

Maritime Launch Services Inc.
(formerly Jaguar Financial Corporation)

Management Discussion and Analysis (MD&A)

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2022 AND SEPTEMBER 30, 2021

Reference to the "Company," "our," "us" or "we" refer to Maritime Launch Services Inc. (formerly Jaguar Financial Corporation) ("**MLS**" or "**Maritime Launch**") together with its wholly-owned subsidiaries Maritime Launch Services (Nova Scotia) Ltd. and Maritime Launch USA Inc.

This Management's Discussion and Analysis ("**MD&A**") should be read in conjunction with the unaudited interim condensed financial statements of the Company for the three and nine-months ended September 30, 2022 and the accompanying notes (the "**Q3 2022 Financial Statements**").

The Q3 2022 Financial Statements have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board ("**IASB**"). All dollar amounts are expressed in Canadian Dollars ("**CAD**"), except where otherwise indicated.

The information in this MD&A is current to November 10, 2022, 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 those relating to:

- expectations for space industry growth which may be impacted by new technology and geopolitics, including events in Ukraine;
- the availability and cost of the launch vehicles which may be impacted by final development and geopolitics;
- the demand for medium class satellite launch services for satellite constellation deployment; and
- launch timing, which may be impacted by financing and construction schedules.

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 Listing Statement, which was filed on Sedar on April 25, 2022, 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., with the former shareholders of Maritime Launch Services Ltd. obtaining control of the Company (the "RTO" or "Reverse Takeover"). References to Maritime Launch Services Ltd. ("Maritime Launch") refer to the operating company thru until April 1, 2022, immediately prior to the Reverse Takeover.

The Reverse Takeover was completed by way of the three-cornered amalgamation of Maritime Launch Services Ltd. and a newly-incorporated acquisition subsidiary of the Company to form Maritime Launch Services (Nova Scotia) Ltd., which is now a wholly-owned subsidiary of the Company.

The historical figures presented in this MD&A represent those of Maritime Launch Services Ltd. and its subsidiary. See additional information regarding the Reverse Takeover in the Company's unaudited condensed interim consolidated financial statements for the three and nine-month periods ended September 30, 2022.

On April 25, 2022, the Company received final approval to list its common shares on the NEO Exchange Inc. (the "NEO Exchange") and on April 27, 2022, its common shares began trading on the NEO Exchange under the symbol MAXQ.

Prior to the completion of the Reverse Takeover, Jaguar Financial Corporation was a Canadian Merchant Bank generally making investments in certain targeted companies it considered to be undervalued, overlooked and under appreciated.

Prior to the Reverse Takeover, Maritime Launch Services Ltd., started in Nova Scotia, was incorporated on October 17, 2016 to begin its efforts to make Canada a Launching State to serve the burgeoning global space industry needs by building and operating the first pure commercial satellite launch site in North America. The initiative has matured with the growth in the industry and validation of the strengths and opportunities of our launch facility location to serve domestic and international needs for a range of satellite applications, from rural and global broadband to near real time earth imaging.

The Commercial Space Industry Opportunities are Growing

Since the landing of the last NASA Space Shuttle in 2011, the low earth orbit ("LEO") market demand has been met by commercial space industry, and has seen average year over year growth of approximately 3%. This is coupled with the miniaturization of technology away from the very large geosynchronous orbit ("GEO") satellites to much smaller satellite clusters and the market growth for global broadband and other communication and remote sensing satellites. The global space economy was valued by the analytics and engineering firm, BryceTech in 2021 at US\$386 billion per year and is expected to continue to grow at two to three percent per year on average to reach a trillion dollars annually by 2040.¹ The launch industry segment of this economy, which MLS sees as the backbone of the industry, was valued at about US\$5.7 billion in 2021.

The entire commercial space industry depends on the spaceport and launch vehicle combination to achieve its growth. According to the BryceTech Data, approximately 72% of the US\$386 billion per year space industry is attributable to the development, construction, launch and operation of satellites.

There are several key competitive considerations for the launch of these satellites, including: cost, schedule, spaceport location, launch inclination, satellite destination, lift capacity of the launch vehicle, as well as 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 using the mature, low technical risk launch vehicle with a five-ton lift capacity and a four-meter fairing is unique in the industry as it exists today and nearly impossible to replicate elsewhere.

¹ All BryceTech industry data referenced herein is available on their website: <https://brycetech.com/reports> ("BryceTech Data").

As of the date of this MD&A, management is aware of 31 spaceports globally that have achieved the successful launch of satellites into orbit. All but one of these spaceports is owned and operated by a government entity. The one active commercial launch site is located in New Zealand. Our planned launch complex near Canso, Nova Scotia (the “**Launch Complex**”) 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 as compared to government-operated spaceports.

We believe that Canada's current atmosphere of innovative investment, renewed and revised space policy initiative provides an anchor tenancy for an entirely new industry to grow. We have engaged the government of Canada so as to promote the significant benefits the Launch Complex will bring to the region and the country which they have publicly acknowledged and support. The proposed location of the Launch Complex is a unique location being located in North America with a broad range of possible inclinations ranging from 45 degrees to 98 degrees, including sun synchronous orbit (“**SSO**”), and with a desirable northern latitude for LEO and medium earth orbit (“**MEO**”) markets, including global broadband and communications satellites. Recent filings to the United States Federal Communications Commission by numerous satellite clients revealed an additional 37,000 satellites being planned in various constellations and with many inclinations that can be served at our launch location. The Launch Complex will provide a diversified launch offering from 150 kg to 4 tons for SSO launches and up to 6 tons to LEO. The proposed site for the Launch Complex is located in a high technology and university-rich province that serves as the base for the Canadian naval fleet. It is adjacent to a windfarm for electricity, is less than one kilometer from a deep seaport and 50 km from a major super port as well as a transnational rail line. The launches from the facility will be offered at competitive rates that are comparable to other spaceports offering similar services. There is also a significant satellite manufacturing industry in Canada and local basing is expected to encourage this industry to prioritize the Launch Complex so as to keep launch spending domestic and to reduce logistical costs. The development of a commercial site in Canada is also favorable for satellite clients in the United States, given the history of strong intergovernmental relationships between the two countries, the stability of the Canadian government, ongoing cross-border space-related collaborations (such as with Lunar Gateway²) and reduced logistical costs.

Expected Advantages of MLS in the Market

Phased Launch Approach to Gain Flight Heritage

The Company's development strategy is a two-phase approach, with the ultimate goal of reaching full launch operations of one or more medium class launch vehicles from the Launch Complex. This phased approach promotes the development of the Land and the Launch Complex and provides for the opportunity to work with federal regulators at Transport Canada to adapt the existing regulatory framework to the commercial context.

² 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>.

The total financing required to achieve first small vehicle launch demonstration in the first phase ("**Phase One**") (calculated until approximately the second quarter of 2023) is approximately \$5 million. The Company intends to advance the concurrent portion of the second phase ("**Phase Two**"). This includes the design of the Launch Complex, construction of the initial road system throughout the Land into the Launch Complex and supports the first small vehicle launch demonstration. The phased approach to development will allow the Company to achieve early Flight Heritage for the launch site. This Flight Heritage demonstrates the successful collaboration between the Company and federal partners for rocket launch, will prove out the processes and procedures for launch giving the team vital experience, and provide a clear path for paying customers to launch their satellites. The phased approach will optimally schedule Facility development to accelerate towards the launch of a medium class launcher through additional investment rounds including equity, debt and federal government support.

A small vehicle launch requires significantly less infrastructure to support and can be completed earlier in the construction process of the Launch Complex. In Phase One, the launch vehicle developer would provide the vehicle and support equipment required while the Company would be responsible for providing road access, a small launch pad site for set up of the developer's equipment, portable power, control of public access to the Launch Complex and the regulatory approval for the launch in coordination with Transport Canada and NavCanada.

