Orbite Aluminae Inc.

MANAGEMENT'S DISCUSSION AND ANALYSIS – For the first quarter ended March 31, 2015

This Management's Discussion and Analysis ("MD&A") is current to April 28, 2015 and is management's assessment of the operations and the financial results together with the future prospects of Orbite Aluminae Inc. ("Orbite" or the "Company"). This MD&A is intended to supplement and complement the Company's consolidated interim financial statements and accompanying notes for the quarter ended March 31, 2015. The Company's consolidated interim financial statements were approved and authorized for issuance by Orbite's Audit Committee and Board of Directors, and have been prepared in accordance with accounting policies consistent with the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

This discussion contains forward-looking statements that are not historical in nature and involves risks and uncertainties. Forward-looking statements are not guarantees as to Orbite's future results as there are inherent difficulties in predicting future results. These forward-looking statements include, but are not limited to, statements regarding expectations of the Company as to the market price of alumina and other metals, strategic plans, future commercial production, production targets, timetables, mining operating expenses, capital expenditures, and mineral reserve and resource estimates. Forward-looking statements involve known and unknown risks and uncertainties and accordingly, actual results and future events could differ materially from those anticipated in such statements. Factors that could cause future results or events to differ materially from current expectations expressed or implied by the forward-looking statements include, but are not limited to, fluctuations in the market price of metals, mining industry risks, uncertainty as to calculation of mineral reserves and resources, risks related to hedging strategies, risks of delays in construction, operating cost risks, requirements of additional financing, increases in tax or royalty rates or adoption of new interpretations related thereto, and other risks described in this MD&A under "Risks and Uncertainties" and in the Company's other documents filed from time to time with Canadian securities regulatory authorities. Although the Company is of the opinion that these forward-looking statements are based on reasonable assumptions, those assumptions may prove to be incorrect. Accordingly, readers should not place undue reliance on forward-looking statements. The Company disclaims any obligation to update or revise these forward-looking statements, except as required by applicable law.

The use of "we", "us", "our", the "Company" or "Orbite", means Orbite Aluminae Inc. The Company's continuous disclosure materials, including annual and quarterly MD&As, annual and quarterly financial statements, annual reports, AIFs, management proxy circulars, and various press releases issued by the Company are available on or through its website, or at www.sedar.com. All figures are in Canadian dollars unless stated otherwise. Any references to tonnes are to metric tonnes. Additional information relevant to the Company's activities can be found on its website at www.orbitealuminae.com.

Scientific and Technical Information

Unless otherwise indicated, scientific or technical information in this document relating to mineral reserves or mineral resources is based on information prepared by employees or consultants of Orbite, in each case under the supervision of, or has been reviewed and approved by Marc Filion, Eng., Ph.D., MBA. As of the date of this MD&A, Mr. Filion owns 200,000 options to purchase Class A shares of the Company.

Mr. Filion is a "Qualified Person" ("QP") as defined in National Instrument 43-101 – *Standards of Disclosure of Mineral Projects* ("**NI 43-101**"). A "Qualified Person" could be summarized as an individual who is an engineer or geoscientist with at least five years of experience in mineral exploration, mine development or operation or mineral project assessment, or any combination of these, has experience relevant to the subject matter of the mineral project, and is a member in good standing of a professional association.

CORPORATE STRUCTURE

Orbite Aluminae Inc. (the "**Company**" or "**Orbite**") was incorporated on June 17, 1983 under the *Canada Business Corporations Act*. On October 11, 2011, the Company amended its articles to change its name to "Orbite Aluminae Inc." (formerly known as Exploration Orbite V.S.P.A. Inc.). Its share capital is comprised of one Class of common shares, i.e. the Class A shares (the "**Common Shares**" or the "**Class A Shares**"), which are the only shares that are currently issued and outstanding.

The Company's head and registered office is located at 6505 Trans-Canada Highway, Suite 610, in Montréal, Québec, H4T 1S3. The Company also has a place of business in the industrial park of Cap-Chat, at 80 Louis Landry Street, Cap-Chat, Québec, G0J 1E0 where it owns a 5,900 m^2 high-purity alumina plant (the "**HPA Plant**"). The Company also operates a Technology Development Center (the "**TDC**") located in the City of Laval, Québec, at 500 Cartier Blvd West.

The Company's only subsidiary, 8238375 Canada Inc., was incorporated on June 29, 2012 under the *Canada Business Corporations Act* and is a wholly-owned subsidiary of the Company. The entity is non-operating and has no assets.

GENERAL DESCRIPTION

Orbite Aluminae Inc. is a Canadian clean technology based mineral-processing and resource development company. The Common Shares of the Company are traded on the Toronto Stock Exchange under the symbol "ORT" and on the OTCQX International over-the-counter exchange under the symbol "EORBF". The Company also issued debentures convertible into Common Shares which are listed on the Toronto Stock Exchange under the symbols ORT.DB, ORT.DB.A and ORT.DB.B.

The Company has developed proprietary processes and technologies, which are expected to enable the environmentally sustainable and cost-effective production of products such as high-purity alumina ("HPA"), silica, hematite, magnesium oxide, titanium oxide, smelter-grade alumina ("SGA"), as well as rare earth ("REO") and rare metal ("RMO") oxides, from a variety of potential feedstocks that could include red mud, fly-ash, aluminous clays, mine tailings, bauxite, and kaolin clay.

The Company believes its proprietary technology has certain significant advantages over existing technologies in terms of sustainability and cost-effectiveness. For detailed information on Orbite's technology, we refer the reader to our comprehensive disclosure provided in our Annual Information Form for the year ended December 31, 2014.

The Company's proprietary processes and technologies differ from the rest of the industry's and are either internationally patented or patent pending. The Company's intellectual property portfolio contains 15 intellectual property families, and the Company owns 100% of the intellectual property rights to 15 patents and 102 pending patent applications in 11 different countries through the international Patent Cooperation Treaty (PCT) process administered by the World Intellectual Property Organization (WIPO). The first intellectual property family is patented in Australia, Canada, China, Japan, Russia and in the United States.

RECENT DEVELOPMENTS

The following is a description of the general developments of the Company for the quarter ended March 31, 2015.

- On January 8, 2015, Orbite announced that the Canadian Intellectual Property Office ("CIPO") issued a notice of allowance for patent application No. 2 857 574, pertaining to *Processes for Treating Red Mud*.
- On January 14, 2015, Orbite announced it had received, from Investissement Québec, a $3.025 million bridge loan, collateralized against the Company's investment tax credits receivable for the year 2014, estimated at $4.0 million. The loan, repayable by June 30, 2016, will carry an interest rate of 3.5% over the prevailing prime lending rate.
- On January 15, 2015, Orbite filed a preliminary short form base shelf prospectus (the "Prospectus") with the securities regulatory authorities in each of the provinces of Canada and filed its final short form base shelf prospectus on March 20, 2015. The Prospectus provides flexibility over the normal course of business to fund the Company's Cap-Chat facility for the production of High Purity Alumina and the demonstration of the Company's proprietary waste monetization technology.
- On January 30, 2015, the Company announced it had exercised the Series Y rights certificate, as amended, requiring the holder to purchase the corresponding number of units subject to applicable conditions and provisions. These Series Y subscription rights were subsequently terminated, on April 13, 2015, by mutual consent of the holder and the Company, and are no longer in effect.
- On February 16, 2015, the Company announced it was selected to receive up to $4.5M in non-dilutive funding from Sustainable Development Technology Canada to be applied towards Orbite's technology development, demonstration and commercialization related to the processing of red mud.
- On February 25, 2015, Orbite confirmed that, further to its press release of December 12, 2014, the Europe-sourced components of the new castable material for the refractory system at the Company's HPA plant in Cap-Chat had arrived in the port of Montreal.
- On March 3, 2015, Orbite filed a management proxy circular soliciting proxies for the vote relating to the Series Y Subscription rights to be held during a special meeting of shareholders on April 2, 2015. On March 26, 2015, the Company announced the postponement of the shareholders meeting to April 27, 2015, which was cancelled subsequent to the termination of the Series Y Subscription Rights.
- On March 12, 2015, Orbite announced it had appointed RHI Canada Inc. as its contractor for the installation of the refractory system for the decomposer and calcination units at its HPA production facility in Cap-Chat, Québec.
- On March 13, 2015, the Company announced that the United States Patent and Trademark Office ("USPTO") had issued a notice of allowance for patent application No. 14/371,364, pertaining to *Processes for Treating Red Mud*.
- On March 23, 2015, the Company announced that it proposed to offer for sale a minimum of 8,500 units of the Company (each, a "Unit") and a maximum of 15,500 Units at a price of $1,000 per Unit for minimum gross proceeds of $8,500,000 and maximum gross proceeds of $15,500,000 (the "Offering"). On March 26, 2015, the Company announced that as a consequence of market activity and conditions subsequent to the original announcement, it would not be proceeding with the Offering.
- On March 30, 2015, the Company received a payment of $4 million from tax authorities in consideration of investment tax credits on the equipment purchased for manufacturing and processing in the Gaspé region. The payment relates to the 2012 financial year and the Company expects subsequent payments to follow. A total of $20.3 million has been received in connection with the refundable investment tax credits

