AETHER GLOBAL INNOVATIONS CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Periods Ended February 28, 2026 and 2025

INTRODUCTION

This management's discussion and analysis (this "MD&A") of the performance, financial condition, and results of operations of Aether Global Innovations Corp. ("Aether", the "Company", "we" and "our"), should be read in conjunction with the Company's condensed consolidated interim financial statements for the period ended February 28, 2025 and 2026 as well as the audited annual consolidated financial statements and related notes thereto for the year ended November 30, 2025 and 2024. The Company's reporting currency is the Canadian dollar, and all dollar amounts in this MD&A are expressed in Canadian dollars, unless otherwise specified.

The financial information of the Company contained in this MD&A is derived from the condensed consolidated interim financial statement which were prepared in accordance with IFRS® Accounting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"). The accounting policies and methods of computation applied in the Company's 2025 condensed consolidated interim financial statements are the same as those applied as at and for the year ended November 30, 2025.

The following discussion and analysis provide information that management believes is relevant to the assessment and understanding of the Company's results of operations and financial condition. Certain statements herein contain forward-looking statements relating to the operations or to the environment in which we operate, which are based on our operations, forecasts, and projections. Forward-looking statements are not guaranteed of future performance. They involve risks, uncertainties and assumptions; and actual results may differ materially from those anticipated in these forward-looking statements. The risks include those outlined under the "Risk Factors" section of this MD&A and elsewhere in the Company's public disclosure documents. This MD&A has been approved by the Company's board of directors as at April 29, 2026.

Additional information relating to the Company, including the consolidated financial statements, is available at www.sedarplus.ca.

FORWARD-LOOKING STATEMENTS

Statements that are not reported financial results or other historical information are forward-looking statements or forward-looking information within the meaning of applicable securities laws (collectively, "**forward-looking statements**"). This MD&A includes forward-looking statements regarding the Company and its Investees (as defined herein) (collectively, the "**Group**") and the industries in which the Group operates, including statements about, among other things, expectations, beliefs, plans, future operations of the Group and origination of additional companies in which the Company holds an interest and acquisition opportunities for the Group, business and acquisition strategies, opportunities, objectives, prospects, assumptions, including those related to trends and prospects, and future events and performance. Sentences and phrases containing or modified by words such as "anticipate", "plan", "continue", "estimate", "intend", "expect", "may", "will", "project", "predict", "potential", "targets", "projects", "is designed to", "strategy", "should", "believe", "contemplate" and similar expressions, and the negative of such expressions, are not historical facts and are intended to identify forward-looking statements. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. Forward-looking statements should not be read as guarantees of future events, future performance or results, and will not necessarily be accurate indicators of the times at, or by which, such events, performance or results will be achieved, if achieved at all. Forward-looking statements are based on information available at the time and/or management's expectations with respect to future events that involve a number of risks and uncertainties, any of which could cause actual results to differ materially from those expressed in or implied by the forward-looking statements. The factors described under the heading "*Other Risks and Uncertainties*", as well as any other cautionary language in this MD&A, provide examples of risks, uncertainties and events that may cause the Group's actual results to differ materially from the expectations it describes in its forward-looking statements. Readers should be aware that the occurrence of the events described in these risk factors and elsewhere in this MD&A could have an adverse effect on, among other things, the Group's business, prospects, operations, results of operations and financial condition.

BUSINESS OVERVIEW AND OVERALL PERFORMANCE

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 CSE under the symbol "AETH" and on the Frankfurt Stock Exchange under the Symbol: 4XA, WKN# - A2N8RH.

Aether is a pioneering company that takes great pride in collaborating with industry partners and academia as part of a consortium. Our primary goal is to revolutionize the drone technology market by providing cutting-edge automation and development solutions. Through our services, we strive to offer clients real-time critical reports and updates, empowered by the latest software and data gathering capabilities.

Drones have seen a remarkable rise in adoption, with applications ranging from domestic to defense scenarios. As we look towards the future, we firmly believe that automation and AI will continue to play a pivotal role in enhancing the capabilities and services provided by drones.

Our focus lies in serving large property and critical infrastructure owners, operators, and their management teams. By delivering bespoke services, we empower them to make well-informed decisions that can significantly impact their operations.

At Aether, we concentrate on three core service areas for UAV/Drone management and surveillance solutions:

UAV/Drone Design & Development: We are dedicated to creating innovative and state-of-the-art unmanned aerial vehicles. Our team of experts works tirelessly to design drones that meet the specific needs of our clients.

Automation & Integrations: Embracing the power of automation, we streamline drone operations and integrate them seamlessly with existing systems. This synergy ensures maximum efficiency and effectiveness in every mission.

