AETHER GLOBAL INNOVATIONS CORP.

CONSOLIDATED FINANCIAL STATEMENTS

For The Years Ended November 30, 2025 and 2024

(Expressed in Canadian Dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Aether Global Innovations Corp.

Opinion

We have audited the accompanying consolidated financial statements of Aether Global Innovations Corp. (the "Company"), which comprise the consolidated statement of financial position as at November 30, 2025 and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity (deficit), and cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at November 30, 2025, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the consolidated financial statements, which indicates that the Company has a comprehensive loss of $1,934,887 and an accumulated deficit of $19,891,005, as at November 30, 2025. As stated in Note 1, these events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this manner.

Other Matters

The consolidated financial statements of Aether Global Innovations Corp. for the year ended November 30, 2024 were audited by another auditor who expressed an unmodified opinion on those statements on June 30, 2025.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matter described below to be the key audit matter to be communicated in our audit report.

Impairment of Intangible Assets

As described in Note 3 to the consolidated financial statements, the Company recognized impairment of $273,665 on the intangible asset acquired in the acquisition of 1401068 BC Ltd. As discussed in Note 2 to the consolidated financial statements, impairment of non-financial assets exists when the carrying value of an asset exceeds its recoverable amount. This assessment requires a significant estimate by management.

We identified impairment of intangible assets as a key audit matter. Assessing the reliability of information produced by the Company as audit evidence requires significant judgment with respect to testing and evaluating the information to determine if it is sufficient and appropriate for purposes of the audit. The value of the asset acquired is material and subject to significant estimation.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures include, among others:

- Reviewed and challenged management's assessment as to whether indicators of impairment exist.
- Obtained internal and external support to confirm the impairment indicators found by management.
- Recalculated the impairment loss as determined by management.
- Obtained management's memo detailing the rationale for impairing the intangible asset.

Collectability of Loan Receivable

As described in Note 5 to the consolidated financial statements, the amount of the Company's loan receivable is $486,672. As discussed in Note 2 to the consolidated financial statements, the Company assesses the Company's overall ability to collect the loan receivable and accrued interest amount using significant judgments and estimates. During the year ended November 30, 2025, the Company determined that an expected-credit loss of $9,724 was necessary.

We identified the evaluation of the collectability of the loan receivable as a key audit matter. The estimated recoverable amount of the loan uses forward-looking estimates that involved a high degree of subjective auditor judgment, in addition to specialized skills and knowledge to evaluate. The sensitivity of reasonably possible changes to those assumptions could have a significant impact on the determination of the recoverable amount of the loan and the Company's assessment of the expected-credit loss.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures include, among others:

- Reviewed and challenged management's assessment as to whether amounts were collectable.
- Vouched the disbursement of the loan and reviewed the loan agreement in detail to gain an understanding of the transaction.
- Obtained management's memo detailing the transaction and supporting management's estimate with applicable guidance.
- Evaluated the independence, objectivity and competence of management's estimate and challenged the valuation assumptions adopted in line with the above methodology.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Stephen Hawkshaw.

Davidson & Company LLP

Chartered Professional Accountants   Vancouver, Canada

April 29, 2026

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

	Notes	November 30, 2025	November 30, 2024
ASSETS			
Current assets			
Cash		**$ 242,533**	$ 198
Sales tax receivable		**23,603**	4,866
Prepaid expenses	4	**33,508**	-
Loan receivable	5	**7,131**	-
Total current assets		**306,775**	5,064
Non-current assets			
Loan receivable	5	**479,541**	-
Long-term receivable	5	**1**	1
Total assets		**$ 786,317**	$ 5,065
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	6	**$ 677,488**	$ 781,936
Loans payable	8	**48,000**	160,174
Due to related parties	7	**10,500**	102,573
Total current liabilities		**735,988**	1,044,683
Non-current liabilities			
Loans payable	8	**-**	50,000
Total liabilities		**735,988**	1,094,683
SHAREHOLDERS' EQUITY (DEFICIT)			
Share capital	10	**16,695,946**	13,920,198
Contributed surplus	10	**2,709,790**	2,709,790
Reserves	10	**535,598**	236,512
Deficit		**(19,891,005)**	(17,956,118)
Total shareholders' equity (deficit)		**50,329**	(1,089,618)
Total liabilities and shareholders' equity (deficit)		**$ 786,317**	$ 5,065

Nature of operations and going concern – Note 1
Commitments and contingencies – Note 13
Subsequent events – Note 17

These consolidated financial statements are authorized for issuance by the Board of Directors on April 30, 2026.

Approved on behalf of the Board:

"Philip Lancaster" — Philip Lancaster, Director

"Douglas Smith" — Douglas Smith, Director

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

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

	Notes	For the years ended November 30, 2025	November 30, 2024
OPERATING EXPENSES			
General and administrative	7,14	**$ 1,207,421**	$ 701,143
Business development		**-**	106,312
Total operating expenses		**(1,207,421)**	(807,455)
OTHER INCOME (EXPENSES)			
Interest expense	8	**(23,012)**	(11,509)
Interest income	5	**7,162**	-
Impairment loss	3	**(273,665)**	-
Expected credit loss on loan receivable	5	**(9,724)**	-
Fair value loss on investment	3	**(33,492)**	-
Gain on debt forgiveness	6	**7,686**	-
Transaction costs	3	**(28,513)**	-
Loss on debt settlement	6,8,10	**(371,918)**	-
Foreign exchange loss		**(1,990)**	(4,882)
Total other income (expense)		**(727,466)**	(16,391)
TOTAL LOSS AND COMPREHENSIVE LOSS		**$ (1,934,887)**	$ (823,846)
LOSS PER COMMON SHARE - BASIC AND DILUTED		**$ (0.15)**	$ (0.08)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES - BASIC AND DILUTED		**13,166,412**	10,552,611

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

AETHER GLOBAL INNOVATIONS CORP.

