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Maritime Launch Services Inc.

Management Discussion and Analysis (MD&A)

For the Three and Nine-month Period Ended September 30, 2025

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MANAGEMENT DISCUSSION AND ANALYSIS FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2025.

*Reference to the "Company," "our", "us" or "we" refer to Maritime Launch Services Inc. ("**MLS**" or **"Maritime Launch Services")** together with its wholly owned subsidiaries Maritime Launch USA Inc., Maritime Launch Services (Nova Scotia) Ltd. and its wholly owned subsidiary Spaceport Canada Inc. (acquired March 20, 2025)*

*This Management Discussion and Analysis ("**MD&A**") should be read in conjunction with the audited consolidated financial statements of the Company for year ended December 31, 2024 ("**2024 Annual Financial Statements")** and the accompanying notes.*

The 2024 Annual Audited Consolidated Financial Statements have been prepared in accordance with IFRS® Accounting Standards issued by the International Accounting Standards Board ("IASB") and IFRIC® Interpretations of the IFRS Interpretations Committee

*All dollar amounts are expressed in Canadian Dollars ("**CAD**"), except where otherwise indicated.*

The information in this MD&A is current to November 13, 2025, unless otherwise noted.

Forward-Looking Information

This MD&A contains "forward-looking information" within the meaning of applicable Canadian securities laws. Such forward-looking information includes, but is not limited to, information with respect to the Company's objectives and strategies to achieve these objectives, as well as information with respect to the Company's beliefs, plans, expectations, anticipations, estimates, intentions and views of future events. Discussions containing forward-looking information may be found throughout this MD&A. In some cases, forward-looking information can be identified by words or phrases such as "forecast", "target", "goal", "may", "might", "will", "expect", "anticipate", "estimate", "intend", "plan", "indicate", "seek", "believe", "predict", or "likely", or the negative of these terms, or other similar expressions intended to identify forward-looking information. In addition, any statements that refer to expectations, intentions, projections or other characterizations of future events or circumstances contain forward looking information. Statements containing forward-looking information are not historical facts. The Company has based the forward-looking information on its current expectations and projections about future

events and financial trends that it believes might affect its financial condition, results of operations, business strategy and financial needs.

Forward-looking statements include, but are not limited to, those relating to:

- *expectations for space industry growth which may be impacted by new technology and geopolitics;*
- *the extent of global demand for small and medium class satellite launch services for satellite constellation deployment, which may be impacted by competition, economic and launch market conditions and new technologies;*
- *launch timing, which may be impacted by financing and construction schedules;*
- *number, frequency of launches and class or size of launch vehicles which may be impacted by availability of launch vehicles, launch market conditions, construction and financing;*
- *expected revenues from the launch site lease model ("**airport model**") which may be impacted by the launch vehicle customer selected and the services required by the customer, as well as their launch cadence;*

Statements containing forward-looking information are based on certain assumptions and analyses made by the Company in light of management's experience and perception of historical trends, current conditions and expected future developments and other factors it believes are appropriate and are subject to risks and uncertainties. These assumptions include our ability to maintain and expand the scope of our business; our ability to execute on our growth strategies; assumptions relating to government support and funding levels for space programs and missions; continued and accelerated growth in the global space economy; the impact of competition; our ability to retain key personnel; our ability to obtain and maintain existing financing on acceptable terms; changes and trends in our industry or the global economy; currency exchange and interest rates; and changes in laws, rules, regulations.

Although the Company believes that the assumptions underlying these statements are reasonable, they may prove to be incorrect and there can be no assurance that actual results will be consistent with the forward-looking information. Given these risks, uncertainties and assumptions, readers should not place undue reliance on the forward-looking information. Whether actual results, performance or achievements will conform to the Company's expectations and predictions is subject to a number of known and unknown risks, uncertainties, assumptions and other factors, including those described in this MD&A and listed under the heading "Risk Factors" in the Company's Annual Information Form, which was filed on Sedar on March 31, 2025, such factors should not be considered exhaustive and should be read together with the other cautionary statements in this MD&A.

If any of these risks or uncertainties materialize, or if assumptions underlying the forward-looking information prove incorrect, actual results might vary materially from those anticipated in the forward-looking information.

Company Overview

On April 1, 2022, pursuant to a binding letter agreement (the "Letter Agreement") dated November 5, 2021, and amended on January 22, 2022, and March 30, 2022, Maritime Launch Services Inc. (formerly Jaguar Financial Corporation) acquired all of the issued and outstanding shares of Maritime Launch Services Ltd., and changed its name to Maritime Launch Services Inc. The former shareholders of Maritime Launch Services Ltd. obtained control of the Company (the "RTO" or "Reverse Takeover"). References to Maritime Launch Services Ltd. refer to the operating company until April 1, 2022, immediately prior to the Reverse Takeover.

The Reverse Takeover was completed through a three-cornered amalgamation involving Maritime Launch Services Ltd. and a newly incorporated acquisition subsidiary of the Company, resulting in the formation of Maritime Launch Services (Nova Scotia) Ltd., which is now a wholly owned subsidiary of the Company. For additional information regarding the reverse takeover transaction please see the 2024 Annual Management Discussion and Analysis.

On April 25, 2022, the Company received final approval to list its common shares on the NEO Exchange Inc. (the "NEO Exchange"), now operating as Cboe Canada. On April 27, 2022, its common shares began trading on the NEO Exchange (now operating as Cboe Canada) under the symbol MAXQ. On August 23, 2022, the Company received approval to trade on the OTCQB Venture Market under the symbol "MAXQF."

The Company's business model is to bring in third party launch vehicle providers as lease and launch clients, add revenue generating ground station development initiatives and adapted the successful suborbital launch into an offering to industry as a platform for ballistic and/or hypersonic testing by introducing the DART (Dedicated Acceleration Research and Testing) Program in 2024.

Building and operating a launch facility requires a strategic approach to capital investments and a business model designed to meet the evolving needs of the sector. The facility's success hinges on carefully planned infrastructure, operational efficiency, competitive leasing options tailored to its clientele, and diversification of the spaceport mission that, at its core, supports orbital launch capability but also accommodates suborbital and hypersonic testing capability, as well as ground station hosting.

Demand for Launch

The market demand for launch facilities has grown significantly in recent years. With the proliferation of small satellite constellations for applications such as Earth Observation,

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telecommunications, and the internet of things ("IoT"), the need for dedicated and flexible launch solutions has become critical. Companies are seeking reliable, cost-effective, and responsive options to place their payloads into orbit without the delays and limitations often associated with larger launch systems. Furthermore, recent changes in the geopolitical environment in the United States of America, have heightened the demand for domestic launch capabilities in Canada, as businesses and governments seek greater independence and security in accessing space. This access to space also enables the Canada-US Defense relations as it pertains to North American defense, security, launch resiliency, and capacity. The Florida Space Coast, as noted in recent publications, is at its launch tempo limits (at or near full capacity) and represents a single point of failure should it become unavailable. This growing demand presents a unique opportunity for Spaceport Nova Scotia to establish itself as a key enabler in the rapidly expanding commercial space sector.

Spaceport Location

The Spaceport Nova Scotia site, leased from the Province of Nova Scotia in the Canso area, is an ideal location that meets all the necessary criteria for a launch facility. Coastal areas ensure safe launch trajectories over water, minimizing risks to populated areas while supporting specific orbital requirements such as polar or sun-synchronous orbits. To create a fully functional spaceport, the site is being developed with the infrastructure essential for launch operations, including roads, utilities, and safety measures.

Much of the groundwork necessary to develop the infrastructure vital for launch operations—including roads, utilities, and safety measures—aimed at creating a fully functional spaceport began in September 2022 with a suborbital demonstration launch completed in July 2023.

