

AERO ENERGY LIMITED

Consolidated Financial Statements
For the years ended April 30, 2025 and 2024
(Expressed in Canadian Dollars)



DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

Independent Auditor's Report

To the Shareholders of Aero Energy Limited

Opinion

We have audited the consolidated financial statements of Aero Energy Limited (the "Company"), which comprise the consolidated statements of financial position as at April 30, 2025 and 2024, and the consolidated statements of loss and comprehensive loss, cash flows and changes in shareholders' equity for the years then ended, and notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at April 30, 2025 and 2024, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

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 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 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 is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the financial statements, which describes events or conditions that indicate the existence of material uncertainty 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 matter.

Key Audit Matters

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

Except for the matter described in the Material Uncertainty Related to Going Concern section, we have determined that there are no other key audit matters to communicate in our report.

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Tri-Cities

700 - 2755 Lougheed Hwy
Port Coquitlam, BC V3B 5Y9
604.941.8266

Victoria

320 - 730 View St.
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Other Information

Management is responsible for the other information. The other information comprises the information included in Management's Discussion and Analysis.

Our opinion on the 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 financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the 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 Financial Statements

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

In preparing the 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 period 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 Barry Hartley.



DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

August 27, 2025

AERO ENERGY LIMITED
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)
As at

	April 30, 2025	April 30, 2024
ASSETS		
Current assets		
Cash	\$ 429,421	\$ 3,749,613
Marketable Securities (Note 5)	420,001	214,283
Receivables	87,278	88,031
Prepaid expenses and deposits	93,043	1,235,775
	1,029,743	5,287,702
Advances to joint venture partners (Note 7)	131,354	65,939
Exploration and evaluation assets (Note 7)	7,716,085	10,067,008
TOTAL ASSETS	\$ 8,877,182	\$ 15,420,649
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (Notes 8 and 13)	\$ 452,126	\$ 125,842
Deferred premium on flow-through shares (Note 9)	83,677	579,519
TOTAL LIABILITIES	535,803	705,361
SHAREHOLDERS' EQUITY		
Share capital (Note 10)	37,103,012	35,411,106
Reserve (Note 11)	1,942,658	1,271,936
Accumulated deficit	(30,704,291)	(21,967,754)
TOTAL SHAREHOLDERS' EQUITY	8,341,379	14,715,288
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 8,877,182	\$ 15,420,649

Nature of operations and going concern (Note 1)
Subsequent events (Note 17)

These financial statements were authorized for issue by the Board of Directors on August 27, 2025. They are signed on behalf of the Board of Directors by:

"Galen McNamara"
Director

"Brandon Bonifacio"
Director

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

AERO ENERGY LIMITED**Consolidated Statements of Loss and Comprehensive Loss**

(Expressed in Canadian Dollars)

	For the Years Ended	
	April 30, 2025	April 30, 2024
EXPENSES		
Management fees (Note 13)	\$ 249,500	\$ 169,000
General and administrative fees	167,045	64,370
Professional fees (Note 13)	186,868	171,792
Consulting fees	438,176	248,558
Shareholder information and investor relations	1,119,038	138,065
Transfer agent, regulatory and listing fees	31,963	75,401
Foreign exchange (gain) loss	(288)	15,327
Stock-based compensation (Notes 11 and 13)	625,450	-
Impairment of exploration and evaluation assets (Note 7)	7,015,406	7,897
	9,833,158	890,410
OTHER ITEMS		
Change in fair value of marketable securities (Note 5)	(205,718)	4,331
Loss on debt settlement (Note 10)	-	120,800
Reversal of accounts payable	-	(40,685)
Flow-through share premium reversal (Note 9 and 10)	(849,776)	(112,578)
Interest income	(41,127)	-
	8,736,537	862,278
NET AND COMPREHENSIVE LOSS FOR THE YEAR	\$ 8,736,537	\$ 862,278
Basic and diluted loss per post-consolidation share for the year	\$ 0.08	\$ 0.02
Weighted average number of common shares outstanding	107,525,082	35,367,603

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

AERO ENERGY LIMITED
Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

	For the Years Ended	
	April 30, 2025	April 30, 2024
Cash flows provided by (used in):		
OPERATING ACTIVITIES		
Net loss for the year	\$ (8,736,537)	\$ (862,278)
Adjustments for item not affecting cash:		
Stock-based compensation	625,450	-
Change in fair value of marketable securities	(205,718)	4,331
Impairment of exploration and evaluation assets	7,015,406	7,897
Flow-through share premium reversal	(849,776)	(112,578)
Reversal of accounts payable	-	(40,685)
Loss on debt settlement	-	120,800
Net changes in non-cash working capital items:		
Receivables and prepaid expenses	1,143,485	(1,274,838)
Accounts payable and accrued liabilities	232,779	24,765
Net cash flows used in operating activities	(774,911)	(2,132,586)
INVESTING ACTIVITIES		
Exploration and evaluation assets	(4,410,978)	(631,794)
Advances to joint venture partners	(65,415)	(65,939)
Net cash flows used in investing activities	(4,476,393)	(697,733)
FINANCING ACTIVITIES		
Proceeds from private placement, net of cash share issuance costs	1,931,112	6,364,756
Proceeds from promissory notes issued	-	90,000
Net cash flows provided by financing activities	1,931,112	6,454,756
Net increase (decrease) in cash	(3,320,192)	3,624,437
Cash, beginning of year	3,749,613	125,176
Cash, end of year	\$ 429,421	\$ 3,749,613
Supplemental cash flow information:		
Non-cash share issuance for exploration and evaluation assets	\$ 160,000	\$ 2,898,101
Fair value of shares issued for debt	\$ -	\$ 271,800
Finder warrants issued in private placement	\$ 45,272	\$ 214,181
Exploration and evaluation assets included in accounts payable and accrued liabilities	\$ 134,191	\$ 64,470

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

AERO ENERGY LIMITED
Consolidated Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)

