AETHER GLOBAL INNOVATIONS CORP.

INTERIM CONDENSED FINANCIAL STATEMENTS

As at and for the Period Ended May31, 2025 and 2024

(With Comparative AUDITED Figures as at November 30, 2024)

(Unaudited – Prepared by Management)

(Expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

The management of the Company is responsible for the preparation of the accompanying unaudited interim condensed financial statements. The unaudited interim condensed financial statements have been prepared using accounting policies in compliance with International Financial Reporting Standards ("IFRS") for the preparation of interim condensed financial statements and are in accordance with IAS 34 – Interim Financial Reporting.

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

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

As at	Note		May 31, 2025		November 30, 2024
ASSETS					
Current assets					
Cash		**$**	**5,518**	$	198
Sales tax receivable			**4,430**		4,866
Deferred Financing Charges	6		**26,351**		-
Total current assets			**36,299**		5,064
Non-current assets					
Long-term receivable	3		**1**		1
Total assets		**$**	**36,300**	$	5,065
LIABILITIES					
Current liabilities					
Accounts payable	4	**$**	**722,115**	$	781,936
Loans payable	6		**353,671**		160,174
Due to related parties	5		**183,018**		102,573
Total current liabilities			**1,258,804**		1,044,683
Non-current liabilities					
Loan payable			**-**		50,000
Total liabilities			**1,258,804**		1,094,683
SHAREHOLDERS' DEFICIT					
Share capital	8		**13,923,198**		13,920,198
Contributed surplus	8		**2,709,790**		2,709,790
Reserves	8		**236,512**		236,512
Deficit			**(18,092,004)**		(17,956,118)
Total shareholders' deficit			**(1,222,504)**		(1,089,618)
Total liabilities and shareholders' deficit		**$**	**36,300**	$	5,065

Going concern – Note 1
Commitments and contingencies – Note 11
Subsequent events – Note 14

These financial statements are authorized for issuance by the Board of Directors on **July 23**, 2025. 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 interim condensed financial statements.

AETHER GLOBAL INNOVATIONS CORP.

Statements of Loss and Comprehensive Loss

(Expressed in Canadian dollars)

		Six Months ended		Three Months ended	
	Note	May 31, 2025	May 31, 2024	May 31, 2025	May 31, 2024
OPERATING EXPENSES					
General and administrative	12	**$ 128,326**	**$ 473,799**	**$ 59,348**	$ 313,555
Business development	12	**-**	**42,412**	**-**	7,896
Total operating expenses		**128,326**	**516,211**	**59,348**	321,451
OTHER INCOME (EXPENSES)					
Interest expense	6,8	**(10,642)**	**(2,305)**	**(4,266)**	(2,305)
Interest Income		**-**	**-**	**-**	168
Foreign exchange gain (loss)		**3,082**	**(1,610)**	**(5,698)**	(1,112)
Total other income (expense)		**(7,560)**	**(3,915)**	**(9,964)**	(3,249)
TOTAL COMPREHENSIVE LOSS		**$ (135,886)**	**$ (520,126)**	**$ (69,312)**	$ (324,700)
Loss per share from continuing operations, Basic and Diluted		**(0.00)**	(0.00)	**0.00**	(0.00)
Weighted average number of shares, basic and diluted		**105,664,901**	105,504,461	**105,704,461**	105,504,461

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

AETHER GLOBAL INNOVATIONS CORP.