Consolidated Statements of Changes in Shareholders' Equity (Deficit)

(Expressed in Canadian dollars)

	Share Capital			Reserves				
	Number of shares	**Amount**	**Contributed Surplus**	**Warrants**	**Options**	**RSU**	**Deficit**	**Total**
Balance, November 30, 2023	**10,550,449**	**$ 13,916,448**	**$ 2,709,790**	**$ 149,340**	**$ 99,588**	**$ -**	**$ (17,144,688)**	**$ (269,522)**
Shares issued for interest payment	10,000	3,750	-	-	-	-	-	3,750
Fair value of stock option cancelled	-	-	-	-	(12,416)	-	12,416	-
Loss for the year	-	-	-	-	-	-	(823,846)	(823,846)
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 on acquisition	1,910,010	286,502	-	-	-	-	-	286,502
Shares issued for interest payment	10,000	3,000	-	-	-	-	-	3,000
Shares issued for debt settlement	2,848,544	1,025,476	-	-	-	-	-	1,025,476
Shares issued on private placement	8,319,100	1,247,865	-	-	-	-	-	1,247,865
Share issuance cost	-	(262,095)	-	182,548	-	-	-	(79,547)
RSU conversion	1,000,000	475,000	-	-	-	(475,000)	-	-
Share-based compensation	-	-	-	-	116,538	475,000	-	591,538
Loss for the year	-	-	-	-	-	-	(1,934,887)	(1,934,887)
Balance, November 30, 2025	**24,648,103**	**$ 16,695,946**	**$ 2,709,790**	**$ 331,888**	**$ 203,710**	**$ -**	**$ (19,891,005)**	**$ 50,329**

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

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

	Years ended November 30, 2025	2024
Operating Activities		
Net loss for the year	**$ (1,934,887)**	$ (823,846)
Items not affecting cash:		
Interest expense	**23,446**	11,509
Interest income	**(7,162)**	-
Share-based compensation	**591,538**	-
Impairment loss	**273,665**	-
Expected credit loss on loan receivable	**9,724**	-
Fair value loss on investment	**33,492**	-
Gain on debt forgiveness	**(7,686)**	-
Loss on debt settlement	**371,918**	-
Foreign exchange loss	**4,686**	-
Changes in non-cash working capital items:		
Sales tax receivable	**(18,737)**	960
Prepaid expenses	**(24,821)**	183,872
Due to related parties	**104,119**	(279,858)
Accounts payable and accrued liabilities	**59,117**	704,810
Net cash used in operating activities	**(521,588)**	(202,553)
Investing activities		
Loan advanced	**(493,920)**	-
Acquisition transaction costs	**(33,492)**	-
Acquisition of 1401 BC	**(15,456)**	-
Cash acquired from acquistion of 1401 BC	**796**	-
Net cash used in investing activities	**(542,072)**	-
Financing activities		
Shares issued for private placement financing	**1,247,865**	-
Share issuance cost	**(79,547)**	-
Loan repayment	**(22,323)**	-
Loan received	**160,000**	155,000
Loan received from related parties	**-**	9,196
Net cash provided by financing activities	**1,305,995**	164,196
Change in cash	**242,335**	(38,357)
Cash, beginning of the year	**198**	38,555
Cash, end of the year	**$ 242,533**	$ 198

Supplemental cash flow information – Note 12

The accompanying notes are an integral part of these consolidated 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.

During the year ended November 30, 2025, the Company consolidated the issued share capital on the basis of ten (10) old common shares for one (1) new common share ("the Consolidation"). Outstanding stock options and warrants were adjusted by the Consolidation ratio. All common shares and per common share amounts in these consolidated financial statements have been retroactively restated to reflect the Consolidation (Note 10).

Going Concern

These consolidated 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 $1,934,887 for the year ended November 30, 2025 (year ending November 30, 2024 - $823,846), and had an accumulated deficit of $19,891,005 as at November 30, 2025 (November 30, 2024 - $17,956,118). 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 consolidated financial 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 financial statement, and therefore must rely on securing additional funds from either issuance of debt or equity financing for cash consideration. During the year ending November 30, 2025, the Company received net cash proceeds of $1,295,995 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

Statement of compliance and basis of presentation

These consolidated financial statements have been prepared using accounting policies consistent with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standard Board ("IASB").

These consolidated financial statements are authorized for issue by the Board of Directors on March 30, 2026.

These consolidated financial statements have been prepared on a historical cost basis except for consolidated financial instruments classified as fair value through profit or loss, which are stated at their fair values. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except cash flow information.

These consolidated financial statements are presented in Canadian dollars, which is the Company's functional currency. Each of the Company's foreign subsidiaries determines its own functional currency which are Canadian dollars and US dollars, and items included in the consolidated financial statements of each foreign subsidiary are measured using that functional currency. Assets and liabilities of foreign operations having a functional currency other than the Canadian dollar are translated at the rate of exchange prevailing at the reporting date, and revenues and expenses at average rates during the period. Gains or losses on translation are accumulated as a component of equity. On the disposal of a foreign operation, or the loss of control, the component of accumulated other comprehensive income relating to that foreign operation is reclassified to profit and loss.

Non-monetary items measured at historical cost are remeasured at the exchange rate on the date of the transaction. Resulting foreign exchange gains and losses from remeasurement are recognized in profit or loss in the period in which they arise. The Company may also enter into foreign-currency-denominated contracts or commitments in the normal course of business, and any related foreign exchange impacts are recorded consistently with the nature of the underlying item.

Critical accounting judgments, estimates and assumptions

The preparation of these consolidated financial statements in conformity with IFRS requires management to make judgments and estimates and form assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of income and expenses during the period. Actual results could differ from these estimates.