	Number of shares	Share capital	Reserve	Accumulated deficit	Total
Balance at April 30, 2023	14,470,526	\$ 26,782,727	\$ 1,223,920	\$ (21,271,641)	\$ 6,735,006
Common shares issued on private placement (Note 10)	51,599,349	6,744,000	-	-	6,744,000
Common shares issued on acquisition of 1443904 BC Ltd. (Notes 6 and 10)	23,500,000	2,498,101	-	-	2,498,101
Common shares issued on debt settlement (Note 10)	3,020,000	271,800	-	-	271,800
Common shares issued for mineral properties (Note 7 and 10)	2,666,666	400,000	-	-	400,000
Shares issuance costs (Note 10)	-	(593,425)	214,181	-	(379,244)
Fair value of expired and cancelled stock options (Note 11)	-	-	(166,165)	166,165	-
Flow-through share premium (Note 9)	-	(692,097)	-	-	(692,097)
Net loss for the year	-	-	-	(862,278)	(862,278)
Balance at April 30, 2024	95,256,541	35,411,106	1,271,936	(21,967,754)	14,715,288
Common shares issued on private placement (Note 10)	24,004,070	2,034,219	-	-	2,034,219
Common shares issued for mineral properties (Note 7 and 10)	2,666,666	160,000	-	-	160,000
Flow-through share premium (Note 9)	-	(353,934)	-	-	(353,934)
Shares issuance costs (Note 10)	-	(148,379)	45,272	-	(103,107)
Stock-based compensation (Note 11)	-	-	625,450	-	625,450
Net loss for the year	-	-	-	(8,736,537)	(8,736,537)
Balance at April 30, 2025	121,927,277	\$ 37,103,012	\$ 1,942,658	\$ (30,704,291)	\$ 8,341,379

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Aero Energy Limited. (the “Company” or “Aero”) was incorporated under the Canada Business Corporations Act on October 6, 2004. On October 22, 2012, the Company completed a continuation under the BC Business Corporations Act. The Company’s registered office is located at Suite 2200 – 855 West Georgia Street, Vancouver, BC, V6C 3E8. The Company is listed on the TSX Venture Exchange (the “Exchange”) and trades under the symbol “AERO” and on the OTC Pink under the symbol “AAUGF”.

These consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and settle its liabilities in the normal course of business. At April 30, 2025, the Company had cash of \$429,421 (April 30, 2024 - \$3,749,613) and its current assets exceed its current liabilities by \$493,940 (April 30, 2024 – \$4,582,341). The Company is a junior mineral exploration stage company in the business of acquiring, exploring, and evaluating natural resource properties. The Company has incurred losses and negative cash flows from operations since inception and had an accumulated deficit of \$30,704,291 as at April 30, 2025 (April 30, 2024 - \$21,967,754). Whether and when the Company can achieve profitability and positive cash flows from operations is uncertain. These uncertainties may cast significant doubt on the ability of the Company to continue as a going concern.

The Company’s ability to continue its operations is dependent on its success in raising equity through share issuances, suitable debt financing and/or other financing arrangements. While the Company has been successful in raising equity in the past, there can be no guarantee that it will be able to raise sufficient funds to fund its activities and general and administrative costs in the next twelve months and in the future. These consolidated financial statements do not give effect to the required adjustments to the carrying amounts and classification of assets and liabilities should the Company be unable to continue as a going concern. Such adjustments could be material.

2. BASIS OF PREPARATION

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards, as issued by the International Accounting Standards Board (“IASB”).

(b) Basis of presentation

These consolidated financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit or loss (“FVTPL”), which are stated at their fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The material accounting policies, as disclosed, have been applied consistently to all periods presented in these consolidated financial statements.

(c) Presentation and functional currency

The presentation and functional currency of the Company and its subsidiaries is the Canadian dollar. All amounts in these consolidated financial statements are expressed in Canadian dollars, unless otherwise indicated.

(d) Significant accounting judgments and estimates

The preparation of financial statements in accordance with IFRS requires management to make certain critical accounting estimates and assumptions about the future and to exercise judgment in applying the Company’s accounting policies. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. The impacts of changes to estimates are recognized in the period estimates are revised and in future periods affected. The critical judgments and assumptions made by management and other major sources of measurement uncertainty are discussed in Note 4.

3. MATERIAL ACCOUNTING POLICIES

The material accounting policies used in the preparation of these consolidated financial statements are as follows:

(a) Basis of consolidation

The Company's consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries Federal Gold Corp. ("Federal"), TY & Sons Explorations (Chile) Inc., Rio Explorations SpA, Angold Resources (USA) Ltd. and 1443904 B.C. Ltd. Subsidiaries are entities controlled by the Company, where control is achieved by the Company being exposed to, or having rights to, variable returns from its involvement with the entity and having the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is obtained by the Company and are deconsolidated from the date that control ceases.

All inter-company transactions, balances, income and expenses are eliminated on consolidation.

(b) Foreign currency transactions

Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on dates of transactions. At the end of each reporting period, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at rates prevailing at the date when the fair value was determined. All gains and losses on translation of these foreign currency transactions are included in the statements of loss and comprehensive loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

(c) Financial instruments

i) Classification and measurement

Financial asset

The classification and measurement of financial assets is based on the Company's business models for managing its financial assets and whether the contractual cash flows represent solely payments of principal and interest ("SPPI"). Financial assets are initially measured at fair value less, for an item not at fair value through profit or loss, transaction costs directly attributable to its acquisition or issue, and are subsequently measured at either (i) amortized cost; (ii) fair value through other comprehensive income, or (iii) at fair value through profit or loss.

Amortized cost

Financial assets classified and measured at amortized cost are those assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and the contractual terms of the financial asset give rise to cash flows that are SPPI. Financial assets classified at amortized cost are measured using the effective interest method. The Company's receivables are classified and measured at amortized cost.

Fair value through other comprehensive income ("FVTOCI")

Financial assets classified and measured at FVTOCI are those assets that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and the contractual terms of the financial asset give rise to cash flows that are SPPI. The Company does not have any assets classified and measured at FVTOCI.