Drone Base Station Technologies: We are at the forefront of advancing drone base station technologies, optimizing connectivity and communication to enhance the performance of UAV fleet.

With a commitment to excellence and a vision for the future of drone technology, Aether is poised to shape the landscape of automation and data gathering, setting new standards for the industry

Loans receivable with 1509356 B.C. Ltd.

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 $500,912 (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).

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 (received). 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.

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 7,142,857 units of Arion (each, an "Arion Unit"), at a price of $0.336 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 consolidated financial statements, the transaction had not closed, and no assets or liabilities of Arion have been recognized in the accompanying 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.

Loan Agreement with Arion

Subsequent to November 30, 2025, 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.

Canadian Agency Agreement with Bravo Zulu Drone Defense Inc.

On January 26, 2026, the Company entered into an exclusive Canadian agency agreement with Bravo Zulu Drone Defense Inc., appointing the Company as the sole representative for the distribution and promotion of Bravo Zulu's counter-UAV products within Canada. The agreement also allows the Company to introduce Bravo Zulu products to select international customers, subject to approval. The agreement has an initial one-year term with options to renew.

Canadian Agency Agreement with UAVionics Technologies Sp. z o.o.

On February 3, 2026, the Company entered into a non-exclusive Canadian agency agreement with UAVionics Technologies Sp.zo.o. to represent and promote UAVionics' UAV platforms and related systems in Canada. The agreement includes a six-month non-exclusive period, after which exclusivity may be granted if defined performance criteria are met. The initial term is one year with options to renew.

SUMMARY OF QUARTERLY RESULTS

The following table sets out selected financial data in respect of the last eight quarters of the Company. The data is derived from the consolidated financial statements of the Company prepared in accordance with IFRS.

	Q1 2026 February 28, 2026	**Q4 2025 November 30, 2025**	**Q3 2025 August 31, 2025**	**Q2 2025 May 31, 2025**
	$	$	$	$
Total revenue, including interest income	16,609	7,162	-	-
Net loss and comprehensive loss	(496,468)	(1,513,272)	(285,729)	(69,312)
Basic and diluted loss per share	(0.02)	(0.11)	(0.02)	(0.00)

	Q1 2025 February 28, 2025	**Q4 2024 November 30, 2024**	**Q3 2024 August 31, 2024**	**Q2 2024 May 31, 2024**
	$	$	$	$
Total revenue, including interest income	-	-	-	-
Net loss and comprehensive loss	(66,574)	(179,014)	(124,706)	(324,700)
Basic and diluted loss per share	(0.00)	(0.00)	(0.00)	(0.00)

The net loss in the quarter ended February 28, 2026 was primarily driven by higher marketing fee, share-based compensation expense, legal fee and the recognition of audit fee.

The net loss in the quarter ended November 30, 2025 increased significantly due to the higher share-based compensation expense, loss recognized from impairment of intangible asset and loss on debt settlement transactions. The net loss in the quarter ended August 31, 2025 was mainly attributable to higher consulting and legal related expenses related to investment related activities, share consolidation and other corporate transactions. The net loss in the periods ended February 28, 2025 and May 31, 2025 remained similar due to minimal activities as compared to the previous periods.

The net loss in the quarter ended November 30, 2024 was primarily due to the recognition of audit fees. The net loss was lower for the quarter ended August 31, 2024 compared to other quarters in 2024 due to absence of investor relation expenses and reduced accounting fees in line with the reduced operating activities. The net loss for the quarter ended May 31, 2024 increased compared to the previous quarter mainly due to the audit fees recognized during the period.

RESULTS OF OPERATIONS

For the quarter ended February 28, 2026 and 2025

During the quarter ended February 28, 2026, the Company had a comprehensive loss of $496,468 compared to a comprehensive loss of $66,574 for the quarter ended February 28, 2025. The higher comprehensive loss was primarily driven by the following:

- Advertising and promotion of $200,000 (2024 - $Nil) mainly due to a digital marketing campaign for the current period. No advertising and promotion expense incurred in the prior year period.
- Accounting and audit fees of $42,074 (2024 - $21,055) increased mainly due to higher accounting services and audit fee recognition.
- Consulting fees of $20,053 (2024– $5,000) increased due to engagement of new consultant for capital market advisory services during the current year.
- Legal and professional fees of $51,817 (2024– $12,740) mainly due to legal costs related to Canadian Securities Exchange listing statement and preparation of Arion acquisition.
- Management fees of $45,000 (2024 – $24,000) paid or accrued to the current CEO and CFO (See **Transactions with Related Parties**). The increase in fees is mainly due to higher fees paid during current quarter, and due to the appointment of Interim CFO.
- Transfer agent and filing fees $17,027 (2024 - $3,541) increased due to market making services incurred during the current period.
- Investor relations of $17,500 (2024– $Nil) were paid to consultants for advisory services. The services generally relate to capital markets advice and assistance in dealing with strategic investors for the Company. There were no investor relations activities for the prior year period.
- Share-based compensation of $93,604 (2024 – $Nil) reflecting the vesting and grant of stock options granted to officers, directors and consultants during the current quarter.

