



## **Management Discussion and Analysis For the Three Months Ended July 31, 2025**

This management's discussion and analysis ("MD&A") is management's interpretation of the financial condition and results of operations of Aero Energy Limited (the "Company" or "Aero") for the three months ended July 31, 2025. This MD&A should be read in conjunction with the condensed consolidated interim financial statements of the Company for the three months ended July 31, 2025, as well as the audited financial statements of the Company for the fiscal year ended April 30, 2025, prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). This MD&A complements and supplements, but does not form part of, the Company's financial statements.

This MD&A contains forward-looking statements. Statements regarding the adequacy of cash resources to carry out the Company's exploration programs or the need for future financing are forward-looking statements. All forward-looking statements, including those not specifically identified herein, are made subject to cautionary language included in this MD&A. Readers are advised to refer to the cautionary language when reading any forward-looking statements.

All dollar amounts contained herein are expressed in Canadian dollars unless otherwise indicated. This MD&A has been prepared as of September 29, 2025.

### **BUSINESS OVERVIEW**

The Company was incorporated under the laws of the Canada Business Corporations Act on October 6, 2004. On October 22, 2012, the Company completed a continuation under the BC Business Corporations Act ("BCBCA"). On December 18, 2020, the Company changed its name to Angold Resources Ltd. On February 8, 2024, the Company changed its name from Angold Resources Ltd. to Aero Energy Limited. The Company is listed on the TSX Venture Exchange (the "Exchange") under the trading symbol "AERO" and on the OTC Pink under the symbol "AAUGF". The Company's principal office is located at 918-1030 West Georgia Street, Vancouver, BC, V6E 2Y3.

On June 20, 2025, the Company completed its acquisition of Kraken Energy Corp. ("Kraken"), a resource exploration company engaged in uranium exploration at its wholly-owned Apex and Huber Hills properties, whereby the Company acquired all of the issued and outstanding common shares of Kraken (the "Transaction"). Pursuant to the terms of the Transaction, all of the issued and outstanding common shares of Kraken were exchanged for an aggregate of 57,922,329 common shares of Aero, on the basis of 0.97037 Aero common shares for each Kraken share (the "Exchange Ratio"). All outstanding stock options of Kraken were exchanged for stock options of Aero and all Kraken share purchase warrants became exercisable to acquire Aero shares in amounts and at prices adjusted by the Exchange Ratio.

The Company is a exploration company in the business of acquiring, exploring, and evaluating natural resource properties, and either developing these properties further or disposing of them when the evaluation is complete. As at the date of this MD&A, the Company is focused on advancing its flagship optioned properties – Sun Dog, Strike, and Murmac, which are located in the historic Uranium City district within Saskatchewan's Athabasca Basin, as well as the newly acquired Apex and Huber Hills uranium projects, which are located in Nevada, USA.

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 future. Many factors influence the Company's ability to raise funds, including the health of the capital market, the climate for mineral exploration investment and the Company's track record. Actual funding requirements may vary from those planned due to a number of factors, including the acquisition of new projects. There is no guarantee that the Company will be able to secure additional financings in the future at terms that are favourable, or at all.

On October 20, 2024, the Company issued 1,333,333 common shares and paid \$200,000 to Standard Uranium Ltd. ("Standard") pursuant to the Sun Dog Option.

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. Each unit consists of one common share of the Company and one-half of one share purchase warrant exercisable at a price of \$0.11 and expiring on November 14, 2026.

On December 16, 2024, 2,309,410 options with an exercise price of \$1.65 expired.

On December 20, 2024, the Company issued 1,333,333 common shares and paid \$200,000 to Fortune Bay Corp. ("Fortune Bay") pursuant to the Strike and Murmac Option.

On January 2, 2025, the Company granted 2,200,000 stock options with an exercise price of \$0.07 and expiring on January 2, 2030.