Fair value through profit or loss ("FVTPL")

Financial assets classified and measured at FVTPL are those assets that do not meet the criteria to be classified at amortized cost or at FVTOCI. 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 profit or loss in the period in which they arise. The Company's cash and marketable securities are classified in this category.

3. MATERIAL ACCOUNTING POLICIES (continued)

(c) Financial instruments (continued)

i) Classification and measurement (continued)

Financial liabilities

Financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument. A financial liability is derecognized when it is extinguished, discharged, cancelled or when it expires. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or financial liabilities subsequently measured at amortized cost. All interest-related charges are reported in profit or loss within interest expense, if applicable.

Other financial liabilities are non-derivatives and are initially recognized at fair value net of any transaction costs directly attributable to the issuance of the instrument and subsequently carried at amortized cost using the effective interest rate method. This ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the consolidated statements of financial position. Interest expense in this context includes initial transaction costs and premiums payable on redemption, as well as any interest or coupon payable while the liability is outstanding. Accounts payable are included in this category and represent liabilities for goods and services provided to the Company prior to the end of the year that are unpaid.

ii) Derecognition of 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. Gains and losses on derecognition are generally recognized in profit or loss. However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive income (loss).

iii) Derecognition of financial liabilities

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the statements of comprehensive loss.

(d) Restoration, rehabilitation, and environmental obligations

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of long-term assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future restoration cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to exploration and evaluation assets along with a corresponding increase in the restoration provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The restoration asset will be depreciated on the same basis as other assets. The increase in the restoration provision due to the passage of time is recognized as accretion expense.

The costs of restoration projects that were included in the provision are recorded against the provision as incurred. The costs to prevent and control environmental impacts at specific properties are capitalized in accordance with the Company's accounting policy for exploration and evaluation assets.

3. MATERIAL ACCOUNTING POLICIES (continued)

(e) Exploration and evaluation expenditures

Exploration and evaluation expenditures include the costs of acquiring licenses, costs associated with exploration and evaluation activity, and the fair value (at acquisition date) of exploration and evaluation assets acquired in a business combination. Exploration and evaluation expenditures are capitalized. Costs incurred before the Company has obtained the legal rights to explore an area are recognized in profit or loss.

Government tax credits are recorded as a reduction to the cumulative costs incurred and capitalized on the related property in the period it is received.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

Once the technical feasibility and commercial viability of the extraction of resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property, plant and equipment.

Recoverability of the carrying amount of any exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

(f) Share capital

Common shares

Common shares issued are classified as share capital, a component of shareholders' equity. Transaction costs directly attributable to the issuance of common shares are recognized as a deduction from share capital.

Equity units

Proceeds received on the issuance of units, comprised of common shares and warrants, are allocated using the residual value method. Under the residual value method, proceeds are allocated to the common shares up to their fair value, determined by reference to the quoted market price of the common shares, and the remaining balance, if any, to the reserve account for warrants.

(g) Share options and warrants

All share options and warrants are included in reserves, a component of shareholders' equity, until exercised. Upon exercise, the consideration received plus the amounts in reserves attributable to the options and/or warrants being exercised are credited to share capital. When share options and warrants expire unexercised or are cancelled, other than cancellations resulting from forfeitures when vesting conditions are not satisfied, the amounts recognized in reserves are reclassified to accumulated deficit.

Stock-based compensation to employees is measured at the fair value of the instruments granted. Stock-based compensation is measured at the fair value of the goods or services received or the fair value of the equity instruments issued as calculated using the Black-Scholes Option Pricing Model. The offset to the recorded expense is to reserves. The fair value of awards is calculated using the Black-Scholes Option Pricing Model which considers the following factors: exercise price; current market price of the underlying shares; expected life of the award; risk-free interest rate; forfeiture rate; and expected volatility. Share-based compensation to non-employees is measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods and services cannot be reliably measured, and are recorded at the date the goods or services are received.

3. MATERIAL ACCOUNTING POLICIES (continued)

(h) Income taxes

Income tax on profit or loss comprises current and deferred tax. Income tax is recognized in profit or loss, except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax expense is the expected tax payable on taxable income for the period.

Deferred tax is provided for using the asset and liability method of accounting, whereby deferred tax assets and liabilities are recognized for the future tax effects of differences between the carrying amounts of assets and liabilities in the consolidated statement of financial position and the tax bases of the assets and liabilities (temporary differences), unused tax losses and other income tax deductions. Temporary differences on the initial recognition of assets or liabilities that affect neither accounting nor taxable profit or loss are not provided for. Deferred tax assets and liabilities are measured based on the expected manner of realization or settlement of the carrying amounts of the related assets and liabilities, using tax rates enacted or substantively enacted at the consolidated statement of financial position date. Deferred tax assets are recognized for deductible temporary differences, unused tax losses and other income tax deductions only to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, unused tax losses and other income tax deductions can be utilized.

Income tax on profit or loss comprises current and deferred tax. Income tax is recognized in profit or loss, except 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.

(i) Loss per share

Loss per share is calculated by dividing loss attributable to common shareholders of the Company by the weighted average number of shares outstanding during the period. Diluted loss per share is determined by adjusting loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all dilutive potential common shares. The calculation of diluted loss per share excludes the effects of various conversions and exercises of options and warrants that would be anti-dilutive.

(j) Impairment of non-financial assets

Impairment tests on non-financial assets, including exploration and evaluation assets are undertaken whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount, which is the higher of value in use and fair value less costs to sell, the asset is written down accordingly.

The Company assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use. Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the asset's cash-generating unit, which is the lowest group of assets in which the asset belongs for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets.

Impairment losses are recognized in profit or loss. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognized.