LIQUIDITY AND CAPITAL RESOURCES

The Company's approach to managing its liquidity is to ensure that it has sufficient resources to meet its liabilities as they come due and have sufficient working capital to fund operations for the ensuing fiscal year. Financing of operations has been achieved equity and debt financing. The Company anticipates that it will require significant funds from either equity or debt financing for the development of its technologies and to support general administrative expenses.

As at February 28, 2026, the Company had $105,676 in current assets (November 30, 2025 – $306,775) and $931,558 in current liabilities (November 30, 2025 – $735,988) for a working capital deficit of $825,882 compared to a working capital deficit of $429,213 as at November 30, 2025. The increase of the working capital deficit is mostly driven by the Company's new loans received from lender and higher accounts payable balances.

As at February 28, 2026, the Company had a share capital balance of $16,700,070 (November 30, 2025 – $16,695,946) and an accumulated deficit of $19,891,005 (November 30, 2024 – $17,956,118).

Financing operations have been achieved solely by sales loans and equity financing. However, the Company expects to generate profitable revenue in the coming years with adequate investment to support adding experienced manufacturing personnel and capital equipment. Currently the Company is primarily reliant upon the sale of equity securities and loans. Since inception, the Company has funded limited operations through the issuance of equity securities on a private placement basis. The Company's ability to raise funds through the issuance of equity will depend on economic, market and commodity prices at the time of financing.

The Company expects to generate similar losses quarter over quarter for the next fiscal year in relation to the Company's development, administration and promotion of its technologies. As of report date, management has planned to raise funds through equity financing and loans which will be sufficient to sustain operations and the development of the Companies technologies for the next fiscal year. The 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 factors and uncertainty 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.

On December 8, 2025, under the binding LOI, Arion agreed to advance a $150,000 secured working-capital bridge loan to the Company, bearing interest at 6% per annum (received). The loan is forgivable upon completion of the acquisition.

On April 28, 2026, in connection with the Arion loan agreement, the Company received an advance of $150,000 as outlined in the agreement.

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

Detailed discussions related to the Company's cash flows during the three months ended February 28, 2026

Cash balance was $11,344 during the three months ended February 28, 2026 (November 30, 2024– $242,533). During the current period, the cash decrease is mainly due to the Company's operating activities.

During the three months ended February 28, 2026, cash used in operating activities was $380,313 compared to cash used in operating activities of $9,713 during the three months ended February 28, 2025. Most of the cash outflows were for payments of regulatory costs, management, consulting and professional fees.

Cash inflow from financing activities during the three months ended February 28, 2026, was $154,124 compared to cash inflow by financing activities of $10,000 during the three months ended February 28, 2025. The increase in financing cash inflow in the current period primarily reflects proceeds from the loans received from Arion and from the exercise of warrants.

Cash outflow from investing activities during the three months ended February 28, 2026, was $5,000 (February 28, 2025 –$Nil). The cash outflow in the current period was related to a loan advanced by the Company to a third party and various acquisition-related transactions.

PROPOSED TRANSACTIONS

As at the date of this report, the Company has no proposed transactions.

OFF-BALANCE SHEET ARRANGEMENTS

To the best of Management's knowledge, there are no off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company.

TRANSACTIONS WITH RELATED PARTIES

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 - Rick Unrau	**$ 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
nent fees	**$ 45,000**	$ 24,000
onal fees	**-**	7,500
sed compensation	**93,604**	-
	$ 138,604	$ 31,500

Management fees consisted of the following:

	Three months ended	
	February 28, 2026	February 28, 2025
controlled by the President and forner CEO - Phil Lancaster	**$ 15,000**	$ 15,000
Company controlled by the CEO and interim CFO and interim Corporate Secretary - Rick Unrau	**30,000**	-
erim CFO - Nancy Boufeas	**-**	9,000
	$ 45,000	$ 24,000

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			**Three months ended 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 - Phil Lancaster	**125,000**	$	40,687	80,000	$	-
Former Corporate Secretary and Interim CFO - Nancy Boufeas	**-**		-	5,000		-
Directors	**200,000**		52,917	60,000		-
	325,000	$	93,604	145,000	$	-

MATERIAL ACCOUNTING POLICIES AND CRITICAL ACCOUNTING ESTIMATES

All significant accounting policies and critical accounting estimates are fully disclosed in Note 2 of the consolidated financial statements for the year ended November 30, 2025 that are available on SEDAR+ at www.sedarplus.ca.