Significant estimates used in preparing the consolidated financial statements include, but are not limited to the following:

a. Deferred taxes

The calculation of deferred tax is based on the ability of the Company to generate future taxable income, the estimation of which is subject to significant uncertainty as to the amount and timing. The calculation of deferred tax is also based on assumptions, which are subject to uncertainty as to timing and which tax rates are expected to apply when temporary differences reverse. Deferred tax recorded is also subject to uncertainty regarding the magnitude on non-capital losses available for carry forward and of the balances in various tax pools as the corporate tax returns have not been prepared as of the date of financial statement preparation.

2. MATERIAL ACCOUNTING POLICIES (continued)

Critical accounting judgments, estimates and assumptions (continued)

b. Share-based compensation

The fair value of stock options and finders' warrants issued are subject to the limitations of the Black-Scholes option pricing model that incorporates market data and involves uncertainty in estimates used by management in the assumptions. Because the Black-Scholes option pricing model requires the input of highly subjective assumptions, including the volatility of share prices, risk-free rate, dividend yield, and forfeiture rate changes in subjective input assumptions can materially affect the fair value estimate.

c. Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit ("CGU") exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model.

d. Functional currency assessment

The functional currency of each of the Company and its subsidiaries is the currency of the primary economic environment in which the entity operates. Determination of functional currency may involve certain judgments to determine the primary economic environment and the Company reconsiders the functional currency of its entities if there is a change in events and conditions which determine the primary economic environment

e. Recoverability of loan receivable and accrued interest

Management incorporates its assessment of the expected credit losses on the carrying value of loan receivable and accrued interest at the end of each reporting period. Management will assess the repayment schedule for the loan, ability of the borrower to repay the loan receivable and accrued interest, and the Company's overall ability to collect the loan receivable and accrued interest amount. Management's assessment is based on significant judgments and estimates available at each reporting period. Changes in the assumptions may materially affect the amount of the loan receivable and accrued interest determined to be collectible.

Significant judgments used in the preparation of these consolidated financial statements include, but are not limited to the following:

a. Going concern

Management has applied judgments in the assessment of the Company's ability to continue as a going concern when preparing its consolidated financials statements for the year ended November 30, 2025. Management prepares the consolidated financial statements on a going concern basis unless management either intends to liquidate the entity or to cease trading or has no realistic alternative but to do so.

In assessing whether the going concern assumption is appropriate, management accounts for all available information about the future, which is at least, but is not limited to, twelve months from the issuance of the financial statements.

(Expressed in Canadian dollars)

2. MATERIAL ACCOUNTING POLICIES (continued)

Critical accounting judgments, estimates and assumptions (continued)

b. Business combinations

Determination of whether a set of assets acquired and liabilities assumed constitute the acquisition of a business or asset may require the Company to make certain judgments as to whether or not the assets acquired, and liabilities assumed include the inputs, processes and outputs necessary to constitute a business as defined in IFRS 3 – Business Combinations. Based on an assessment of the relevant facts and circumstances, the Company concluded that the acquisition disclosed in Note 3 did not meet the criteria for accounting as a business combination.

Basis of consolidation

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries up to the date the Company loses control. All intercompany balances, transactions, income and expenses have been eliminated on consolidation. Entities controlled and related by the Company and included in the consolidated financial statements are as follows:

			Percentage owned*	
	Functional currency	**Country of incorporation**	**November 30, 2025**	**November 30, 2024**
1401068 BC Ltd. ("1401 BC")	Canadian dollar	Canada	100%	0%
Aether Global Innovations USA Corp.	US dollar	USA	100%	0%

**Percentage of voting power is in proportion to ownership.*

During the year ended November 30, 2025, the Company incorporated Aether Global Innovations USA Corp., a wholly owned subsidiary in the United States. The Company holds 100% of the equity interest in the newly formed entity and therefore has full control in accordance with the requirements of IFRS 10. The subsidiary had no operating activities and no significant assets or liabilities as at the reporting date. As a result, the incorporation of this entity did not have a material impact on the consolidated financial statements for the year

Control exists when the Company has the power and ability, directly or indirectly, to direct the relevant activities of an entity to obtain benefit from its activities. Subsidiaries are fully consolidated from the date that control commences until the date the control ceases. The accounting policies of the Company's subsidiaries have been aligned with the policies adopted by the Company. When the Company ceases to control a subsidiary, the consolidated financial statements of the subsidiary are de-consolidated.

2. MATERIAL ACCOUNTING POLICIES (continued)

Business combinations

Business combinations are accounted for using the acquisition method. The cost of the acquisition is measured at the aggregate of the fair values at the date of acquisition, of assets transferred, liabilities incurred or assumed, and equity instruments issued by the Company. The acquiree's identifiable assets and liabilities assumed are recognized at their fair value at the acquisition date. Acquisition-related costs are recognized in profit or loss as incurred. The excess of consideration over the fair value of the net identifiable assets and liabilities acquired is recorded as goodwill. Any gain on a bargain purchase is recorded in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities. Any goodwill that arises is tested annually for impairment.

Cash

Cash consists of amounts held in banks and highly liquid investments with limited interest and credit risk.

Share-based compensation

The Company recognizes share-based expense for the estimated fair value of equity-based instruments granted to both employees and non-employees. Share-based compensation is recognized when the options are granted with the same amount being recorded as the contributed surplus. The expense is determined using Black-Scholes option pricing model that accounts for the exercise price, the term of the option, the current share price, the expected volatility of the underlying shares, the expected dividend yield, and the risk-free interest rate for the term of the option. If the options are exercised, the contributed surplus will be reduced by the applicable amount. Share-based compensation calculations have no effect on the Company's cash position.

When the stock options are cancelled, the amount previously recognized in the reserve is transferred to deficit, otherwise the amounts remain in contributed surplus.