The launch pads and associated structures will be at the heart of the facility. These are purpose-built to handle small-lift launch vehicles and are equipped with flame trenches, propellant loading systems, and infrastructure to support vehicle erection, payload integration, and launch. Nearby, integration and payload processing facilities provide secure, climate-controlled environments where customers can prepare and integrate their payloads with the launch vehicles. These facilities are critical for pre-launch activities, including satellite assembly, fueling, and final testing.

To ensure safe and reliable operations, range safety and control systems are installed. These systems include telemetry and tracking capabilities. A mission control and operations center serves as the nerve center for the facility, where trained personnel oversee launch activities, monitor systems, and manage contingencies in real-time.

Launch Diversification

The capacity for suborbital and hypersonic missions is a key benefit of the site. Developing solutions to advance the state of the art in hypersonic and suborbital autonomous platforms requires an environment that allows for extensive testing of these solutions in real-world conditions. This

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means that any vehicle or technology must have a place where it can be brought, prepared for launch, launched, tracked, safely landed, recovered, and processed to deliver results and data to the developer. Currently, such capability does not exist in Canada, which creates several challenges and roadblocks for prospective developers. Without this capability, developers of hypersonic and suborbital applications are largely restricted to testing their vehicles and technologies in simulated or laboratory environments. To conduct live testing, they would have to arrange with foreign launch and testing providers, necessitating travel outside of Canada for these tests. Such arrangements introduce multiple disadvantages, including security concerns, uncertain schedules, and heavy dependence on the priorities and decision-making circumstances of the foreign provider and their government, along with logistical complexities. All these disadvantages disappear with the existence of domestic testing capabilities.

Site Infrastructure

Propellant storage and distribution systems support all the site's core functions and ensure the safe handling of rocket fuels and oxidizers. Cryogenic tanks, piping systems, and refueling stations are integral to the operational infrastructure. Additionally, utilities such as power, water, telecommunications, and access roads are developed to maintain 24/7 readiness for launch preparations and support personnel.

Environmental and compliance systems are implemented to monitor and mitigate any adverse impacts of launch activities, ensuring the facility adheres to regulatory standards. Noise mitigation, waste management, and air quality monitoring systems play a crucial role in maintaining sustainable operations. To keep everything running smoothly, maintenance and logistics equipment, including mobile cranes, transporters, and ground support tools, are present on-site to facilitate rapid turnaround times between launches.

Business Model

The business model for leasing launch pads and other facility structures is designed to attract and serve various customers, ranging from commercial small satellite launch companies to government agencies and research institutions. The leasing structure is flexible, offering short-term rentals for occasional users and long-term agreements for frequent or anchor tenants. Customized packages are available for customers requiring additional services, such as payload integration or technical support.

The primary source of revenue for the facility will come from the annual leasing of facilities to customers. This steady income stream is complemented by additional revenues generated from the provision of related support services, such as payload testing, integration, and post-launch data analysis, as required by launch customers. These services allow customers to tailor their experience

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while providing the facility with opportunities to enhance its profitability. The facility can also facilitate shared launches, where multiple satellite customers share the same rocket, reducing costs for individual users and creating additional value for the facility.

The facility will implement cost-management strategies to ensure operational efficiency and profitability, such as standardizing procedures and investing in modular, automated systems. Collaborations with regional suppliers for propellants and logistics further lower costs while maintaining high service quality. Customers are also provided with premium services, such as expedited launch windows and co-marketing opportunities, to enhance their experience and generate additional revenue.

Expected Maritime Launch Advantages

The Company recognizes that the facility's competitive advantage lies in its unique geographic location, efficient regulatory processes, and customer-centric services. Coastal sites with favorable weather conditions and access to valuable orbits provide significant benefits to launch customers. By cultivating long-term partnerships with technology providers and government entities, the facility can continuously enhance its offerings and stay at the forefront of the small-lift launch market.

The purposeful development of the launch site also creates opportunities outside the facility. Maritime Launch has already attracted a ground station client to the area, hosted on separate acreage owned by the Company, with a second client exploring expansion plans for their ground station activities. Another firm has signed on to study the potential of bringing their satellite test and checkout capability to a location near the spaceport, addressing another bottleneck in the industry. The anchor tenancy of the spaceport on the 45th parallel and the northeastern tip of North America will continue to draw other businesses to the region.

Looking ahead, the facility is designed with scalability in mind. Additional launch pads can be developed to support concurrent launches or accommodate different types of launch vehicles. The facility can also expand into ancillary markets, such as accommodating launching larger vehicles, enabling space tourism, or supporting R&D initiatives for advanced propulsion systems, including hypersonics. By combining strategic infrastructure development with a robust and flexible business model, the small-lift launch facility positions itself as a vital enabler in the burgeoning commercial space industry in Canada.

Opportunities within the Global Commercial Space Industry

Since the landing of the last NASA Space Shuttle in 2011, the low earth orbit ("**LEO**") market demand has been met by the commercial space industry and has experienced average year-over-year growth of approximately 3%. This trend is coupled with the miniaturization of technology moving away from very large geosynchronous orbit ("**GEO**") satellites to much smaller satellite clusters, alongside the increasing market demand for global broadband and other communication

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and remote sensing satellites. The global space economy was valued by the analytics and engineering firm, NovaSpace (previously known as Euroconsult), and according to their report on the global space economy through 2022, the value reached an all-time high of US$ 464 billion, a 14.1% increase over the previous year. The launch industry segment of this economy, which MLS sees as the backbone of the industry, was valued at about US$ 10 billion in 2022. The World Economic Forum published an analysis in April 2024, stating that the global space economy had reached US$ 630 billion in 2023 and is on pace to reach US$ 1.8 trillion in activity by 2035.

The entire commercial space industry relies on the combination of spaceports and launch vehicles to achieve its growth. The majority of the sector's value (83%) is derived from space-based end-user applications, which include telecommunications, Earth observation, and companies using satellite navigation to deliver services to their customers.

There are several key competitive considerations for the launch of these satellites, including cost, schedule, spaceport location related to launch inclination, satellite destination, proximity to satellite manufacturers, government stability, relationship with the United States, nearby multi-modal infrastructure, lift capacity of the launch vehicle, and the physical volume of the payload bay (fairing diameter). The opportunity presented by a commercially operated, North American location with a wide range of launch inclinations, which is phasing in launch capability using multiple launch platforms and ultimately working to bring mature, low technical risk launch vehicle(s) with multi-ton lift capacities and a large diameter fairing, is unique in the spaceport industry as it exists today and nearly impossible to replicate elsewhere.

As of the date of this MD&A, management is aware of 31 spaceports globally that have successfully launched satellites into orbit. All but one of these spaceports is owned and operated by a government entity, regardless of whether they call themselves a commercial launch site. The one active truly commercial launch site is located in New Zealand. The Spaceport under construction near Canso, Nova Scotia (the "Launch Complex" or "Spaceport" or "**Spaceport Nova Scotia"**) will become the second commercial launch site in the world, the only one in North America, and the first ever for Canada. It will have unique competitive features and an increased level of flexibility compared to government-operated spaceports.

Maritime Launch expects that Canada's current atmosphere of innovative investment, renewed and revised space policy initiatives, and international government agreements and treaties provides a solid foundation for Canada's space industry to grow. Maritime Launch has engaged the Governments of Canada and Nova Scotia to promote the significant benefits the Spaceport will bring to the region and the country. In response, the Government of Canada has committed to support Maritime Launch by updating Canada's launch regulations, negotiating a Technology Safeguard Agreement treaty with the US government, and providing support for numerous financial reimbursement programs.