(k) Flow-through shares

The Company renounces qualifying Canadian exploration expenditures to certain share subscribers who subscribe for flow-through shares in accordance with the Income Tax Act (Canada). Under these provisions, the Company is required to incur and renounce qualifying expenditures on a timely basis for the respective flow-through subscriptions and, accordingly, it is not entitled to the related tax deductions and tax credits for such expenditures. Any premium received by the Company on the issuance of flow-through shares is initially recorded as liability ("deferred premium on flow-through shares"). As the qualifying expenditures are incurred, a deferred tax liability is recognized and the deferred premium will be reversed provided that the Company has renounced, or there is reasonable expectation that the Company will renounce, the tax benefits associated with the related expenditures. To the extent that suitable deferred tax assets are available, the Company will reduce the deferred tax liability.

3. MATERIAL ACCOUNTING POLICIES (*continued*)

(I) New accounting standards and interpretations

IFRS 18 – Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, Presentation and Disclosure of Financial Statements (IFRS 18), which replaces IAS 1, Presentation of Financial Statements. IFRS 18 introduces a specified structure for the income statement by requiring income and expenses to be presented into the three defined categories of operating, investing and financing, and by specifying certain defined totals and subtotals. Where company-specific measures related to the income statement are provided, IFRS 18 requires companies to disclose explanations around these measures, which are referred to as management defined performance measures. IFRS 18 also provides additional guidance on principles of aggregation and disaggregation which apply to the primary financial statements and the notes.

IFRS 18 will not affect the recognition and measurement of items in the financial statements, nor will it affect which items are classified in other comprehensive income and how these items are classified. The standard is effective for reporting periods beginning on or after January 1, 2027, including for financial statements. Retrospective application is required, and early application is permitted. The Company is currently assessing the effect of this new standard on its financial statements.

4. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Significant accounting judgments

The critical judgments, apart from those involving estimations, that management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in the consolidated financial statements are as follows:

Going concern

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay for its ongoing operating expenditures and meet its liabilities for the ensuing year involves significant judgment based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

Impairment of long-lived assets

The Company evaluates each long-term asset each reporting period to determine if there are any indications of impairment. If any such indications exist, an estimate of the recoverable amount is performed and an impairment loss is recognized to the extent that the carrying amount exceeds the recoverable amount. The estimates and assumptions used to estimate the recoverable amount of the long-lived assets are subject to risk and uncertainty and there is the possibility that changes in circumstances will alter these estimates and assumptions.

Determination of functional currency

The functional currency for each of the Company's subsidiaries is the currency of the primary economic environment in which the respective entity operates; the Company has determined the functional currency of Aero Energy Limited and its subsidiaries to be the Canadian dollar. Such determination involves certain judgments to identify the primary economic environment. The Company reconsiders the functional currency of its subsidiaries if there is a change in events and/or conditions which determine the primary economic environment.

Key sources of estimation uncertainty

The key assumptions management has made about the future and other major sources of estimation uncertainty at the date of the consolidated statement of financial position that have significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

4. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Income taxes

The Company recognizes deferred tax assets for deductible temporary differences, unused tax losses and other income tax deductions only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and other income tax deductions can be utilized. In assessing the probability of realizing the income tax benefits of deductible temporary differences, unused tax losses and other income tax deductions, management makes estimates related to expectations of future taxable income, applicable tax planning opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. The likelihood that tax positions taken will be sustained upon examination by applicable tax authorities is assessed based on individual facts and circumstances of the relevant tax position evaluated in light of all available evidence.

As at April 30, 2025 and 2024, the Company has not recognized any deferred tax assets for deductible temporary differences. Changes in any of the above-mentioned estimates can materially affect the amount of income tax assets recognized. In addition, where applicable tax laws and regulations are either unclear or subject to varying interpretations, changes in these estimates can occur that materially affect the amounts of income tax assets recognized. The Company reassesses unrecognized income tax assets at the end of each reporting period.

Valuation of stock-based compensation

The Company uses the Black-Scholes Option Pricing Model for valuation of stock-based compensation. Option pricing models require the input of subjective assumptions including expected price volatility, interest rate and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's earnings and equity reserves.

5. MARKETABLE SECURITIES

On May 18, 2023, the Company received 10,000,000 shares in Minas Metals Ltd. ("Minas Metals") as consideration for the Iron Butte and Hope Butte properties. The fair value on the date the shares were received was determined to be \$218,614. The shares were subject to a lock-up restriction expiring on May 18, 2024.

On December 27, 2024, Minas Metals completed a share consolidation on the basis of 10:1. On May 5, 2025 Minas Metals changed its name to Universal Digital Inc ("Universal Digital").

	April 30, 2025	April 30, 2024
Fair value, beginning of year	\$ 214,283	\$ -
Additions	-	218,614
Change in fair value	205,718	(4,331)
Fair value, end of year	\$ 420,001	\$ 214,283

Subsequent to April 30, 2025, the Company sold all of its shares in Universal Digital for gross proceeds of \$423,273 (Note 17).

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6. ACQUISITION OF 1443904 BC LTD.

On February 8, 2024, the Company completed the acquisition (the "Transaction") of 1443904 B.C. Ltd. ("NumberCo") for consideration of 23,500,000 common shares of the Company. NumberCo holds options to acquire up to 70% of the Murmac Property and Strike Property, and 100% of the Sun Dog Property (collectively, the "Optioned Properties") (Note 7).