Earnings (loss) per common share

Basic earnings (loss) per common share are calculated using the weighted average number of common shares outstanding during the period. Diluted earnings (loss) per common share are calculated using the treasury stock method. This method for diluted earnings (loss) per common share assumes that common shares are issued for the exercise of options, warrants and convertible securities and that the assumed proceeds from the exercise of options, warrants and convertible securities are used to purchase common shares at the average market price during the period. The difference between the number of shares assumed issued and the number of shares assumed purchased is then added to the basic weighted average number of shares outstanding to determine the fully diluted number of common shares outstanding. No calculation of diluted earnings (loss) per common shares is assumed during the periods in which a net loss is incurred as the effect is anti-dilutive.

2. MATERIAL ACCOUNTING POLICIES (continued)

Share capital

The Company records proceeds from the issuance of its common shares as equity. Proceeds received on the issuance of units, consisting of common shares and warrants, are allocated between the common share and warrant component. The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the most easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component.

The fair value of the common shares issued in the private placement was determined to be the most easily measurable component and were valued at their fair value, as determined by the closing quoted price on the issuance date. The remaining proceeds, if any, are allocated to the attached warrants. Any fair value attributed to the warrant is recorded as warrant reserve. Management does not expect to record a value to the warrant in most equity issuances as unit private placements are commonly priced at market or at a permitted discount to the market. If the warrants are issued as share issuance costs, the fair value of agent's warrants are measured using the Black-Scholes option pricing model and recognized in equity as a deduction from the proceeds.

If the warrants are exercised, the related amount is reclassified as share capital. If the warrant expires unexercised, the related amount remains in warrant reserve.

Incremental costs directly attributable to the issue of new common shares are shown in equity as a deduction, net of tax, from the proceeds. Common shares issued for consideration other than cash are valued based on their market value at the date that shares are issued.

Financial instruments

Financial assets

a) Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by- instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

b) Measurement

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment. The Company's financial assets measured at amortized cost are comprised of its cash, loan receivable and long term receivable. The Company's financial liabilities measured at amortized cost are comprised of its accounts payable and accrued liabilities, loans payable, and due to related parties.

2. MATERIAL ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statements of loss and comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statements of profit or loss in the period in which they arise. The Company does not hold any debt instruments at FVTPL.

Debt instruments at FVTOCI

These assets are initially measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses associated with changes in fair value are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss. The Company does not hold any debt instruments at FVTOCI.

Equity instruments at FVTOCI

These assets are initially measured at fair value. Dividends received are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses associated with changes in fair value are recognized in OCI and are never reclassified to profit or loss. The Company does not hold any equity instruments at FVTOCI.

c) Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the credit risk on the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the statements of profit and loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

d) Derecognition

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity.

Financial assets are written off when the Company has no reasonable expectations of recovering all or any portion thereof.

The Company derecognizes a financial asset when its contractual rights to the cash flows from the financial asset expire.

2. MATERIAL ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and/or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Gains and losses on derecognition are generally recognized in profit or loss.

The Company applies the simplified approach for accounts receivable that do not contain a significant financing component. Using the simplified approach, the Company records a loss allowance equal to the expected credit losses resulting from all possible default events over the assets' contractual lifetime.

Income taxes

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted at period end, adjusted for amendments to tax payable with regards to previous years. Deferred tax is recorded using the liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences do not result in deferred tax assets or liabilities: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting profit (loss) nor taxable profit (loss); and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Accounting standards, amendments and interpretations not yet effective

Accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's consolidated financial statements.

Future accounting policy changes
In April 2024, the IASB issued IFRS 18, *Presentation and Disclosures in Financial Statements, to replace IAS 1, Presentation of Financial Statements*, effective January 1, 2027, with early adoption permitted. The new standard is aimed to set out overall requirements for presentation and disclosures in the financial statements. Management is reviewing the impact the standard will have on the consolidated financial statements.

In May 2024, the IASB issued amendments to IFRS 9, *Financial Instruments*, and IFRS 7, *Financial Instruments: Disclosures* to address the classification and measurement of financial instruments, with an emphasis to clarify the date of recognition and derecognition of financial asset and liabilities, effective January 1, 2026, with early adoption permitted. Management is reviewing the impact of these amendments, but they are not expected to have a material impact on the consolidated financial statements.

(Expressed in Canadian dollars)

3. ACQUISITION OF 1401068 BC Ltd

On June 13, 2025, the Company completed the share exchange agreement to acquire 100% ownership of 1401 BC, a private corporation registered in the province of British Columbia.

Pursuant to the share exchange agreement, the Company has agreed to acquire all of the outstanding shares of 1401 BC in consideration for the issuance of 1,910,010 common shares with a fair value of $286,502 (Note 10), such that, immediately following the closing of the acquisition, all of the issued and outstanding 1401 BC will be owned by the Company and 1401 BC will become a wholly-owned subsidiary of the Company. There is no change of control of the Company expected to occur as a result of the acquisition.

At the acquisition date, the Company determined that the acquisition of 1401 BC did not constitute a business as defined under IFRS 3, “Business Combination”, and the transaction was accounted for as an asset acquisition. On application of the concentration test, the assets and liabilities were measured at their fair values at the acquisition date and the excess of the consideration paid over the fair value of net assets was attributed to the intangible asset. The preliminary assessment of the fair value of the net assets is further described in the table below.

The purchase price was allocated to the assets and liabilities acquired based on their relative fair values as follows:

Total consideration:		
Fair value of 1,910,010 common shares issued to acquire 1401 BC (Note 10)	$	286,502
Transaction costs		15,456
	$	301,958
Allocated to:		
Cash	$	796
Due from related party		70,000
Prepaid		8,687
Loan payable		(600)
Accounts payable		(50,590)
Intangible asset		273,665
	$	301,958

1401 BC is a special purpose vehicle and during the time of closing of the acquisition, was in the process of securing an earn-in arrangement with Xentera Technologies, Inc., (“Xentera”) an early-stage drone development company, that gave 1401 BC the right to acquire up to 12.5% of the issued and outstanding capital of Xentera for US$300,000.