The Company will phase the complexity of the launch approvals by beginning with a Canadian suborbital launch and building towards the orbital launch of a non-Canadian launch vehicle and non-domestic payload. Relevant variables include the vehicle's country of origin, payload, and whether it is a suborbital or orbital launch. While the initial launch in Phase One will benefit the Company by providing the opportunity to work through the federal regulatory processes, procedures and permissions prior to the medium class launch, build public confidence in the launch process and gain flight heritage for the Launch Complex. It will also create a source of additional revenue for subsequent launches from satellite clients requiring launch services for smaller numbers and/or sizes of satellites under 500 kg, or from other operators of small class launch vehicles using the Launch Complex.

The satellite constellation market dictates the need for a larger launch vehicle than is being used for Phase One. There is already a strong market niche for the foreseeable future for the medium class launch vehicle to support the tens of thousands of satellites in development in numerous constellations for global broadband and near-earth imaging. Recent geopolitical events have enhanced the need further as the Russian medium class vehicle, Soyuz, is no longer expected to be used in Western markets for an indefinite period of time due to international sanctions. This vehicle was launching more than 20 times per year, on average, in recent years and its loss of offering to the industry has only increased the demand and exposed the gap between market needs and available vehicles.

Given the market need, the focus for the Launch Complex is to eventually support multiple medium class launches per year. As such, concurrent with the launches comprising Phase One, construction on the Launch Complex will continue to build out the required infrastructure to support the launch of a medium class launch vehicle. The first launch of Phase Two is expected

to take place in either the second half of 2024 or the first half of 2025. Capacity for medium class launch vehicles is the end target in the Launch Complex's development. Management anticipates that the launch of medium class vehicles from the Launch Complex will be the Company's principal offering and revenue generator because of the significant gap in the industry offerings for this class of vehicle. Medium launch vehicles are capable of launching 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 does not change based on the launch vehicle to be used because of commonalities in vehicle design, propellants, launch pad specifications, and facility and control center requirements. These industry commonalities will provide the Company increased flexibility to pivot to alternative launch vehicles, if needed, given the current geopolitical situation facing the Company's current preferred suppliers in Ukraine.

Competitive Advantages of the Company and the Launch Complex

Management believes that the following combination of location, diversified launch offerings, orbits, schedule flexibility, cost benefits and simplified logistics will make the Launch Complex a key asset for the commercial space industry that cannot be easily duplicated anywhere else in North America, if at all.

Location. The location of the Launch Complex near Canso, Nova Scotia is a unique location being located in North America with a broad range of possible inclinations ranging from 45 degrees to 98 degrees, including SSO, and with a desirable northern latitude for LEO and MEO markets, orbits used by global broadband and communications satellites. Recent filings to the United States Federal Communications Commission by numerous satellite clients revealed an additional 37,000 satellites are being planned in various clusters called constellations. The location of the Launch Complex can serve most of these satellite clients' needs for placement into LEO. The two principal inclinations needed by these clients are 55 degrees and 98 degrees, which are well within the Launch Complex's capabilities.

The proposed site for the Launch Complex is located in a high technology and university-rich province that serves as the base for the Canadian naval fleet. It is adjacent to a windfarm for electricity, is less than one kilometer from a deep seaport and 50 km from a major super port as well as a transnational rail line. The launches from the Launch Complex are expected to be offered at competitive rates that are comparable to other spaceports offering similar services. There is also a significant satellite manufacturing industry in Canada and local basing is expected to encourage this industry to prioritize the Launch Complex so as to keep launch spending domestic and to reduce logistical costs.

The development of a commercial launch site in Canada is also favorable for satellite clients in the United States, given the history of strong intergovernmental relationships between the two countries, the stability of the Canadian government, ongoing cross-border space-related collaborations (such as the Lunar Gateway) and reduced logistical costs.

Access to polar/SSO inclinations. The location of the Launch Complex provides the Company with the possibility of supporting 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 access these trajectories from the Launch Complex, 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 placement of the Launch Complex will be compliant with the United States *International Traffic in Arms Regulations*, which may offer a crucial differentiator for certain customer payloads compared to competitors located outside North America.

Low cost for initial constellation deployment. After a testing period of the initial satellites, constellation operators generally want to deploy their batches of satellites in the most cost-effective manner possible in order to begin service. Depending on the satellite mass of the constellation operator, larger launchers will be well-placed to respond to new constellation launches and will be able to carry a larger amount of satellites per mission at a lower cost/kg. For smaller-mass constellation satellites, the Company will be competitive and be able to deploy a competitive number of spacecraft at a time.

Cost-effective and responsive launch for constellation replenishment. New constellation operators tend to have 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 in a short timeframe, in order to provide the required number of satellites per orbital plane for a dependable network service. Medium sized launch providers like the Company should be well-equipped to replenish small batches of satellites at one time. Small satellite launch facilities, supporting only 150-300kg payload ranges, are not cost-competitive for constellation replenishment. The Company's flexible and wide possible launch inclinations (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 Launch Complex 39 offers a range of inclinations from 39 to 57 degrees and cannot be used for polar or SSO launches because the launch vehicle would have to traverse large population centers.³ The Launch Complex will not have to overfly any population centers to achieve the given 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 using 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 300kg are able to launch 3-30 microsattellites (weighing 10 to 100kg each) at once. Medium launch providers, like the MLS, able to launch more

³ For more information, see the Federal Aviation Administration's information page here: https://www.faa.gov/space/spaceports_by_state/

than 50 microsatellites at a time with a better price/kg. These satellites are primarily destined for the polar/SSO launch trajectory, which is accessible from the site of the Launch Complex. The only launch sites in the United States supporting similar inclinations are located in California and Alaska and give priority to government programs over commercial launches.

Potential to launch new, all-electric GEO satellites. The industry's main spacecraft manufacturers are developing a new generation of small GEO and all-electric GEO satellites. These manufacturers anticipate introducing this new generation of GEO satellites to the commercial market within three to five years according to the global market research firm Technavio.⁴ These satellites are expected to be in the three-ton category and the Company should be well-placed to respond to this market need. The Company expects to be able to deliver these satellites to geosynchronous transfer orbit from the Launch Complex.

Payload fairing size. The Company's preferred medium class launch vehicle, the Cyclone 4M, has a relatively large fairing size for a medium sized launch vehicle. The Cyclone 4M has a fairing size of four meters. Other competitors in this class range on average from 2.4 meters to 3.35 meters. A spacious fairing is an important consideration for constellation operator deployments, as they wish to accommodate as many satellites as possible with antenna panels that are as large as possible for maximum power to their spacecraft. With the Cyclone 4M's generous fairing enclosure, spacecraft manufacturers and operators would be able to launch more performant vehicles.

Leverage of mature technology with reduced risk profile. The BryceTech Data discloses a number of 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 that reason, the Company is pursuing its relationships with Yuzhnoye and Yuzhmash, whom are recognized in the industry as world-class, experienced, cost-effective and reliable launch vehicle designers and manufacturers. It is expected that leveraging their existing and reliable technologies will be an advantage to the Company allowing for the delivery of its commercial services to the market in a timely manner. The development Cyclone 4M builds on the flight heritage of the full family of Cyclone launch vehicles that boast over 220 successful missions. Yuzhnoye and Yuzhmash have served the launch industry for over 65 years with an aggregate 879 successful launches as at the date of this filing, including another successful Antares launch in November 2022. By initially relying on mature launch service technology, the Company plans to be able to meet client needs while providing the opportunity for other launch vehicles being developed in Canada and the United States to be incorporated at a later date, following sufficient development and testing.

Small Class Vehicle

The Company has signed a letter of intent with Reaction Dynamics Lab Inc. ("**Reaction Dynamics**") to supply the launch site with a series of vehicles in development to include a first launch of a small class suborbital vehicle in 2023 followed by an orbital launch of the small class

⁴ The full report can be accessed here: <https://www.technavio.com/report/electric-propulsion-satellite-market-industry-analysis>

vehicle soon thereafter. The small class launch vehicles from Reaction Dynamics represent a unique innovation in the use of “green” technology in the propellants used, are expected to be extremely cost competitive and will be a first of its kind, purely Canadian launch vehicle capability. The Company is currently negotiating a definitive supply agreement with Reaction Dynamics to conduct the first small-class suborbital launch in 2023 and future launches beyond.