Statements of Changes in Shareholders' Equity (Deficit)

(Expressed in Canadian dollars)

	Share capital (Note 8)			Reserves				
	Number of shares	Amount ($)	Contributed Surplus ($)	Shares to be issued ($)	Warrants ($)	Options ($)	Deficit ($)	Total ($)
Balance, November 30, 2023	**105,504,461**	**13,916,448**	**2,709,790**	-	**149,340**	**99,588**	**(17,144,688)**	**(269,522)**
Shares issued for interest Payment	-	-	-	833	-	-	-	833
Fair Value of stack option cancelled	-	-	-	-	-	(6,208)	6,208	-
Net loss for the period	-	-	-	-	-	-	(520,126)	(520,126)
Balance, May 31, 2024	**105,504,461**	**13,916,448**	**2,709,790**	**833**	**149,340**	**93,380**	**(17,658,606)**	**(788,815)**
Balance, November 30, 2024	**105,604,461**	**13,920,198**	**2,709,790**	-	**149,340**	**87,172**	**(17,956,117)**	**(1,089,618)**
Shares issued for interest payment	100,000	3,000	-	-	-	-	-	3,000
Net loss for the period	-	-	-	-	-	-	(135,886)	(135,886)
Balance, May 31, 2025	**105,704,461**	**13,923,198**	**2,709,790**	-	**149,340**	**87,172**	**(18,092,004)**	**(1,222,504)**

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

(Expressed in Canadian dollars)

		Period End		
		May 31, 2025		**May 31, 2024**
Cash Flows from Operating Activities				
Net loss for the period	**$**	**(135,886)**	$	(520,126)
Items not affecting cash:				
Shares Issued as compensation		**-**		833
Interest accretion		**10,642**		2,305
Changes in non-cash working capital:				
Sales tax receivable		**436**		1,031
Prepaid expenses		**-**		157,305
Due to related parties		**79,950**		97,803
Accounts payable and accrued liabilities		**(59,822)**		124,775
Net cash used in operating activities		**(104,680)**		(136,074)
Cash Flows from Financing Activities				
Loan Payable		**110,000**		98,944
Loan received from related parties		**-**		14,419
Net cash provided by financing activities		**110,000**		113,363
Increase (decrease) in cash		**5,320**		(22,711)
Cash, beginning of the period		**198**		38,555
Cash, end of the period	**$**	**5,518**	$	15,844

Supplemental cash flow information – Note 10

The accompanying notes are an integral part of these interim condensed 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 700 – 1199 West Hastings Street, Vancouver, B.C., V6E 3T5.

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

To date, the Company is in a transition stage to refocus on the Company's business operations from developing various technologies, to a drone management and solutions provider.

Going Concern

These financial statements are prepared on a going concern basis, which contemplates 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 and has a comprehensive loss of $135,886 for the period ended May 31, 2025, and had an accumulated deficit of $18,092,004 as at May 31, 2025. 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. 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.

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 period ending May 31, 2025, the Company received net cash proceeds of $110,000 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.

These interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future rather than a process of forced liquidation. These 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.

2. MATERIAL ACCOUNTING POLICIES

Basis of presentation

These interim condensed financial statements ("Financial Statements") have been prepared using accounting policies consistent with IFRS as issued by the International Accounting Standard Board ("IASB") and in accordance with International Accounting Standards ("IAS") 34, Interim Financial Reporting, using accounting policies that the Company expects to adopt in its interim condensed consolidated financial statements for the period ended May 31, 2025. These interim condensed consolidated financial statements do not include all the information required for the annual consolidated financial statements and should be read in conjunction with the Company's most recent audited consolidated financial statements for the year ended November 30, 2024, which are available on www.sedarplus.com

These Financial Statements are authorized for issue by the Board of Directors on July 23, 2025.

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

These Financial Statements are presented in Canadian dollars, which is the Company's functional currency.

Critical accounting judgments, estimates and assumptions

The preparation of these 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 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 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.

b. Stock-based payments

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 expected lift, volatility of share prices, risk-free rate and dividend yield, 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.

2. MATERIAL ACCOUNTING POLICIES (continued)

Critical accounting judgments, estimates and assumptions (continued)

(i) Leases

Management uses estimation in determining the incremental borrowing rate used to measure the lease liability, specific to the asset, underlying currency and geographic location.