resulting from the purchase of manufacturing equipment for the Company’s HPA facility and has been deposited in a segregated account and serves as security for the convertible debentures issued in December 2012 and maturing in December 2017.

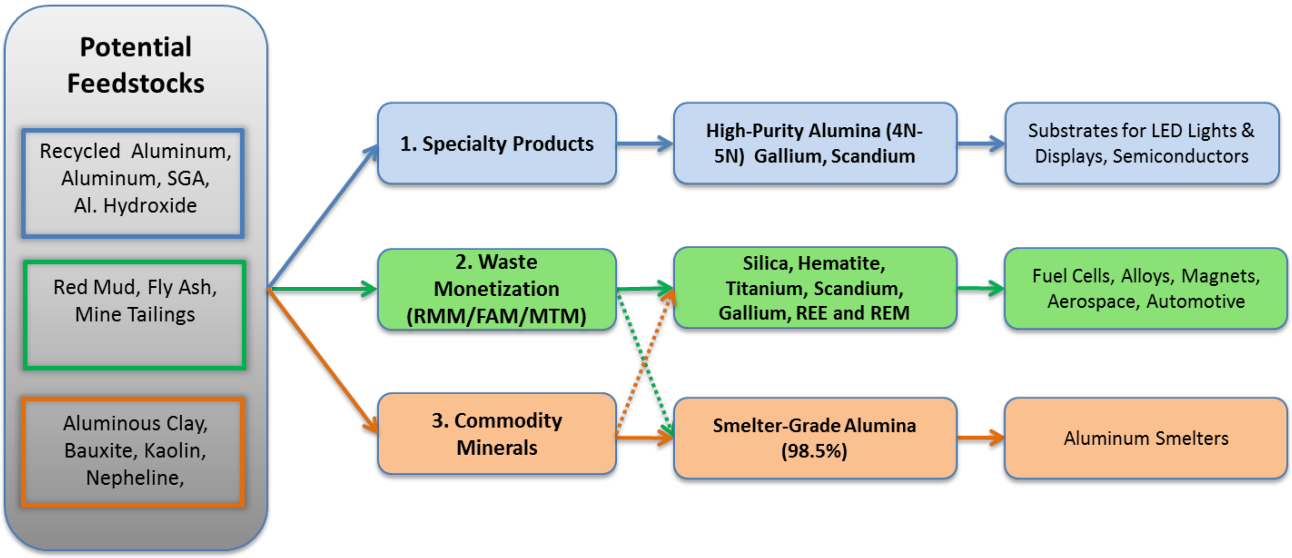
- On March 30, 2015, the Company entered into an underwriting agreement with Euro Pacific Canada Inc. (the “Underwriter”), under which the Underwriter agreed to buy on a firm underwriting (bought deal) basis by way of prospectus supplement, 8,500 units of the Company (each, a "Unit") at a price of $1,000 per Unit for gross proceeds of $8,500,000 (the "Offering"). In addition, the Company also granted the Underwriter an upsizing option to purchase up to an additional of 6,500 Units for additional gross proceeds of up to $6,500,000 (resulting in aggregate of gross proceeds of up to $15,000,000). Please see the Company’s press release and related documents on Sedar (www.sedar.com) for further details.

The following is a description of the general developments of the Company subsequent to the financial quarter ended March 31, 2015:

- On April 6, 2015, the Company announced it had completed the first portion of the public offering of units in the amount of $10,000,000 under its short form base shelf prospectus and prospectus supplement dated March 18 and March 30, 2015 respectively. Euro Pacific Canada Inc., the underwriter under the offering, retains an option to purchase an additional $5,000,000 of units until May 6, 2015.
- On April 7, 2015, the Company announced it had shipped high purity alumina (“HPA”) samples to five prospective customers, thereby entering their supplier qualification programs. The samples were produced by calcining aluminum chloride hexahydrate ("ACH"), the precursor material for HPA, which was successfully produced at the Company's HPA facility in Cap-Chat in a production run during the third quarter of 2014.
- On April 13, 2015, the Company announced that Orbite and Crede Capital, the holder of the Series Y Subscription Rights, had mutually agreed to terminate the Series Y Subscription Rights. Accordingly, the special meeting of shareholders initially scheduled to take place on April 2, 2015 and subsequently postponed to April 27, 2015, was canceled as approval of the Series Y Subscription Rights was no longer required.

BUSINESS DEVELOPMENT

Management is presently transforming Orbite from a technology development company into an operating entity commercializing its technologies. In order to achieve this transition, the Company has focussed its commercialization plan on three priorities: specialty products, waste monetization, and commodity minerals.



Short Term — Specialty Products.

The Company's short term priority, being the production of specialty products, is focused on completion of the Company's high purity alumina plant (the "HPA Plant"), scheduled to enter commercial production in the third quarter of the 2015 financial year at a capacity of three tonnes per day of HPA.

High-purity alumina is used primarily to manufacture industrial sapphire substrates used in electronics. These sapphires are widely used in LED lighting applications, in LED displays, and in plasma display panels such as those found in handheld devices, cellular phones, laptops, and televisions. It is also used to manufacture Lithium Ion Batteries (LIB), which are are in turn used in multiple applications including portable electronics, electric vehicles and high capacity energy storage.

Orbite is currently in the process of finalizing the construction of its HPA production facility located in Cap-Chat, on the Gaspé Peninsula in the Province of Québec. On March 8, 2012, the Company ceased operations of its alumina pilot plant and commenced with the first phase of construction in June 2012, with the intention to convert the facility into a full-scale, 3 tpd, high-purity alumina production plant, designed to produce alumina at 99.99% ("4N") and greater purities. The second phase of construction commenced in August 2013 and commercial operations are expected to commence in Q3 2015. Even though the plant is not currently operational commercially, it is operated on an intermittent basis in order to produce samples for customer qualification programs.

Q1 2015 Operating and Construction Overview – HPA Plant

The development plan for the HPA Plant is comprised of three phases, as follows:

- **Phase 1** – Construction of HPA plant at a capacity of three tonnes per day of HPA

  Commencement of commercial production is expected in the third quarter of 2015.

  A comprehensive cost and engineering review, which began in 2013, has shown that the original design of the 2012 HPA Plant (HPA 1) was inadequate to deliver at three tonnes per day capacity. Consequently, the facility was materially redesigned, and certain installed equipment and piping will be replaced to meet capacity and longevity specifications (HPA 2). The table below sets forth the main components of the projected total external capital costs for the construction and commissioning of the HPA 2 Plant (at a production capacity of three tonnes per day), exclusive of the extraction unit.

Item	**Estimate (in thousands)**
Engineering and Project Management	$9,430
Material and Equipment, including Calcination System	$18,500
Labour	$10,420
Contingencies	$3,000
Critical Spare Parts & Specialty Tools	$750
Total	**$42,100**

As at March 31, 2015, the Corporation had incurred external capital costs of approximately $19.8 million of the revised estimated total of $42.1 million, and therefore estimated costs left to be incurred at that date were approximately $22.3 million.