The Company is also negotiating with three separate non-Canadian launch vehicle manufacturers that have requested use of the launch site. One of these, Skyrora, the negotiations matured to the commitment through an LOI and MOU announced in September 2022, to work towards a definitive agreement that would bring their launch vehicle offering to Spaceport Nova Scotia. The Company continues to assess the two other additional small launcher suppliers. In all these cases, these suppliers have further development plans for larger launch vehicles in various stages of design and testing and are being considered for use at the Launch Complex to complement the preferred launch vehicle.

[The Preferred Launch Vehicle: Cyclone 4M](#)

The Cyclone 4 fully-integrated upper stage, intended for use in the Cyclone 4M, successfully underwent the final steps in the development and testing, a qualification profile, on August 23, 2019. This was followed by a second full duration burn profile on August 30, 2019. This was a fully-integrated system level upper stage, and followed the recent successful completion of the Cyclone 4M payload fairing qualification demonstration test. These tests validates the key components of the satellite deployment capability for the launch capabilities of MLS. The two full duration hot fire tests conducted in Dnipro, Ukraine, successfully demonstrated the operation of propellant supply system to the engine, the thrust vector control system (gimballing) and liquid jet system, as well as the engine operation as a whole. The full test sequence of the RD861K engine had five ignitions during the first test cycle with a total burn time of 405.2 sec. The second full test sequence of the RD861K engine also had five starts with a total engine ignition time of 400.2 sec. All of the upper stage hot fire tests were successfully completed and all systems showed normal performance and confirmed the accuracy of all design objectives. Completion of the Cyclone 4M upper stage precursor integrated system qualification test is a major step forward in the mission readiness preparation for the Cyclone 4M. The upper stage is ready for production.

The Cyclone 4M first stage is a near duplicate to the Antares first stage that has been in operation for the past 12 years with its 15th successful launch on February 19, 2022. Designed and constructed in Ukraine by Yuzhnoye and Yuzhmash, the Cyclone 4M will deploy Ukrainian engines instead of the current Russian engines being used for the Antares. The design integration effort for the replacement with the flight-proven Ukrainian engines is continuing with the completion of the development of the design documents and component level testing underway as of the date hereof.

[Recent Events in Ukraine](#)

The recent Russian invasion of Ukraine has not had any immediate effect on the development of the Cyclone 4M. We remain in close contact with our suppliers Yuzhnoye and Yuzhmash in

Dnipro, Ukraine and with the Ukrainian space agency including the completion of the preliminary design for the entire Space Launch System and development of the launch site concept of operations.

However, the aggressive steps taken by Russia have the potential for far reaching affects, though not just with MLS, but with other international launch companies. For example, the disruption of any future use of the Russian Soyuz vehicle, which launched 22 times in 2021 has significantly increased the need for additional medium launch capability. Conversely, the production of the Antares rocket for the ISS support in the US, and the Vega rocket for the European Union, are based in Ukraine. The Antares rocket uses Russian engines in the first stage, and harm to the Yuzhnoye and Yuzhmash facility in Dnipro, Ukraine would negatively impact Russia and their economy.

Domestic rocket launch has become recognized as an important national strategic capability by the Government of Canada. The potential disruption of key space launch capabilities will have national ramifications for communications and surveillance, which only reinforce the strategic importance of domestic launch capabilities in Canada. Our ability to reach the wide range of launch inclinations that the satellite market wants and needs is unparalleled. Not only can our spaceport reach inclination ranges from 45 degrees to 98 degrees, but MLS can also deliver payloads to geosynchronous transfer orbits and to the ISS, if called upon.

Like any business, MLS considers all risk scenarios and creates plans to mitigate that risk. With that, we have been steadfast in developing relationships with other launch vehicle manufacturers to use our site. We have signed three letters of intent with separate launch vehicle developers and are working on similar launch vehicle letters of intent with two others. These launch vehicles are being developed and funded through their own company's means and have much smaller launch facility infrastructure requirements.

MLS is developing a spaceport that can support any launch vehicle and we do not need to make any immediate changes to our planning. We have been working toward a Phase 1 launch of a smaller rocket to achieve flight heritage in 2023 and will continue to do so. Should we need to pivot to another launch vehicle for the longer term, the non-recurring costs for a smaller launcher will decrease significantly. If it is required, the medium class launch vehicle capability of the Cyclone 4M can be replaced with at least two others that are in development in the United States, one of which with we have a letter of intent.

Employees, Specialized Skill and Knowledge

As at the date of this MD&A, we have six full-time personnel and over 20 full-time-equivalent contract personnel and advisors in Canada, Ukraine and the United States. This includes specialists and industry experts who will contribute to the operation of the Launch Complex, design and manufacturing of the launch vehicle, design and construction of the Launch Complex, satellite sales and marketing, government regulatory expertise, investor relations and public company operations.

The Land and the Launch Complex

The proposed location of the Launch Complex is an approximately 334-acre parcel located 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 of 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 payment rent payment of \$13,500. The Land Lease also provides for, amongst other inclusions, a renewal period of 20 years and certain rent adjustment clauses. The Land Lease can be cancelled by either the lessee or the lessor by providing 60 days written notice to the other party.

The Launch Complex will be constructed in three distinct areas within the 334-acre leased area: a vertical launch pad, a launch vehicle processing and a control center area. The initial facility layout was developed as a 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 launch in Canada. This approval then prompted NavCanada to be allowed to conduct an aeronautical study that defined the restricted airspace needed for a launch which was completed in 2019. The Launch Complex initial road design by one of our contractors, DesignPoint, has been completed, including a geotechnical evaluation to evaluate 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 have been completed. Upgrades to the road are now underway to allow for the drilling of the test well sites for water for the launch pad and the integration facility. The initial overall site preliminary design for all the buildings and equipment has been completed in collaboration with our suppliers in Ukraine including the revised seven detailed design books and complete architectural Revit drawings and the completion of the SLS PDR as noted above. We have now initiated our interim design and engineering through contracts with the Canadian firms Stantec, Architecture 49, and Design Point and supported by our construction management contractor, Lindsay Construction. We are finalizing our bid requirements with other specialty design firms, as noted above, to award those contracts that will complete the design team build out.

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 start construction. The approval process included the Company providing 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. Construction has now begun, focusing initially on the road construction to the launch site to support the Phase One small vehicle launch.

MLS purchased a 7-acre parcel of private land near and within sight the proposed location of the launch pad in June 2021 and will construct the Launch Complex's launch control center at this location. This location had been evaluated by the Province of Nova Scotia and has been determined to not require any additional environmental review before beginning construction. As such, we have engaged the design firm A49 and Nova Construction to work on the Launch

Complex design details and have completed geotechnical test pit analysis to begin final design for construction. We have additionally engaged with the space satellite tracking and data company, LeafSpace, to host their dish antenna at this site and evaluating a hosting agreement that will give us launch vehicle tracking support from the location.

[New Space Business Opportunities Are Increasing](#)

As space becomes more accessible and capital investment in space companies is increasing, the opportunity for Maritime Launch is directly impacted. The demand for launch services has increased while the availability of sites with the range of capabilities offered by the location in Nova Scotia has remained stagnant. This portends a launch manifest filled with global customers. We see the constellation market for global broadband and near earth imaging with the medium class launcher as the right size for the market needs.

[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. We see this on Government of Canada engagements on projects such as Earth Observation Service Continuity program, Defense Enhanced Surveillance from Space program, the Enhanced Satellite Communication Project – Polar, all of which will require launch services. We are collaborating with commercial companies that build these satellites in efforts to build joint offerings for the government.

[The Pace and Density of Space Missions is Increasing](#)

The intensity of new business development is rapidly increasing across the Company. Government agencies have increased demand for space-based initiatives for earth observation, space exploration, and space-based communication, while commercial customers are exhibiting similar needs as they obtain record levels of financing. The Company is focused on staffing, financing new business development efforts and increasing the scale of the overall business in order to keep pace with this growing market opportunity and increased volumes, including the volumes expected to be provided by the new flagship programs.

[Recent Developments](#)

On August 18, 2022, the Company announced it had signed the Land Lease with the Province of Nova Scotia for the land to be used to develop the Spaceport. The Land Lease has a 20 year term with an option to renew for another 20 years, subject to certain terms and conditions, covers 334 acres and has an initial annual rent payment of \$13,500, subject to certain rent adjustment clauses in future years. The Land Lease can be cancelled by either the lessee or the lessor by providing 60 days written notice to the other party.