Significant judgments used in the preparation of these Financial Statements include, but are not limited to the following:

(i) Going concern

Management has applied judgements in the assessment of the Company's ability to continue as a going concern when preparing its Financial Statements for the period ended May 31, 2025. Management prepares the 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.

(ii) 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 met the criteria for accounting as a business combination.

Cash

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

Equipment

Recognition and measurement

On initial recognition, equipment is valued at cost, being the purchase price and directly attributable cost of acquisition or construction required to bring the asset to the location and condition necessary to be capable of operating in the manner intended by the Company, including appropriate borrowing costs and the estimated present value of any future unavoidable costs of dismantling and removing the items. The corresponding liability is recognized within provisions.

Equipment is subsequently measured at cost less accumulated depreciation, less any accumulated impairment losses.

When parts of an item of equipment have different useful lives, they are accounted for as separate items (major components) of equipment.

Gains and losses

Gains and losses on disposal of an item of equipment are determined by comparing the proceeds from disposal with the carrying amount and are recognized net within other income in profit or loss.

2. MATERIAL ACCOUNTING POLICIES (continued)

Depreciation

Half of the normal depreciation is taken in the year of acquisition for equipment with declining balance method. The depreciation rates applicable to each category of property and equipment are as follows:

Computer equipment	55% declining balance	Vehicles	30% declining balance
Furniture	20% declining balance	Leasehold improvements	30% declining balance
Demo equipment	20% declining balance		

Inventories

The Company values inventories at the lower of cost and net realizable value. Cost includes the costs of purchases net of vendor allowances plus other costs, such as transportation, that are directly incurred to bring the inventories to their present location and condition.

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.

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 warrants, 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 warrants expire 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.

2. MATERIAL ACCOUNTING POLICIES (continued)

Stock-based payment

The Company recognizes share-based payment expense for the estimated fair value of equity-based instruments granted to both employees and non-employees. Compensation expense is recognized when the options are granted with the same amount being recorded as the contributed surplus. The expense is determined using an 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 payment calculations have no effect on the Company's cash position.

Earnings (loss) per share

Basic earnings (loss) per share are calculated using the weighted average number of common shares outstanding during the period. Diluted earnings (loss) per share are calculated using the treasury stock method. This method for diluted earnings (loss) per 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 shares is assumed during the periods in which a net loss is incurred as the effect is anti-dilutive.

Financial instruments

<u>Financial assets</u>

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

<u>Financial assets and liabilities at amortized cost</u>

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 and trade and other receivables, net. The Company's financial liabilities measured at amortized cost are comprised of its accounts payable and accrued liabilities, loans payable, loans payable – related party, convertible debt, convertible debt – related parties, silent partnerships, silent partnerships – related party and lease liabilities.

2. MATERIAL ACCOUNTING POLICIES (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 loss and comprehensive 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 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 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 loss and comprehensive 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.

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.

2. MATERIAL ACCOUNTING POLICIES (continued)

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.

Interest

Interest income and expense are recognized in profit or loss using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments over the expected life of the financial instrument to the gross carrying amount of the financial asset or the amortized cost of the financial liability. The effective interest rate is calculated considering all contractual terms of the financial instruments, except for the expected credit losses of financial assets.

The 'amortized cost' of a financial asset or financial liability is the amount at which the instrument is measured on initial recognition minus principal repayments, plus or minus any cumulative amortization using the effective interest method of any difference between the initial amount and maturity amount and adjusted for any expected credit loss allowance. The 'gross carrying amount' of a financial asset is the amortized cost of a financial asset before adjusting for any expected credit losses.

Interest income and expense is calculated by applying the effective interest rate to the gross carrying amount of the financial asset (when the asset is not credit-impaired) or the amortized cost of the financial liability.

Where a financial asset has become credit-impaired subsequent to initial recognition, interest income is calculated in subsequent periods by applying the effective interest method to the amortized cost of the financial asset. If the asset subsequently ceases to be credit-impaired, calculation of interest income reverts to the gross basis.