The difference of the consideration paid and the net asset acquired was allocated to the intangible asset.

(Expressed in Canadian dollars)

3. ACQUISITION OF 1401068 BC Ltd (continued)

On October 8, 2025, 1401 BC completed its initial investment in Xentera through the acquisition of 10,101 common shares for total consideration of $33,492 (US$25,000). As at November 30, 2025, management assessed the fair value of the investment and determined it to be $Nil. Accordingly, a fair value loss of $33,492 was recognized in the consolidated statement of loss and comprehensive loss for the year ended November 30, 2025.

The Company also incurred legal fees of $28,513 in connection with the Xentera transaction. These costs were expensed as transaction costs in the consolidated statement of loss and comprehensive loss for the year ended November 30, 2025.

Impairment of intangible asset

During the year ended November 30, 2025, the Company recognized a full impairment of the intangible asset arising from the acquisition of 1401 BC. As part of the asset acquisition completed on June 13, 2025, the Company allocated $273,665 of the purchase consideration to an intangible asset related to 1401 BC's in-progress earn-in arrangement with Xentera., representing the right to acquire up to 12.5% of Xentera for US$300,000.

Subsequent to the acquisition and during the year ended November 30, 2025, the Company determined that the earn-in arrangement with Xentera would not proceed, and the agreement ceased to have any enforceable or realizable rights. As this agreement represented the sole source of expected future economic benefits associated with the acquired intangible, management concluded that an impairment indicator existed in accordance with IAS 36 – Impairment of Assets.

The Company assessed the recoverable amount of the intangible asset as the higher of value in use and fair value less costs of disposal. Given:

- the discontinuation of the Xentera earn-in arrangement;
- the absence of any alternative uses or market for the rights; and
- the lack of future cash flows expected to be generated from the asset,

As a result, the Company recognized an impairment loss of $273,665, reducing the carrying amount of the intangible asset to $Nil. The impairment loss is presented in the consolidated statement of loss and comprehensive loss for the year ended November 30, 2025.

There were no remaining intangible assets associated with the acquisition of 1401 BC as at November 30, 2025.

4. PREPAID EXPENSES

As at November 30, 2025 and 2024, the Company's prepaid expenses consisted of the following:

	November 30, 2025	November 30, 2024
Insurance	**$ 32,476**	$ -
Transfer agent and filing fees	**1,032**	-
	$ 33,508	$ -

(Expressed in Canadian dollars)

5. LOAN RECEIVABLE & LONG-TERM RECEIVABLE

Loan receivable

On October 15, 2025, the Company advanced a $493,920 (US$ 350,000) secured loan to 1509356 B.C. Ltd. 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.

A continuity of loans receivable is as follows:

	November 30, 2025	November 30, 2024
Balance, opening	$ -	$ -
Loan advanced	493,920	-
Interest	7,162	-
Expected credit loss	(9,724)	-
Foreign exchange translation	(4,686)	-
	$ 486,672	$ -
Current	7,131	-
Non-current	479,541	-
	$ 486,672	$ -

The Company recognized credit loss of $9,724 during the year ended November 30, 2025.

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 November 30, 2025 and 2024 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.

(Expressed in Canadian dollars)

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

As at November 30, 2025 and 2024, the Company's accounts payable and accrued liabilities consist of the following:

	November 30, 2025	November 30, 2024
Accounts payable	**$ 558,454**	$ 692,243
Accrued liabilities	**119,034**	89,693
	$ 677,488	$ 781,936

On October 27, 2025, the Company entered into debt settlement agreements with several vendors, resulting in the extinguishment of $384,455 in outstanding payables. As consideration, the Company issued 1,601,897 common shares with a fair value of $576,683, including 465,153 common shares issued to a related party (Note 10). The Company recorded a loss on debt settlement of $192,228 in the consolidated statement of loss and comprehensive loss for the year ended November 30, 2025.

During the year ended November 30, 2025, the Company also recognized a gain on the forgiveness of certain vendor payables totaling $7,686, which was recorded in the consolidated statement of loss and comprehensive loss.

7. 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 November 30, 2025, $10,500 (November 30, 2024– $102,573) is due to directors and officers of the Company:

	November 30, 2025	November 30, 2024
Company controlled by the President and former CEO	**$ -**	$ 59,195
Company controlled by the CEO and interim CFO and interim Corporate Secretary	**10,500**	-
Company controlled by the former Corporate Secretary and former interim CFO	**-**	33,086
Director and Chairman of the Board	**-**	10,295
	10,500	102,576

On April 11, 2024, the Company entered into a loan agreement, as amended with its Chairman of the Board amounting to $9,196 (US $7,000) with interest of 10% per annum. The terms of the loan were amended to extend the loan repayment date to September 11, 2025. On October 27, 2025, the Company entered into debt settlement agreement to settle the outstanding loan including accrued interest. The Company issued 21,934 common shares to fully settle the loan (Notes 8 and 10).

(Expressed in Canadian dollars)

7. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

As of November 30, 2025, the combined loan payable includes $Nil principal and accrued interest (2024 - $9,186 principal and $586 accrued interest) (Note 8).