The Company accounted for the purchase as an asset acquisition as it did not meet the definition of a business under IFRS 3, "Business Combinations". The following table summarizes the total consideration, the fair value of the acquired identifiable assets and liabilities assumed as of the date of the acquisition:

Fair value of common shares issued (Note 10)	\$	2,498,101
Transaction costs		24,253
Total consideration	\$	2,522,354
Assets acquired:		
Cash	\$	108,782
Other current assets		15,750
Exploration and evaluation asset – Sun Dog (Note 7)		1,569,522
Exploration and evaluation asset – Fortune Bay (Note 7)		865,250
Current liabilities assumed		(36,950)
Net assets acquired	\$	2,522,354

7. EXPLORATION AND EVALUATION ASSETS

	Sun Dog		Fortune Bay		Uchi		Chile Properties		Total	
Acquisition Costs										
Balance, April 30, 2023	\$	-	\$	-	\$	-	\$	284,875	\$	284,875
Additions		1,769,522		1,065,250		-		-		2,834,772
Balance, April 30, 2024		1,769,522		1,065,250		-		284,875		3,119,647
Additions		293,333		266,667		-		-		560,000
Impairment		-		-		-		(284,875)		(284,875)
Balance, April 30, 2025	\$	2,062,855	\$	1,331,917	\$	-	\$	-	\$	3,394,772
Deferred Exploration Costs										
Balance, April 30, 2023	\$	-	\$	-	\$	-	\$	6,237,837	\$	6,237,837
Exploration		-		-		-		1,206		1,206
Permitting and staking fees		15,207		15,207		-		82,192		112,606
Geophysics		119,690		240,759		-		-		360,449
General project costs		128,409		6,480		7,897		100,374		243,160
Impairment		-		-		(7,897)		-		(7,897)
Balance, April 30, 2024	\$	263,306	\$	262,446	\$	-	\$	6,421,609	\$	6,947,361
Geophysics		439,011		124,386		-		-		563,397
General project costs		23,765		68,428		-		308,922		401,115
Drilling		1,044,378		2,095,593		-		-		3,139,971
Impairment		-		-		-		(6,730,531)		(6,730,531)
Balance, April 30, 2025	\$	1,770,460	\$	2,550,853	\$	-	\$	-	\$	4,321,313
Total										
Balance, April 30, 2024	\$	2,032,828	\$	1,327,696	\$	-	\$	6,706,484	\$	10,067,008
Balance, April 30, 2025	\$	3,833,315	\$	3,882,770	\$	-	\$	-	\$	7,716,085

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7. EXPLORATION AND EVALUATION ASSETS (continued)

Sun Dog Property

On October 20, 2023, the Company signed a definitive option agreement with Standard Uranium Ltd. (“Standard Uranium”), whereby the Company has the option to acquire 100% of the Sun Dog property by completing the following requirements:

	Cash (C\$)		Consideration Shares (C\$)		Exploration Expenditures (C\$)	Interest Earned
Execution Date	\$200,000 ⁽¹⁾	(paid)	\$200,000	(issued)	<i>Nil</i>	
October 20, 2024	\$200,000	(paid)	\$200,000	(issued)	\$1,500,000	
October 20, 2025	\$250,000		\$250,000		\$2,000,000	
October 20, 2026	<i>Nil</i>		<i>Nil</i>		\$3,000,000	
Total	\$650,000		\$650,000		\$6,500,000	100%

(1) – Paid by NumberCo prior to the Transaction (Note 6).

Pursuant to the option agreement, Standard Uranium will act as the operator of the work programs, which are to be funded by the Company. As of April 30, 2025, the Company had advanced \$32,485 (2024 - \$65,939) to Standard Uranium to be spent on exploration expenditures, which had not yet been incurred.

Fortune Bay Properties

On December 15, 2023, the Company signed a definitive option agreement with 7153945 Canada Inc. and Fortune Bay Corp. (“Fortune Bay”) whereby the Company has the option to acquire up to a 70% interest in the properties, which includes the Murmac Property, the Strike Property, and any additional mineral rights acquired pursuant to the agreement (the “Properties”). The phased requirements for the Company to earn up to a 70% interest are as follows:

	Cash (C\$)		Consideration Shares (C\$)		Exploration Expenditures (C\$)	Interest Earned
Execution Date	\$200,000 ⁽¹⁾	(paid)	\$200,000	(issued)	<i>Nil</i>	
December 15, 2024	\$200,000	(paid)	\$200,000	(issued)	\$1,000,000	
December 15, 2025	\$250,000		\$250,000		\$2,000,000	
Total (First Option)	\$650,000		\$650,000		\$3,000,000	51%
December 15, 2026	\$300,000		\$300,000		\$3,000,000	
Total (Second Option)	\$300,000		\$300,000		\$3,000,000	60%
December 15, 2027	\$400,000		\$1,200,000		<i>Nil</i>	
Total (Third Option)	\$400,000		\$1,200,000		<i>Nil</i>	70%
Grand Total	\$1,350,000		\$2,150,000		\$6,000,000	

(1) – Paid by NumberCo prior to the Transaction (Note 6).

After earning-in a 51%, 60% or 70% interest (whichever the case may be), the Company and Fortune Bay will form a joint venture with standard pro-rata funding requirements.

Pursuant to the option agreement, Fortune Bay will act as the operator of the work programs, which are to be funded by the Company. As of April 30, 2025, the Company had advanced \$98,869 (2024 - \$Nil) to Fortune Bay to be spent on exploration expenditures, which had not yet been incurred.

Chile Properties

The Lajitas and Dorado claims comprise the Dorado property and is located in the Maricunga region of Chile. The Nevada claim comprises the Cordillera property and is also located in the Maricunga region of Chile. The Company has a 100% interest in the Dorado and the Cordillera Properties that include a 2% net smelter royalty which may be reduced to 1% for a payment of \$2,000,000 at any time. As of April 30, 2025, the Company determined it was not going to proceed with further exploration work at the Chile Properties, to focus its efforts on the Sun Dog and Fortune Bay properties. Accordingly, the Chile Properties were written off during the year ended April 30, 2025.

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8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

At April 30, 2025 and 2024, the Company's accounts payable and accrued liabilities are composed of the following:

	April 30, 2025		April 30, 2024	
Accounts payable (Note 13)	\$	424,724	\$	108,023
Accrued liabilities		27,402		17,819
Total	\$	452,126	\$	125,842

9. DEFERRED PREMIUM ON FLOW-THROUGH SHARES

	April 30, 2025		April 30, 2024	
Balance, beginning of year	\$	579,519	\$	-
Deferred premium on flow-through shares issued		353,934		692,097
Flow-through premium reversal		(849,776)		(112,578)
Balance, end of year	\$	83,677	\$	579,519

Flow-through common shares require the Company to spend an amount equivalent to the proceeds of the issued flow-through common shares on Canadian qualifying exploration expenditures. The Company indemnified the holders of such shares for any tax and other costs payable by them in the event the Company has not made the required exploration expenditures. Under the IFRS framework, the increase to share capital when flow-through shares are issued is measured based on the current market price of common shares. The incremental proceeds, or "premium", are recorded as a liability.