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As previously stated, the Spaceport is uniquely positioned in North America, allowing for various launch inclinations from 45 degrees to 98 degrees, including sun-synchronous orbit (SSO), along with a favorable northern latitude for low Earth orbit (LEO) and medium Earth orbit (MEO) markets. These markets include global broadband and communication satellites, as well as the new space stations being developed in the US. In filings made in 2021, numerous satellite manufacturers submitted requests to the United States Federal Communications Commission, revealing plans for an additional 37,000 satellites across different constellations, all of which could be accommodated at Spaceport NovaScotia. According to NovaSpace's 2022 report, at least 24,500 satellites are projected to be launched in the next decade, necessitating hundreds of launches annually. At the Satellite Innovation Conference in Mountain View, California, in October 2023, an FCC representative acknowledged an extra 56,000 satellite applications, underscoring the need for more launch sites. The Spaceport plans to expand its offerings, providing launches ranging from 150 kg to 4 tons for SSO and up to 6 tons for LEO, especially as other launch ranges approach capacity. This expansion will begin with one launch pad and based on market demand, could include up to two additional pads within the current site parameters.

The site of the Spaceport is located in a high-tech, university-rich province that serves as the base for the Canadian naval fleet. It is adjacent to a wind farm for electricity, less than one kilometer from a deep seaport, and 50 km from a major super port, along with a transnational rail line and highway network. The launch facility leases will be offered at competitive rates comparable to those of other spaceports providing similar services. There is also a significant satellite manufacturing industry in Canada, and the government is expected to encourage this industry to prioritize Spaceport Nova Scotia's launch lease clients to keep launch spending domestic and reduce logistical costs.

The development of a commercial site in Canada is favourable for launch vehicle clients in the United States and Europe, given the history of strong intergovernmental relationships between the aligned countries, the stability of the Canadian government, ongoing international space-related collaborations (such as with Lunar Gateway[1]), and reduced logistical costs. Canada and the United States federal governments announced the completion of a Technology Safeguard Agreement ("**TSA**") in August 2024, paving the way for US-based launch vehicles and satellites to launch from Spaceport Nova Scotia.

Expected Advantages of MLS in the Market

Maritime Launch Services is entering the market at a critical time when other launch sites in North America are operating at or near capacity.[2] Maritime Launch can provide relief for this congested

[1] For more information, see the Canadian Space Agency's information page here: https://www.asc-csa.gc.ca/eng/astronomy/moon-exploration/lunar-gateway.asp.

[2] For more information see:https://spacenews.com/cape-congestion-worlds-busiest-spaceport-stretched-to-its-limits/ and https://newsletter.spacedotbiz.com/p/spaceport-bottleneck

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launch environment. Additionally, many launch vehicle developers lack their own designated sites for launching their clients' constellations into orbit. Maritime Launch Services plans to start with a small launcher to build flight heritage and generate early revenue, working towards hosting multiple launch vehicle companies that could each conduct eight or more launches per year, capable of carrying numerous satellites on each mission. As other nations outside North America recognize the necessity for domestic launch capabilities and begin establishing their own, Spaceport Nova Scotia offers significant expected advantages. These advantages include Maritime Launch's North American location, a broad range of launch inclinations, ease of access to the site, temperate weather, proximity to the satellite market, and a commercial offering for clients. The backlog at U.S. sites, combined with the advantages of the Nova Scotia site over other locations outside North America, creates a strong anticipated competitive edge for our offerings to the industry.

Pathfinder Launches to Gain Flight Heritage

The Company's development strategy is a phased approach aimed at achieving full orbital launch operations in the second half of 2026. This step-by-step method fosters the development of the Land and the Spaceport, allows for collaboration with federal regulators at Transport Canada to adjust the existing regulatory framework to the commercial context, and enables earlier revenue generation through small launchers, including both suborbital and orbital missions.

The Company intends to continue completing several pathfinder launches to achieve an orbital multi-launch tempo that began with the successful first small vehicle suborbital launch demonstration completed on July 6, 2023. The second suborbital launch, which has the potential for conducting science experiments for interested customers, is planned for November 2025.

To date, activities have included the initial design of the Spaceport and the construction of a road system throughout the land leading to the Spaceport, which supported the first small vehicle launch demonstration. A small vehicle launch requires significantly less infrastructure and can be completed earlier in the Spaceport's construction process. The launch vehicle developer would provide the vehicle and their own support equipment, while the Company would be responsible for road access, a small launch pad site for setting up the developer's equipment, portable power, communications and tracking equipment, launch commit criteria and equipment for the go-no-go decision for launch, payload processing facilities, a launch control center, control of public access to the Spaceport, and regulatory approval for the launch in coordination with Transport Canada and NavCanada (for clearing airspace).

The Company is working with various levels of government to reduce the complexity of the launch approvals. This work began with a Canadian suborbital launch in 2023 and will build towards the orbital launch of a vehicle and payload in 2026. Relevant variables include the vehicle's country of origin, payload, and whether it is a suborbital or orbital launch. The initial launches will benefit Maritime Launch by providing the opportunity to navigate the federal regulatory processes,

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procedures, and permissions prior to the full implementation of the small launcher program, leading up to the future medium-class launch capability. It will aim to build public confidence in the launch process and gain flight heritage for the Spaceport. Additionally, it is expected to create a source of additional revenue for subsequent launches from satellite clients requiring launch services for smaller numbers and/or sizes of satellites up to 1250 kg, from operators of small-class launch vehicles using the Spaceport.

The satellite constellation market dictates a long-term need for a larger launch vehicle. There is already a strong market niche for the foreseeable future for a medium-class launch vehicle to support the tens of thousands of satellites in development across numerous constellations for global broadband and near-earth imaging. Geopolitical events have further enhanced this need, as the Russian medium-class vehicle, Soyuz, is no longer utilized in Western markets due to international sanctions. That vehicle had been launching more than 20 times per year on average in recent years, and its absence from the industry has only intensified demand and highlighted the gap between market needs and available vehicles. As the medium launchers in development over the next few years reach flight readiness, the Company will be well positioned to offer launch pads for lease to them, in addition to the small launchers that will continue service from the Company's site.

Given the market need, the longer-term focus for the Spaceport is to eventually support multiple launch companies operating their vehicles several times per year, including a medium-class launcher. Accordingly, alongside the launches of smaller vehicles, construction on the Spaceport will continue to develop the necessary infrastructure to accommodate the launch of medium-class launch vehicles. The first launch of a larger class is expected to occur as early as 2027. Capacity for medium-class launch vehicles is a primary goal in the Spaceport's development, as this aligns with the broader growth of launch vehicles in the industry. Management anticipates that the launch of medium-class vehicles from the Spaceport will complement the full offering to industry alongside the small launchers enabled for use at the Spaceport. Medium launch vehicles can deploy large constellations in one launch, with an average launch capacity of five tons to LEO. The engineering specifications and facility design for a medium-class launch vehicle largely remain consistent, regardless of the launch vehicle used, due to commonalities in vehicle design, propellants, launch pad specifications, and facility and control center requirements. These industry commonalities will provide the Company with increased flexibility to sustain the small launcher program and pivot to incorporate alternative medium-class launch vehicles.

Competitive Advantages of the Company and the Spaceport

Management believes that the combination of location, non-government ownership, diverse launch offerings, orbits, schedule flexibility, cost benefits, simplified logistics, and additional demand for launch will make the Spaceport a key asset for the commercial space industry that cannot be easily duplicated anywhere else in North America, if at all.