During the years ending November 30, 2025 and 2024, the Company entered into the following transactions with related parties:

	Years ended November 30,	
	2025	**2024**
Management fees	**$ 145,000**	$ 105,667
Consulting fees	**-**	30,000
Accounting fees	**-**	36,333
Professional fees	**27,500**	30,000
Share-based compensation	**141,666**	-
	$ 314,166	$ 202,000

Management fees consisted of the following:

	Years ended November 30,	
	2025	**2024**
Company controlled by the President and former CEO	**$ 80,000**	$ 60,000
Company controlled by the CEO and interim CFO and interim Corporate Secretary	**40,000**	-
Former Interim CFO	**25,000**	5,667
Former CFO	**-**	40,000
	$ 145,000	$ 105,667

Consulting fees consisted of the following:

	Years ended November 30,	
	2025	**2024**
Company controlled by the former Corporate Secretary	**$ -**	$ 30,000

During the year ended November 30, 2025, professional fees of $27,500 (2024 - $30,000) were paid or accrued to a company controlled by the former corporate secretary and interim CFO and accounting fees of $Nil (2024 - $36,333) were paid or accrued to a company controlled by a former director.

During the year ended November 30, 2025, the Company had 225,000 (2024 –145,000) stock options held by the Directors and officers of the Company.

(Expressed in Canadian dollars)

7. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

	Year ended November 30, 2025			Year ended November 30, 2024		
	Number of options held		**Expense for the year (vested)**	Number of options held		Expense for the year (vested)
President and former CEO	**75,000**	$	15,555	80,000	$	-
Former Corporate Secretary and Interim CFO	**-**		-	5,000		-
Directors	**150,000**		31,111	60,000		-
	225,000	$	46,666	145,000	$	-

During the year ended November 30, 2025, the Company had 200,000 (2024 –Nil) Restricted Share Units ("RSU"s) held by the director and officer of the Company

	Year ended November 30, 2025			Year ended November 30, 2024		
	Number of RSUs held		**Expense for the year (vested)**	Number of options held		Expense for the year (vested)
CEO and interim CFO and interim Corporate Secretary	**200,000**	$	95,000	-	$	-

8. LOANS PAYABLE

As at November 30, 2025, the Company had loans payable amounting to $48,000 (November 30, 2024 – $210,174) broken down as follows:

Date		Principal		Interest	Maturity		Balance November 30, 2025		Balance November 30, 2024
July 8, 2022	$	30,000		10%	November 8, 2022	$	48,000	$	48,000
December 20, 2023		5,000		10%	September 20, 2025		-		5,487
January 8, 2024		5,000		10%	October 8, 2025		-		5,460
March 15, 2024		5,000		10%	September 15, 2024		-		5,364
March 28, 2024		5,000		10%	September 28, 2025		-		5,345
April 10, 2024		20,000		10%	April 10, 2025		-		21,305
April 30, 2024		30,000		10%	April 30, 2025		-		32,150
May 1, 2024		15,000		10%	October 1, 2024		-		15,889
May 3, 2024		20,000		10%	November 3, 2025		-		21,174
August 26, 2024		50,000	*	-	February 25, 2026		-		50,000
Total	$	185,000				$	48,000	$	210,174

(*) Eliminated on consolidation subsequent to the acquisition of 1401 BC (Note 3)

8. LOANS PAYABLE (continued)

On October 27, 2025, the Company entered into debt settlement agreements with several lenders, resulting in the extinguishment of $299,195 in outstanding loans payable. As consideration, the Company issued 1,246,647 common shares with a fair value of $448,793, including 21,934 common shares issued to a related party (Notes 7 and 10). The Company recorded a loss on debt settlement of $179,690, which includes $30,092 of deferred financing cost, in the consolidated statement of loss and comprehensive loss for the year ended November 30, 2025.

For the year ended November 30, 2025, the Company recognized interest expense on loans payable totaling $23,012 (2024 – $11,509).

<u>Year ended November 30, 2025</u>

On May 22, 2025, the Company entered a 1-year loan agreement with an arms length lender amounting to $127,093. The loan bears no interest; however, it is issued at a discount of $27,093. The Company received $100,000. The Company recognized a financing charge of $27,093 for the year ended November 30, 2025. During the year ended November 30, 2025, the deferred financing fees of $Nil netted against the loan payable as per IFRS 9.

On June 18, 2025, the Company entered a 1-year loan agreement with an arms length lender amounting to $12,600. The loan bears no interest; however, it is issued at a discount of $2,600. The Company received $10,000. The Company recognized a financing charge of $2,600 for the year ended November 30, 2025. During the year ended November 30, 2025, the deferred financing fees of $Nil netted against the loan payable as per IFRS 9.

Also on June 18, 2025, the Company entered into another 1-year loan agreement with an arms length lender amounting to $50,400. The loan bears no interest; however, it is issued at a discount of $10,400. The Company received $40,000. The Company recognized a financing charge of $10,400 for the year ended November 30, 2025. During the year ended November 30, 2025, the deferred financing fees of $Nil netted against the loan payable as per IFRS 9.

<u>Year ended November 30, 2024</u>

On December 20, 2023, the Company entered into a loan agreement, as amended with a former director amounting to $5,000 with interest of 10% per annum. The loan is repayable on September 20, 2025.

On January 8, 2024, the Company entered into a loan agreement, as amended with a former corporate secretary amounting to $5,000 with interest of 10% per annum. The loan is repayable on September 15, 2025 and was extended to October 8, 2025. Also, On March 15, 2024, the Company entered into another loan agreement, amounting to $5,000 with interest of $10% per annum. The loan was repayable on September 15, 2025.

On March 28, 2024, the Company entered into a loan agreement, as amended, with a third party for $5,000 with interest of 10% per annum, repayable on September 28, 2025.

On April 10, 2024, the Company entered into a loan agreement, as amended, with a third party for $20,000 with interest of 10% per annum, repayable on April 10, 2025.

8. LOANS PAYABLE (continued)

Year ended November 30, 2024 (continued)

On April 30, 2024, the Company entered into a 60-day loan agreement, as amended with a third party for $30,000 with interest of 12% per annum, repayable on April 30, 2025. The loan includes an option to convert into common shares of the Company equal to 100% of the principal amount of the loan plus all outstanding interest at the lowest price per share allowable under the policies of the CSE. The Company issued a loan bonus of 10,000 commons shares to the lender during the year ended November 30, 2024 with a fair value of $3,750 and 10,000 common shares during the year ended November 30, 2025 with a fair value of $3,000 (Note 10). Upon expiry of the term, the entire balance including interest shall be due and payable immediately

On May 1, 2024, the Company entered into a 60-day loan agreement, as amended for $15,000 with a third party with interest of 10% per annum, repayable on October 1, 2025.

