		-
Former Interim CFO		**-**		9,000
	$	**45,000**	$	24,000

(Unaudited - Expressed in Canadian dollars)

6. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

During the three months ended February 28, 2026, professional fees of $Nil (three months ended February 28, 2025 – $7,500) were paid or accrued to a Company controlled by former corporate secretary and former interim CFO.

During the three months ended February 28, 2026, the Company had 325,000 (three months ended February 28, 2025 –145,000) stock options held by the current and former directors and officers of the Company.

	Three months ended			
	February 28, 2026		February 28, 2025	
	Number of options held	**Expense for the period (vested)**	Number of options held	Expense for the period (vested)
President and former CEO	**125,000**	**$ 40,687**	80,000	$ -
Former Corporate Secretary and Interim CFO	**-**	**-**	5,000	-
Directors	**200,000**	**52,917**	60,000	-
	325,000	**$ 93,604**	145,000	$ -

7. LOANS PAYABLE

As at February 28, 2026, the Company had loans payable amounting to $199,923 (November 30, 2025 – $48,000) broken down as follows:

Date	Principal	Interest	Maturity	Balance February 28, 2025	Balance November 30, 2025
July 8, 2022	$ 30,000	10%	November 8, 2022	$ 48,000	$ 48,000
December 12, 2025	$ 150,000	6%	-	$ 151,923	$ -
Total	$ 180,000			$ 199,923	$ 48,000

On December 8, 2025, the Company entered into a binding arm’s-length Letter of Intent (“LOI”) to acquire Arion Defense Inc. (“Arion”). Under the LOI, Arion agreed to advance a $150,000 secured working-capital bridge loan to the Company, bearing interest at 6% per annum. The loan is forgivable upon completion of the acquisition. Arion operates in the security and defense technology sector, with participation interests in international counter-UAV programs and an exclusive patent license for a footwear scanning platform (Note 15).

(Unaudited - Expressed in Canadian dollars)

8. CAPITAL MANAGEMENT

The Company considers its capital structure to include shareholders' deficiency. The Company's objectives when managing capital are to (i) maintain financial flexibility in order to preserve its ability to meet financial obligations and continue as a going concern; (ii) maintain a capital structure that allows the Company to pursue the development of its projects and products; and (iii) optimize the use of its capital to provide an appropriate investment return to its shareholders commensurate with risk.

The Company's financial strategy is formulated and adapted according to market conditions in order to maintain a flexible capital structure that is consistent with its objectives and the risk characteristics of its underlying assets. The Company manages its capital structure and adjusts it in light of changes in economic conditions and the risk characteristics of its underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares or acquire or dispose of assets.

The Company is not subject to externally imposed capital requirements, and the Company's approach to capital management did not change during the three months ended February 28, 2026.

9. SHARE CAPITAL

a) Common Shares

Authorized: Unlimited number of common shares without par value

As at February 28, 2026, there were 24,664,603 common shares issued and outstanding (November 30, 2025 – 24,648,103).

During the three months ended February 28, 2026, the Company issued 16,500 common shares pursuant to the exercise of share purchase warrants at an exercise price of $0.25 per share, for gross proceeds of $4,125.

b) Stock Options

Stock option transactions and the number of stock options outstanding as at February 28, 2026 and November 30, 2025, are summarized as follows:

	Number of stock options outstanding	Weighted average exercise price
Balance, November 30, 2025	680,000	0.47
Granted	100,000	0.58
Balance, February 28, 2025	**780,000**	**0.49**

The following summarizes the stock options outstanding at February 28, 2026:

Expiry date	Exercise price ($)	Number of options outstanding	Number of options exercisable	Weighted average remaining contractual life (year)
August 18, 2026	0.50	205,000	205,000	0.47
October 19, 2028	0.50	100,000	100,000	2.64
October 22, 2030	0.45	375,000	262,500	4.65
December 17, 2030	0.58	100,000	100,000	4.80
		780,000	567,500	3.31

(Unaudited - Expressed in Canadian dollars)

9. SHARE CAPITAL (continued)

b) Stock Options (continued)

During the three months ended February 28, 2026, the Company granted 100,000 stock options to directors and consultants (2024 – Nil) with an exercise price of $0.58 for a period of 5 years from the date of grant. The fair value of stock options granted was determined using the Black-Scholes pricing model, assuming no expected dividends and forfeiture with the following assumptions: stock price of $0.58, risk free rate of 3%, expected life of 5 years and estimated volatility of 207.74%.

During the three months ended February 28, 2026, the Company recognized share-based compensation expense of $93,604 in connection with the stock options granted and vested during the period (three months ended February 28, 2025 - $Nil).

c) Share purchase warrants

During the three months ended February 28, 2026, 16,500 warrants were exercised at an exercise price of $0.25 per warrant, resulting in the issuance of common shares and gross proceeds of $4,125 to the Company.