### Acquisition of Kraken Energy Corp.

The Company accounted for the acquisition of Kraken as an asset acquisition as it did not meet the definition of a business under IFRS 3, "Business Combinations". As a result, the transaction has been measured at the fair value of the equity consideration paid as determined based on IFRS 2, "Share Based Payments". 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	\$	2,316,893
Fair value of replacement options		8,565
Fair value of replacement warrants		19,752
<b>Total consideration</b>	<b>\$</b>	<b>2,345,210</b>
Assets acquired:		
Cash	\$	45,080
Receivables		9,652
Prepaid expenses		23,167
Exploration and evaluation asset – Apex		2,329,135
Current liabilities assumed		(61,824)
<b>Net assets acquired</b>	<b>\$</b>	<b>2,345,210</b>

The excess of purchase consideration over the net assets acquired was allocated to the Apex project based on the Company's assessment of relative fair value.

### Sun Dog Property

The Sun Dog option is for the right to acquire a 100% interest from Standard under the following terms:

	Cash (C\$)		Consideration Shares (C\$)		Exploration Expenditures (C\$)	Interest Earned
<b>Execution Date</b>	\$200,000	(paid)	\$200,000	(issued)	Nil	
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	Nil		Nil		\$3,000,000	
<b>Total</b>	<b>\$650,000</b>		<b>\$650,000</b>		<b>\$6,500,000</b>	<b>100%</b>

Following exercise of the Sun Dog option, Standard will retain a 2% net smelter returns royalty, which may be reduced to 1% for a \$1,000,000 cash payment.

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 July 31, 2025, the Company had advanced \$100,175 (April 30, 2025 - \$32,485) to Standard Uranium to be spent on exploration expenditures, which had not yet been incurred. During the three months ended July 31, 2025, the Company received a \$50,000 refund pursuant to the government of Saskatchewan's Targeted Mineral Exploration Incentive ("TMEI") program, for expenditures incurred on the Sun Dog property (April 30, 2025 - \$Nil).

## Fortune Bay Properties

The Strike and Murmac option is for the right to acquire up to 70% in the Strike and Murmac properties from Fortune Bay under the following terms:

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

The Murmac property is subject to an existing 2% net smelter returns ("NSR") royalty.

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 July 31, 2025, the Company had advanced \$129,871 (April 30, 2025 - \$98,869) to Fortune Bay to be spent on exploration expenditures, which had not yet been incurred. During the three months ended July 31, 2025, the Company received a \$50,000 refund pursuant to the government of Saskatchewan's TMEI program, for expenditures incurred on the Fortune Bay properties (April 30, 2025 - \$Nil).

## Apex Property

On June 20, 2025, the Company acquired the Apex Property in connection with its acquisition of Kraken. The Apex Property remains subject to a 3% NSR royalty in favour of the original property vendors.

## Huber Hills Property

On June 20, 2025, the Company acquired the Huber Hills Property in connection with its acquisition of Kraken. The Company did not allocate any consideration to the Huber Hills Property, and accordingly the carrying value is \$Nil as of July 31, 2025. The Huber Hills Property is located in Elko County, Nevada.

## Dorado and Cordillera Properties, Chile

The Company holds a 100% interest in the Dorado and Cordillera properties in the Maricunga region of Chile that include a 2% net smelter royalty which may be reduced to 1% for \$2,000,000 at any time. As of April 30, 2025, the Company decided to discontinue exploration on these properties to focus its efforts on the Sun Dog and Fortune Bay projects. Accordingly, the Chile properties were written off during the year ended April 30, 2025.

Costs incurred with respect to the properties are summarized below:

	Sun Dog		Fortune Bay		Apex		Chile Properties		Total	
Acquisition Costs										
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
Acquired from Kraken		-		-		2,329,135		-		2,329,135
Balance, July 31, 2025	\$	2,062,855	\$	1,331,917	\$	2,329,135	\$	-	\$	5,723,907
Deferred Exploration Costs										
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
Permitting		-		-		48,817		-		48,817
General project costs		4,963		20,580		-		-		25,543
TMEI refund		(50,000)		(50,000)		-		-		(100,000)
Balance, July 31, 2025	\$	1,725,423	\$	2,521,433	\$	48,817	\$	-	\$	4,295,673
Total										
Balance, April 30, 2025	\$	3,833,315	\$	3,882,770	\$	-	\$	-	\$	7,716,085
Balance, July 31, 2025	\$	3,788,278	\$	3,853,350	\$	2,377,952	\$	-	\$	10,019,580