On February 16, 2015, Orbite announced that the Europe-sourced components of the new castable material for the refractory system at the Company's HPA plant in Cap-Chat had arrived in the port of Montreal. On March 12, 2015, Orbite announced that it appointed RHI Canada Inc. as its contractor for the installation of the refractory system for the decomposer and calcination units, and the installation process commenced, as announced, at the end of March.

- **Phase 2A** – Increase of HPA plant capacity to Five Tonnes per day of HPA

  The preliminary engineering and cost estimate for this phase are expected to be completed in the first half of 2015, with a decision to proceed with plant expansion to be taken during the second half of 2015. Plant expansion is expected to be carried out during the first half of 2016, with ramp up to 5 tpd to start in Q3 of 2016.

- **Phase 2B** – Conversion of the Alumina Extraction Unit to the Chloride-based Technology

Preliminary engineering for the conversion of the HPA Plant’s alumina extraction unit to a demonstration facility for multi-feedstock utilization, including aluminous clays, red mud, fly-ash and mine tailings, using the Company’s chlorine technology is planned to be completed by the end of 2015. Conversion to the chloride technology, along with the addition of a scandium and gallium extraction unit, is expected to commence in the second quarter of 2016, with completion tentatively expected for the second half of 2016.

No independent assessment, preliminary economic evaluation, feasibility or pre-feasibility study has been completed in connection with the construction, design and operation of the HPA plant. The Company recognizes and understands the risks this entails and urges investors to consider the same. There can be no assurance that the HPA plant will operate successfully or economically, that the estimated capital costs will be sufficient to achieve the design capacity or the product purities and characteristics, or that the plant will provide a return on investment or become profitable.

Medium Term — Waste Monetization

The Company's chloride-based extraction process is the technology platform for the treatment and monetization of industrial wastes, such as Red Mud, Fly Ash and Mine Tailings, the production of smelter grade alumina (SGA), and the production of other by-products, such as hematite, magnesium oxides and rare earth and rare metal products.

Once all phases of construction of the HPA plant are completed, the Company expects that its Cap-Chat facility will have the flexibility to use a variety of feed stocks, such as commercially available products (smelter-grade alumina, aluminum hydroxide or aluminum from recycled products), aluminous clay from the Company's Grande-Vallée deposit, and red mud residue or fly ash, to produce HPA or SGA (for customer testing) and other by-products, such as hematite, magnesium oxides, silica and rare earth and rare metal oxides. Thus, in addition to becoming a commercial HPA production facility, the Cap-Chat plant will also serve as a commercial scale demonstration facility for Orbite's Red Mud Monetization (RMM), Fly Ash Monetization (FAM), and commodity minerals.

As detailed above, conversion to the chloride technology, along with the addition of a scandium and gallium extraction unit, is planned to commence in the second quarter of 2016, with completion tentatively expected for the second half of 2016.

Based upon operating with multiple feedstocks in 2016/2017, Orbite plans to use the operating data and knowledge thus obtained, to design and build its first industrial prototype (estimated to be in the range of 100k – 200k tpy of feedstock consumed) to be installed at a to be selected waste site (red mud, fly ash, or mine tailings ponds). The Company's goal would be to have a first prototype operational in 2018, followed by the commissioning of a full scale waste monetization plant (1M tpy feedstock) in 2020. The Company should then be in a position to begin licensing its technology on a global scale. Such plants would process third-party stockpiles of waste, including red mud and fly ash, producing alumina and other high-value products, returning only a small residue to the stockpile of less than 10% of the original volume.

Red Mud

Red mud is generated as a by-product of alumina production using the industry-standard Bayer process. Red mud contains alumina, silica, iron, rare metals and other valuable elements, but with no viable means to remediate or extract value from this waste. Red mud is typically stockpiled in open-air tailings ponds, although in some cases it has been disposed of in the ocean, and represents a long-term environmental liability for the entire aluminum industry. According to the International Aluminum Institute ("IAI"), there are over 100 existing alumina refineries in the world and approximately 30 closed sites totaling an estimated global stockpile of over 3 billion tonnes of red mud at sites in Europe, Asia, North and South America. Over 120 million additional tonnes are produced annually, with less than 5% being re-utilized.

Memorandum of Agreement with Veolia Environmental Services

On February 4, 2013, Orbite announced it had signed an exclusive worldwide collaborative agreement (the “MOA”) with Veolia Environmental Services (“Veolia”) for the remediation of red mud. Veolia is a global, integrated operator of waste management services that is active across all segments (solid, liquid, non-hazardous and hazardous waste) and intends to build red mud monetization (“RMM”) plants around the world under a technology license from Orbite.

The Company and Veolia are working on achieving specific milestones in 2015 that include the ownership and funding structure of the first demonstration scale RMM plant, assignment of tasks, and establishing a project timetable and plan.

The MOA and ongoing discussions with Veolia do not involve or have any impact on the HPA plant.

Fly Ash

According to the International Energy Agency, coal is used to generate 41% of the world’s electricity, and is a significant source of thermal heat for industrial processes. Fly ash is one of the waste by-products generated from the burning of coal in coal-fired power plants. The largest producing regions of fly ash waste are China, India, USA, European Union, Africa, the Middle East and Russia.

According to the International Energy Association (“IEA”) Clean Coal Centre, there are 7,000 coal-fired power units worldwide, spread over 2,300 sites, of which about 620 are located in China. It is estimated that 40-50% of the coal combustion by-products are re-used primarily in low-value applications, such as additives to concrete production - where such an industry exists nearby - and in embankments or other structural fills, with the remainder being sent to stockpiles. Fly ash contains alumina, silica, iron, rare metals and other valuable elements, but no viable remediation technology has previously existed.

Agreements

At this time, the Company is pursuing discussions but has not entered into any agreements related to fly ash remediation.

Orbite is constantly reviewing the timelines related to its projects. All material changes, once properly quantified using our best estimates, will be communicated to investors in a timely manner. It is important to remember that our estimates are forward looking statements and are based on information available at the time and/or the Company management’s good-faith beliefs with respect to future events and are subject to known or unknown risks, uncertainties, assumptions and other unpredictable factors, many of which are beyond the Company’s control. These and other risks are disclosed in the section entitled “*Risks and Uncertainties*” and otherwise referenced in all our public disclosures.

Longer Term — Commodity Minerals

The Company proposes the building and operating of a smelter-grade alumina (“SGA”) production plant (the “SGA Plant”) processing aluminous clay mined from the Company’s Grande-Vallée deposit, which is situated in the Gaspé Peninsula of the Province of Québec. The basic engineering design of the SGA Plant, based on the Company’s proprietary processes, has been completed and the plant design follows the parameters of the Preliminary Economic Assessment ("PEA") Technical Report dated May 30, 2012, prepared in accordance with National Instrument 43-101 – Standards of Disclosure for Mineral Projects (“NI 43-101”). The SGA Plant is expected to process 2.5 million tonnes of aluminous clay per year resulting in an estimated annual production of 540,000 tonnes of SGA, as well as by-products that include high-purity hematite, high-purity silica, magnesium oxide, and individually separated rare earth and rare metal oxides. The Company intends, subsequent to the completion of the HPA Plant and its conversion to Orbite's chloride technology in 2016, to undertake, in 2017, a feasibility study for the SGA Plant, including site selection and detailed engineering, subject to securing sufficient project funding and selection of a joint venture partner.

Preliminary Economic Assessment (PEA)

The PEA estimated that the Grande-Vallée deposit contains an Indicated Mineral Resource of 1.04 billion tonnes of aluminous clay grading 23.37% Al_2O_3, 52.62% SiO_2, 8.42% Fe_2O_3, 1.64% MgO, and 6.90% as mixed oxides, as well as 563 ppm in REE+RM. The effective date of this mineral resource estimate is November 23, 2011. The PEA estimated that an SGA plant processing 2.5 million tonnes per year of aluminous clay from the Grande-Vallée deposit, could achieve an annual production of 540,000 tonnes of smelter-grade alumina and other by-products, including 189,298 tonnes of hematite, 1.2 million tonnes of silica, and approximately 48 tonnes scandium oxide, 76 tonnes gallium oxide, and 851 tonnes of heavy and light rare earth oxides. The alumina was determined to be the primary product whereas the production of silica, hematite, magnesium, mixed oxides, REE and RM should be considered as by-products. The capital costs were estimated at $500 million and the annual operating costs at $113 million. As per NI 43-101, a Preliminary Feasibility Study or a Feasibility Study is required to demonstrate the economic merit of Mineral Resources and their conversion to Mineral Reserves. At the time of this document, no such study has been completed and therefore the Grande-Vallée deposit currently has no Mineral Reserves.