On August 23, 2022, the Company announced that it had received approval to trade on the OTCQB Venture Market under the symbol MAXQF.

On August 29, 2022, the Company announced that it had received approval from the Province of Nova Scotia to begin construction of the Spaceport.

On September 6, 2022, the Company had equipment mobilized to the site by Nova Construction and began work on the initial roads. As of the date of this filing, the roads have been cleared through to the Horizontal Integration Facility location and is now working down towards the site for the launch pad.

On September 20, 2022, the Company signed a three-way agreement with Nanoracks and the Space Agency of Ukraine (“SSAU”) to collaborate on the development and launch of up to 15 cubesats to be built by universities across Ukraine on September 2022 at the International Astronautical Congress (“IAC”) held in Paris, France. This initiative builds off the very successful Canadian Cubesat Program wherein a university from each province and territory in Canada has been building and delivering a cubesat through the Canadian Space Agency (“CSA”) and then to be launched from the ISS. In this case the deployment will be aboard the Cyclone 4M. The CSA and SSAU also signed a joint statement outlining their country’s collaboration on this Ukrainian Cubesat Program.

On September 21, 2022, the Company announced that it had signed a Letter of Intent (the “LOI”) and Memorandum of Understanding with Skyrora Ltd. to launch the Skyrora XL vehicle from the Spaceport. These documents serve as the building blocks for the definitive agreement to offer their vehicle to the market for both MLS satellite clients and Skyrora satellite clients. This vehicle would be a small class launcher, would require minimal facility infrastructure to accommodate and will target a first orbital launch in mid-2024. The Skyrora XL is a three-stage, small class launch vehicle intended to place payloads into Sun-Synchronous Orbit between a range of 500 km and 1,000 km in altitude with a maximum payload of 350 kg to LEO. The vehicle is also intended to place payloads into Polar Orbit between a range of 200 km and 1,000 km in altitude.

In September 2022, the Company added contract scope to three specialty design firms to mature their quotes for the design and manufacture of the launch site specialized support equipment. These companies have provided initial cost estimates and hours to complete the designs, participated in a formal design review in August 2022 and are now further refining those estimates before final selection. One firm has committed to opening an office to support the development in Halifax.

In September 2022, the Company and construction management and civil constructions contractors, Lindsay Construction and Nova Construction, initiated a constructability review in conjunction with formal construction on the site beginning. The effort is aimed at assessing the construction market in Atlantic Canada to address labor and materials issues that are being seen and with the goal of maximizing construction and minimizing any labor and material shortages.

On October 4, 2022, the Company held a Community Liaison Committee meeting in the town of Canso to continue the community engagement.

On October 11, 2022, the Company announced the addition of Sylvain LaPorte, former president of the Canadian Space Agency, to the Maritime Launch Board of Directors.

As detailed in the *“Liquidity and Capital Resources”* section of this MD&A, during the year ended December 31, 2021, MLS issued 12,000,000 (54,000,000 on a post RTO basis) common shares for total gross proceeds of \$3,000,000 and also issued unsecured convertible debentures (the **“Convertible Debentures”**) for total gross proceeds of \$7,500,000.

As previously noted, on November 5, 2021 and amended on January 22, 2022 and March 30, 2022, the Company entered into the Letter Agreement with Maritime Launch to complete a business combination by way of the Reverse Takeover. On March 31, 2022 and in advance of the completion of the Reverse Takeover, Maritime Launch issued 9,372,690 common shares (42,177,105 on a post RTO basis) for aggregate gross proceeds of \$7,028,968 (the *“Equity Financing”*), and on April 1, 2022, the Reverse Takeover was completed. See *“Reverse Takeover”* section of this MD&A for additional details.

Selected Financial Information

MLS’s net loss and comprehensive loss for the nine-month period ended September 30, 2022 was \$6,288,011 (\$0.02 per share) compared to a net loss and comprehensive loss of \$4,317,406 (\$0.06 per share) for the year ended December 31, 2021, a net loss and comprehensive loss of \$563,790 (\$0.01 per share) for the year ended December 31, 2020 and a net loss and comprehensive loss of \$680,142 (\$0.01 per share) for the year ended December 31, 2019.

The following table contains selected financial information for the nine-month period ended September 30, 2022, and the years ended December 31, 2021, December 31, 2020, and December 31, 2019.

	9 Months ended September 30, 2022 \$	Year ended December 31, 2021 \$	Year ended December 31, 2020 \$	Year ended December 31, 2019 \$
Revenue	-	-	-	-
Net loss and comprehensive loss	6,288,011	4,317,406	563,790	680,142
Total assets	12,455,814	11,871,036	16,911	22,761
Working capital (deficiency)	(2,894,741)	(5,495,212)	(2,160,911)	(1,678,628)
Shareholder equity (deficiency)	3,997,146	(1,958,737)	(2,160,911)	(1,947,121)
Loss per share	0.02	0.06	0.01	0.01

Results of Operations – Three-Month Period Ended September 30, 2022

For the three-month period ended September 30, 2022, the Company incurred a net loss and comprehensive loss of \$1,707,311, as compared to a net loss and comprehensive loss of \$1,115,204 for the three-month period ended September 30, 2021, an increase in the net loss and comprehensive loss of \$592,107, a direct result of the Company's increased overall activity levels and public listing during the current fiscal year.

The expenses and income incurred during the three-month periods ended September 30, 2022 and September 30, 2021 are detailed in the following table.

	3 Months ended September 30, 2022 \$	3 Months ended September 30, 2021 \$
Administration	122,809	26,701
Professional services	683,576	624,116
Research and development	-	43,493
Stock-based compensation	328,000	18,099
Amortization	9,052	3,537
Wage and salaries	474,259	169,909
Listing expenses	-	-
Fair value adjustments on derivatives	-	(40,500)
Total operating expenses	1,617,696	845,355
Interest and accretion (expense)	(104,889)	(278,275)
Foreign exchange gain (loss)	15,274	8,426
Net loss and comprehensive loss for the period	1,707,311	1,115,204

For the three-month period ended September 30, 2022, the Company incurred administration expenses of \$122,809 as compared to \$26,701 for the three-month period ended September 30, 2021, which consisted largely of increased office related and travel expenses as the Company's overall operating activity levels were materially higher compared to the same period of the prior year. Also contributing to the increase in administration costs were higher insurance costs as a result of both the increased overall business activity levels and the Company's public listing.

For the three-month period ended September 30, 2022, the Company incurred professional services expenses of \$683,576, as compared to \$624,116 for the three-month period ended September 30, 2021, an increase of \$59,460. Professional services costs include, but are not limited to, legal, financial advisory, community relations, fees associated with the Company's Reverse Takeover and listing on the NEO Exchange, and investor relations costs.

During the three-month period ended September 30, 2022, the Company incurred research and development expenses of \$Nil, as compared to \$43,493 for the three-month period ended September 30, 2021.

During the three-month period ended September 30, 2022, the Company incurred non-cash stock-based compensation expense of \$328,000 as compared to \$18,099 for the three-months ended September 30, 2021. During the three-month period ended September 30, 2022, the Company granted 2,250,000 stock options to an employee of the Company. The stock options have an exercise price of \$0.167, a 5 year option life, and vest based on certain performance based criteria. The fair value of stock options issued is estimated using the Black-Scholes option pricing model.

During the three-month period ended September 30, 2022, the Company incurred non-cash amortization of \$9,052, as compared to \$3,537 for the three-month period ended September 30, 2021. The increase in the amortization is a result of the Company setting up its corporate head office during the second half of the prior fiscal year and leasing a vehicle during the current fiscal year.

For the three-month period ended September 30 2022, the Company incurred wages and salaries expenses of \$474,259, including directors fees, as compared to \$169,909 during the three-month period ended September 30, 2021. At September 30, 2022 and in addition to a number of consultants and advisors, Maritime Launch had 6 full-time employees.