In addition, 318,816 warrants expired unexercised during the period. These expired warrants had a weighted average exercise price of $2.50 per warrant.

As at February 28, 2026, a total of 10,013,820 warrants were outstanding with a weighted average exercise price of $0.90 per warrant.

The following table summarizes the continuity of warrants outstanding for the periods presented.

	Number of warrants outstanding	Weighted average exercise price
Balance, November 30, 2025	10,349,136	0.95
Exercised	(16,500)	0.25
Expired	(318,816)	2.50
Balance, February 28, 2026	**10,013,820**	**0.90**

The following summarizes the stock warrants outstanding on February 28, 2026:

Expiry date	Exercise price ($)	Number of warrants outstanding and exercisable	Weighted average remaining contractual life (year)
March 27, 2026	1.00	20,000	0.07
March 27, 2027	1.00	720,000	1.07
March 30, 2026	1.00	264,800	0.08
March 30, 2027	1.00	2,648,000	1.08
August 9, 2026	5.00	624,200	0.44
July 24, 2028	1.00	1,089,770	2.40
September 29, 2027	0.25	4,647,050	1.58
		10,013,820	1.06

9. SHARE CAPITAL (continued)

c) Share purchase warrants (continued)

Subsequent to February 28, 2026, 284,800 warrants with exercise prices of $1.00 per warrant expired unexercised in March 2026.

In addition, the Company extended the expiry dates of 720,000 warrants with an exercise price of $1.00 from March 27, 2026 to March 27, 2027, and 2,648,000 warrants with an exercise price of $1.00 from March 30, 2026 to March 30, 2027 (Note 15).

10. FINANCIAL RISK MANAGEMENT

The Company's financial assets consist of cash, loans receivable and long-term receivable. The estimated fair values of cash approximate their respective carrying values due to the short period to maturity.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

a. Level 1 – unadjusted quoted prices in active markets for identical assets or liabilities;
b. Level 2 – inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
c. Level 3 – inputs that are not based on observable market data.

For the three months ended February 28, 2026, the fair value of the cash, accounts payable and accrued liabilities, due to related parties and loans payable approximate the book value due to the short-term nature. Loans receivable is measured and reported at amortized cost using the incremental borrowing rate.

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

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations when they become due. The Company ensures, as far as reasonably possible, it will have sufficient capital in order to meet short- term business requirements, after taking into account cash flows from operations and the Company's holdings of cash. The Company believes that these sources will be sufficient to cover the likely short-term cash requirements. As of February 28, 2026, the company has working capital deficit of $825,882 (November 30, 2025- $429,213).

The Company's cash is currently invested in business accounts which are available on demand by the Company for its operations.

Interest Rate Risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company has no significant interest rate risk due to the short-term nature of its interest generating assets. The interest rate risk on loan payable is low due to fixed interest rates.

10. FINANCIAL RISK MANAGEMENT (continued)

Credit Risk

Credit risk is the risk of a loss when a counterparty to a financial instrument fails to meet its contractual obligations. The Company's exposure to credit risk is limited to its cash and loan receivable.

Cash is held with high-credit-quality Canadian financial institutions, and management considers the related credit risk to be minimal. The Company's primary exposure to credit risk relates to its loan receivable (Note 4), which is measured at amortized cost.

As at February 28, 2026, the loan receivable is secured and bears interest at 14% per annum. Management assesses expected credit losses at each reporting date based on the borrower's creditworthiness, contractual terms, collateral held, and forward-looking information. No expected credit loss was recognized during the period.

Credit risk is concentrated with a single borrower; however, management believes the risk is mitigated by the security held and the terms of the loan.

Foreign Currency Risk

The Company is exposed to foreign currency risk on fluctuations related to cash, loan receivable, due from related parties and accounts payable and accrued liabilities that are denominated in US dollars. 10% fluctuations in the US dollar against the Canadian dollar have affected comprehensive loss for the period by approximately $56,824 (November 30, 2024 – $74,228).

11. SUPPLEMENTAL CASH FLOW INFORMATION

During the three months ended February 28, 2026 and 2025, the Company has the following non-cash financing activities:

	Three months ended	
	February 28, 2026	**February 28, 2025**
Non-cash investing and financing activities:		
Shares to be issued for interest payment	$ -	$ 3,000

12. COMMITMENTS AND CONTINGENCIES

The Company has certain commitments related to key management compensation (management fees) of $10,000 per month with no specific expiry of terms (Note 6).

(Unaudited - Expressed in Canadian dollars)

13. BREAKDOWN OF EXPENSES

GENERAL AND ADMINISTRATIVE EXPENSES	Three months ended February 28, 2026	Three months ended February 28, 2025
Accounting and audit fees	**$ 42,074**	$ 21,055
Advertising and promotion	**200,000**	-
Consulting fees (Note 5)	**20,053**	5,000
General office expenses	**11,303**	1,142
Investor relations	**17,500**	-
Legal and professional fees	**51,817**	12,740
Management fees	**45,000**	24,000
Rent	**-**	1,500
Share-based compensation (Notes 5 and 9)	**93,604**	-
Transfer agent and filing fees	**17,027**	3,541
Travel	**11,502**	-
Total	**$ 509,880**	$ 68,978

14. SEGMENTED INFORMATION

The Company operates in one business segment, focusing on drone management and automation services as described in Note 1.