The PEA economic conclusions were originally calculated using August 2011 market prices. Since then, the market prices of alumina, rare earth oxides and rare metal oxides have decreased significantly (in some cases, over 50%), and as such the conclusions of the PEA under Scenario 1 (alumina and hematite) and Scenario 2 (alumina and all by-products) are not representative of the current financial viability of the Company's SGA project. We urge readers to review the "Sensitivity Analysis" sections provided in the Preliminary Economic Assessment, including Tables 22-5 and 22-6, which provided adjusted financial conclusions for Scenario 2 reflecting different assumptions for market prices, including a "Low-Case" which reflected the market prices effective as at November 23, 2011 (see Sedar filing dated May 30, 2012). The following table provides a comparison of the estimated revenues and Net Present Value (NPV) between the Low-Case, High Case scenarios and the market prices in effect on April 16, 2015, for Scenario 2 using a 10% discount rate (pre-tax), in Canadian currency. As revenues, capital and operational expenditures in the PEA disclosure were provided in Canadian currency, and considering most sales and some equipment purchase and construction costs are likely to be in US currency, and in order to reflect more accurate market conditions, the NPV disclosure provided in Canadian currency was updated as to reflect the CAN/US average exchange rate of 1.2383 CA$/USD which is the average rate from Jan 1, 2015 to March 31, 2015 (Source: Bank of Canada website: www.bankofcanada.ca).

Case	Alumina Price (CA$/tonne)	Hematite Price (CA$/tonne)	Silica Price (CA$/tonne)	Magnesium Oxide Price (CA$/tonne)	REO/RMO Average Basket Price (CA$/kg)	Alumina Revenues (Million CA$)	REO/RMO Revenues (Million CA$) (2)	Total Annual Revenues (Million CA$)	Annual Gross Margin (Million CA$)	Capex (Million CA$)	IRR	Payback (Years)	NPV @ 10% (Million CA$)
High-Case	$425	$200	$25	$400	$479	$230	$393	$702	$572	$500	114%	0.9	$4,782
Low-Case	$325	$125	$10	$292	$168	$176	$138	$358	$237	$500	48%	2.1	$1,690
April 16, 2015 (1)	$389	$87	$40	$624	$171	$210	$140	$434	$285	$620	46%	2.2	$2,011

Notes:
(1) Prices (In USD) extracted from the following sources: Alumina: Three-month London Metal Exchange contract prices as of April 16, 2015 is $1,839tonne X 17.1% = US$314.47. Hematite. The conservative price is based on selling the entire production for iron ore production (steel manufacturing) not taking into account any volume sold in the magnets or other special applications that do command much higher prices. The current iron ore price is US$62.69/tonne-62% Fe (www.indexmundi.com-last available). Our Fe_2O_3 is 99.5% pure and therefore does contain 69.55% of Fe. US$62.69 X 69.55% / 62% = US$70.32 that was used in the NPV calculation. Silica. The recent silica prices show an average of US$32 per tonne (www.indmin.com) that was used in the NPV calculation. Magnesium and other oxides. Regarding "MgO and other oxides", the MgO prices used was US$503.75/tonne and US$5/tonne was used for the "other

oxides". Current MgO price is found on (www.indmin.com). An average price of US$503.75/tonne is showed for the latest transactions on calcined MgO-94% & 96% purity and therefore was used to update the results. Other oxide (Ca, K, Na) price estimate was left at US$5/tonne. Rare earths and rare metals RE/RM. Current prices were extracted from the "Metal Page" website (www.metal-pages.com). Regarding Scandium oxide, the conservative price of US$1,500/kg was used. The average exchange rate from Jan 1, 2015 to March 31, 2015 (1.2383 CAD$/USD) was used to convert prices, annual revenues and estimated CAPEX in CAD$.

(2) In the PEA base case (High-Case), the following rare earths and rare metals prices per kg were used for the NPV calculations: Ga (as metal)= US$900, Sc_2O_3= US$3,095, Y_2O_3= US$180, La_2O_3= US$143, CeO_2= US$150, Pr_5O_{11}= US$275, Nd_2O_3= US$400, Sm_2O_3= US$129, Eu_2O_3= US$650, Gd_2O_3= US$203, Tb_2O_3= US$4,332, Dy_2O_3= US$600. For April 16, 2015, the following average prices (USD/kg - FOB China) were extracted from Metal Pages web site (www.metal-pages.com): Ga (as metal)= $211.97, Y_2O_3= $11.70, La_2O_3= $4.17, CeO_2= $3.92, Pr_5O_{11}= $105.86, Nd_2O_3= $60.68, Sm_2O_3= $4.72, Eu_2O_3= $596.43, Gd_2O_3= $46.50, Tb_2O_3= $761.79, Dy_2O_3= $362.33. A conservative price of $1,500 per kg was used for the Sc_2O_3. The average exchange rate from Jan 1, 2015 to March 31, 2015 (1.2383 CAD$/USD) was used to convert REO/RMO Revenues in CAD$.

Offtake Agreement with Glencore International AG

On June 17, 2013, Orbite concluded a binding offtake agreement with Glencore International AG, a subsidiary of Glencore Xstrata plc, for the purchase of 100% of the smelter-grade alumina from the Company's proposed SGA plant in Québec for an initial term of 10 years from the commencement of commercial production. The Agreement also foresees that Orbite and Glencore will undertake negotiations relating to Glencore's potential financial participation in the ownership and operation of the Company's proposed SGA plant in Québec. The Parties have not set any timetable for the commencement or conclusion of these negotiations. The offtake and ongoing discussions with Glencore do not involve or have any impact on the HPA plant.

MINERAL EXPLORATION PROPERTIES

Québec

All titles are in the form of mining claims and all claims have been duly registered with the *Ministère de l'Énergie et des Ressources naturelles*. Orbite holds 100% of the rights in its mining claims.

Orbite owns 100% of 74 mineral claims totaling approximately 41 km^2 as well as one mining lease of 98.5 ha at a site near Grande-Vallée, Québec. This is the site of the Grande-Vallée aluminous clay deposit with a 1.04 billion tonnes Indicated Mineral Resource.

As of March 31, 2015, Orbite also owns 100% of 161 mineral claims covering approximately 133 km^2 at sites near Rimouski and Cap-Chat, Québec. These claims cover a portion of the regional aluminous clay “Orignal Formation” which hosts the Grande-Vallée deposit.

For more information, see our Annual Information Form dated March 31, 2015 for the year ended December 31, 2014, specifically the section entitled “Description of the Grande-Vallée Mineral Property”.

Nova Scotia

On November 14, 2012, the Company announced it had entered into an agreement with a private company and its shareholders, pursuant to which the Company was granted an exclusive option for a period of three years (the "Option Agreement") to acquire a 100% undivided interest in the mineral claims and exploration rights of the Chaswood kaolin clay and sand property located in Halifax County, Nova Scotia, Canada (the "Chaswood Property").

The Chaswood Property consists of 163 claims encompassing 2,608 hectares (approximately 26.1 km^2) in central Nova Scotia and is accessible by a network of paved highways and all-weather secondary roads. The property is strategically located near a natural gas pipeline and in proximity to the Port of Halifax, a major commercial port that could enable national and international shipments from a nearby potential SGA plant.