On May 3, 2024, the Company entered into a 60-day loan agreement, as amended with a third party for $20,000 with interest of 10% per annum, repayable on October 1, 2025.

On August 26, 2024, the Company entered into a bridge loan agreement with 1401 BC and provided the Company a secured loan of $50,000, maturing in 18 months against one-on-one securities exchange (Note 3)

9. 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 didn't change during the year ended November 30, 2025.

10. SHARE CAPITAL

a) Common Shares

Authorized: Unlimited number of common shares without par value

As at November 30, 2025, there were 24,648,103 common shares issued and outstanding (2024 – 10,560,449)

10. SHARE CAPITAL (continued)

During the year ended November 30, 2025:

On February 10, 2025, the Company issued 10,000 common shares as bonus per the loan agreement to the lender with a fair value of $3,000 (Note 8).

On June 13, 2025, the Company completed acquisition of 1401 BC as per the security exchange agreement in consideration for the acquisition, the Company issued 1,910,010 common shares at a fair value of $286,502 (Note 3).

On September 29, 2025, the Company completed non-brokered private placement for the gross proceeds of $1,247,865 and issued an aggregate of 8,319,100 units at a price of $0.15 per unit. Each unit consisted of one common share in the capital of the Company and one-half common share purchase warrant. Each whole warrant entitles the holder to purchase one share at $0.25 per warrant share for a 24-month period from the closing of the private placement. In relation to the private placement, the Company paid $66,568 of finders fee and other share issuance costs and issued an aggregate of 504,000 finder warrants. The Company uses residual value to value method for unit offerings; accordingly, the entire proceeds were allocated to common shares.

On October 27, 2025, the Company entered into debt settlement agreements with several vendors and lenders consisting of the following:

- Settlement of $384,455 in outstanding payables through the issuance of 1,601,897 common shares with a fair value of $576,683. The Company recognized a loss on debt settlement of $192,228 in the consolidated statement of loss and comprehensive loss for the year ended November 30, 2025 (Note 6).
- Settlement of $299,195 in outstanding loans payables through the issuance of 1,246,647 common shares with a fair value of $448,793. The Company recognized a loss on debt settlement of $179,690 in the consolidated statement of loss and comprehensive loss for the year ended November 30, 2025 (Note 8).
- In connection with the debt settlement transaction, the Company incurred $12,977 in share issuance costs.

On November 12, 2025, the Company converted 1,000,000 Restricted Share Units (“RSU”s) with a fair value of $475,000.

During the year ended November 30, 2024:

On September 12, 2024, the Company issued 10,000 common shares as bonus per the loan agreement to the lender with a fair value of $3,750 (Note 8).

b) Stock Options

The Company maintains an incentive stock option plan (the “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 CSE 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.

(Expressed in Canadian dollars)

10. SHARE CAPITAL (continued)

b) Stock options (continued)

The Board of Directors determines the exercise price, term, vesting provisions, and all other conditions of each option grant. Under the Option Plan, no option may have a term exceeding 10 years, and if the Board does not specify a term, the default term is 5 years.

Stock option transactions and the number of stock options outstanding as at November 30, 2025 and November 30, 2024, are summarized as follows:

	Number of stock options outstanding		Weighted average exercise price
Balance, November 30, 2023	357,500	$	0.60
Cancelled	(40,000)		0.50
Expired	(12,500)		0.50
Balance, November 30, 2024	305,000		0.50
Granted	375,000		0.45
Balance, November 30, 2025	**680,000**		**0.47**

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

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	0.72
October 19, 2028	0.50	100,000	100,000	2.89
October 22, 2030	0.45	375,000	206,250	4.90
		475,000	511,250	3.35

During the year ended November 30, 2025, the Company granted 375,000 stock options to directors and consultants (2024 – Nil) with an exercise price of $0.45 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 $0.475, risk free rate of 2.65%, expected life of 5 years and estimated volatility of 206%.

During the year ended November 30, 2025, the Company recognized share-based compensation expense of $116,538 in connection with the stock options granted and vested during the year (2024 - $Nil).

(Expressed in Canadian dollars)

10. SHARE CAPITAL (continued)

c) Share purchase warrants

During the year ended November 30, 2025:

In connection with the September 29, 2025 non-brokered private placement, the Company issued 4,159,550 share purchase warrants. Each share purchase warrant entitles the holder to purchase one share at $0.25 per warrant share for a 24-month period from the closing of the private placement. In relation to the private placement, the Company issued an aggregate of 504,000 finder warrants. Each finder warrant entitles the holder to purchase one share at $0.25 per warrant share for a 24-month period from the closing of the private placement.

The fair value of finder warrants issued was determined using the Black-Scholes pricing model, assuming no expected dividends and forfeiture with the following assumptions: stock price of $0.38, risk free rate of 2.46%, expected life of 2 years and estimated volatility of $266.49%.

During the year ended November 30, 2024:

No warrants were granted, expired nor exercised for the year ended November 30, 2024.

Share purchase warrant transactions and the number of share purchase warrants outstanding as of November 30, 2025 and 2024 are summarized as follows:

	Number of warrants outstanding	Weighted average exercise price
Balance, November 30, 2024 and 2023	5,685,586	1.53
Issued	4,663,550	0.25
Balance, November 30, 2025	**10,349,136**	**0.95**

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

Expiry date	Exercise price ($)	Number of warrants outstanding and exercisable	Weighted average remaining contractual life (year)
January 29, 2026	2.50	318,816	0.16
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	0.69
July 24, 2028	1.00	1,089,770	2.65
September 29, 2027	0.25	4,663,550	1.83
		10,349,136	1.31

Subsequent to November 30, 2025, 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 17).