Offsetting

Financial assets and financial liabilities are offset, with the net amount presented in the statement of financial position, when, and only when, the Company has a current and legally enforceable right to set off the recognized amounts and intends either to settle on a net basis or realize the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted under IFRS, or when arising from a group of similar transactions if the resulting income and expenses are not material.

Income taxes

Income tax is recognized in profit or loss except to the extent that it relates to equity items, in which case it is recognized in equity. 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.

2. MATERIAL ACCOUNTING POLICIES (continued)

Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions.

Parties are also considered to be related if they are subject to common control and related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

Accounting standards, amendments and interpretations not yet effective

Accounting standards, amendments and interpretations not yet effective The Company has performed an assessment of new and revised standards issued by the IASB that are not yet effective. The Company has assessed that the impact of adopting these accounting standards on its financial statements would not be material.

3. LONG-TERM RECEIVABLE

During the year ended November 30, 2023, the Company provided facility agreements with a third party to fund the latter's new and existing business opportunities. This solidifies the Company's commitment to further its partnership with the third party and the move towards autonomous drone applications through further development of a dedicated drone docking station.

On May 29, 2023, the Company signed a facility agreement with a third party wherein the Company will provide a total of £50,000 ($84,929). The agreement provides for a 5% annual interest rate and the Company has the option to convert the full amount to 5% of the diluted share capital of the third party.

On July 25, 2023, the Company signed another facility agreement with a third party wherein the Company will provide a total of £35,000 for general corporate purposes and it has sent a total of £35,000 ($60,151). The agreement provides for a 5% annual interest rate and the Company has the option to convert the full amount to 3.5% of the diluted share capital of the third party.

On August 11, 2023, the Company signed another facility agreement with a third party wherein the Company will provide £15,000 for general corporate purposes and it has sent a total of £15,000 ($26,017). The agreement provides for a 5% annual interest rate and the Company has the option to convert the full amount to 1.5% of the diluted share capital of the third party.

On September 28, 2023, the Company signed another facility agreement with a third party wherein the Company will provide £10,000 for general corporate purposes and it has sent a total of £10,000 ($17,093). The agreement provides for a 5% annual interest rate and the Company has the option to convert the full amount to 1% of the diluted share capital of the third party.

On November 24, 2023, the Company signed another facility agreement with a third party wherein the Company will provide £10,000 for general corporate purposes and it has sent a total of £10,000 ($17,749). The agreement provides for a 5% annual interest rate and the Company has the option to convert the full amount to 1% of the diluted share capital of the third party.

As at November 30, 2023, the Company has loaned to the third party a total of £122,203 ($209,703) including the interest incurred of £2,203 ($3,765). No conversion was made as at period ended February 29, 2024. However, due to uncertainty surrounding collectability, the Company recognized impairment loss in the consolidated statements of loss and comprehensive loss amounting to $209,702 (Note 20).

(Expressed in Canadian Dollars)

3. LONG-TERM RECEIVABLE (continued)

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.

As at May 31, 2025 the long-term receivable in the statement of financial position amounted to $1 (November 30, 2024 - $1).

4. ACCOUNTS PAYABLE

As at May 31, 2025 and November 30, 2024, the Company's accounts payable and accrued liability consist of the following:

	May 31, 2025	November 30, 2024
Professional fees	**$ 204,538**	$ 200,595
Business development	**73,825**	39,925
Funds to be returned to investors	**43,046**	43,046
Advertising costs	**9,361**	9,361
Transfer agent and filing fees	**21,292**	18,536
Due to former related parties for unpaid services	**361,572**	462,513
Others	**8,481**	7,960
	$ 722,115	$781,936

5. 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 and have been valued in these consolidated financial statements at the exchange amount, which is the amount of consideration established and agreed to by the related parties. Key management is comprised of directors and officers of the Company.