In order to acquire a 100% undivided interest in the Chaswood Property, Orbite made a payment of $150,000 upon signing of the Option Agreement, and is required to: (1) incur aggregate exploration expenditures on the property of $1 million by December 31, 2013 including costs related to NI 43-101 technical report, (2) deliver a NI 43-101 technical report by December 31, 2014, and if Orbite decides to exercise its option, (3) issue 2.4 million Class A Shares to the vendor, by January 1, 2016, released in tranches of 10% every nine months following the date of issuance. As of the date hereof, Orbite has not incurred the entirety of the exploration expenditures which were to be incurred in 2013 on the property (see (1) above), and has not delivered a NI 43-101 technical report by December 31, 2014 and therefore, has not fulfilled two of the conditions required pursuant to the Option Agreement. Discussions and negotiations with the owner of the claims to resolve the issue are ongoing.

DIVIDEND POLICY

The Company’s policy is to retain earnings, if any, for the financing of future growth and development of its business. As a result, the Company has not paid dividends in the past three (3) years and does not intend to pay dividends in the foreseeable future.

DISCLOSURE OF OUTSTANDING SECURITIES AS OF APRIL 28, 2015

The Company is authorized to issue an unlimited number of Class A Shares. The holders of Class A Shares are entitled to receive notice of and to attend all meetings of the shareholders of the Company. Each Class A Share carries one vote. The holders of Class A Shares have the right to receive dividends if, as and when declared by the Board of Directors of the Company. In the event of the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, or any other distribution of its assets among its shareholders for the purpose of winding-up its affairs, the holders of Class A Shares of the Company are entitled to receive the remaining property and assets of the Company on a pro rata basis.

The Company has a common share purchase option plan (the “Option Plan”) for its directors, officers, consultants and employees. The maximum number of shares available under the Option Plan is 10% of the utstanding Class A shares at the end of the period. Options granted under the Option Plan have a maximum ten-year term with vesting period at the discretion of the Board of Directors. Prior to October 2011, options had a five-year term. Options are granted at a minimum exercise price equal to the volume weighted average price of the Class A Shares on the TSX stock exchange for the five trading days prior to the grant of the options.

As of April 28, 2015, the Company had 355,054,607 Class A Shares issued and outstanding. The Company also had 60,240,046 Share Purchase Warrants exercisable at a weighted average price of $0.44 and expiring between December 2016 and April 2018. The Company also had 15,785,000 Common Share Purchase Options at a weighted average price of $0.94. The Company could issue a further 7,142,857 Common Shares if the 2012 Convertible Debentures, 1,303,750 Common Shares if the 2013 Debentures and 4,221,538 Common Shares if the April 2015 remaining Debentures were fully converted at the option of the holders.

Outstanding Class A Shares	355,054,607
Share purchase warrants	60,240,046
Share options	15,785,000
Convertible debentures (2012)	7,142,857
Convertible debentures (2013) (1)	1,303,750
Convertible debentures (April 2015) (2)	4,221,538
Fully Diluted	**443,747,798**

(1) Assuming a conversion price of $0.40, not including the additional shares to be issued for the make-whole amount.

(2) Assuming a conversion price of $0.325, not including the additional shares to be issued for the make-whole amount.

FINANCIAL CONDITION

Condensed Consolidated Interim Statements of Financial Position (unaudited)

	March 31, 2015	December 31, 2014
Assets		
Current assets:		
Cash and cash equivalents	$ 1,832,193	$ 2,977,929
Short-term investments	402,196	376,199
Sales taxes and other receivables	660,874	1,346,020
Current income and mining taxes recoverable	1,760,700	1,760,700
Investment tax credits and other governmental assistance receivable	5,233,235	5,197,822
Inventory	121,597	129,579
Prepaid expenses and others	865,947	845,187
Derivative financial instruments	-	354,000
Total current assets	10,876,742	12,987,436
Non-current assets:		
Restricted cash	20,405,886	16,354,020
Investment tax credits receivable	5,356,591	9,356,591
Property, plant and equipment	81,996,910	78,392,193
Patents and others	1,553,648	1,409,146
Exploration and evaluation assets	16,981,551	16,975,490
Total non-current assets	126,294,586	122,487,440
Total assets	$ 137,171,328	$ 135,474,876
Liabilities		
Current liabilities:		
Accounts payable and accrued liabilities	$ 5,969,275	$ 5,155,262
Short-term loan	3,025,000	-
Long-term debt	5,022	4,972
Total current liabilities	8,999,297	5,160,234
Non-current liabilities:		
Convertible debentures liability	21,668,254	21,371,538
Long-term debt	4,722,708	4,638,799
Deferred income and mining tax liabilities	2,372,460	2,372,460
Derivative financial instrument	51,615	69,604
Total non-current liabilities	28,815,037	28,452,401
Equity		
Share capital and warrants	169,152,760	169,152,760
Contributed surplus	15,162,087	14,981,211
Deficit	(84,957,853)	(82,271,730)
Total equity attributable to equity holders of the Company	99,356,994	101,862,241
Total liabilities and equity	$ 137,171,328	$ 135,474,876

Cash and short-term investments

Cash and short-term investments decreased by $1,119,739 compared to December 31, 2014. The decrease was mainly due to the continued investment in the construction of the HPA plant, research and development, general administration and HPA plant operating expenses. The decrease was partially offset by the $3.025 million short term loan received from Investissement Québec in January 2015.

Sales taxes and other receivables

Sales taxes and other receivables decreased by $685,146 during the first quarter of 2015 compared to December 31, 2014. The decrease of sales taxes (GST, QST and HST) receivable from the Federal and Provincial governments is primarily due to the reimbursement of previously filed returns

Derivative financial instruments

Derivative financial instruments decreased by $354,000 during the first quarter of 2015 compared to December 31, 2014. The decrease is due to a change in fair value pertaining to the SeriesY subscription rights.

Investment tax credits

Investment tax credits classified as non-current decreased by $4,000,000 during the first quarter of 2015, compared to December 31, 2014. The decrease is due to payments received from the tax authorities relating to the 2012 and 2013 fiscal years, which are pledged as security for the $25 million convertible debentures issued in December 2012. The funds that the Company will receive upon reimbursement of the 2012 and 2013 investment tax credits must be deposited in a segregated account and serve as security for the 2012 convertible debentures. These funds will be released to the Company according to the terms of the trust indenture agreement.

Restricted cash

Restricted cash increased by $4,051,866 during the first quarter of 2015, compared to December 31, 2014. These funds represent a portion of the refundable 2012 and 2013 investment tax credits, as well as the interest earned on such deposits, in a segregated account, which serves as security for the 2012 convertible debentures. These funds will be released to the Company according to the terms of the trust indenture agreement.

Property, plant, and equipment

Property, plant, and equipment ("PP&E") increased by $3,604,717 in the first quarter of 2015 compared to December 31, 2014. The increase results mainly from $3,680,919 in the investment in PP&E, and is mainly attributable to the HPA plant (which includes capitalized interest of $914,529).

Patents and others

Patents increased by $144,502 during 2015, compared to December 31, 2014. The increase is principally due to the costs resulting from the 10 new filings including national entry phases in various countries and one new continuation application filed in the US made in Q1.

Accounts payable, accrued liabilities

Accounts payable and accrued liabilities increased by $814,013 during 2015, compared to December 31, 2014, mainly due to the increase in the accounts payable turnover ratio during 2015 compared to December 31, 2014.

Short-term loan

Short term loan increased by $3,025,000 during 2015 compared to December 31, 2014 due to the receipt of the $3,025,000 million loan from Investissement Québec.

Long-term debt and convertible debentures

Long-term debt (including short-term portion) and convertible debentures increased by $83,959 and by $296,716, respectively during the first quarter of 2015, as compared to December 31, 2014. Both increases in convertible debentures and in long-term debt are mainly due to effective interest accretion during the period.

Contributed surplus

Contributed surplus increased by $180,876 during 2015, compared to December 31, 2014, due to the recognition of share-based payments.

RESULTS OF OPERATIONS

Condensed Consolidated Interim Statements of Comprehensive Loss (unaudited)				
		Quarter ended March 31,		
		2015		2014
Expenses				
Research and development charges, net of investment tax credits and other governmental assistance	$	383,179	$	404,174
General and administrative charges		1,206,431		2,113,830
HPA plant operations		854,391		896,115
Loss before net finance income (expense) and income and mining taxes		(2,444,001)		(3,414,119)
Net finance expense		(242,122)		(997,048)
Net loss and comprehensive loss	$	(2,686,123)	$	(4,411,167)
Basic and diluted net loss per share	$	(0.01)	$	(0.02)
Weighted average number of shares outstanding		320,795,551		240,552,185

Revenues

The Company is a development stage company and has no revenues.