FINANCIAL RISK MANAGEMENT

The Company's financial assets consist of cash, and due from related parties. 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. Loan receivable is measured and reported at loans payable 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. As at February 28, 2026, the Company has cash balance of $11,344 (November 30, 2025 - $242,533) to settle current liabilities of $931,558 (November 30, 2025 - $735,988). The Company's future financial success will be dependent upon the ability to monetize its technologies or obtain necessary financing to meet its contractual obligations.

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.

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, which is measured at amortized cost.

As at February 28, 226, 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 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, 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 by approximately $56,824 (November 30, 2024 – $74,228).

CAPITAL STOCK

The authorized capital of the Company consists of an unlimited number of common shares without par value. As at February 28, 2026 and report date, the following table summarizes the outstanding share capital, stock options, and share purchase warrants of the Company:

	As at February 28, 2026	As at Reporting Date
Common shares	24,664,603	24,664,603
Stock options	780,000	780,000
Restricted shares units	-	-
Share purchase warrants	10,013,820	9,729,020

During the three months ended February 28, 2026

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

Stock Options

The Company maintains an incentive stock option plan which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the Exchange requirements, grant to directors, officers, employees, and consultants to the Company, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares in the capital of the Company at the time of granting of options.

During the three months ended February 28, 2026

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%.

All Options were granted in accordance with the terms of the Company’s long-term equity incentive plan, as approved by shareholders.

Stock option transactions and the number of stock options outstanding as at and for the three months ended February 28, 2026 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, 2026	**780,000**	**0.48**

Expiry date	Exercise price ($)	Number of options outstanding	Number of options exercisable	Weighted average remaining contractual life (year)	Weighted average exercise price ($)
August 18, 2026	0.50	205000	205,000	0.47	0.50
October 19, 2028	0.50	100000	100,000	2.64	0.50
October 22, 2030	0.45	375000	112,500	4.65	0.45
December 17, 2030	0.58	100000	100,000	4.80	0.58
		780,000	517,500	3.31	0.49

Restricted share units (“RSU’)

During the three months ended February 28, 2026 and 2025, the Company did not grant any RSUs and had no RSUs outstanding.

Share Purchase Warrants

The following summarizes the stock warrants outstanding at November 30, 2025:

Expiry date	Exercise price ($)	Number of warrants outstanding and exercisable	Weighted average remaining contractual life (year)
March 27, 2026	1.00	20,000	0.32
March 27, 2027	1.00	720,000	1.32
March 30, 2026	1.00	264,800	0.33
March 30, 2027	1.00	2,648,000	1.33
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

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.

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.

Subsequent to February 28, 2026, 318,816 warrants with exercise price of $2.50 and 284,800 warrants with exercise price of $1.00, expired unexercised.

COMMITMENTS AND CONTINGENCIES

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

As at February 28, 2026, the Company has loans payable totaling $199,923 (November 30, 2024 – $48,000) summarized as follows:

Date		Principal	Interest	Maturity		Balance February 28, 2026		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

RISKS RELATED TO OUR BUSINESS

The Company believes that the following risks and uncertainties may materially affect its success.

Limited Operating History

The Company has not started generating revenues. The Company was incorporated on October 17, 2011 and has yet to generate a profit from its activities. The Company is subject to all of the business risks and uncertainties associated with any new business enterprise, including the risk that it will not achieve its growth objective. The Company anticipates that it may take several years to achieve positive cash flow from operations. However, it is optimistic due to new direction and strategy specifically around investment into new technologies and global growth opportunities through strategic partnerships.

Substantial Capital Requirements and Liquidity

Substantial additional funds for the establishment of the Company's current and planned operations will be required. However, the company has reduced costs significantly in order to preserve capital and reach its new goals and milestones. No assurances can be given that the Company will be able to raise the additional funding that may be required for such activities, should such funding not be fully generated from operations. Revenues, taxes, transportation costs, capital expenditures, operating expenses and development costs are all factors which will have an impact on the amount of additional capital that may be required. To meet such funding requirements, the Company may be required to undertake additional equity financing, which would be dilutive to shareholders. Debt financing, if available, may also involve restrictions on financing and operating activities.