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Beyond the wide range of launch inclinations offered at the site, the Spaceport is situated in Nova Scotia, a high-tech province rich in universities, which serves as the base for the Canadian naval fleet. It is adjacent to a wind farm for electricity, less than one kilometer from a deep-water seaport, and 50 km from a major super port, as well as a transnational rail line. The launch site leases at the Spaceport are expected to be offered at competitive rates comparable to those of other spaceports providing similar services. Additionally, Canada has a significant satellite manufacturing industry, and local basing is anticipated to encourage this industry to prioritize and co-locate near the Spaceport, thereby keeping launch spending domestic and reducing logistical costs.

Non-government Ownership of the Spaceport

A key differentiator for the Spaceport Nova Scotia launch site is its private ownership. As already noted, almost all launch sites in the world are government-owned and operated. This results in significant differences in launch priority between government missions and commercial satellites. A key advantage is the ability to launch when the commercial client desires and to their preferred orbit, rather than waiting for an available time slot at a government range and being launched into an orbit that may limit the satellite's effectiveness or shorten its lifespan due to the energy required to move to a different orbital plane. Additionally, launching from a government range is further complicated by their proximity to highly congested population centers, their age of multiple decades, and the substantial outdated processes that must be followed. A commercial site, in contrast, is responsive to the launch needs of the launch vehicle client and their satellite customers.

Access to polar/SSO inclinations

The Spaceport location allows the Company to support a large range of inclinations for small LEO satellites, a growing segment of the launch industry, according to the BryceTech Data. These satellites will be primarily destined to the Polar/SSO launch trajectories. The Company will be able to offer access to these trajectories from the Spaceport, whereas the current launch sites in the United States supporting similar inclinations give priority to launches for government programs or cannot achieve these launch inclinations for safety overflight reasons.

Compliance with certain US regulations

The location of the Spaceport will comply with the United States *International Traffic in Arms Regulations* and the terms of the Technology Safeguard Agreement, which may provide a crucial differentiator for certain customer payloads when compared to competitors located outside North America.

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Low costs for initial constellation deployment

After testing the initial satellites, constellation launchers generally prefer to launch their clients' batches of satellites in the most cost-effective manner to begin service. Depending on the satellite mass of the constellation operator, larger launchers are better positioned to accommodate new constellation launches and can carry a greater number of satellites per mission at a lower cost per kilogram. For smaller-mass constellation satellites, the launchers are expected to be competitive in cost and capable of deploying a reasonable number of spacecraft simultaneously, depending on the launch vehicle company's offerings. Additionally, as the satellites reach the end of their short service lives in orbit, the capacity to replace smaller numbers of satellites will be crucial for clients to sustain their aging constellations.

Cost-effective and responsive launch for constellation replenishment

New constellation operators tend to experience a higher incidence of satellite failures due to the use of non-radiation-hardened components in their spacecraft. Constellation operators will need to replenish their failed satellites promptly to maintain the necessary number of satellites per orbital plane for dependable network service. Medium-sized launch vehicle providers, capable of lifting one ton or more, should be well-equipped to replenish small batches of satellites at once. Small satellite launch vehicles, which support only 150-300 kg payload ranges, are not cost-effective for constellation replenishment. The Company's flexible launch inclinations, ranging from 45 to 98 degrees, are well-suited to the needs of many potential satellite clients. For comparison, according to the Federal Aviation Administration's Office of Commercial Space Transportation, the Kennedy Space Center Spaceport 39 offers a range of inclinations from 39 to 57 degrees and cannot accommodate polar or SSO launches because the launch vehicle would have to traverse large population centers. The Spaceport will not need to overfly any population centers to achieve the specified launch inclinations.

Potential for rideshare launches

According to available BryceTech Data, a large proportion of the recent satellites launched in the "NewSpace" sector have been launched using medium-sized launch vehicles with a launch integration partner to assemble the spacecraft missions from various customers and to program their deployment with a chosen launcher. Some small satellite launch vehicles with a launch capacity of less than 300 kg can launch 3-30 microsatellites (weighing 10 to 100 kg each) at once. Medium launch providers can launch more than 50 microsatellites at a time at a better price per kilogram. These satellites are primarily destined for the polar/SSO launch trajectory, which is accessible from the Spaceport site. The only launch sites in the United States supporting similar inclinations are located in California and Alaska and prioritize government programs over commercial launches.

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Leverage mature technology with a reduced risk profile

BryceTech Data discloses several start-ups and undeveloped competitors in the space industry that will take time to fully mature and are inherently higher risk due to their lack of past performance. For this reason, the Company is pursuing relationships with multiple firms developing launch vehicles that are coming online. As their maturity continues, the Company will offer lease opportunities only to those that have demonstrated past success. The Company is evaluating other mature technology from several US companies with extensive industry history dating back to Apollo, which may provide separate mature medium-class launch vehicles or key subsystems that could bring a medium-class launcher to market faster.

Diversified Launch Offerings - Small Class Vehicles

The focus on the phased approach to launch and deliver a small launcher to the site by late 2026 has generated significant interest from launch vehicle developers across Europe and North America. The Company is in active discussions with no fewer than seven companies that have successfully advanced their vehicle development programs. Most of these companies have similar facility needs, which allows for the site's development of launch support infrastructure to continue while the best option becomes clear. The Company and the first launch client, Reaction Dynamics Lab Inc. ("**Reaction Dynamics**") finalized an equity investment and facility usage agreement in August 2025. Of the six remaining companies noted, two have signed letters of intent; UK-based Skyrora Ltd ("**Skyrora"**); and a third undisclosed company in Europe. The other four are at similar or more advanced stages in their launch heritage development but have yet to sign letters of intent. Payload capacities range from 150 kg to 1,250 kg across the seven launch vehicles being evaluated, all of which represent solid prospects for early Flight Heritage and revenue generation for the Company. All of these prospective vehicles can be "containerized," in that they come in trailers and require minimal facility infrastructure to begin early launches from Spaceport Nova Scotia. Additionally, all the facility support development required for the small class launchers directly applies to all future launch facility needs.

Benefiting from the site attributes for orbital launch is the capacity to diversify services to include suborbital and hypersonic missions. Following the successful suborbital launch in July 2023, the Company began an initiative to broaden its mission to include suborbital launches as a commercial offering. Developing solutions to advance the state of the art in hypersonic and suborbital autonomous platforms requires an environment that allows extensive testing of these solutions in real-world conditions. This means any vehicle or technology needs a location where it can be brought, prepared for launch, launched, tracked, safely landed, recovered, and processed to provide results and data to the developer. Without this capability in Canada, developers of hypersonic and suborbital applications are restricted to testing their vehicles and technologies in simulated or laboratory environments. To conduct live testing, developers make arrangements with foreign launch and testing providers, requiring them to leave Canada for these tests. Such arrangements present multiple disadvantages, including security considerations, uncertain scheduling, heavy

dependence on the priorities and decisions of the foreign provider and their government, as well as logistical complications. All these disadvantages disappear with the establishment of domestic testing capabilities at Spaceport Nova Scotia.

The Company believes that diversifying the Launch Support Complex for Suborbital and Hypersonic Autonomous Vehicles aligns with Canada's needs for the testing and advancement of these vehicles and their technologies in their experimental development, right here in Canada. This approach offers a short logistical leg while maintaining safe and secure conditions under Canadian jurisdiction.

Canadian Domestic Launch Capability

The Government of Canada recognizes the need for domestic rocket launch capability as an important national strategic asset, especially in the current geo-political context and Canada's changing relationship with the United States.

Given the evolving geopolitical climate and the return of Donald Trump to the U.S. presidency, Canada recognizes that it can no longer assume guaranteed access to American space infrastructure. Trump's "America First" doctrine, coupled with rising protectionism and unpredictable foreign policy shifts, underscores the risks of over-reliance on the United States for critical capabilities like space launch. In an era where secure and sovereign access to space is fundamental to national security, economic resilience, and technological autonomy, MLS believes Canada must prioritize the development of its own domestic launch capacity. Building and operating launch infrastructure within Canada is not only a strategic imperative; it also fosters economic development in rural Canada and serves as an insurance policy against political volatility abroad.