(Expressed in Canadian dollars)

10. SHARE CAPITAL (continued)

d) RSUs

The following summarizes the RSU continuity:

	Number of RSUs outstanding
Balance, November 30, 2024 and 2023	-
Granted	1,000,000
Converted	(1,000,000)
Balance, November 30, 2025	**-**

During the year ended November 30, 2025, the Company granted 1,000,000 RSUs to director and consultants of the Company. The total share-based compensation expense of $475,000 in connection with the RSUs granted and vested during the year (2024 - $Nil).

During the year ended November 30, 2025, Company issued 1,000,000 common shares pursuant to the conversion of RSUs. As of November 30, 2025, no RSUs remained vested or issuable, and the fair value of outstanding RSUs was $Nil.

11. FINANCIAL RISK MANAGEMENT

The Company's financial assets consist of cash, loan 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 year ended November 30, 2025, the fair value of the cash, accounts payable and accrued liabilities, due to related parties and loan payable approximate the book value due to the short-term nature. Loan 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 November 30, 2025, the company has working capital deficit of $429,213 (November 30, 2024- $1,039,619).

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

11. FINANCIAL RISK MANAGEMENT (continued)

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.

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 5), which is measured at amortized cost.

As at November 30, 2025, 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. An expected credit loss of $9,724 was recognized during the year.

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 $74,228 (2024 – $14,100).

12. SUPPLEMENTAL CASH FLOW INFORMATION

During the years ending November 30, 2025 and 2024, the Company has the following non-cash investing and financing activities:

	Years ended November 30,	
	2025	**2024**
Non-cash investing and financing activities:		
Fair value of options cancelled and expired	**$ -**	$ 12,416
Fair value of broker warrants issued	182,548	-
Fair value of RSUs vested and converted to shares	475,000	-
Shares issued to settle loans and accounts payable	1,025,476	-
Shares issued for acquisition of 1401 BC	286,502	-
Shares to be issued for interest payment	3,000	3,750

(Expressed in Canadian dollars)

13. 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 7).

14. BREAKDOWN OF EXPENSES

GENERAL AND ADMINISTRATIVE EXPENSES	For the years ended, November 30, 2025	November 30, 2024
Accounting and audit fees	**$ 112,787**	$ 200,269
Advertising and promotion	**9,766**	-
Consulting fees (Note 7)	**168,497**	140,000
Investor relations	**-**	69,510
General office expenses	**7,838**	36,001
Insurance	**-**	4,376
Legal and professional fees	**124,125**	76,127
Management fees	**145,000**	105,667
Rent	**5,500**	6,000
Share-based compensation (Notes 7 and 10)	**591,538**	-
Transfer agent and filing fees	**41,431**	63,193
Travel	**939**	-
Total	**$ (1,207,421)**	$ (701,143)

Business development expenses amounting to $Nil (November 30, 2024 - $106,312) relate to corporate marketing and strategic investment initiatives done by the Company to build new businesses.

15. 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.

(Expressed in Canadian dollars)

16. INCOME TAXES

The following table reconciles the expected income taxes expense (recovery) at the Canadian statutory income tax rates to the amounts recognized in the statement of operations and comprehensive loss for the years ended November 30, 2025 and 2024:

	Years ended November 30, 2025	2024
Net loss before tax and comprehensive loss	**$ (1,934,887)**	$ (823,846)
Statutory tax rate	**27%**	27%
Expected income tax (recovery)	**(522,419)**	(222,438)
Permanent differences	**268,598**	-
Non-deductible items and others	**-**	(970,490)
Adjustment to prior years provision versus statutory tax returns and expiry of non-capital losses	**(75)**	-
Share issuance costs	**(21,477)**	-
Change in deferred tax assets not recognized	**275,373**	1,192,928
Total income tax expenses (recovery)	**$ -**	**$ -**

Significant components of the Company's unrecognized deferred tax assets (liabilities) for the years ended November 30, 2025, and 2024 are shown below:

	Years ended November 30, 2025	2024
Non-capital losses	**$ 2,256,536**	$ 1,997,182
Capital losses	**1,017,502**	991,551
Share issuance costs	**42,389**	52,396
Unrecognized deferred tax assets	**(3,316,427)**	(3,041,129)
Net deferred tax assets	**$ -**	**$ -**

(Expressed in Canadian dollars)

16. INCOME TAXES (continued)

Non-capital losses carryforward

The Company has non-capital loss carryforwards and net operating losses, for which no deferred tax asset has been recognized of approximately $8,357,541 (2024 - $7,396,669) which may be carried forward to apply against future income of the Company, subject to the final determination by taxation authorities, expiring in the following years:

Expiry		November 30, 2025
2038	$	675,203
2039		941,464
2040		1,561,728
2041		1,412,265
2042		470,530
2043		1,403,221
2044		932,288
2045		960,842
Total	$	**8,357,541**

17. SUBSEQUENT EVENTS

<u>Option grant</u>
Subsequent to November 30, 2025, the Company granted 100,000 stock options to certain directors of the Company. Each stock option is exercisable at $0.58 per common share and expires five years from the date of grant.

<u>Expired warrants</u>
Subsequent to November 30, 2025, 318,816 warrants with exercise price of $2.50 and 284,800 warrants with exercise price of $1.00, expired unexercised.

<u>Warrants exercised</u>
Subsequent to November 30, 2025, 16,500 warrants were exercised for gross proceeds of $4,125.

<u>Warrants Extension</u>
Subsequent to November 30, 2025, 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 10).

17. SUBSEQUENT EVENTS (continued)

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 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 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.

17.SUBSEQUENT EVENTS (continued)

Loan Agreement

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.