During the year ended April 30, 2024, the Company received \$3,183,142 from the issuance of flow-through shares at a premium to the market price and recognized a deferred premium on flow-through shares of \$692,097. The Company incurred and renounced eligible expenditures of \$486,064 during the year ended April 30, 2024. These expenditures will not be available to the Company for future deduction from taxable income.

During the year ended April 30, 2025, the Company received \$1,406,669 from the issuance of flow-through shares at a premium to the market price and recognized a deferred premium on flow-through shares of \$353,934.

As at April 30, 2025, the Company had a remaining qualifying expenditure commitment of \$367,167 (April 30, 2024 – \$2,697,078) from the proceeds of flow-through shares issued on November 14, 2024. These amounts must be incurred on eligible exploration expenditures prior to December 31, 2025 in accordance with the terms of the flow-through share agreements and applicable tax legislation.

10. SHARE CAPITAL

As of April 30, 2025, the Company had an unlimited number of common shares authorized without par value and 121,927,277 (April 30, 2024 – 95,256,541) common shares outstanding.

Year ended April 30, 2025

On October 18, 2024, and December 13, 2024, the Company issued 1,333,333 common shares to each of Standard Uranium and Fortune Bay at a fair value of \$93,333 and \$66,667, respectively, pursuant to the respective option agreements. Each issuance represented the issuance of the year 2 Consideration Shares (Note 7). The number of shares issued is based on the Company's initial public offering price of \$0.15 per share.

On November 14, 2024, the Company closed a non-brokered private placement for gross proceeds of \$2,034,219 by issuing (i) 8,964,998 non-flow-through units of the Company at a price of \$0.07 per unit; (ii) 7,637,500 flow-through units of the Company at a price of \$0.08 per unit; and (iii) 7,401,572 flow-through charity units at a price of \$0.1075 per unit. Each unit consists of one common share of the Company and one-half of one share purchase warrant (each whole warrant, a "Warrant"). The Warrants are exercisable at a price of \$0.11, expire on November 14, 2026, and will be issued on a non-flow-through basis. No value was allocated to the Warrants under the residual method.

In connection with the private placement, the Company paid cash finders' fees of \$99,779 and issued 887,360 finder's warrants to eligible finders, as well as incurred other share issuance costs of \$3,328. The finder's warrants were issued on the same terms as the Warrants and had a fair value of \$45,272. The fair value of finder's warrants was determined using the Black-Scholes Option Pricing Model with the following assumptions: risk free rate of 3.18%; expected life of 2 years; expected volatility of 172% and dividend yield of \$Nil.

10. SHARE CAPITAL (continued)

Year ended April 30, 2024

On November 7, 2023, the Company completed a non-brokered private placement for gross proceeds of \$844,000 through the issuance of 16,880,000 common shares at a price of \$0.05. No finders' fees were paid in connection with the private placement. The Company incurred share issuance costs of \$25,723.

On the same date, the Company settled the loans payable of \$90,000 and accounts payable of \$61,000 through the issuance of 3,020,000 common shares (the "Settlement Shares"). The Settlement Shares were issued under the same terms as the non-brokered private placement. The fair value of the Settlement Shares was determined to be \$271,800 based on the closing price of \$0.09 on November 7, 2023, the date of issuance, resulting in a loss on settlement of \$120,800.

On February 8, 2024, the Company issued 1,333,333 common shares to each of Fortune Bay and Standard Uranium with a fair value of \$200,000 as Consideration Shares pursuant to the respective option agreements (Note 7).

On February 8, 2024, the Company acquired NumberCo for consideration of 23,500,000 common shares of the Company valued at \$2,498,101 (Note 6).

On March 5, 2024, the Company closed the first tranche of a non-brokered private placement (the "Offering") for gross proceeds of \$4,537,170. In connection with the first tranche of the Offering, the Company issued (i) 12,418,468 non-flow-through units of the Company (each, an "NFT Unit") at a price of \$0.15 per NFT Unit; (ii) 8,425,144 flow-through units of the Company (each, an "FT Unit") at a price of \$0.175 per FT Unit; and (iii) 5,274,724 flow-through charity units (each, a "Charity Unit") at a price of \$0.2275. Each NFT Unit consists of one non-flow-through common share of the Company (each, a "Share") and one-half of one share purchase warrant (a "Warrant"). Each FT Unit and Charity Unit consists of one Share, each of which will qualify as "flow-through shares" under the Income Tax Act (Canada), and one-half of one Warrant. Each Warrant entitles the holder thereof to acquire one additional common share of the Company (each, a "Warrant Share") at a price of \$0.25 per Warrant Share until March 5, 2026. The Warrant Shares will be issued on a non-flow-through basis. In connection with the first tranche of the Offering, a total of \$227,317 cash was paid and a total of 1,107,525 finder's warrants were issued to eligible arm's length finders with a fair value of \$149,791. The fair value of finder's warrants was determined using the Black-Scholes Option Pricing Model with the following assumptions: risk free rate of 4.04%; expected life of 2 years; expected volatility of 116% and dividend yield of \$Nil. The finder's warrants were issued on the same terms as the Warrants.

On March 8, 2024, the Company closed the second and final tranche of the Offering for additional gross proceeds of \$1,362,830, comprised of (i) 5,693,913 NFT units and (ii) 2,907,100 FT units, under the same terms as the first tranche. A total of \$126,204 cash was paid and a total of 596,430 finder's warrants were issued to eligible arm's length finders in connection with the second tranche. The finder's warrants were issued on the same terms as the Warrants and had a fair value of \$64,390. The fair value of finder's warrants was determined using the Black-Scholes Option Pricing Model with the following assumptions: risk free rate of 4.03%; expected life of 2 years; expected volatility of 116% and dividend yield of \$Nil.