## FINANCIAL REVIEW

### Results of operations for the three months ended July 31, 2025

	Three Months Ended July 31, 2025		Three Months Ended July 31, 2024		Change
Management fees	\$	47,000	\$	85,500	\$ (38,500)
General and administrative		43,945		35,521	8,424
Professional fees		62,527		10,539	51,988
Consulting fees		7,500		124,750	(117,250)
Shareholder information and investor relations		65,773		244,114	(178,341)
Transfer agent, regulatory and listing fees		39,486		9,615	29,871
Foreign exchange		(17,922)		3,493	(21,415)
Stock-based compensation		14,404		284,782	(270,378)
Change in fair value of marketable securities		(3,272)		64,283	(67,555)
Flow-through share premium reversal		(4,919)		(206,100)	201,181
<b>Net loss</b>	<b>\$</b>	<b>254,522</b>	<b>\$</b>	<b>656,497</b>	<b>\$ 401,975</b>

The Company incurred a net loss and comprehensive loss of \$254,522 during the three months ended July 31, 2025, down \$401,975 from a net and comprehensive loss of \$656,497 for the three months ended July 31, 2024. The decrease was primarily due to:

- Consulting fees decreased by \$117,250, shareholder information and investor relations decreased by \$178,341, and management fees decreased by \$38,500, as part of cost-reduction and cash conservation measures.
- Stock-based compensation decrease by \$270,378, due to the timing of option grants and vesting with no grants in the current period.
- The change in fair value of marketable securities decreased by \$67,555, driven by an increase in the share price of securities held.

These increases were partially offset by:

- An increase to professional fees of \$51,988, driven by increased legal activity incurred for the acquisition of Kraken.
- A decrease in the flow-through share premium reversal, with the Company having incurred more eligible exploration expenditures in the prior period.

## Previous financings and use of funds

The Company's previous private placement disclosures did not specify intended use of proceeds. Funds raised through flow-through financings are planned for exploration activities, with any remaining amounts allocated to property maintenance, corporate development, and general working capital, as summarized below:

		<b>General Working Capital, Corporate Development and Property Maintenance</b>
	<b>Exploration</b>	
Funds Raised on November 7, 2023	\$ -	\$ 844,000
Funds Raised on March 6, 2024	2,674,400	1,862,770
Funds Raised on March 8, 2024	508,742	854,086
Funds Raised on November 14, 2024	1,406,669	627,550
Less funds used up to July 31, 2025	(4,244,233)	(4,181,924)
Funds Remaining	\$ 345,578	\$ 6,482

## Summary of quarterly results

The following table provides a summary of financial data for the Company's most recent eight quarters derived from the Company's unaudited condensed interim financial statements prepared in accordance with IAS 34:

				<b>Loss before other income and expenses</b>	<b>Total comprehensive loss</b>	<b>Basic and diluted income (loss) per common share</b>
	<b>Quarter ended</b>	<b>Revenue</b>				
Q1/26	July 31, 2025	\$ -	\$	(262,713)	\$ (254,522)	\$ (0.00)
Q4/25	April 30, 2025	\$ -	\$	(7,463,195)	\$ (6,778,953)	\$ (0.06)
Q3/25	January 31, 2025	\$ -	\$	(698,789)	\$ (572,858)	\$ (0.01)
Q2/25	October 31, 2024	\$ -	\$	(872,860)	\$ (728,229)	\$ (0.01)
Q1/25	July 31, 2024	\$ -	\$	(798,314)	\$ (656,497)	\$ (0.01)
Q4/24	April 30, 2024	\$ -	\$	(354,974)	\$ (234,499)	\$ (0.01)
Q3/24	January 31, 2024	\$ -	\$	(190,423)	\$ (939,908)	\$ (0.03)
Q2/24	October 31, 2023	\$ -	\$	(188,584)	\$ 354,652	\$ 0.02

The primary factors affecting the magnitude and variations of the Company's losses are as follows:

- Q1 2026: The Company had reduced expenditures, driven by cost-reduction and capital conservation.
- Q4 2025: The Company recorded wrote off its Chile Properties, resulting in an impairment of \$7,015,406.
- Q1 and Q2 2025: The Company began active exploration work on its properties resulting in an overall increase in activity compared to comparative periods.
- Q4 2024: The Company incurred professional fees in relation to the acquisition of 1443904 B.C. Ltd.
- Q3 2024: The Company recognized a loss on marketable securities of \$628,685 on its shares in Minas Metals Ltd., as well as a loss on debt settlement of \$120,800, driving the increased net loss and comprehensive loss in the quarter.
- Q2 2024: The Company recognized a gain on marketable securities of \$543,236 driven by the shares held in Minas Metals Ltd., driving the net income and comprehensive income for the quarter.