As at May 31, 2025, $183,018 (November 30, 2024– $102,573) are due to directors and officers of the Company:

	May 31, 2025	November 30, 2024
Company controlled by the President and CEO	**$ 104,942**	$ 59,192
Company controlled by the Corporate Secretary and Interim CFO	**67,809**	33,086
Director and Chairman of the Board	**10,267**	10,295
	$ 183,018	$ 102,573

On April 11, 2024, the Company entered into a loan agreement, as amended with its Chairman of the Board amounting to $9,186 (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. As of May 31, 2025, the combined loan payable includes $9,196 principal and $1,079 accrued interest. (Note 12)

(Expressed in Canadian Dollars)

5. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

During the period ended May 31, 2025, and May 31, 2024, the Company entered into the following transactions with related parties:

	May 31, 2025	May 31, 2024
Management fees	**$ 45,000**	$ 60,000
Accounting fees	**7,500**	30,000
Professional fees	**15,000**	15,000
	$ 67,500	$ 105,000

Management fees consisted of the following:

	May 31, 2025	May 31, 2024
Company controlled by the President and CEO	**$ 30,000**	$ 30,000
Interim CFO	**15,000**	-
Former CFO	**-**	30,000
	$ 45,000	$ 60,000

Professional fees of $15,000 (May 31, 2024 - $15,000) were paid or accrued to a company controlled by the Corporate Secretary. Accounting fees of $7,500 (May 31, 2024 - $30,000) were paid or accrued to a company controlled by a Former Director.

During the period ended May 31, 2025, the Company had 1,450,000 (May 31, 2024 –1,650,000) stock options held by the Directors and officers of the Company. The amount recognized as expense for these options for the period ended May 31, 2025 and May 31, 2024 are as follows:

	May 31, 2025		May 31,2024	
	Number of Options held	**Expense for the Period (vested)**	Number of options held	Expense for the period (vested)
CEO	**800,000**	**$ -**	800,000	$ -
Former CFO	**50,000**	**-**	200,000	-
Corporate Secretary and Interim CFO	**-**	**-**	50,000	-
Former Corporate Secretary	**200,000**	**-**	200,000	-
Directors	**400,000**	**-**	400,000	-
	1,450,000	**$ -**	1,650,000*	$ -

*During the period ended May 31, 2024, 200,000 stock options held by a former Director and former officers were cancelled due to resignation from his position.

(Expressed in Canadian Dollars)

6. LOANS PAYABLE

As at May 31, 2025, the Company had loans payable amounting to $353,671 (November 30, 2024 – $ 210,173) broken down as follows:

Date	Principal	Interest	Maturity	Balance May 31, 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	5,765	5,487
January 8, 2024	5,000	10%	October 8, 2025	5,736	5,460
March 15, 2024	5,000	10%	September 15, 2024	5,635	5,364
March 28, 2024	5,000	10%	September 28, 2024	5,616	5,345
April 10, 2024	20,000	10%	April 10, 2025	22,384	21,305
April 30, 2024	30,000	12%	April 30, 2025	34,108	32,150
May 1, 2024	15,000	10%	September 1, 2024	16,649	15,889
May 3, 2024	20,000	10%	November 3, 2024	22,245	21,174
August 26, 2024	50,000	-	February 25, 2026	50,000	50,000
December 23, 2024	10,000	10%	December 23, 2025	10,440	-
May 22, 2025	127,093	-	May 22, 2026	127,093	-
Total	$ 322,093			$ 353,671	$ 210,173

On December 20, 2023, the Company entered into a loan agreement, as amended with a Former Director amounting (“Lender-1”) 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 Company Secretary (Lender-2”) amounting to $5,000 with interest of 10% per annum. The loan is repayable on September 15, 2025. Also, On March 15, 2024, the company entered into another loan agreement, as amended with Lender-2 amounting to $5,000 with interest of $10% per annum. The loan is 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, 2024.

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.

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 will issue a loan bonus of 200,000 commons shares to the lender (issued) (Note 8). 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 September 1, 2024.

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 November 3, 2024.