The conversion feature of the Convertible Debentures issued in May 2021 was previously accounted for as a derivative liability and was recorded at its estimated fair value in the financial statements. The change in the estimated fair value of the derivative liability resulted in a non-cash gain of \$40,500 during the three-month period ended September 30, 2021. Commensurate with the completion of the RTO and the listing on the NEO Exchange, certain amendments to the Convertible Debentures became effective and resulted in the derecognition of the derivative liability; accordingly, there is no comparable amount recorded for the three-month period ended September 30, 2022. For addition details, see the “*Liquidity and Capital Resources*” section of this MD&A, and the unaudited condensed interim consolidated financial statements for the three and nine-month periods ended September 30, 2022.

For the three-month period ended September 30, 2022, the Company incurred interest and accretion expense of \$104,889, as compared to \$278,275 during the three-month period ended September 30, 2021. Interest and accretion expense is a direct result of the issuance of the \$7,500,000 in Convertible Debentures in May 2021. For addition details on the Convertible Debentures, see the “*Liquidity and Capital Resources*” section of this MD&A. During the three-month period ended September 30, 2022, the Company capitalized interest and accretion charges of \$245,000 (three-months ended September 30, 2021 - \$Nil) to the Spaceport.

A portion of the Company’s capital and operating expenses are denominated in foreign currencies and as a result, the Company incurred a foreign exchange gain of \$15,274 during the three-month period ended September 30, 2022, as compared to a gain of \$8,426 for the three-month period ended September 30, 2022.

Results of Operations – Nine-Month Period Ended September 30, 2022

For the nine-month period ended September 30, 2022, the Company incurred a net loss and comprehensive loss of \$6,288,011 as compared to a net loss and comprehensive loss of \$1,555,010 for the nine-month period ended September 30, 2021.

The expenses and income incurred during the nine-month periods ended September 30, 2022 and September 30, 2021 are detailed in the following table.

	9 Months ended September 30, 2022 \$	9 Months ended September 30, 2021 \$
Administration	263,728	33,137
Management fees	-	152,170
Professional services	1,847,466	717,675
Research and development	-	53,146
Stock-based compensation	1,290,000	18,099
Amortization	25,120	3,537
Wage and salaries	1,094,473	256,094
Listing expenses	2,242,404	-
Fair value adjustments on derivatives	(1,075,000)	(81,500)
Total operating expenses	5,688,191	1,152,358
Loss on extinguishment of Convertible Debentures	(206,256)	-
Interest and accretion (expense)	(414,346)	(440,985)
Foreign exchange gain (loss)	20,782	38,333
Net loss and comprehensive loss for the period	6,288,011	1,555,010

For the nine-month period ended September 30, 2022, the Company incurred administration expenses of \$263,728, as compared to \$33,137 for the nine-month period ended September 30, 2021, which consisted largely of office related and travel expenses as the Company has ramped up its activity level in the current year. The increase in administration expenses also reflects higher insurance costs as a result of both the Company's increased overall activity levels and the public listing.

Management fees of \$152,170 were incurred during the nine-month period ended September 30, 2021 as compared to \$Nil for the nine-months ended September 30, 2022. These amounts were paid to the CEO of the Company and no such amounts were incurred or paid during the nine-months ended September 30, 2022 as the CEO began being paid a salary during the prior year.

For the nine-month period ended September 30, 2022, the Company incurred professional services expenses of \$1,847,466, as compared to \$717,675 during the nine-month period ended September 30, 2021, an increase of \$1,129,791. These costs include, but are not limited to, legal, financial advisory, community relations, fees associated with the Company's listing on the NEO Exchange, and investor relations related costs.

During the nine-month period ended September 30, 2022, the Company incurred research and development expenses of \$Nil, as compared to \$53,146 for the nine-month period ended September 30, 2021.

During the nine-month period ended September 30, 2022, the Company incurred non-cash stock-based compensation expense of \$1,290,000 as compared to \$18,099 for the nine-months ended September 30, 2021. Stock-based compensation arises from the issuance of stock options. During the nine-month period ended September 30, 2022, the Company granted 13,950,000 stock options, on a post RTO basis. The stock options have an exercise price of \$0.167, a 5 year option life and vest based on a combination of certain performance based criteria and service obligations. The fair value of stock options issued is estimated using the Black-Scholes option pricing model.

During the nine-month period ended September 30, 2022, the Company incurred non-cash amortization of \$25,120 as compared to \$3,537 for the nine-months ended September 30, 2021 as the Company set up its corporate head office during the second half of the prior fiscal year and leased a vehicle during the current fiscal year.

For the nine-month period ended September 30, 2022, the Company incurred wages and salaries expenses of \$1,094,473, as compared to \$256,094 during the nine-month period ended September 30, 2021 as the Company has continued to build out its key management team.

The conversion feature of the Convertible Debentures issued in May 2021 was previously accounted for as a derivative liability and was recorded at its estimated fair value in the financial statements. The change in the estimated fair value of the derivative liability resulted in a non-cash gain of \$1,075,000 during the nine-month period ended September 30, 2022 as compared to a gain of \$81,500 for the nine-month period ended September 30, 2021. During the nine-months ended September 30, 2022 and commensurate with the completion of the RTO and the listing on the NEO Exchange, certain amendments to the Convertible Debentures became effective and resulted in the derecognition of the derivative liability and the recognition of a non-cash loss on extinguishment of \$206,256. For additional details, see the "*Liquidity and Capital Resources*" section of this MD&A, and the unaudited condensed interim consolidated financial statements for the three and nine-month periods ended September 30, 2022.

During the nine-months ended September 30, 2022 and pursuant to the completion of the Reverse Takeover, the Company incurred a non-cash listing expense charge of \$2,242,404. The listing expense charge represents the excess of the theoretical fair market value of the common shares and stock options "issued" to the former shareholders of Jaguar at the time of the Reverse Takeover over the fair market value of the net assets and net liabilities of the former Jaguar at the

time of the Reverse Takeover. Please see the unaudited interim condensed financial statements of the Company for the three and nine-months ended September 30, 2022 and the “Reverse Takeover” section of this MD&A for additional details.

For the nine-month period ended September 30, 2022, the Company incurred interest and accretion expense of \$414,346, as compared to \$440,985 during the nine-month period ended September 30, 2021. Interest and accretion expense is a direct result of the issuance of the \$7,500,000 in Convertible Debentures in May 2021. For additional details on the Convertible Debentures, see the “Liquidity and Capital Resources” section of this MD&A. During the nine-month period ended September 30, 2022, the Company capitalized interest and accretion charges of \$577,000 (nine-months ended September 30, 2021 - \$Nil) to the Spaceport.

A portion of the Company’s capital and operating expenses are denominated in foreign currencies and as a result, the Company incurred a foreign exchange gain of \$20,782 during the nine-month period ended September 30, 2022, and compared to a gain of \$38,333 for the nine-month period ended September 30, 2021.

Summary of Quarterly Results

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

	Revenue \$	Net loss and comprehensive loss (income) \$	Total assets \$	Working capital (deficiency) \$	Shareholder equity (deficiency) \$	Loss (income) per Share \$ **
December 31, 2020	Nil	449,811	16,911	(2,160,911)	(2,160,911)	0.01
March 31, 2021	Nil	175,940	1,560	(2,336,851)	(2,336,851)	0.00
June 30, 2021	Nil	263,865	8,352,616	314,069	314,069	0.00
September 30, 2021	Nil	1,115,204	8,242,443	(2,442,476)	(413,037)	0.01
December 31, 2021	Nil	2,762,396	11,871,036	(5,495,212)	(1,958,737)	0.04
March 31, 2022	Nil	264,721	14,373,354	(137,659)	4,458,605	0.00
June 30, 2022	Nil	4,315,979	12,661,402	(230,339)	5,376,457	0.01
September 30, 2022	Nil	1,707,311	12,455,814	(2,894,741)	3,997,146	0.01

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

Liquidity and Capital Resources

At September 30, 2022, the Company reported current assets of \$5,375,985, current liabilities of \$8,270,726 and a working capital deficiency of \$2,894,741, as compared to current assets of \$8,241,969 current liabilities of \$13,737,181 and a working capital deficiency of \$5,495,212 at December 31, 2021, representing an increase in working capital of \$2,600,471, the improvement being primarily a result of completing the Equity Financing on March 31, 2022.