## LIQUIDITY AND CAPITAL RESOURCES

The Company's financial statements for the three months ended July 31, 2025 have been prepared on a going concern basis, which assumes that the Company will continue in operation in the foreseeable future and will be able to realize its assets and settle its liabilities in the normal course of business. At July 31, 2025, the Company had cash of \$352,060 (April 30, 2025: \$429,421) and its current assets exceeded its current liabilities by \$196,845 (April 30, 2025: \$493,940). The Company currently has no active business and is not generating any revenues. It has incurred losses and negative cash flows from operations since inception and had an accumulated deficit of \$30,958,813 as at July 31, 2025 (April 30, 2025: \$30,704,291).

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. The condensed consolidated interim financial statements for the three months ended July 31, 2025 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.

## Cash flows

Cash used in operating activities for the three months ended July 31, 2025 was \$356,442 compared to \$673,307 for the three months ended July 31, 2024. The lower outflow was mainly due to the factors discussed above under results of operations.

Cash provided by investing activities for the three months ended July 31, 2025 was \$279,081 compared to cash outflows of \$1,867,794 in the comparative period. The cash inflow for the current period are a result of the cash acquired on acquisition of Kraken, the TMEI refund, and proceeds from sale of marketable securities. The cash outflows in the comparative quarter relate to exploration expenditures.

## TRANSACTIONS WITH RELATED PARTIES

The Company's related parties consist of its key management personnel and close family members of its key management personnel. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, and consist of its directors, the Chief Executive Officer and the Chief Financial Officer.

During the three months ended July 31, 2025 the Company incurred key management compensation as follows:

- \$30,000 (2024 - \$60,000) for CEO consulting services provided by 101252098 Saskatchewan Ltd., a company wholly owned by the Company's CEO, Galen McNamara.
- \$12,000 (2024 - \$12,000) for CFO consulting services provided by 1950 Consulting Ltd., a company wholly owned by the Company's former CFO, Martin Bajic.
- \$5,000 (2024 - \$Nil) for CFO consulting services provided by Carson Halliday.

As at July 31, 2025, there was \$42,000 (April 30, 2025 - \$25,854) owing to related parties in respect of services provided to the Company and \$Nil owing in respect of expenses incurred on behalf of the Company.

During the three month ended July 31, 2025, the Company incurred stock-based compensation expenses to related parties of \$6,178 (2024 - \$284,782).

## CRITICAL JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The critical judgments and estimates 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 interim financial statements for the three months ended July 31, 2025 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.

### *Business combination versus asset acquisition*

Management applied judgement to determine whether the assets acquired and liabilities assumed on acquisition of Kraken (Note 4) constitute a business. A business consists of inputs and processes applied to those inputs that have the ability to create outputs. During the period ended July 31, 2025, the Company completed the acquisition of Kraken and concluded that the transactions did not qualify as a business combination under IFRS 3, "Business Combinations".

## 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 July 31, 2025 and April 30, 2025, 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.

## NEW ACCOUNTING STANDARDS AND ACCOUNTING STANDARDS NOT YET EFFECTIVE

### 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 interim 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.

## OFF-BALANCE SHEET ARRANGEMENTS

The Company did not enter into any off-balance sheet arrangements during the three months ended July 31, 2025.

## FINANCIAL INSTRUMENTS AND RELATED RISKS

### Classifications

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

	July 31, 2025	April 30, 2025
<b>Financial assets:</b>		
<i><b>Fair value through profit and loss</b></i>		
Cash	\$ 352,060	\$ 429,421
Marketable securities	\$ -	\$ 420,001
<i><b>Amortized cost</b></i>		
Receivables	\$ 56,716	\$ 87,278
<b>Financial liabilities:</b>		
<i><b>Amortized cost</b></i>		
Accounts payable	\$ 150,242	\$ 424,724

Accounts payable includes amounts due to related parties.

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

## **Financial instrument risk exposure**

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 July 31, 2025, the Company was exposed to credit risk on its cash.