On August 26, 2024, the Company entered into a bridge loan agreement with third party who will provide the Company a secured loan of $50,000, maturing in 18 months against one-on-one securities exchange. Before finalizing the acquisition, both parties will seek necessary shareholder approvals.

6 LOANS PAYABLE (continued)

On December 23, 2024, the Company entered a 1-year loan agreement with PrivCo amounting to $10,000. The loan bears 10% per annum interest.

On May 22, 2025, the Company entered a 1-year loan agreement with an Arms Lenth 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 after adjusting the issue discount. The Company recognized a financing charge of $742 for the period ended May 31, 2025 and recorded deferred financing charges of $26,351, which will be amortized to the remaining term of the loan.

7. 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 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.

8. SHARE CAPITAL

a) Common Shares

Authorized: Unlimited number of common shares without par value

As at May 31, 2025, there were 105,704,461 common shares issued and outstanding (November 30, 2024 – 105,604,461).

During the period ended May 31, 2025:

On February 10, 2025, the Company issued 100,000 common shares as bonus per the loan agreement to the Lender valued at $0.03.

During the year ended November 30, 2024:

On September 12, 2024, the Company issued 100,000 common shares as bonus per the loan agreement to the Lender valued at $0.0375.

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 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 period ended May 31, 2025:

200,000 stock options with an exercise price of $0.05 were cancelled.

(Expressed in Canadian Dollars)

8. SHARE CAPITAL (continued)

During the year ended November 30, 2024:

125,000 stock options with an exercise price of $0.50 expired.

400,000 stock options with an exercise price of $0.05 were cancelled.

b) Stock Options

Stock option transactions and the number of stock options outstanding as at May 31, 2025 and May 31, 2024, are summarized as follows:

	Number of Options		Weighted Average Exercise Price
Balance, November 30, 2023	3,575,000	$	0.06
Cancelled	(400,000)		0.05
Expired	(125,000)		0.50
Balance, November 30, 2024	**3,050,000**	**$**	**0.05**
Cancelled	(200,000)		0.05
Balance, May 31, 2025	**2,850,000**	**$**	**0.05**

The following summarizes the stock options outstanding at May 31, 2025:

Expiry Date	Exercise Price	Numbers of options outstanding	Numbers of options exercisable	Weighted average remaining contractual life (year)	Weighted average exercise price
	$				$
August 18, 2026	0.05	1,850,000	1,850,000	0.79	0.03
October 19, 2028	0.05	1,000,000	1,000,000	1.19	0.02
		2,850,000	**2,850,000**	**1.98**	**0.05**

c) Share purchase warrants

During the year ended November 30, 2024 and period ended May 31, 2025:

No warrants were granted, expired nor exercised for the period ended May 31, 2025.

Share purchase warrant transactions and the number of share purchase warrants outstanding as of May 31, 2025 and November 30, 2024 are summarized as follows:

	Number of Warrants		Weighted Average Exercise Price
Balance, November 30, 2023	56,855,860	$	0.14
Granted	-		-
Balance, November 30, 2024 And May 31, 2025	56,855,860		0.14

(Expressed in Canadian Dollars)

8. SHARE CAPITAL (continued)

(c) Share purchase warrants (continued)

The following summarizes the stock warrants outstanding on May 31, 2025:

Expiry Date	Exercise Price $	Number of Warrants outstanding and Exercisable	Weighted average remaining contractual life (year)	Weighted average exercise price $
January 29, 2026	0.25	3,188,160	0.04	0.01
March 27, 2026	0.10	7,400,000	0.11	0.01
March 30, 2026	0.10	29,128,000	0.43	0.05
August 9, 2026	0.50	6,242,000	0.13	0.05
July 24, 2028	0.10	10,897,700	0.60	0.02
		56,855,860	**1.31**	**0.14**

9. FINANCIAL RISK MANAGEMENT

The Company's financial assets consist of cash, sales tax receivable and long term receivables. The estimated fair values of cash, sales tax receivable, and long term receivables 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 period ended May 31, 2025, and November 30, 2024, the fair value of the cash, accounts receivable, accounts payable, due to related parties and loan payable approximate the book value due to the short-term nature.