Between April 19, 2021 and May 5, 2021, the Company issued 12,000,000 (54,000,000 on a post RTO basis) common shares at a price of \$0.25 (\$0.056 on a post RTO basis) per share for total gross proceeds of \$3,000,000. Cash costs associated with the issuance of the shares were \$240,929, resulting in net cash proceeds of \$2,759,071.

On July 15, 2021, the Company issued 1,500,000 common shares to a non-employee shareholder in exchange for services received. These shares were measured at \$370,000, being the fair value of the services received by the Company, and were recorded as an expense in professional services.

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

On March 29, 2022, the Company amended the terms of the Convertible Debentures. The conversion price applicable to the Convertible Debentures was amended from \$0.167 per common share, on a post RTO basis, to \$0.1475 per common share, on a post RTO basis to reflect the impact and timing of the RTO transaction. The maturity date of the Convertible Debentures was extended by one year to May 7, 2023. The Convertible Debentures are convertible at the option of the holder at any time up to and including the maturity date. At the election of the Company, the principal amount and any accrued interest outstanding on the Convertible Debentures will convert into common shares at the conversion price if (a) a Qualified Transaction (i.e.; becoming a listed company) has occurred; and (b) either the Company has raised not less than \$10 million in equity at a price not less than \$0.2222 per common share, or the Common shares trade at over \$0.2222 for 10 consecutive trading days on a recognized exchange. If the Company did not complete a Qualified Transaction on or prior to April 30, 2022, then, at that date and at the end of each month thereafter, if the Company did not complete a Qualified Transaction, the Conversion Price was adjustable such that upon conversion the Company shall issue an additional 1% of the number of common shares.

These amendments were made in contemplation of the closing of the Reverse Takeover. The amendments were determined to be significant modifications of the terms of the Convertible Debentures. Accordingly, the modification was accounted for as an extinguishment. The existing financial liability was derecognized and the new financial liability, and its components, were recognized at fair value at the date of modification. The resulting difference between the original liability and the related derivative liability of \$206,256 and the new liability, recorded at fair value, was recognized as a loss on extinguishment of the Convertible Debentures in the statement of loss and comprehensive loss for the period.

The derivative liability was revalued prior to the extinguishment. The change in the fair value was recognized as a “fair value adjustment on derivatives” in the statement of loss and comprehensive loss for the nine-month period ended September 30, 2022. The derivative liability was derecognized as part of the accounting for the extinguishment. There were no additional costs incurred or received as a part of the amendments to the Convertible Debentures that have been included in the accounting for the modification.

For additional information with respect the accounting treatment of the Convertible Debentures, please see the unaudited condensed interim consolidated financial statements for the three and nine-month periods ended September 30, 2022.

Unless the Amended Convertible Debentures are converted into common shares prior to maturity, the principal balance of \$7,500,000 and all accrued interest at 4% per annum is due on May 7, 2023.

In conjunction with the issuance of the Common Shares and the Convertible Debentures, the Company issued a total of 1,540,000 (7,339,500 on a post RTO basis) warrants to the finders. These warrants are exercisable at any time prior to the date that is 36 months after the completion of a Going Public Transaction. 840,000 (3,780,000 on a post RTO basis) warrants were issued with an exercise price of \$0.25 (\$0.056 on a post RTO basis) and 700,000 (3,559,500 on a post RTO basis) warrants were issued with an exercise price of \$0.75 (\$0.147 on a post RTO basis).

During the nine-months ended September 30, 2022, the Company used cash of \$2,465,173 on capital expenditures related to the pre-construction and construction costs of the Spaceport, and an additional \$5,837 of cash was used to purchase equipment and furniture. Additionally, during the nine-months ended September 30, 2022, the Company made total cash payments on its corporate office lease, vehicle lease and the Land Lease of \$49,588.

As previously noted herein, on August 18, 2022, the Company announced it had signed the Land Lease, which requires the Company make annual rent payments of \$13,500, subject to certain rent adjustment clauses in future years.

The Company has entered into a contract (the “Ukraine Contract”) with a supplier in Ukraine for the design, development, and documentation of the ground complex, space launch system (“SLS”), the Cyclone 4M, the accompanying support systems, the safety analysis and other technical elements of the Spaceport, pursuant to which it is committed to incur total capital expenditures of EURO €6,900,000. As of September 30, 2022 and pursuant to the Ukraine Contract, the Company has made total payments of EURO €2,500,000, including €1,200,000 during the nine-month period ended September 30, 2022, and is required to make remaining payments of €4,400,000. Pursuant to an amendment to the Ukraine Contract signed subsequent to September 30, 2022, the remaining payments of €4,400,000 are now due on June 30, 2023.

Reverse Takeover

As noted in the “Recent Developments” section of this MD&A, on April 1, 2022 and pursuant to the Letter Agreement, the Reverse Takeover was completed by way of the three-cornered

amalgamation of Maritime Launch Services and a newly-incorporated acquisition subsidiary of Jaguar to form Maritime Launch Services (Nova Scotia) Ltd., a wholly-owned subsidiary of Jaguar, and then pursuant to the closing of the Reverse Takeover, Jaguar changed its name from "Jaguar Financial Corporation" to "Maritime Launch Services Inc."

Pursuant to the Reverse Takeover, on December 30, 2021, Maritime Launch Services Ltd. issued 5,256,025 (23,652,112 on a post RTO basis) subscription receipts (the "Subscription Receipts") for gross proceeds of \$3,941,469 and on January 12, 2022, an additional 4,116,665 (18,524,993 on a post RTO basis) Subscription Receipts were issued for gross proceeds of \$3,087,499 for a total issuance of 9,372,690 Subscription Receipts (42,177,105 on a post RTO basis) for aggregate gross proceeds of \$7,028,968. On March 31, 2022, the Subscription Receipts were converted on a one for one basis into common shares of Maritime Launch Services Ltd., resulting in the issuance of 9,372,690 (42,177,105 on a post RTO basis) common shares. Pursuant to the closing of the Equity Financing on March 31, 2022, finders fees of \$457,905 (the "Finders Fees") were paid and professional fees related to the Equity Financing of \$25,000 were incurred and paid. In addition to the Finders Fees, the Company issued 610,540 (2,747,430 on a post RTO basis) finders warrants (the "Finders Warrants"), the value of which has been estimated at \$262,532 using the Black-Scholes option pricing model. The Finders Fees, professional fees, and the Finders Warrants have been recorded as share issue costs in the Q2-2022 Financial Statements.

Maritime Launch Services Ltd. common shareholders received 4.5 common shares for each common share held, and all outstanding warrants, options, and Convertible Debentures of Maritime Launch Services Ltd. were exchanged for equivalent securities of Jaguar, with the number of underlying shares being multiplied by the conversion ratio of 4.5:1, subject to certain adjustments, and the exercise price or conversion price, as applicable, being multiplied by the inverse of that conversion ratio.

Pursuant to the closing of the Equity Financing, on April 1, 2022, the full amount of the Finders Fees and professional fees of \$482,905 were paid and the remaining net proceeds from the Equity Financing of \$6,545,738, including interest income earned, were moved from restricted cash to cash on the balance sheet.

Upon closing of the Reverse Takeover on April 1, 2022, all existing officers and directors of Jaguar resigned and were replaced by Stephen Matier (Director, President and Chief Executive Officer), Sasha Jacob (Director), François Desjardins (Director), Susan McArthur (Director), Keith Abriel (Chief Financial Officer), and Harvey Doane (Corporate Secretary).

After the closing of the Reverse Takeover, 9,000,000 stock options (on a post RTO basis) with an exercise price of \$0.167 were issued to officers and directors and 63,000 warrants having an exercise price of \$0.167 were issued to advisors.