Research and development charges

Research and development charges are generally comprised of personnel related expenses (salaries and benefits), share-based payments, consultant expenses and material costs for Orbite's Technology

Development Center in Laval. These charges are presented net of government research and development investment tax credits and other government assistance of $21,486 and $23,400 for the quarters ended March 31, 2015 and 2014 respectively. Research and development charges decreased by 5.1% or 20,995 during the quarter ended March 31, 2015 compared to the same period in 2014 due to a decrease in external lab analyses, lab consumables and share-based payments, partially offset by an increase in salaries, rental, repairs and maintenance.

General and administrative charges

General and administration charges consist mostly of personnel related costs (salaries and social benefits), share-based payment expenses, consulting, accounting, business development, legal, and investor relation costs relating to head office activities. General and administrative costs decreased by 42.9% or $907,399 during the first quarter ended March 31, 2015 compared to the same period in 2014. The decrease during the quarter is due mainly to reduction in professional fees, share-based payments and severance payment.

HPA plant operations

HPA plant operations include administration, operating and maintenance costs for the HPA plant in Cap-Chat since the pilot plant activities ceased at the end of the third quarter of 2012. Costs incurred at the HPA plant that directly relate to the installation of the equipment and the commissioning of the plant, and meet the IFRS criteria for capitalization, are capitalized in property, plant and equipment (PP&E). HPA plant operation expenses decreased by 4.7% or $41,724, during the quarter ended March 31, 2015, as compared to the same period in 2014. The decrease is due mainly to a reduction in environmental waste services, partially offset by an increase in salaries, professional fees and training fees pertaining to the production of samples during the first quarter and the training of operators in preparation for commercial production, scheduled to begin during the third quarter of this year.

Share-based payments

The Company has a common share purchase option plan (the “Option Plan”) for its directors, officers and employees. Share-based payments, which are non-cash in nature, decreased by 78.4% or $660,395 during the quarter ended March 31, 2015 compared to the same period in 2014. The decrease is mainly due to the granting of share purchase option during the first quarter of last year whereas no options were granted during the first quarter of 2015.

The following table details where the share-based payments have been recognized in the statements of comprehensive loss.

		Quarter ended March 31,		
		2015		2014
Research and development	$	16,458	$	53,290
General and administration		156,670		716,715
HPA plant operations		1,581		15,909
Recognized in comprehensive loss		174,709		785,914
Capitalized in property, plant and equipment		6,167		55,357
	$	180,876	$	841,271

Finance income

Finance income, consisting primarily of interest income, increased by $126,429 during the quarter ended March 31, 2015, as compared to the same periods in 2014, due mainly to interest received, along with the investment tax credits received during the period..

Other financial gains (losses)

Other financial losses decreased by $631,250 during the quarter ended March 31, 2015, compared to the same period in 2014. These changes are mainly due to the mark to market adjustments relating to the 2013 convertible debentures and the changes in fair value of derivative financial instruments.

CASH FLOWS

Condensed Consolidated Interim Statements of Cash Flows (unaudited)				
		Quarter ended March 31,		
		2015		2014
Cash flows				
Operations	$	(2,247,665)	$	(2,646,867)
Non-cash working capital items		857,106		(427,735)
Interest received		151,799		23,573
Interest paid		(532,775)		(500,194)
Operating activities		(1,771,535)		(3,551,223)
Financing activities		3,023,922		3,918,827
Investing activities		(2,398,123)		(5,341,408)
Net change in cash and cash equivalents		(1,145,736)		(4,973,804)
Cash and cash equivalents, beginning of period		2,977,929		9,909,439
Cash and cash equivalents, end of period	$	1,832,193	$	4,935,635

Cash Flows from Operating Activities

Cash flows used in operating activities decreased by $1,779,688 during the quarter ended March 31, 2015, as compared to the same period in 2014. Cash flows used for operations, which is cash flows used in operating activities, adjusted for certain non-cash working capital items and net interest payments, decreased by $399,202 during the first quarter, compared to the same quarter in 2014, while cash flows from non-cash working capital items increased by $1,284,841 during the quarter ended March 31, 2015, as compared to 2014. The decrease in cash flows used in operating activities during the first quarter of 2015 compared to the same period in 2014, is due mainly to a reduction in general and administration expense, sales taxes, as well as accounts payable.

Cash Flows from Financing Activities

Cash flows from financing activities decreased by $894,905 during the quarter ended March 31, 2015, compared to the same periods in 2014. The decrease during the quarter is mainly due to lower proceeds from financing activities.

Cash Flows used in Investing Activities

Cash flows used in investing activities decreased by $2,943,285 during the quarter ended March 31, 2015, compared to the same period in 2014. These changes are mainly due to lower investments in the HPA plant construction.

LIQUIDITY AND CAPITAL RESOURCES

The Company is a development stage company that has not generated any revenues or significant cash flows from its operations. The Company's source of funding has primarily been from the sale of equity and debt securities, and to a lesser extent, earning interest income, which is highly dependent on the cash balances and prevailing interest rates. The Company has limited financial resources, has no recurring revenues and continues to rely on the issuance of shares, debt or other sources of financing to fund its overhead, HPA plant construction, commissioning and ongoing operations and to advance its development-stage projects. As at March 31, 2015, the Company had an aggregate cash and short-term investments balance of $2,234,389, and positive working capital (current assets less current liabilities) of $1,877,445. Following the $10 million bought deal ($9.4 million net of underwriter's fee) completed on April 6, 2015, the Company had, on a pro-forma basis, a cash and short-term investments balance of $11,634,389 and pro-forma working capital of $11,277,445.

The consolidated financial statements have been prepared on a going concern basis, meaning on the basis that the Company will be able to realize its assets and discharge its liabilities in the normal course of operations.

The application of the going concern concept is dependent upon the Company's ability to satisfy its liabilities as they become due and to obtain the necessary financing to complete the construction of its HPA plant, the exploration and development of its mineral property interests, the attainment of profitable operations or the receipt of proceeds from the disposition of its mineral property interests. The Company is a development stage corporation and has not generated revenue or cash flows from its HPA plant, which is currently under construction. The Company's sole source of funding to this point has been the issuance of equity securities, debt and government grants. There can be no assurance that the HPA plant will operate successfully or economically, that the estimated capital costs will be sufficient to achieve the design capacity or the product purities and characteristics, or that the plant will provide a return on investment or become profitable.

In order to finance the ongoing construction and subsequent commissioning of its HPA plant, the Company closed a $10 million bought deal on April 6, 2015 with a potential to increase to $15 million (see below). Combined with monthly burn rate and expectation of starting commercial production in the third quarter of 2015, the Company will need to raise an additional $16.1 million or $11.1 million if the additional $5 million mentioned above is exercised prior to expiry of the option on May 6, 2015. In order to finance the completion of the construction and commissioning of the HPA plant, the Company has no other committed sources of future financing as of the date of these consolidated financial statements, other than the one mentioned above. The Company is currently working on securing alternative sources of financing. If the Company is not able to obtain funds from alternative sources, it would have an impact on the Company's ability to continue as a going concern, as the Company's current working capital without additional financing is insufficient to complete the construction and commissioning of the HPA plant.

If the going concern assumption were not appropriate for the consolidated financial statements, adjustments to the carrying value of assets and liabilities, reported expenses and consolidated statement of financial position classifications would be necessary. Such adjustments could be material.

Short term loan

On January 13, 2015, Orbite entered into an agreement with Investissement Québec to obtain a $3,025,000 loan. The loan is repayable when the Company receives the funds from the present and future receivables secured against this loan as described below, or at the latest by June 30, 2016. It carries an interest rate of 3.5% over the prevailing prime lending rate, which at March 31, 2015 was standing at 2.85%. The loan is subject to certain reporting and financial customary terms and conditions including maintaining a minimum working capital ratio until repayment of the loan.