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 May 31, 2025, the company has working capital deficit of $1,222,505 (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.

9. 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. The Company limits its exposure to credit risk by holding its cash in deposits with high credit quality Canadian financial institutions.

Foreign Currency Risk

The Company is exposed to foreign currency risk on fluctuations related to cash, leases, due from related parties and accounts payable and accrued liabilities that are denominated in US dollars. 10% fluctuations in the US dollar and UK Sterling Pound against the Canadian dollar have affected comprehensive loss for the period by approximately $341 (November 30, 2024 – $14,100).

10. SUPPLEMENTAL CASH FLOW INFORMATION

During the periods ended May 31, 2025 and May 31, 2024, the Company has the following non-cash investing and financing activities:

For the period ended	May 31, 2025	May 31, 2024
Non-cash financing activities:		
Shares issued to for interest payment	3,000	-

11. 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 5).

During the period ended November 30, 2023, the Company, entered into joint venture agreements ("JVA") with third parties for the purpose of exploring opportunities to incorporate unmanned aerial vehicles/drones and docking stations with a software and with the vehicle-mounted solution. To the date of this report, the JVAs have yet to produce a product under these agreements and are under negotiation. Hence, no material transactions have been recognized in relation to these JVAs in the financial statements. One of the third parties initially cancelled the agreements on February 16, 2024. Subsequently, the Company and the said third party have been in discussions surrounding all existing agreements. As of report date, there is no conclusion yet on the negotiations between the parties.

On December 1, 2023, the Company entered into a consulting service agreement with third party requiring the latter to render business advisory and consulting services of up to 50 hours per month with monthly compensation of $3,500 and 1,560,000 Free trading Restricted Stock Units (RSUs) over the course of 6 months issued at the market price on the contract signing date.

(Expressed in Canadian Dollars)

12. BREAKDOWN OF EXPENSES

		Six-months Period ended		**Three-months period ended**	
General and Administrative Expenses	**Note**	**May 31, 2025**	May 31, 2024	**May 31, 2025**	May 31, 2024
Accounting and audit fees	5	**$ 26,056**	$ 152,452	**$ 5,001**	$ 135,961
Consulting fees		**7,500**	87,500	**2,500**	50,000
Investor relations		**-**	69,510	**-**	27,537
General office expenses		**2,419**	4,059	**1,277**	2,152
Insurance		**-**	4,376	**-**	(627)
Legal and professional fees	5	**36,658**	54,638	**23,918**	40,460
Management fees	5	**45,000**	60,000	**21,000**	30,000
Rent		**3,000**	3,000	**1,500**	1,500
Transfer agent and filing fees	8	**7,693**	38,264	**4,152**	26,572
Total		**$ 128,326**	$ 473,799	**$ 59,348**	$ 313,555

Business development expenses for the six-month period ended May 31, 2025 amounting to $Nil (May 31, 2024 - $42,412) relate to corporate marketing and strategic investment initiatives done by the Company to build new businesses.

Business development expenses for the three-month period ended May 31, 2025 amounting to $Nil (May 31, 2024 - $7,896) relate to corporate marketing and strategic investment initiatives done by the Company to build new businesses.

13. 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.

14. SUBSEQUENT EVENTS

On June 12, 2025, the Company completed its acquisition of PrivCo as per the security exchange agreement dated November 6, 2024 and in consideration for the acquisition, the Company issued 19,100,100 common shares at a deemed price of $0.025 per share.

On June 18, 2025, the Company entered a 1-year loan agreement with an Arms Lenth 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 after adjusting the issue discount. Also on the same date, the Company entered into another 1-year loan agreement with an Arms Lenth 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 after adjusting the issue discount.