Immediately following the closing of the Reverse Takeover, the Company had outstanding (i) 403,460,590 common shares, (ii) 25,650,000 stock options exercisable at \$0.167 per common share, (iii) 1,010,039 stock options exercisable at \$0.125 per common share, (iv) 3,780,000 warrants exercisable at \$0.056 per common share, (v) 13,500,000 warrants exercisable at \$0.078

per common share, (vi) 3,559,500 warrants exercisable at \$0.147 per common share, (vii) 2,810,430 warrants exercisable at \$0.167 per common share, and (viii) \$7,500,000 of Convertible Debentures maturing in May 2023 and convertible into common shares at a conversion price of \$0.147 per common share.

On April 25, 2022, the Company received final approval to list its common shares on the NEO Exchange Inc. (the "NEO Exchange") and on April 27, 2022, its common shares began trading on the NEO Exchange under the symbol MAXQ.

Going Concern

The Company currently has no source of operating cash flow. For the nine-month period ended September 30, 2022 the Company incurred negative cash flows from operating activities of \$3,065,054 (2021 – negative cash flows from operating activities of \$1,021,658 for the nine-month period ended September 30, 2021). Operations have been funded from the issuance of share capital and Convertible Debentures and as such, the Company's ability to continue as a going concern is dependent upon the ability to obtain financing to be able to secure adequate bonding for future projects. It is not possible at this time to predict the outcome of these matters. The Company incurred a net comprehensive loss of \$6,288,011 for the nine-month period ended September 30, 2022 (2021 - total comprehensive loss of \$1,555,010 for the nine-month period ended September 30, 2021). As a result, there is material uncertainty that may cast significant doubt as to whether the Company will have the ability to continue as a going concern.

Off-Balance Sheet Arrangements

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

Related Party Transactions

During the nine-month period ended September 30, 2022 and the nine-month period ended September 30, 2021, the Company entered into the following related party transactions:

- Interest Expense to Shareholders \$Nil (2021 - \$17,972).

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, 2022	Issued and Outstanding November 10, 2022
Common Shares	403,460,590	403,460,590
Stock Options	28,910,039	28,800,000
Warrants	23,649,930	23,649,930

See “Reverse Takeover” section of this MD&A for additional information with respect to common shares, stock options and warrants.

At September 30, 2022, if all stock options and warrants were exercised and the Convertible Debentures were converted, the number of common shares of the Company outstanding would be 509,707,000. See additional information included in the “Reverse Takeover” section of this MD&A.

RISK FACTORS

The following are certain factors relating to the business of the Company. These risks and uncertainties are not the only ones facing the Company. Additional risks and uncertainties not currently known to the Company, or that the Company currently deems immaterial, may also impair the operations of the Company. If any such risks actually occur, the financial condition, liquidity and results of operations of the Company could be materially adversely affected and the ability of the Company to implement its growth plans could be adversely affected. Additional risks not currently known to the Company, or that the Company currently deems immaterial, may also impair the Company’s operations. There is no assurance that risk management steps taken will avoid future loss due to the occurrence of the risks described below or other unforeseen risks. If any of the risks described below actually occur, the Company’s business, financial condition and operating results could be adversely affected.

Limited Operating History

Given the relative new development of the commercial space market, MLS has a limited operating history in this industry. MLS has not yet constructed the Launch Complex, completed full provincial and federal regulatory approval in any jurisdiction or generated any revenues from the provision of its anticipated services. If any of MLS’s future services fail in development, or do not complete regulatory approval, or if any of MLS’s services following regulatory approval, if any, do not achieve market acceptance, MLS may never become profitable or sustain profitability.

Disruption in the Delivery of satellites or Launch Vehicles due to Changing Geopolitical Conditions

The success of the commercial space industry depends on the support of international governments for their product delivery to the launch site for delivery into space. For example, the allowance of the shipment of satellites built in the United States to Canada will require the approval of the United States and Canadian governments. Likewise, the delivery of launch vehicles from another country to Canada will require similar approval. There exists the potential for delays or disruptions in these deliveries based on the conditions in the originating country and their relationships with Canada which are entirely out of the control of MLS. Changes in political or diplomatic relationships between Canada and other nations, or international relationships between countries in MLS's supply chain could delay or disrupt the subject deliveries.

In particular, the recent Russian invasion of Ukraine could affect the development and delivery of the Cyclone 4M being developed and produced by our suppliers Yuzhnoye and Yuzhmash in Dnipro, Ukraine. There can be no assurance that the Russian invasion of Ukraine will not impact the timing or availability of the Cyclone 4M. However, the Company has been developing relationships with other launch vehicle manufacturers to use our site or provide additional launch vehicles.

COVID-19

The outbreak of a strain of the novel coronavirus ("**COVID-19**"), characterized by the World Health Organization as a pandemic on March 11, 2020 (the "**pandemic**"), has resulted in a series of public health and emergency measures that were put in place to combat the spread of COVID-19. The pandemic resulted in the Company's administrative staff having to work from home as passenger flights were delayed and/or cancelled and supply chains were briefly disrupted. The ongoing duration and impact of COVID-19 on the Company's operations is unknown. It is not possible for the Company to reliably estimate any impact of COVID-19 on the Company's future financial results and position at this time.

No History of Earnings

MLS has incurred net losses since its inception and expects to continue to incur substantial losses for the next two to three years, and expects these losses to increase as MLS breaks ground on the Launch Complex and continues the development of, and the seeking of regulatory approval for its services and to continue to market its services. MLS expects its expenditures to increase as it adds infrastructure and personnel to support its operations as a public company. MLS anticipates that its net losses and accumulated deficit for the next two to three years will be significant as MLS conducts its planned operations.

As there are numerous risks and uncertainties associated with the business of MLS, MLS is unable to accurately predict the timing or amount of associated development expenses or when, or if, MLS will be able to achieve, or maintain, profitability. In addition, MLS's expenses could increase if there are any delays in the testing and development of the business. The amount of

MLS's future net losses will depend, in part, on the amount and timing of MLS's expenses, its ability to generate revenue and its ability to raise additional capital. These net losses have had, and will continue to have, an adverse effect on MLS's working capital and its shareholders' equity.

Negative Cash Flow

MLS has always had and MLS expects to continue to have negative cash flow from operating activities. MLS anticipates that it will continue to have negative cash flow until such time that it has achieved commercialization. To the extent that MLS has negative operating cash flows in future periods in excess of the amounts disclosed above in the use available funds, it may need to deploy a portion of its existing working capital to fund such negative cash flow.

Ability to Raise Additional Funds

Developing its services, including conducting testing of such services, is expensive. MLS will require substantial additional capital in order to complete the development of its business, create additional launch capacity, commercialize its services and conduct regulatory activities necessary to bring its business to market. If regulatory authorities require that MLS perform additional testing of its services or launch vehicles at any point, or expand or extend MLS's current schedule, MLS's expenses would further increase beyond what is currently expected, and the anticipated timing of any future development activities and potential regulatory approvals will likely be delayed. Raising funds in the then-current economic environment may be difficult and additional funding may not be available on acceptable terms, or at all.

Development Risks

The development, commercialization and marketing of MLS's business is at an early stage and is founded on the continuing growth of the commercial space satellite market and the desire for global broadband, near earth imaging and other commercial products. In general, provision of any services may be susceptible to various risks, including potentially prohibitive costs or other characteristics that may prevent or limit their approval or commercial use. Furthermore, the number of people who may require or benefit from the business is difficult to forecast with accuracy. MLS's future success is dependent on the continuing development of the large global market for its services and its ability to capture a share of this market.

MLS's development efforts are susceptible to the same risks of failure inherent in the development and commercialization of products and services based on any new/emerging technologies. The expansion of space launch services to be commercially viable creates significant challenges in the areas of service development and optimization, procurement, government regulation, third-party reimbursement and market acceptance.

The ability of MLS to compete and expand will also be dependent on its access, at a reasonable cost, to equipment, parts and components, which are at least technologically equivalent to those utilized by competitors and to the development. Failure by MLS to do so could have a material adverse effect on MLS's business, financial condition, results of operations and cash flow.

Operation and Supplier Risk

MLS sources technology, equipment, parts and components required for its business from a variety of contract manufacturers and suppliers and there is a risk that one or more of these subcontractors will not perform its contractual obligations. There is also a risk that long lead times for critical equipment or components may affect site development and launch schedules. Where possible, MLS addresses these risks through contract frustration insurance. MLS also actively monitors critical suppliers and in some cases invests to secure longer lead time items. At this stage in MLS's development, MLS has greater exposure to financial loss due to a concentration of customers, specifically in the satellite constellation market segment.