The lack of access to space launch capabilities in the US will have national ramifications for Canada's communications and surveillance technologies, further emphasizing the strategic importance of domestic launch capabilities in Canada. MLS's ability to accommodate the wide range of launch inclinations required by the satellite market is unparalleled. Not only can the MLS spaceport accommodate inclination ranges from 45 degrees to 98 degrees, but MLS can also deliver payloads to geosynchronous transfer orbits, to the International Space Station (**"ISS"**) as well as newer commercial space stations in development, if called upon. The domestic launch capability in Canada will also signify a commitment alongside Five Eye partner countries: the USA, UK, Australia, and New Zealand. Canada will be positioned to offer capacity and resiliency to US Space Force operations in Florida should any event disrupt operations along the Florida Space Coast, such as the recent hurricane Milton that crossed Florida and impacted the Florida Space Coast. The facility will also provide an outlet for overflow demands for launches, given that the launch tempo in Florida is approaching near capacity. The Canadian and US governments announced in August 2024 the completion of the TSA negotiations. Similar discussions are being

undertaken to codify the relationship with other European countries with launch vehicles in development, by defining similar frameworks.

As noted above, MLS has signed its first launch client and has two additional letters of intent with separate launch vehicle developers and is working on similar launch vehicle letters of intent with multiple other partners. These launch vehicles are being developed and funded through each manufacturer's own company means and have much smaller launch facility infrastructure requirements. MLS is also working directly with three US companies with legacy flight heritage in the industry dating back to the Apollo missions to consider their launch vehicles and/or key subsystems that can enhance the offering at the site through the incorporation of their subsystems into existing systems or as standalone, additional offerings to the satellite industry.

MLS is developing a spaceport that can support any launch vehicle and is on a path to bring full orbital launch capability to Canada. MLS achieved its first launch of a smaller rocket to obtain flight heritage in July 2023, and it will continue to do so with the complete implementation of the small launcher program discussed previously. This enables the spaceport to operate successfully under its current planning.

Employees, Specialized Skill and Knowledge

As of the date of this MD&A, Maritime Launch has six full-time employees, along with several contract personnel and advisors in Canada and the United States. This includes specialists and industry experts who will contribute to the operation of the Spaceport, the design and manufacturing of the launch vehicle, the design and construction of the Spaceport, satellite sales and marketing, government regulatory expertise, investor relations, and public company operations. Additionally, the creation of the Advisory Board (established March 2023) offers multiple decades of industry experience in launch vehicle development, launch site development, satellite development, and space law, enhancing the Maritime Launch team's skills and resources.

The composition of the Advisory Board is presently as follows:

ADVISORY BOARD MEMBER	BACKGROUND
Sarah McLean	VP, Communications and Corporate Affairs at Maritime Launch Services (Advisory Board Chair)
Hon. Stephen McNeil	Former Premier of Nova Scotia (2013 – 2021)
Donna Lawler	Principal at Azimuth Advisory, Space Law Specialists
Cory Bell	President and CEO of Lindsay Construction
Colonel Lee Rosen	Co-Founder and President of Think Orbital Inc.
Jeffrey Manber	Co-Founder of Nanoracks, President of International and Space Stations for Voyager Space

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The Land and the Spaceport

The location of the Spaceport is an approximately 334-acre parcel situated within the Municipality of Guysborough in the Province of Nova Scotia, near the town of Canso (the "**Land**"). The Land is owned by the Province of Nova Scotia and is subject to a crown lease (the "**Land Lease**"), which was signed effective August 24, 2022. The Land Lease has an initial term of 20 years and an initial annual rent payment of $13,500. The Land Lease also provides for, among other inclusions, a renewal period of 20 years and certain rent adjustment clauses. The Land Lease can be canceled by either the lessee or the lessor by providing 60 days' written notice to the other party.

The Spaceport will be constructed in three distinct areas within the 334-acre leased site: vertical launch pad areas for small launchers, launch vehicle and payload processing capabilities, and a control center area. The initial facility layout was developed as part of the site selection process in 2016 to ensure the location was safe for any nearby population and downrange. This analysis was reviewed, approved, and accepted by Transport Canada, the federal regulatory body for space launches in Canada. This approval prompted NavCanada to conduct an aeronautical study defining the restricted airspace needed for a launch, which was completed in 2019. The Spaceport's initial road design, created by, DesignPoint, has been completed, including a geotechnical evaluation to assess road overburden. The Department of Natural Resources authorized the development of the initial roads to support the geotechnical evaluation for design, and those initial roads into the site are complete. Upgrades to the roads have now been finished, as has the drilling of the test well sites for water for the launch pad and integration facility. The site layout design is now being tailored for the multi-vehicle lease model to adjust the layout to accommodate multiple small launchers. The Company completed a constructability study to examine the current state of the construction industry due to inflation and labor issues. This constructability review is influencing the next steps in the architectural and engineering design decision process. Concurrently, Maritime Launch has also continued to solicit specialty support equipment design proposals and integrate their interfaces into the facility layout. This process will continue into the first quarter of 2025 to ensure the best designs that meet cost, schedule, and technical needs for launch plans while focusing development activities on the near-term suborbital and orbital launch preparations.

The environmental assessment of the land was approved in June 2019, and in August 2022, the Company received approval from the Province of Nova Scotia to begin construction. The approval process required the Company to provide numerous plans and studies, including the wildlife management plan, noise monitoring plan, air monitoring plan, water monitoring plan, erosion control plan, and various noise and launch vehicle emissions studies.

MLS purchased a 7-acre parcel of private land near the proposed location of the launch pad in June 2021 and has begun building out a pad site for a ground station for their client LeafSpace. This ground station is expected to come online at the end of 2025 and will provide the spaceport with

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its first revenue as a hosting site for the client. This prompted the Company to seek and receive full commercial rezoning utilization from the Municipality of Guysborough.

New Space Business Opportunities Are Increasing

As space becomes more accessible and capital investment in space companies increases, the opportunity for Maritime Launch Services is directly impacted. The demand for launch services has risen while the availability of sites with the range of capabilities offered by the location in Nova Scotia has remained stagnant. As noted, the existing launch sites in North America are approaching full capacity, and no other launch site locations have been identified. Given the significant barriers to entry for a launch site, should a viable site be identified, the typical process to develop one would take several years of environmental reviews to even reach the point of beginning construction. This portends a launch manifest filled with global customers. In Europe, there is also a push for launch site developments, including three sites in Scotland and one in Sweden, reflecting the increasing demand for domestic launch capabilities. As outlined herein, Spaceport Nova Scotia has several competitive advantages.

Government Agencies are Seeking Increased Commercial Collaboration

The growing commercial space economy has resulted in government customers, including civilian space agencies and defense departments, seeking commercial collaboration for launch support activities. The Company has responded, and continues to respond, to several future government initiatives and requests for information. This is clear in Government of Canada engagements on projects such as the Earth Observation Service Continuity program, the Defense Enhanced Surveillance from Space program, and the Enhanced Satellite Communication Project – Polar, all of which will require launch services. Maritime Launch is collaborating with commercial companies that build these satellites in efforts to create joint offerings for the government. Similarly, the Company is coordinating on U.S. Space Force collaboration opportunities as they seek to expand their launch capacity to their other Five Eyes partners. Additional opportunities the Company is pursuing include a proposal submission to the NATO DIANA (Defense Innovation Accelerator for the North Atlantic) and to DRDC for projects surrounding the NORAD Modernization.