11. OPTIONS AND WARRANTS

a) Options

During the year ended April 30, 2025, the Company recognized stock-based compensation expense of \$625,450 (2024 - \$Nil) relating to the vesting of options.

The Company has a stock option plan whereby a maximum of 10% of the issued and outstanding common shares of the Company may be reserved for issuance pursuant to the exercise of stock options. The terms of the granted options are fixed by the Board of Directors and are not to exceed ten years. The exercise price of options is determined by the Board of Directors but shall not be less than the closing price of the Company's common shares on the day preceding the day on which the options are granted, less any discount permitted by the Exchange. Options granted under the plan may vest immediately on grant, or over a period as determined by the Board of Directors or, in respect of options granted for investor relations services, as prescribed by Exchange policy.

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11. OPTIONS AND WARRANTS (continued)

A continuity schedule of the Company's outstanding stock options for the years ended April 30, 2025 and 2024 are as follows:

	<u>April 30, 2025</u>		<u>April 30, 2024</u>	
	Number outstanding	Weighted average exercise price	Number outstanding	Weighted average exercise price
Outstanding, beginning of year	370,500	\$ 3.08	473,000	\$ 3.04
Granted	7,800,000	0.13	-	-
Expired	-	-	(20,000)	3.00
Cancelled	-	-	(82,500)	2.87
Outstanding, end of year	8,170,500	\$ 0.26	370,500	\$ 3.08

During the year ended April 30, 2024, the 102,500 options that expired or were cancelled had a fair value of \$166,165 and were reclassified to deficit.

The Black-Scholes Option Pricing Model inputs for option granted during the year ended April 30, 2025, are as follows:

Grant Date	Expiry Date	Exercise Price	Risk-Free			Dividend Yield	Fair Value
			Interest Rate	Expected Life	Volatility Factor		
May 4, 2024	May 4, 2029	\$0.15	3.67%	5 years	93%	0	\$0.10
January 2, 2025	January 2, 2030	\$0.07	2.96%	5 years	157%	0	\$0.05

At April 30, 2025, the Company had outstanding stock options exercisable to acquire common shares of the Company as follows:

Expiry date	Options outstanding	Options exercisable	Exercise price	Remaining contractual life (in years)
December 29, 2025	234,500	234,500	\$ 4.00	0.67
January 26, 2027	116,000	116,000	\$ 1.65	1.74
April 26, 2028	20,000	20,000	\$ 0.50	2.99
May 4, 2029	5,600,000	4,200,000	\$ 0.15	4.01
January 2, 2030	2,200,000	550,000	\$ 0.07	4.68
	8,170,500	5,120,500	\$ 0.26	4.06

b) Warrants

A continuity schedule of the Company's outstanding warrants for the years ended April 30, 2025 and 2024 is as follows:

	<u>April 30, 2025</u>		<u>April 30, 2024</u>	
	Warrants outstanding	Weighted average exercise price	Warrants outstanding	Weighted average exercise price
Outstanding, beginning of year	24,042,275	\$ 0.58	4,978,652	\$ 1.82
Granted	12,889,395	0.11	19,063,624	0.25
Expired	(4,978,652)	1.82	-	-
Outstanding, end of year	31,953,018	\$ 0.19	24,042,276	\$ 0.58

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11. OPTIONS AND WARRANTS (continued)

At April 30, 2025, the Company had outstanding warrants exercisable to acquire common shares of the Company as follows:

Expiry date	Warrants outstanding	Warrants exercisable	Exercise price	Remaining contractual life (in years)
March 4, 2026	14,166,687	14,166,688	\$ 0.25	0.84
March 8, 2026	4,896,936	4,896,936	\$ 0.25	0.85
November 14, 2026	12,889,395	12,889,395	\$ 0.11	1.54
	31,953,018	31,953,019	\$ 0.19	1.15

12. INCOME TAXES

A reconciliation of income taxes at statutory rates with reported taxes is as follows:

	April 30, 2025	April 30, 2024
Net loss for the year	\$ (8,736,537)	\$ (862,279)
Canadian federal and provincial statutory income tax rate	25-27.00%	25-27.00%
Income tax benefit based on Canadian statutory income tax rates	(2,218,222)	(232,815)
Effects of the following:		
Impact of flow-through shares	493,000	98,000
Permanent differences	169,000	23,000
Other	319,440	1,156,353
Share issuance costs	(28,000)	(102,000)
Change in valuation allowance	1,264,782	(942,538)
Income tax benefit	\$ -	\$ -

At April 30, 2025 and 2024, the Company had deductible temporary differences and unused tax losses for which no deferred tax assets have been recognized as follows:

	April 30, 2025	April 30, 2024
Non-capital loss carry-forwards	\$ 6,682,165	\$ 5,930,083
Deductible temporary differences relating to:		
Exploration and evaluation assets, property and equipment	(705,781)	(1,276,567)
Share issue cost	121,711	179,797
Reclamation bond	12,418	12,418
Investment tax credit	3,730	3,730
	6,114,243	4,849,461
Valuation allowance	(6,114,243)	(4,849,461)
	\$ -	\$ -

12. INCOME TAXES (continued)

The non-capital losses at April 30, 2025 expire as follows:

Expiry date	Amount
2026	\$ 114,492
2027	38,826
2028	27,672
2029	23,167
2031	1,178,697
2032	89,549
2033	379,357
2034	328,039
2035	269,348
2036	171,328
2037	702,669
2038	429,355
2039	189,943
2040	544,496
2041	895,543
2042	1,907,726
2043	1,066,850
2044	1,068,121
2045	2,248,279
No expiry	14,035,138
	\$ 25,708,595

13. RELATED PARTY TRANSACTIONS

The Company's related parties consist of its key management personnel, including its directors and officers. During the normal course of business, the Company enters into transactions with its related parties that are considered to be made at normal market prices and on normal commercial terms.