Market Acceptance

Market acceptance of MLS's services is a significant factor in achieving MLS's strategic goals. A key risk in the minds of MLS's customers is MLS's financial stability and its continued ability to support its offerings over a long period of time. There can be no assurance that MLS will successfully market its services to earn sufficient revenue to operate successfully. MLS's business would be adversely affected if it incurs delays in developing its services, or if such services do not gain market acceptance.

Emerging Market

Commercial launching of satellites is an emerging market. In such emerging markets, demand and market acceptance for recently introduced products and services are subject to a high level of uncertainty and risk. The development of a mass market for MLS's services may be affected by many factors, some of which are beyond MLS's control, including the emergence of newer, more competitive technologies and products, the availability and cost of fuels, regulatory requirements, consumer perceptions of the safety of MLS's services and related fuels, and customer reluctance to risk investment in a new service provider. If a mass market fails to develop, or develops more slowly than MLS anticipates, MLS may never achieve profitability. In addition, MLS cannot guarantee that its services will continue to be developed or marketed if sales levels do not support the continuation of its business.

Liability

The sale of any services for which MLS obtains marketing approval exposes MLS to the risk of liability claims. Liability claims might be brought against MLS by customers or others otherwise utilizing the services. There is a risk that MLS's services may induce adverse events, and that such adverse events may not be detected for a long period of time. If MLS cannot successfully defend against service liability claims, it could incur substantial liability and costs. In addition, regardless of merit or eventual outcome, liability claims can result in: impairment of business reputation; increased costs due to related litigation; distraction of management's attention from MLS's primary business; substantial monetary awards to claimants; the inability to commercialize or develop services; and decreased demand for MLS's services.

MLS carries typical commercial general liability insurance that it believes is sufficient in light of its current activities, however, MLS may not be able to maintain insurance coverage at a reasonable cost or in sufficient amounts to protect against losses due to liability. As its business is developed, MLS intends to expand its insurance coverage; however, MLS may be unable to obtain product liability insurance on commercially reasonable terms or in adequate amounts. On occasion, large judgments have been awarded in lawsuits based on product liability claims. A successful product liability claim or series of claims brought against MLS or any third-parties whom MLS is required to indemnify could cause the Issuer's stock price to decline and, if judgments exceed MLS's insurance coverage, could adversely affect results of operations and MLS's business.

Dependence on Key Personnel

MLS's success is dependent on certain key management personnel, primarily its executives, which is key to the existence and continuity of MLS. Furthermore, competition for qualified employees among industrial technology companies is intense and the loss of key personnel or inability to attract and retain the additional highly skilled employees required for the expansion of activities could adversely affect MLS's business.

Competitive Market for MLS's Products and Services

The Launch Complex's location in Nova Scotia is a unique offering to the industry. While the spaceport industry generally has been controlled by federal governments heretofore, a commercial launch offering with the significant range of inclinations and located within the North American satellite market is singularly unique. There is no location in North America that offers the wide range of inclinations that are preferred by the emerging satellite market. Maritime Launch is a first-mover in an emerging market of a commercial spaceport offering but will nonetheless see a risk that MLS will face competition in the form of government subsidized spaceports. Overall, most of MLS's competitors in the industry are federal ranges which have greater financial, and other, resources, which could enable them to continue to invest significant amounts of capital and other resources in their businesses in spite of the limited range of trajectories the competitors have. Further, many of MLS's competitors have longer operating histories, larger customer bases, greater brand recognition and significantly greater sales, marketing, technical and other resources than MLS. As these federal ranges seek to segregate their facilities to offer a commercial spaceport component, some of MLS's products or services could be reduced.

MLS operates within competitive markets and MLS believes that it has adopted a competitive business strategy based on the location and commercial responsiveness to customer's schedule needs. However, MLS's business, results, operations and financial condition could be materially adversely affected by the actions of its competitors (including their marketing and pricing strategies and product and services development). MLS may be forced to change the nature of its business as a result of competitive factors and there is no assurance that MLS will be able to compete successfully in the market place in which it seeks to operate.

Regulation

In both domestic and foreign markets, the design, manufacturing, packaging, labelling, handling, distribution, import, export, licensing, sale and storage of MLS's products are affected by a body of laws, governmental regulations, administrative determinations, court decisions and similar constraints. Such laws, regulations and other constraints can exist at the federal, provincial or local levels in Canada and at all levels of government in foreign jurisdictions. There can be no assurance that MLS is in compliance with all of these laws, regulations and other constraints. Failure by MLS to comply with these laws, regulations and other constraints or new laws, regulations and other constraints could lead to the imposition of significant penalties or claims and could negatively impact MLS's business. In addition, the adoption of new laws, regulations or other constraints or changes in the interpretations of such requirements might result in significant compliance costs or lead MLS to discontinue product sales and could have an adverse effect, resulting in significant loss of sales.

Risks of Foreign Exchange Rate Fluctuation

MLS is exposed to fluctuations of the Canadian dollar against certain other currencies because it publishes its financial statements in Canadian dollars, while a portion of its liabilities, sales, revenues and costs could be denominated in other currencies. In particular, MLS will express its sales and revenues in US dollars. Exchange rates for currencies of the countries in which MLS operates may fluctuate in relation to the Canadian dollar, and such fluctuations may have a material adverse effect on MLS's future earnings or assets when translating foreign currency into Canadian dollars. In general, MLS does not execute hedging transactions to reduce its exposure to foreign currency exchange rate risks. Accordingly, MLS may experience economic loss and a negative impact on earnings solely as a result of foreign exchange rate fluctuations, which include foreign currency devaluations against the Canadian dollar. MLS does not typically carry convertibility risk insurance.

Legal Proceedings

While MLS is not currently a party to any legal proceedings, such proceedings could be filed against MLS in the future. No assurance can be given as to the final outcome of any legal proceedings or that the ultimate resolution of any legal proceedings will not have a materially adverse effect on MLS.

Delays in Securing the Lands

While MLS has received a letter of offer to lease the Land for the Launch Complex and has letters of support from members of the Provincial Government of Nova Scotia, completion of the land lease approval could be delayed by the provincial regulators that have never evaluated an application for a spaceport and could cause delays in the final approval and subsequently delay the construction of the Launch Complex.

Delays in Approval for First Launch

The Federal Government of Canada has had approval regulations for orbital and suborbital launches from Canada in place for over 20 years but as of the date of this MD&A, has only ever approved suborbital launches. While the Federal Government is fully engaged in the review process and has appeared receptive to MLS's launch campaign, there may be changes needed to the existing procedures that could cause delays in first launch. If the regulations require changes in legislation that threaten to delay implementation, a launch waiver process approved by the Minister of Transportation is in place and can be acquired (but is not guaranteed).

Delays in Launch Vehicle Delivery

The process MLS is following for the manufacturing and delivery of the launch vehicles from Ukraine models after the existing contracts the suppliers have with Northrop Grumman for the Antares first stage and the ESA Vega 4th stage propulsion system that have each been in continuous operation for the last 10 years. That said, development of the logistics for delivery of the launch vehicles or in the manufacturing process are individually refined to the specific launch vehicle, in this case, the Cyclone 4M, and may cause delays in the delivery of the early launch vehicles while the manufacturing and delivery processes get refined.

Potential for Launch Failures

Rocket launches are inherently hazardous and there exists a potential for a launch site accident or critical launch failure which could result in damage to the Launch Complex; damage or destruction of real or personal property of MLS, its clients or third parties; personal injury; or death or dismemberment to MLS employees, contractors or the general public. The risk of launch site accident or critical launch failure, while remote, is serious. MLS intends to account for this risk with robust launch insurance, however such insurance coverage and the scope and terms thereof have not been finalized and are subject to overall launch market success globally. The loss of a launch vehicle or satellite payload or damage to the Launch Complex are covered items. MLS has selected Yuzhnoye and Yuzhmash as suppliers because of the low technical risk associated with their products and unlikelihood of a launch failure.