The Pace and Density of Space Missions are Increasing

The intensity of new business development is rapidly increasing across the Company. Government agencies have raised demand for space-based initiatives for Earth observation, space exploration, and space-based communication, while commercial customers are exhibiting similar needs as they secure record levels of financing. The industry has also expressed a strong interest in suborbital launches for scientific experiments, testing systems prior to orbital launches, and developing high-velocity tracking capabilities. This market segment has grown significantly in recent years. The

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Company is focused on staffing, financing new business development efforts, and scaling the overall business to keep pace with this growing market opportunity and increased volumes, including those expected from the new flagship programs.

Financial Support Received from Provincial and Federal Governments

The Government of Canada has provided meaningful support for Maritime Launch's development of Canada's first commercial spaceport. Regulatory support and modernization were announced by the Minister of Transport in January 2022, enabling a clear framework for commercial space launch operations in Canada. This was followed by the successful negotiation and announcement of the US-Canada Technology Safeguard Agreement (TSA) in August 2024. The TSA is a critical step toward fostering US partnerships and ensuring compliance with security protocols. The Company received a $120,000 loan from ACOA in the fall of 2024 to build a ground station on site at Spaceport Nova Scotia in partnership with Leaf Space (the first revenue-generating customer). This tangible support demonstrates the government's recognition of the strategic importance of space launch infrastructure for Canada's national defense, economic growth, and space sector innovation.

In 2023, the Province of Nova Scotia approved Maritime Launch for an initial qualification of $13.2M for the development of Spaceport Nova Scotia's launch vehicle integration facility on site. The Nova Scotia CITC is an annualized reimbursement program designed by the Government of Nova Scotia to drive economic growth and incentivize development within Nova Scotia. The program provides significant financial advantages to eligible corporations that invest in infrastructure and capital equipment for approved projects located in Nova Scotia. In 2024, the Province approved the Company's eligibility for an additional $7.5M in reimbursements under the CITC for the satellite processing facility project. Reimbursement is eligible to begin at the completion of the satellite processing facility, planned for 2026, then approved, bringing the total to $20.7 million in qualified projects under the provincial program. These provincial reimbursement programs are non-repayable and will enhance Spaceport Nova Scotia's competitive position, allowing its launch clients to serve their satellite customers by offering on-site, state-of-the-art satellite testing and checkout capabilities. Coupled with the CITC program is the Atlantic ITC program, for which the Company is automatically qualified when the CITC qualification is approved. This comprises an additional 10% reimbursement for qualified infrastructure. The Company has submitted two additional projects to the Province for consideration under the CITC/AITC program, which is currently being considered by the province for approval.

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Selected Financial Information

On August 12, 2025, the Company announced the signing of both an equity investment and launch services agreement with Reaction Dynamics. The equity investment is for a total of $1,025,952 and is payable in twelve quarterly installments of $85,496 each with the first payment made upon signing and subsequent installments on the last day of each quarter. The first installment was done at a share price of $0.05 with subsequent quarterly installments being priced based upon the prior 20 day weighted-volume-average share price at the time of the installment (second installment, received October 1, 2025, at share price of $0.072 per share).

The launch services agreement is valued at $680,000 with an initial payment of $50,000 following by twelve quarterly payments of $52,500 each.

Maritime Launch is building a small facility, on behalf of a contracted customer, for the installation of a satellite ground tracking station for the upload and download of satellite data. The Company will be earning annual recurring lease revenues of US$ 100,000 per year for a ten-year term (starting in Q4 2025) plus reimbursement for the construction and installation of the equipment. The fees received for the construction and installation costs are accounted for as a cost recovery (reduction of the carrying cost of fixed assets). The Company is in discussions with other potential customers to provide similar facilities and services in the near future.

MLS's net loss and comprehensive loss for the three months ended September 30, 2025, was $5,745,870 ($0.01 per share) compared to a net loss and comprehensive loss of $131,670 ($0.01 per share) for the three months ended September 30, 2024. The dominant reason for the increase in net loss and comprehensive loss is due to fair value adjustments related to the Company's convertible debentures, which is a non-cash expense.

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The following table contains selected financial information for the three and nine-months ended September 30, 2025, as well as comparative results for the three and nine-months ended September 30, 2024.

	Three months ended September 30, 2025	Three months ended September 30, 2024	Nine months ended Sept. 30, 2025	Nine months ended Sept. 30, 2024
Revenue	-	49,220	-	49,220
Net income (loss) and comprehensive income (loss)	(5,745,870)	(742,510)	(6,906,904)	(2,936,190)
Total assets	13,981,612	13,450,864	13,981,612	13,450,984
Working capital (deficiency)	(20,011,214)	(13,742,697)	(20,011,214)	(13,742,697)
Shareholder equity (deficiency)	(6,442,336)	(155,431)	(6,442,336)	(155,431)
Loss per share	0.01	0.01	0.01	0.01

Results of Operations: Three and nine-months ended September 30, 2025

For the three and nine-month period ended September 30, 2025, the Company had a net loss and comprehensive of $5,745,870 and $6,906,904 respectively, as compared to a net loss and comprehensive loss of $742,510 and $2,936,190 for the same periods in the prior year, a decline of $5,614,200 in the three-month period ended September 30, 2025, and a decline of $4,308,934 for the nine-month period ended September 30, 2025 compared to the same periods in the prior year. The decline is driven mainly by non-cash adjustments associated with convertible debentures including non-cash expenses of $5,203,395 in the three-month period ended September 30, 2025, and $4,802,991 in the nine-month period ending September 30, 2025, compared to non-cash gain adjustments of $305,420 and $189,110 in the three and nine-month periods ended September 30, 2024)

Removing all non-cash transactions from the operating results would have resulted in a net loss of $602,292 and $1,846,774 for the three and nine-months ended September 30, 2025, respectively, compared to losses of $662,240 and $2,709,470 in the respective comparative periods in the prior year. The net result was an overall improvement in the current year of $59,948 and $862,696 versus the same three and nine-month comparative periods in the prior year.

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The expenses and non-revenue income incurred during the three-months and nine-months ended September 30, 2025, and September 30, 2024, are detailed in the following tables.

	Three-Months ended September 30, 2025	Three-Months ended September 30, 2024	Year over Year Change ($)	Year over Year Change (%)
Administration	39,355	20,480	18,875	92%
Professional services	292,217	102,160	190,057	186%
Stock-based compensation	(68,827)	107,000	(175,827)	(164%)
Amortization	9,010	8,820	190	2%
Wage and salaries	264,450	283,250	(18,800)	(7%)
Total operating expenses	**536,205**	**521,710**	**14,495**	**3%**
Gain on extinguishment of convertible debentures	-	340,970	(340,970)	
Fair Value gain (expense) on derivatives	(5,300,384)	305,420	(5,605,804)	(1,835%)
Gain on Redemption of convertible debentures	96,989	-	96,989	
Other Income	-	14,670	(14,670)	
Interest and accretion expense	4,316	233,390	(229,074)	(98%)
Foreign exchange loss	1,954	86,850	(84,896)	(98%)
Net loss and comprehensive loss for the period	**(5,745,870)**	**(131,670)**	**(5,614,200)**	**(4,264%)**

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	Nine-months ended September 30, 2025	Nine-months ended September 30, 2024	Year over Year Change ($)	Year over Year Change (%)
Administration	116,644	216,870	(110,226)	(46%)
Professional services	849,605	934,110	(84,505)	(9%)
Stock-based compensation	230,409	391,800	(161,391)	(41%)
Amortization	26,730	26,780	(50)	0%
Wage and salaries	857,216	942,710	(85,494)	(9%)
Total operating expenses	**2,080,604**	**2,512,270**	**(431,666)**	**(17%)**
Gain on extinguishment of convertible debentures	-	340,970	(340,970)	
Fair Value gain (expense) on derivatives	(4,899,980)	189,110	(5,089,090)	(2,691%)
Gain on Redemption of convertible debentures	96,989	-	96,989	
Other Income	-	14,670	(14,670)	
Interest and accretion expense	13,688	488,790	(475,122)	(97%)
Foreign exchange loss	9,641	190,880	(181,239)	(95%)
Net loss and comprehensive loss for the period	**6,906,904**	**2,597,970**	**4,308,934**	**166%**

For the three and nine-month periods ended September 30, 2025, the Company incurred administration expenses of $39,355 and $116,644 respectively as compared to $20,480 and $216,870 for the three and nine-month periods ended September 30, 2024. An increase of $18,875 for the three-month period ended September 30, 2025, and a decrease of $100,226 for the nine-month period ended September 30, 2025. The increase in the three-month period ended September 2025, compared to the same period in the prior year is the result of the timing of the Annual General Meeting, which was held in September 2025 compared to May 2024. The decrease in the nine-month period ended September 30, 2025, compared to the same period in the prior year is due to shipping and other costs one-time non-repetitive costs incurred in the prior year that did not repeat in the current year.