- (a) Key management compensation included in management fees for the years ended April 30, 2025 and 2024 were as follows:

	April 30, 2025	April 30, 2024
Legal fees	\$ 9,871	\$ 62,243
Management fees	\$ 249,500	\$ 169,000
Total	\$ 259,371	\$ 231,243

- (b) During the year ended April 30, 2025, the Company incurred stock-based compensation expense of \$379,333 (2024 - \$Nil) related to stock options granted to officers and directors of the Company.
- (c) At April 30, 2025, the Company had \$25,854 (April 30, 2024 - \$Nil) owing to related parties. These amounts are non-interest bearing and have no fixed term of repayment (Note 8).

14. MANAGEMENT OF CAPITAL

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern in order to continue its business and maintain a flexible capital structure, which optimizes the costs of capital at an acceptable risk. The Company's capital includes the components of its shareholders' equity.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of its underlying assets. To maintain or adjust its capital structure, the Company may issue new shares, issue new debt, acquire or dispose of assets, or adjust the amount of cash. In order to preserve cash, the Company does not pay any dividends.

The Company is not subject to any externally imposed capital requirements. The Company did not change its capital management approach during the year ended April 30, 2025.

15. FINANCIAL INSTRUMENTS

a) Categories of financial instruments and fair value measurements

The Company's financial assets and liabilities are classified as follows:

	April 30, 2025	April 30, 2024
Financial assets:		
<i>Fair value through profit and loss</i>		
Cash	\$ 429,421	\$ 3,749,613
Marketable securities	\$ 420,001	\$ 214,283
<i>Amortized cost</i>		
Receivables	\$ 87,278	\$ 88,030
Financial liabilities:		
<i>Amortized cost</i>		
Accounts payable	\$ 424,724	\$ 108,023

The amount of accounts payable includes amounts due to related parties (Note 13).

The fair values of the Company's cash, marketable securities, receivables and accounts payable approximate their carrying amounts due to the short-term nature of these instruments.

IFRS 7 *Financial Instruments: Disclosures* establishes a fair value hierarchy that reflects the significance of inputs used in measuring fair value as follows:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

At April 30, 2025 and April 30, 2024, the Company had no financial assets measured and recognized on the consolidated statement of financial position at fair value belonging in Level 2 or Level 3 of the fair value hierarchy.

Cash and marketable securities are measured using level 1 inputs.

b) Management of financial risks

The Company's financial instruments expose the Company to certain financial risks, including credit risk, liquidity risk, interest rate risk and foreign currency risk.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. At April 30, 2025, the Company was exposed to credit risk on its cash.

The Company's cash are held with a high credit quality financial institution in Canada and as at April 30, 2025, management considers its exposure to credit risk to be low.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities. The Company manages liquidity risk by maintaining adequate cash and managing its capital and expenditures.

At April 30, 2025, the Company had cash of \$429,421 (April 30, 2024 - \$3,749,613) and accounts payable and accrued liabilities of \$452,126 (April 30, 2024 - \$125,842) with contractual maturities of less than one year. The Company assessed its liquidity risk as high as at April 30, 2025.

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15. FINANCIAL INSTRUMENTS (continued)

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company's financial assets and financial liabilities are not exposed to interest rate risk due to their short-term nature and maturity. The Company is not exposed to interest rate risk at April 30, 2025.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is exposed to foreign currency risk to the extent that it has monetary assets and liabilities denominated in foreign currencies.

As at April 30, 2025, the Company is exposed to foreign currency risk, as it has cash, accounts payables and accrued liabilities denominated in US Dollars and Chilean Peso. Based on its volume of transactions, the Company determines its foreign currency risk is not significant. The following is the Canadian equivalent of financial assets and liabilities that are denominated in US dollars and Chilean Peso:

	April 30, 2025		April 30, 2024	
Cash	\$	275	\$	159,951
Accounts payable		(187,349)		(37,878)
Net exposure	\$	(187,074)	\$	122,073

16. SEGMENTED INFORMATION

The Company is organized into business units based on exploration and evaluation assets and has two reportable operating segments, being that of acquisition and exploration and evaluation activities in Chile and Canada. The Company is in the exploration stage and has no reportable segment revenues or operating results. The Company's total assets are segmented geographically as follows:

	Chile		Canada		Total	
As at April 30, 2024						
Current assets	\$	159,951	\$	5,127,751	\$	5,287,702
Advances to joint venture partners		-		65,939		65,939
Exploration and evaluation assets		6,706,484		3,360,524		10,067,008
	\$	6,866,435	\$	8,554,214	\$	15,420,649
As at April 30, 2025						
Current assets	\$	275	\$	1,029,468	\$	1,029,743
Advances to joint venture partners		-		131,354		131,354
Exploration and evaluation assets		-		7,716,085		7,716,085
	\$	275	\$	8,876,907	\$	8,877,182

17. SUBSEQUENT EVENTS

Subsequent to April 30, 2025, the Company sold its shares in Universal Digital for gross proceeds of \$423,273 (Note 5).

On June 20, 2025, the Company acquired 100% of the issued and outstanding common shares of Kraken Energy Corp. ("Kraken") by way of a plan of arrangement (the "Arrangement"). Pursuant to the terms of the Arrangement, all of the issued and outstanding common shares of Kraken were exchanged for 57,922,329 common shares of the Company, on the basis of 0.97039 Company share for each Kraken share. The common shares issued had a fair value of \$2,316,893 based on the opening share price of the Company on the date of acquisition. Kraken is a resource exploration company engaged in uranium exploration at its wholly-owned Apex and Huber Hills properties in the United States.

The acquisition will be accounted for as an asset acquisition, as Kraken did not meet the definition of a business under IFRS 3. The Company is in the process of determining the allocation of the consideration paid to the assets acquired and liabilities assumed.