The loan is secured by a 1st ranking movable hypothec on the universality of the Company's present and future receivables in the amount of $3,630,000, excluding manufacturing investment tax credits related to the HPA plant for the fiscal years ending December 31, 2012 and December 31, 2013.

$10 million bought deal

On April 6, 2015, Orbite completed the first portion of the public offering of units in the amount of $10,000,000 under the short form base shelf prospectus and prospectus supplement dated March 18 and March 30, 2015 respectively (the "Offering"). Euro Pacific Canada Inc., the Underwriter under the Offering, still has an option to purchase an additional $5,000,000 of units within 30 days from the date hereof. Each unit consists of $1,000 principal amount of 5% convertible unsecured unsubordinated debentures (the "Debentures") and 1,077 share purchase warrants (each a "Warrant") of the Company. The Debentures will mature on April 6, 2020 (the "Maturity Date") and will bear interest at a rate of 5% per annum payable semi-annually.

Each Debenture will be convertible, at the option of the holder at any time prior to the Maturity Date, into the number of shares computed on the basis of (i) the principal amount of the Debentures divided by the conversion price of $0.325 per share (the "Conversion Price"), and (ii) an amount equal to the additional interest amount that such holder would have received if it had held the Debenture until the Maturity Date (the "Make-Whole Amount") divided by the then 5 day volume weighted average trading price of the shares on the TSX (the "Current Market Price"). The Make-Whole Amount shall be reduced by 1% for each 1% that the Current Market Price at time of conversion exceeds the Conversion Price. Each Warrant will be exercisable into one share for a period of 36 months from their issue date at a price of $0.39 per share.

For its services, Euro Pacific Canada Inc. received a cash commission of $600,000 (equal to 6% of the gross proceeds raised) and 1,846,153 of non-transferable broker warrants (equal to 6% of the shares into which the principal of the Debentures sold are convertible). Each broker warrant is exercisable into one share for a period of 36 months at a price of $0.39 per share.

The aggregate number of shares to be issued upon conversion of the Debentures and for any payment of the Make-Whole Amount shall not exceed the number of shares equal to the principal amount of the Debentures divided by $0.325 less the 25% maximum discount allowable by the Toronto Stock Exchange. The units are qualified for sale by way of the Company's short form base shelf prospectus dated March 18, 2015 and prospectus supplement dated March 30, 2015.

The net proceeds of the Offering will be used to fund the Company's high purity alumina production facility in Cap-Chat, Québec and for working capital and general corporate purposes.

Subscription rights

Following the exercise of the series X subscription rights, the series Y subscription rights issued on March 10, 2014 were exercised by the Company on January 30, 2015. Such series Y subscription rights provide for the future subscription of $30 million in additional units having identical terms to those of the Units issued in 2013 (see note 7 of the December 31, 2014 Annual Financial Statements), with the exception that the conversion price shall be based on the 5 day volume weighted average price (“VWAP”) of the Company’s shares on the last trading day prior to the date on which the subscription rights in respect of which the units are issued first become exercisable, and the Warrants granted shall be equivalent to 45% of the number of Common Shares into which the Debentures are convertible, exercisable at a 20% premium over such conversion price. The Series Y Subscription Rights are initially exercisable in a principal amount equal to the lesser of $10 million and 20% of the aggregate dollar value of the publicly traded Common Shares, as sourced from Bloomberg, during the four month calendar period preceding the initial exercise date (the “Traded Equity Value”). The Series Y Subscription Rights are exercisable in additional tranches as follows: when the Traded Equity Value (calculated on a rolling four month period) reaches a level that is five times or more the principal amount of the last Series Y Units issued pursuant to the preceding exercise of Series Y Subscription Rights, the Series Y Subscription Rights become exercisable by Crede within 15 calendar days thereafter (and within another 15 calendar days thereafter by the Company if unexercised by Crede) for Series Y Units in a principal amount equal to the lesser of $10 million and 20% of such Traded Equity Value. This cycle will continue until the sooner of all Series Y Subscription Rights are exercised and December 10, 2015, upon which all remaining Series Y Subscription Rights shall expire. Notwithstanding the foregoing, Crede may at its sole discretion accelerate the exercise of tranches of the Series Y Subscription Rights in whole or in part, provided that each tranche shall not exceed $10 million in any given four month period.

On January 30, 2015, the Company announced it had sent an exercise notice to Crede Capital, LLC (“Crede”) confirming the exercise of the first exercisable tranche of the Series Y Subscription Rights. The amount to be subscribed according to the formula contained in the Series Y Subscription Rights (and which is based on the dollar value of the shares of the Company traded over a fixed period of time) was $5,457,320, but could have been increased to $10,000,000 by Crede. Under such exercise, an aggregate of $5,457,320 principal amount of 7.5% convertible unsecured debentures maturing in five years, convertible at a price of $0.2685 per share, and warrants to purchase up to 9,146,346 Common Shares at a price of $0.32 per share for a period of 36 months, have been issued.

The completion of this exercise was subject to satisfaction of the prescribed closing conditions, including regulatory approval from the TSX and shareholder approval. Accordingly, the Company called a special meeting of its shareholders (the “Meeting”) for the purposes thereof initially expected to be held April 2, 2015. As circumstances evolved since the calling of the Meeting, the Company postponed the date of the Meeting to April 27, 2015.

On April 13, based on developments subsequent to the issuance of the exercise notice, including the completion of its $10M public offering of units announced on April 6th, Orbite and Crede Capital ("Crede"), the holder of the Series Y Subscription Rights, mutually agreed to terminate the Series Y Subscription Rights. Accordingly, the special meeting of shareholders initially scheduled to take place on April 2, 2015 and subsequently postponed to April 27, 2015, has been canceled as approval of the Series Y Subscription Rights is no longer required.

Contingencies

The Company may be subject to various contingent liabilities that occur in the normal course of its operations. The Company is not aware of any pending or threatened proceedings, which could potentially have a material adverse effect on the consolidated financial condition or future results of the Company.

Commitments

As at March 31, 2015, the total purchase commitment for capital expenditures at the HPA project relating to equipment amounted to approximately $1,951,720.

Contractual Obligations

The Company expects to discharge its financial obligations related to the accounts payable and accrued liabilities and the short-term portion of the long-term debt with its working capital and the additional secured financing as described in the liquidity and capital section as well as from the $3,025,000 bridge loan received from Investissement Québec on January 14, 2015. This loan is collateralized against the Company's investment tax credits receivable for 2014 estimated at $4.0 million. The Company expects to discharge its financial obligations related to the 2012 convertible debentures with the refundable investment tax credits of which, $20.3 million was received and deposited in a segregated account during 2014 and the first quarter of 2015 as well as from the remaining balance it expects to receive in 2015 related to the construction of the HPA plant.

OFF BALANCE SHEET ARRANGEMENTS

The Company has certain off-balance sheet arrangements, consisting of leasing certain premises and equipment under the terms of operating leases and contractual obligations in the normal course of business.

TRANSACTIONS WITH RELATED PARTIES

During the period ended March 31, 2015, the Company incurred $118,155 (three months ended March 31, 2014 - $67,542) in professional fees from a law firm where a Board member, Pierre Meunier, is an equity partner at Fasken Martineau DuMoulin S.E.N.C.R.L., s.r.l. These transactions took place in the normal course of operations and were measured at the exchange amount, which is the amount established and accepted by the parties.

SUMMARY OF QUARTERLY RESULTS

The following table sets out selected quarterly financial information for each of the last eight quarters:

Quarter ended	Net loss and comprehensive loss ($)		Net loss per share ($)
March 31, 2015	(2,686,123)		(0.01)
December 31, 2014	(3,474,332)		(0.01)
September 30, 2014	(228,308)		-
June 30, 2014	(4,285,455)		(0.02)
March 31, 2014	(4,411,167)		(0.02)
December 31, 2013	(9,031,007)	(1)	(0.05)
September 30, 2013	(2,102,728)		(0.01)
June 30, 2013	(3,393,289)		(0.02)

(1) Includes $1,667,000 indemnification penalty on the flow-through shares, $3,367,000 in transaction costs, $535,000 disassembly and handling costs of certain equipment and $1,982,000 FV variation on the 2013 convertible debentures.