For the three and nine-month periods ended September 30, 2025, the Company incurred professional services costs of $292,217 and $849,605 respectively as compared to $102,160 and $934,110 for the three and nine-month periods ended September 30, 2024. An increase of $190,057 for the three-month period ended September 30, 2025, and a decrease of $84,505 for the nine-month period ended September 30, 2025. The cause of the fluctuations from 2025 versus 2024 is mainly due to the professional fees incurred and the timing of various capital transactions

from one year to the next such as; debenture issuances; debenture extensions and modifications and equity financing)

Stock-Based Compensation variances from one year to the next are the result of the timing of options grants as well as the vesting schedules associated with each individual option grant.

For the three and nine-month periods ended September 30, 2025, the Company incurred wages and salaries expenses of $264,450 and $857,216 (including independent director fees) respectively, as compared to $283,250 and 942,710 during the three and nine-month periods ended September 30, 2024. Net reductions of $18,800 in the three-month period ended September 30, 2025, are the result of government grants received for software development projects offsetting labour costs. The decrease of $85,494 for the nine-month period ended September 30, 2025, compared to the same period in the prior year is a result of both the government grants, but also reduced year over year headcounts earlier in 2025 compared to 2024.

Gains on the extinguishment of convertible debentures in 2024 were the result of the amendment and extension of the 2021 debentures that took place in 2024 and the resulting change in accounting treatment, which did not repeat in 2025. The gains are a non-cash transaction.

For the nine-month period ended September 30, 2025, the Company incurred a Fair Value Adjustment expense of $4,899,980 compared to a gain of $189,110 in the same period in 2024. The adjustment in the current year, has mainly taken place in the three-month period ended September 30, 2025, as a result of an increase in the company's share price therefore increasing the fair value of the liability due to the increased value of the debenture conversion feature. These adjustment are non-cash transactions. The debentures are revalued each reporting period with any changes to the value (net of conversion and redemptions that take place in the period) being reported as fair value adjustment through profit and loss (FVTPL). The adjustment is a non-cash gain or expense.

The above change in accounting treatment for the debentures is also the reason for the interest cost reduction of $475,122 in the nine-months ended September 30, 205 compared to the same period as 2024 as the interest costs associated with the debentures are no longer accounted for as separate costs but rather incorporated into the fair value adjustment. For addition details on the Convertible Debentures, see the "*Liquidity and Capital Resources*" section of this MD&A.

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Summary of Quarterly Results

The following table contains selected financial information for the Company for the past eight quarterly periods.

	Revenue $	Net income (loss) and comprehensive income (loss) $	Total assets $	Working capital (deficiency) $	Shareholder equity (deficiency) $	Income (Loss) per Share $ **
December 31, 2023	Nil	(873,890)	14,412,150	(11,234,242)	1,431,358	(0.00)
March 31, 2024	Nil	(1,594,655)	14,164,418	(12,808,769)	353,403	(0.00)
June 30, 2024	Nil	(569,928)	13,866,626	(13,239,336)	157,782	(0.00)
September 30, 2024	41,920*	(742,510)	13,940,092	(13,742,697)	(155,431)	(0.00)
December 31, 2024	(41,920)*	(3,280,357)	14,105,938	(17,063,200)	(3,309,488)	(0.00)
March 31, 2025	Nil	322,065	14,133,936	(14,194,936)	(474,422)	0.00
June 30, 2025	Nil	(1,483,099)	13,907,049	(14,475,316)	(1,183,916)	(0.00)
September 30, 2025	Nil	(5,745,870)	13,981,612	(20,011,214)	(6,442,336)	(0.00)

* As noted above, revenue previously recognized has been adjusted and recorded as a cost recovery for accounting purposes

** The sum of Loss Per Share does not necessarily equal the annual total as a result of rounding.

Going Concern

At September 30, 2025, the Company has insufficient sources of operating cash flows to meet its ongoing needs. The Company incurred a year-to-date net comprehensive loss of $6,906,904 for the nine-month period ended September 30, 2025 compared to a total comprehensive loss of $2,597,970 for the nine-month period ended September 30, 2024 including the impacts of non-cash transactions. Loss from operations, excluding non-cash transactions, for the nine-month period ended September 30, 2025 was $1,823,465 (2024: loss of $2,044,470).

See the Subsequent Events Note at the end of this document.

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Liquidity and Capital Resources

At September 30, 2025, the Company reported current assets of $264,393, current liabilities of $20,275,607 a working capital deficiency of $20,011,214, as compared to current assets of $202,291 current liabilities of $17,265,491 and a working capital deficiency of $17,063,200 at December 31, 2024.

See the Subsequent Events Note at the end of this document

Convertible Debentures

For transactional history prior to 2024, please refer to both the 2023 and 2024 Annual audited Financial Statements of the Company.

Issuance of Convertible Debentures in 2021 and subsequent amendments.

On May 7, 2021, the Company issued Convertible Debentures for proceeds of $7,500,000 that initially bear interest at 4% per annum, calculated, accruing, and compounded annually with principal and interest initially due on May 7, 2022, or such later date as may be mutually agreed.

Amendment 3 of the 2021 Convertible Debentures

In August 2024, the 2021 convertible debentures were again amended (Amendment 3), the maturity date of the convertible debentures was extended from May 7, 2024 to December 7, 2024. As a result of this amendment, the terms of 2021 convertible debentures were aligned with the terms of the 2023 convertible debentures.

Consistent with the 2023 convertible debentures, the host liability, the PIK interest, the conversion feature and the early repayment option have been considered as one hybrid instrument and the Company has elected to measure this financial instrument at FVTPL. The amendments included in Amendment 3 were determined to be significant modifications of the terms of the convertible debentures; accordingly, Amendment 3 was accounted for as an extinguishment.

On August 7, 2024, the Company determined the fair value of the amended 2021 convertible debentures using a Convertible Debt valuation based on a partial differential equation model with a market yield estimate at 35% on the repayment features and a volatility of 60%. The fair value of the early repayment options were deemed to be nil as the Company does not intend to exercise its option to early repay As a part of the 3rd amendment to the 2021 convertible debentures, the Company issued 2,250,000 common shares with a fair value of $135,000 to certain holders as an extension fee. A gain of $340,967 was recognized as a result of the extinguishment, net of the extension fee.

At December 31, 2024, the Company determined the fair value of the amended 2021 convertible

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debentures and interest payable in cash using a Convertible Debt valuation based on a partial differential equation model with a market yield estimate at 32.5% on the repayment features and a volatility of 65%. The maturity date for the fair value determination was December 7, 2026. The fair value of the PIK interest payable was determined based on the number of common shares it would convert into and the fair value of the common shares on March 31, 2025.