Reportable segments are defined as components of an enterprise about which discrete financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance.

15. SUBSEQUENT EVENTS

Warrants Extension
Subsequent to February 28, 2026, The Company extended the expiry dates of 720,000 warrants with an exercise price of $1.00 from March 27, 2026 to March 27, 2027, and 2,648,000 warrants with an exercise price of $1.00 from March 30, 2026 to March 30, 2027 (Note 9).

Acquisition of Arion Defense Inc.
On December 8, 2025, the Company entered into a binding arm's-length Letter of Intent ("LOI") to acquire Arion Defense Inc. ("Arion"). Under the LOI, Arion agreed to advance a $150,000 secured working-capital bridge loan to the Company, bearing interest at 6% per annum (Note 7). The loan is forgivable upon completion of the acquisition. Arion operates in the security and defense technology sector, with participation interests in international counter-UAV programs and an exclusive patent license for a footwear scanning platform.

On April 1, 2026, the Company entered into a definitive amalgamation agreement (the "Agreement") to acquire (the "Proposed Transaction") 100% of the issued and outstanding shares of Arion through a three-cornered amalgamation whereby a wholly-owned subsidiary of the Company will amalgamate with Arion, resulting in Arion becoming a wholly-owned subsidiary of the Company

15. SUBSEQUENT EVENTS (continued)

Acquisition of Arion Defense Inc. (continued)

Proposed Transaction Details

Pursuant to the Agreement, the Company has agreed to acquire 100% of the 20,156,994 currently issued and outstanding common shares of Arion (the "Arion Company Shares") in consideration for an aggregate of 48,376,786 common shares of the Company (the "Aether Consideration Shares"), representing an exchange ratio of approximately 2.4 Aether Consideration Shares for each Arion Company Share, at a deemed issue price of $0.15 per share, which deemed price per share represents a 25% discount to the closing market price of the Company's shares on the date of execution.

The Proposed Transaction will constitute a "Fundamental Change" under Policy 8 of the Canadian Securities Exchange (the "Exchange") and will therefore be subject to the approval of the Exchange and the approval of the Company's shareholders, among other customary conditions precedent.

In connection with the Proposed Transaction, Arion intends to undertake a non-brokered private placement offering of a minimum of 2,777,777 units of Arion (each, an "Arion Unit"), at a price of $0.36 per Arion Unit, for minimum aggregate gross proceeds of $1,000,000 (the "Arion Financing"). Each Arion Unit will be composed of one (1) common share of Arion (an "Arion Financing Share") and one-half of one (1/2) common share purchase warrant of Arion (each whole warrant, an "Arion Financing Warrant"), exercisable at $0.60 for two years from issuance.

Pursuant to the Agreement, upon completion of the Proposed Transaction, each Arion Financing Share will be exchanged for 2.4 common shares of the Company (the "Aether Financing Shares") and each Arion Financing Warrant will become exercisable into 2.4 common shares of the Company (each whole share, an "Aether Financing Warrant Share") at an exercise price of $0.25 per Aether Financing Warrant Share.

In connection with the Proposed Transaction, the Company intends to:

(i) change its name to a name to be agreed upon
(ii) change its stock exchange ticker symbol to a symbol to be determined between the parties and acceptable to the Exchange; and
(iii) reconstitute its board of directors and management team. The names and titles of the new directors and officers of the Company following the Proposed Transaction will be announced in a subsequent news release once finalized.

As at the date of authorization of these condensed consolidated interim financial statements, the transaction had not closed, and no assets or liabilities of Arion have been recognized in the accompanying condensed consolidated interim financial statements. This transaction represents a non-adjusting subsequent event in accordance with IAS 10, as the conditions giving rise to the transaction arose after the reporting date.

15. SUBSEQUENT EVENTS (continued)

Loan Agreement

Subsequent to February 28, 2026, the Company entered into a loan agreement with Arion to which the Company will borrow from Arion up to an aggregate principal amount of 500,000 (the "Loan"), to be made available in one or more advances, subject to the terms and conditions set out in the loan agreement, including the following:

(i) The Loan will bear interest at a rate of 6% per annum, calculated and payable quarterly, with first payment due on July 31, 2026;
(ii) The Company acknowledges that $150,000 was previously advanced by Arion in December 2025 and forms part of the Loan; and
(iii) The Loan, together with all accrued and unpaid interest thereon, shall be repaid by the Company to the Lender on or before October 31, 2027.

On April 28, 2026, the Company received $150,000 from Arion as set forth in the loan agreement.