There is no assurance that additional financing will be available on terms acceptable to the Company or at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations or anticipated expansion and pursue only those development plans that can be funded through cash flows generated from its existing operations.

Regulatory Requirements

The current or future operations of the Company require permits from various governmental authorities, and such operations are and will be governed by laws and regulations governing development, production, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, site safety and other matters. There can be no assurance that all permits which the Company may require for the facilities and conduct of operations will be obtainable on reasonable terms or that such laws and regulation would not have an adverse effect on any development project which the Company might undertake.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Parties engaged in operations may be required to compensate those suffering losses or damages and may have civil or criminal fines or penalties imposed upon them for violation of applicable laws or regulations. Amendments to current laws, regulation and permits governing operations and activities of companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or development costs or require abandonment or delays in the development of new projects.

Financing Risks and Dilution to Shareholders

The Company will have limited financial resources, no operations and hardly have revenues. There can be no assurance that the Company will be able to obtain adequate financing in the future or that such financing will be available on favorable terms or at all. It is likely such additional capital will be raised through the issuance of additional equity, which will result in dilution to the Company's shareholders.

Competition

The company has defined their objectives and has explored what was and what was not working within the organization. Aether now has a clear disciplined direction that involves new focus around drone automation and development. The competition in this area only validates the company's decision to move in the direction described.

Intellectual Property

The company is now engaged in creating additional value through the development of API's that will in turn result in ownership around valuable IP. This will also result in additional AI capability and future IP.

Reliance on Management and Dependence on Key Personnel

The success of the Company will be largely dependent upon the performance of the directors and officers and the ability to attract and retain key personnel. The loss of the services of these persons may have a material adverse effect on the Company's business and prospects. The Company will compete with numerous other companies for the recruitment and retention of qualified employees and contractors. There is no assurance that the Company can maintain the service of its directors and officers, or other qualified personnel required to operate its business. Failure to do so could have a material adverse effect on the Company and its prospects.

Governmental Regulations and Processing Licenses and Permits

The activities of the Company are subject to various government approvals, various laws governing prospecting, development, land resumptions, production taxes, labor standards and occupational health, toxic substances, and other matters. Although the Company believes that its activities are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner, which could limit or curtail production or development. Amendments to current laws and regulations governing operations and activities, or more stringent implementation thereof, could have a material adverse impact on the business, operations and financial performance of the Company. Further, the licenses and permits issued in respect of its projects may be subject to conditions that, if not satisfied, may lead to the revocation of such licenses.

Conflicts of Interest

Certain of the directors and officers of the Company will be engaged in, and will continue to engage in, other business activities on their own behalf and on behalf of other companies and, as a result of these and other activities, such directors and officers of the Company may become subject to conflicts of interest. The British Columbia Business Corporations Act ("BCBCA") provides that in the event that a director has a material interest in a contract or proposed contract or agreement that is material to the issuer, the director must disclose his interest in such contract or agreement and refrain from voting on any matter in respect of such contract or agreement, subject to and in accordance with the BCBCA. To the extent that conflicts of interest arise, such conflicts will be resolved in accordance with the provisions of the BCBCA.

Litigation

The Company and/or its directors may be subject to a variety of civil or other legal proceedings, with or without merit.

As certain of the Company's officers have other outside business activities and, thus, may not be in a position to devote all of their professional time to the Company, the Company's operations may be sporadic, which may result in periodic interruptions or suspensions.

CAPITAL MANAGEMENT

The Company considers its capital structure to include net residual equity of all assets, less liabilities. 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 makes adjustments to 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 didn't change during the three months ended February 28, 2026.

DIRECTORS

Certain directors of the Company are also directors, officers and/or shareholders of other companies that may be engaged in the similar business of developing technologies. Such associations may give rise to conflicts of interest from time to time. The directors of the Company are required to act in good faith with a view to the best interests of the Company and to disclose any interest they may have in any project opportunity of the Company. If a conflict of interest arises at a meeting of the board of directors, any director in a conflict will disclose his/her interest and abstain from voting in the matter(s). In determining whether or not the Company will participate in any project or opportunity, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at the time.

As at the date of this MD&A, the Current Directors and Officers of the Company are as follows:

Rick Unrau, CEO, Director, Interim CFO and Corporate Secretary
Philip Lancaster, President and Director
Douglas Smith, Director and Chairman
Adam Emes, Director

OUTLOOK

The Company's objective is to maximize the value of the Company for our shareholders, and our strategy to obtain this result is to focus on project evaluations and project generation. To proceed with this strategy, additional financing may be required during the current fiscal year.

ADDITIONAL INFORMATION

Additional information relating to the Company can also be found on SEDAR+ at www.sedarplus.ca