Issuance of Convertible Debentures in 2023 and subsequent amendments.

On December 8, 2023, the Company issued unsecured convertible debentures for proceeds of $2,282,000 payable on December 8, 2024, unless earlier converted or repaid. The 2023 convertible debentures bear interest at 10% per annum payable in cash quarterly as well as interest payable in common shares of the Company (paid in kind, referred to as "PIK" interest), consisting of 5% of the outstanding 2023 convertible debentures, calculated at a price of $0.12 per common share (the "conversion price"), payable at the earlier of the end of term or early repayment. The Company may choose to prepay the 2023 convertible debentures. Upon a prepayment, the holders may elect, solely at the option of each holder, to be repaid in cash with an early repayment bonus of 10% of the principal amount outstanding, or to convert the principal and any accrued, unpaid interest into common shares at the conversion price. The 2023 convertible debentures have anti-dilution rights such that if the Company issues, offers, sells, grants any option or rights to purchase, or otherwise dispose of any equity securities, for consideration on a share basis that is less than the conversion price, the conversion price will be adjusted to such lower price. This anti-dilution right resulted in the number of shares issuable on conversion, and for PIK, being variable and therefore representing embedded derivatives

Each 2023 convertible debenture is accompanied by one common share purchase warrant for each whole $0.48 principal amount. Each warrant is exercisable at a price of $0.15 any time prior to December 8, 2028. The warrants represent an equity classified instrument.

On March 31, 2025, the Company determined the fair value of the host liability and interest payable in cash using a Convertible Debt valuation based on a partial differential equation model with a market yield estimated at 32.5% on the repayment features and a volatility of 65%. The maturity date for the fair value determination was December 7, 2026. The fair value of the PIK interest payable was determined based on the number of common shares it would convert into and the fair value of the common shares on March 31, 2025. The fair value of the PIK interest payable ($79,876) is included in the overall fair value of the debentures.

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Debenture Extension of both the 2021 and 2023 Debentures and Subsequent Transactions:

On March 5, 2025, the Company announced the closing of an extension agreement with the holders of all of its issued and outstanding convertible debentures (both the 2021 (amended) and 2023 issued debentures).

As a condition of the extension, the Company redeemed $500,000 in principal value from a debenture holder and issued 4,830,105 common shares from Treasury to the remaining debenture holders as an extension fee. The Company will be required to redeem an additional $500,000 in debentures should it complete any future financing with proceeds in excess of $3,000,000.

All terms of the debentures, with the exception of the conversion price, including cash interest rate of 10% and PIK interest at 5% remain unchanged. The share conversion price has been adjusted to $0.05 as a result of the anti-dilution down round protection.

Cash interest will compound annually and be paid in full upon maturity, however the PIK interest will be paid semi-annually through the issuance of common shares from Treasury.

On February 25, 2025, The Company also issued 2,706,978 common shares as payment for $324,837 of PIK interest owing at December 7, 2024. The number of common shares was determined based on value of $0.12 per share, in accordance with the terms of the debenture agreements in place at that time. Future share issuances as payment of PIK will be done at a conversion price of $0.05 per share.

Total common shares issued in payment of outstanding PIK interest and the extension fee are a combined total of 7,537,083 as a result of the above transactions.

During the three-month period ended September 30, 2025, one of the holders of convertible debentures, elected to convert $150,000 of principal balance to 3,000,000 common shares at a conversion price of $0.05 per share.

In June 2025, the Company issued 4,568,940 shares at price of $0.05 as payment for $205,602 in PIK interest outstanding as at September 7, 2025 on the 2021(amended) and 2023 convertible debentures.

On September 30, 2025, the Company determined the fair value of the host liability and interest payable in cash using a Convertible Debt valuation based on a partial differential equation model with a market yield estimated at 32.5% on the repayment features and a volatility of 70%. The maturity date for the fair value determination was December 7, 2026.

At September 30, 2025, the outstanding cash value of all issued convertible debentures plus unpaid accrued and capitalized interest is $10,280,222.

Subsequent to period end, on November 12, 2025, all convertible debentures were fully retired with all principal and cash and PIK interest owing being converted to shares.

See Subsequent Events Section of this document.

For additional information with respect the accounting treatment of the Convertible Debentures, please see the 2023 and 2024 Annual Audited Financial Statements

Off-Balance Sheet Arrangements

Other than as described herein, the Company has no off-balance sheet arrangements.

Related Party Transactions

During the nine-month periods ended September 30, 2025, and 2024, the Company entered into the following related party transactions:

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	2025	2024
• Management Compensation attributable to the Chief Executive Officer, Chief Financial Officer	$399,154	$378,613
• Director's fees	$144,000	$144,000
• Non-cash stock-based compensation attributable to the Chief Executive Officer, Chief Financial Officer and Directors	$93,500	$180,451

These transactions are in the normal course of operations and are measured at the amount of consideration established and agreed to by the related parties.

Outstanding Share Data

	Issued and Outstanding September 30, 2025	Issued and Outstanding December 31, 2024	Issued and Outstanding December 31, 2023
Common Shares	495,081,020	421,502,741	410,484,741
Stock Options	35,099,995	28,350,000	28,350,000
Warrants	8,899,085	26,721,095	29,989,095

See the 2024 Annual Audited Financial statements for the year ended December 31, 2024, and the interim Financial Statements for the three and nine-month period ended September 30, 2025, for additional information with respect to common shares, stock options and warrants.

Subsequent Events

Cash Balance

As of the date of this MD&A, and as a result of the transactions detailed below, the Company has a cash balance of $10,101,600.

Stock Options

Subsequent to quarter end the Company has issued 291,660 stock options at a strike price of $0.08 (share price on the day of issuance)

Reaction Dynamics Equity Subscription

On October 1, 2025, the Company issued 1,187,444 shares, at a price of $0.072 per share, to Reaction Dynamics upon receipt of the $85,496 quarterly subscription installment.

EDC Senior Credit Facility

On October 24, 2025 the Company announced the closing of a senior secured credit facility financing with the Export Development Corporation of Canada (“EDC”) for $10 million. The purpose of the facility is to fund ongoing construction and development of the Spaceport Nova Scotia facility. Terms of the agreement are as follows: variable interest rate of CORRA (currently at 2.52%) plus a margin of 7.00%. Upfront Fees of $250,000 at the time of closing; 35% of the 7% margin on the undrawn facility (payable quarterly); and an arranging fee of 6.25% of future revenues up to a maximum of $2.5 million. The debt is serviced with interest

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only payments (quarterly in arrears). The current balance drawn on the facility as of the date of this MD&A is $4.783 million. The facility has a maturity date of June 1, 2026; however, it can be extended up to 24 additional months based upon achieving certain conditions precedent.

MDA Equity Investment

On November 3, 2025, the Company announced the closing of an equity investment from MDA Space in the amount of $10 million at share price of $0.223 per share (44,843,049 common shares issued). The investment also included an Investor Rights Agreement, granting MDA the right to appoint one representative to the Board of the Company and participation rights in future financings.

Retirement of all issued Convertible Debenture

As a result of the MDA investment, at a price of $0.223 per share a mandatory conversion or redemption event was triggered pertaining to the convertible debentures. On November 12, 2025, the holders of all issued and outstanding Convertible Debentures (total principal and interest value of $10,442,214) elected to convert their debentures to common shares at a price of $0.05 per share (as per the terms of the debenture agreements) for an issuance of 208,507,164 shares. Following the issuance of these shares, the Company now has 749,955,801 common shares issued and outstanding.

Risk Factors

Risk factors are discussed in the Company's MD&A for the year ended December 31, 2024.