During the quarter ended September 30, 2013, the net loss decreased compared to the quarter ended June 30, 2013,mainly due to a reduction in share-based payment expense, and a general reduction in expenses and consulting fees which were partially offset by an increase in expenditures relating to financing initiatives and employee salaries and benefit expenses. The net loss increase in the fourth quarter ending December 31, 2013 is primarily the result of the FV variation of the 2013 debentures, the financing fees involved in the new debenture transaction as well as the indemnification payment on the flow through shares issued in December 2012.

The net loss decrease in the first quarter of 2014 was a result of the absence of some costs such as financing fees involved in the new debenture transaction and the non-recurring costs for the indemnification penalty on the flow through shares experienced during the fourth quarter of 2013. The decrease in net loss during the second quarter of 2014 is mainly due to a decrease in financing fees and general and administrative charges. For the quarter ended September 30, 2014, the net loss was impacted favorably due to the recognition of the change in fair value of the derivative financial instruments relating to the series X convertible debentures.

For the quarter ended December 31, 2014, the net loss increase compared to the third quarter of 2014 was due principally due to a $1,782,505 write-off following the redesign of the plant and a lower amount recognized in the change in fair value of the derivative financial instruments relating to the series X convertible debentures. The decrease in net loss during the first quarter of 2015 compared to the last quarter of 2014 is mainly due to a decrease in research and development, general and administrative, and HPA plant operations as well as the absence of some costs such as the 2014 write-off following the redesign and other expenses pertaining to the flow through shares.

Financial Instruments and Risk Management

Fair Value of financial instruments

A detailed description of the methods and assumptions used to measure the fair value of the Company financial instruments and their fair value are discussed in Note 13 – Financial instruments of the unaudited interim condensed consolidated financial statements for the three month period ended March 31, 2015.

Financial Risk Management

For a detailed description of nature and extent of risks arising from financial instruments, and their related risk management, refer to Note 13 of the unaudited interim condensed consolidated financial statements for the three-month period ended March 31, 2015. The Company is not aware of any significant changes to its risks factors from those disclosed at that time.

Risk and Uncertainties

For a detailed description of risks and uncertainties associated with the Company, its business and operations, refer to the “Risk and Uncertainties” section of Orbite’s Management Discussion & Analysis and our Annual Information Form for the year ended December 31, 2014 and filed on March 31, 2015 and available on www.sedar.com or on our website www.orbitealuminae.com.

Factors of uncertainty and risks that might result include the risks related to the need to raise capital to continue our growth, we may be subject to cost overruns, delays, labor shortages, labor unrest and other construction risks, the Company is dependent on a single principal asset, negative cash flows from operations, We may be unable to retain key employees, management personnel or other employees, if our competitors misappropriate unpatented proprietary know-how and our trade secrets, it may have a material adverse effect on our business, new markets, Alumina, rare earth and metal oxide prices and PEA disclosure, capital cost estimates, production, exploration and mining risks, environmental and other regulatory requirements, mineral resource estimates, title to properties, industry conditions, competition, permits and licenses, absence of feasibility studies, access to raw materials and inputs for production, joint ventures, development goals and time frames, changes to royalty regime, our business is subject to risks that may not be covered by insurance, litigation, risks related to our common shares, additional issuances of equity securities may result in dilution to our existing shareholders, our common shares are classified as a "penny stock" under SEC Rules, which limits the market for our common shares, we are a Canadian company and most of our directors and officers are Canadian citizens and/or residents, which could make it difficult for investors to enforce judgments against them or us in the United States, a decline in the price of our common shares could affect our ability to raise further working capital and adversely impact our operations, listing of our common shares and other risks stated in our continuous disclosure documents. .

CRITICAL ACCOUNTING ESTIMATES

The preparation of the financial statements in conformity with IFRS requires management to make judgements, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Management's best estimates concerning the future are based on the facts and circumstances available at the time estimates are made. Management uses historical experience, general economic conditions and trends, as well as assumptions regarding probable future outcome as the basis for determining estimates. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future period affected. There have been no changes in the significant judgements and estimates made by the management.

ADOPTION OF NEW ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS DURING THE YEAR

The consolidated interim financial statements have been prepared in accordance with accounting policies which are consistent with those of the previous financial year.

New standards and interpretations not yet adopted

Certain new standards, interpretations, and amendments to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after January 1, 2016. The Company has not early adopted these standards. Those which are considered to be relevant to the Company's operations are as follows:

Annual Improvements to IFRS (2012-2014) cycle

On September 25, 2014 the IASB issued narrow-scope amendments to a total of four standards as part of its annual improvements process. The amendments will apply for annual periods beginning on or after January 1, 2016. Earlier application is permitted, in which case, the related consequential amendments to other IFRSs would also apply. Each of the amendments has its own specific transition requirements. Amendments were made to clarify the following in their respective standards:

- Changes in method for disposal under IFRS 5 Non-current Assets Held for Sale and Discontinued Operations;
- ‘Continuing involvement’ for servicing contracts and offsetting disclosures in condensed interim financial statements under IFRS 7 Financial Instruments: Disclosures;
- Discount rate in a regional market sharing the same currency under IAS 19 Employee Benefits;
- Disclosure of information ‘elsewhere in the interim financial report’ under IAS 34 Interim Financial Reporting;

The Company intends to adopt these amendments in its financial statements for the annual period beginning on January 1, 2016. The extent of the impact of adoption of the amendments has not yet been determined.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

Disclosure controls and procedures (“DC&P”) are procedures designed to provide reasonable assurance that all relevant information required to be disclosed in documents filed with securities regulatory authorities is recorded, processed, summarized and reported on a timely basis, and is accumulated and communicated to management, including its CEO and CFO, as appropriate, to allow timely decisions regarding required disclosure. Management, including the CEO and the CFO, does not expect that the Company’s DC&P will prevent or detect all error and all fraud. The inherent limitations in all control systems are such that they can provide only reasonable, not absolute, assurance that all control issues and instances of fraud or error, if any, within the Company have been detected.

Multilateral Instrument 52-109 (“MI 52-109”), “Certification of Disclosure in Issuers’ Annual and Interim Filings”, issued by the Canadian Securities Administrators (“CSA”) requiring CEOs and CFOs to certify that they are responsible for establishing and maintaining Disclosure Controls for the issuer, that DC&P have been designed to provide reasonable assurance that material information relating to the issuer is made known to them, that they have evaluated the effectiveness of the issuer’s DC&P, and that their conclusions about the effectiveness of those DC&P at the end of the period covered by the relevant annual filings have been disclosed by the issuer.

MI 52-109 also requires the CEO and CFO to certify that they are responsible for establishing and maintaining internal controls over financial reporting (“ICFR”), as defined by the CSA, that the ICFR have been designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with IFRS, and that the Company has disclosed any changes in its ICFR during its most recent interim period that has materially been affected, or is reasonably likely to materially affect, its financial reporting.

As discussed above, the inherent limitations in all control systems are such that they can provide only reasonable, not absolute, assurance that all control issues and instances of fraud or error, if any, have been detected. Therefore, no matter how well designed, ICFR has inherent limitations and can provide only reasonable assurance with respect to financial statement preparation and may not prevent and detect all misstatements.

As at March 31, 2015, Orbite’s CEO and CFO have designed Disclosure Controls, or caused it to be designed under their supervision, to provide reasonable assurance that material information relating to the Company is made known to them by others during the period and information required to be disclosed by the Company in its interim filings or other reports filed by it under securities legislation is recorded and reported with the time periods specified in securities legislation. The CEO and CFO also designed ICFR, or caused it to be designed under their supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

There have been no changes to the ICFR that had occurred during the quarter ended March 31, 2015, which materially affected, or are reasonably likely to materially affect, the Company's ICFR.

Orbite continues to review and document its DC&P and ICFR, and may from time to time make changes aimed at enhancing their effectiveness and to ensure that systems evolve with the business.