The Company's cash is held with a high credit quality financial institution in Canada and as at July 31, 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 July 31, 2025, the Company had cash of \$352,060 (April 30, 2025 - \$429,421) and accounts payable and accrued liabilities of \$195,740 (April 30, 2025 - \$452,126) with contractual maturities of less than one year. The Company assessed its liquidity risk as high as at July 31, 2025.

### **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 July 31, 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 July 31, 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.

## **OUTSTANDING SHARE CAPITAL DATA**

At the date of this MD&A, the Company has 179,849,606 common shares, 34,821,496 warrants and 9,989,942 stock options outstanding.

The Company has authorized an unlimited number of common shares without par value.

## **RISKS AND UNCERTAINTIES**

The Company's business remains mineral property acquisition, exploration and development business and as a result it may be exposed to a number of operational, financial, regulatory and other risks and uncertainties that are typical in the natural resource industry and common to other companies in the exploration and development stage. These risks may not be the only risks faced by the Company. Additional risks and uncertainties not presently known by the Company or which are presently considered immaterial could adversely impact the Company's business, results of operations, and financial performance in future periods. Refer to the Company's Filing Statement dated December 18, 2020 for a list of further risk factors impacting the Company.

## **CONFLICTS OF INTEREST**

The Company's directors and officers may serve as directors or officers, or may be associated with, other reporting companies, or have significant shareholdings in other companies. To the extent that such other companies may participate in business or asset acquisitions, dispositions, or ventures in which the Company may participate, the directors and officers of the Company may have a conflict of interest in negotiating and concluding on terms with respect to the transaction. If a conflict of interest arises, the Company will follow the provisions of the BCBCA dealing with conflict of interest. These provisions state that where a director has such a conflict, that director must, at a meeting of the Company's directors, disclose his or her interest and refrain from voting on the matter unless otherwise permitted by the BCBCA. In accordance with the laws of the Province of British Columbia, the directors and officers of Aero are required to act honestly, in good faith, and in the best interest of Aero.



## CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This MD&A includes “forward-looking statements” and “forward-looking information” within the meaning of Canadian securities legislation. All statements included in this MD&A, other than statements of historical fact, are forward-looking statements. When used in this MD&A, words such as “may”, “would”, “could”, “will”, “intend”, “expect”, “believe”, “plan”, “anticipate”, “estimate”, “scheduled”, “forecast”, “predict”, “foresee” and other similar terminology, or sentences/statements that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved are intended to identify forward-looking statements, which, by their very nature, are not guarantees of the Company’s future operational or financial performance.

These statements reflect the Company's current expectations regarding future events, performance and results, and are accurate only at the time of this MD&A and may be superseded by more current information. Forward-looking statements also involve known and unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements of the Company or its mineral projects to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or information.

In making such statements, the Company has made assumptions regarding, among other things: general business and economic conditions; the availability of additional; the supply and demand for, inventories of, and the level and volatility of the prices of metals; the timing and receipt of governmental permits and approvals; changes in regulations; political factors; the accuracy of the Company's interpretation of the geology of the Company's properties and prospective properties; the availability of equipment, skilled labour and services needed for the exploration of mineral properties; and currency fluctuations.

Although the forward-looking statements or information contained in this MD&A are based upon what management of the Company believes are reasonable assumptions, the Company cannot assure investors that actual results will be consistent with these forward-looking statements. They should not be read as guarantees of future performance or results. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements, including, but not limited to: the factors discussed below and under "Risks and Uncertainties", failure to identify targets or mineralization, delays in obtaining or failures to obtain required governmental, environmental or other project approvals, political risks, inability to fulfill the duty to accommodate First Nations and other indigenous peoples, inability to reach access agreements with other project communities, amendments to applicable mining laws, uncertainties relating to the availability and costs of financing or partnerships needed in the future, changes in equity markets, inflation, changes in exchange rates, fluctuations in commodity prices, delays in the development of projects, capital and operating costs varying significantly from estimates and the other risks involved in the mineral exploration and development industry.

Forward-looking information is designed to help readers understand management's current views of the Company's near and longer-term prospects, and it may not be appropriate for other purposes. The Company will not update any forward-looking statements or forward-looking information unless required by applicable securities laws.