Orbite Technologies Inc.
(*Formerly known as Orbite Aluminae Inc.*)

<u>MANAGEMENT'S DISCUSSION AND ANALYSIS</u> – For the quarter and six months ended June 30, 2015

This Management's Discussion and Analysis ("MD&A") is current to July 30, 2015 and is management's assessment of the operations and the financial results together with the future prospects of Orbite Technologies 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 and six months ended June 30, 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 Technologies 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.orbitetech.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 having 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 Technologies Inc. (the “**Company**” or “**Orbite**”) was incorporated on June 17, 1983 under the *Canada Business Corporations Act*. On June 12, 2015, the Company amended its articles to change its name to “Orbite Technologies Inc.” (*formerly known as Orbite Aluminae 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. On June 17, 2015, the Company’s securities began trading under the “Industrial-Technology” listing category of the Toronto Stock Exchange instead of the “Mining” category.

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 Technologies 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 18 patents and 105 pending patent applications in 11 different countries and regions 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 June 30, 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, retained 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.
- On May 5, 2015 Orbite received from the Government of Québec, an additional $2 million installment towards its 2012 and 2013 Québec Investment Tax Credits, related to equipment purchased for manufacturing and processing in the Gaspé region during the 2012 and 2013 financial years. The Company had to this date received an aggregate of $22.4 million of the $25.7 million of tax credits due to the Company related to the 2012 and 2013 financial years. These funds were deposited in a segregated account and serve as security for the convertible debentures issued in 2012. The Company anticipates receiving the balance of its 2012 and 2013 investment tax credits during 2015.
- On May 5, 2015, Orbite also announced it had received patents in both Canada and the United States pertaining to its Red Mud Monetization technology namely Canadian patent 2,857,574 and U.S. patent 9,023,301, both titled *Processes for Treating Red Mud*.
- On May 6, 2015, Orbite completed the issuance of 5,000 additional units for gross proceeds of $5,000,000 as a result of the exercise by Euro Pacific Canada Inc., the underwriter under the public offering, of its financing option, bringing the aggregate gross proceeds for the public offering to $15,000,000. The additional units have the same terms and conditions as those issued in the first portion of the public offering announced on April 6, 2015.
- On May 26, 2015, Orbite announced it was eligible to receive refundable investment tax credits (ITCs) on its investments in the Gaspé region incurred during 2015, 2016 and 2017. ITCs receivable were limited to a maximum of $30 million, which Orbite had reached for the years 2012 through 2014. However, this ceiling applies to three year intervals and a new three-year interval began on January 1, 2015. According to Québec tax regulations, companies making investments in manufacturing and processing equipment in the Gaspé region are eligible for a 32% return in the form of refundable ITCs. The Company has received confirmation from its tax advisors that it should be eligible to receive up to $7.5 million in tax credit refunds for fiscal 2015.

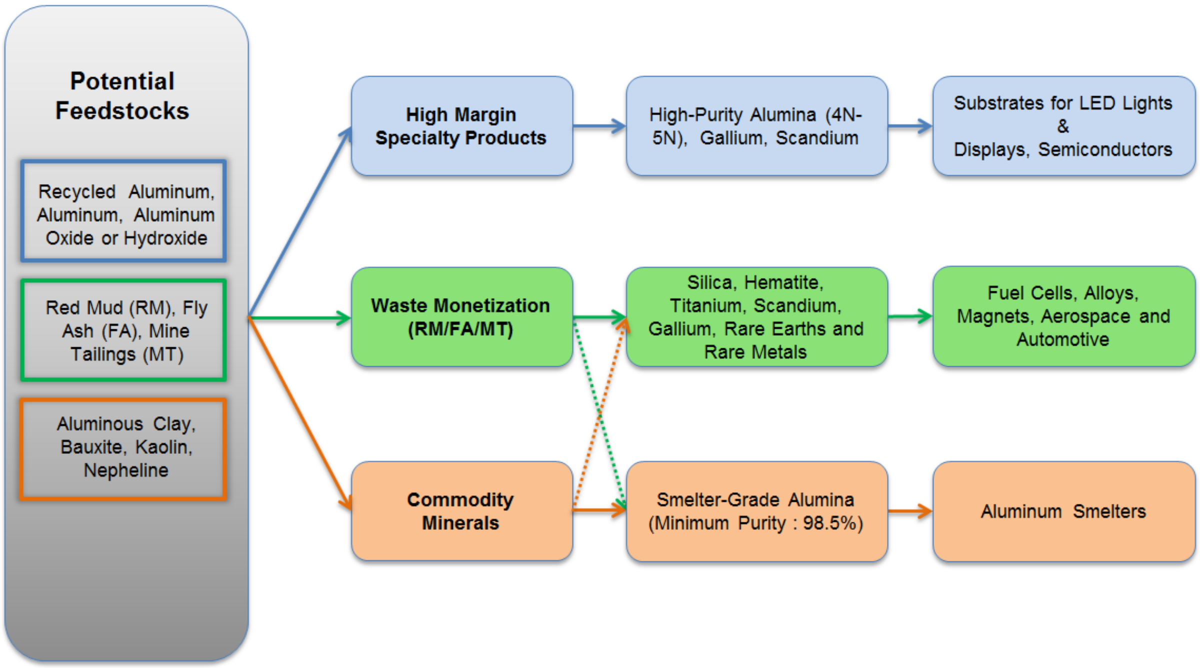
- On June 4, 2015, Orbite announced the passing of Mr. Peter Crossgrove, a director of the Company.
- On June 12, 2015, Orbite provided an update on its financing initiatives and on the construction of its HPA production facility (see section "*Business Development - Q2 2015 Operating and Construction Overview – HPA Plant*"), including the commencement of commercial production in Q4 of 2015, instead of Q3 as originally projected. Orbite confirmed, amongst other things, that Investissement Québec ("IQ") agreed to provide Orbite with a $5.0 million bridge loan, collateralized against the Company's investment tax credits receivable for the year 2015. The loan is conditional on the finalization of customary documentation and Orbite expects the conditions to be similar to the collateralized bridge loan provided by IQ in January 2015. In addition, the Company announced that it will be receiving from the Government of Québec, a $3.0 million installment towards its 2012 and 2013 Québec Investment Tax Credits, related to equipment purchased for manufacturing and processing in the Gaspé region during the 2012 and 2013 financial years. The Company had received or expected to receive shortly the totality of the $25.7 million of tax credits due to the Company related to the 2012 and 2013 financial years. $25.0 million of these funds will have been deposited in a segregated account and serve as security for the convertible debentures issued in 2012. The remaining $0.7 million along with $0.2 million in related interest received will be applied towards the financing of the HPA plant. The Company had filed for $27.5 million of tax credits related to the 2012 and 2013 Québec Investment Tax Credits but had recorded $25.7 million as receivable, net of a provision of $1.8 million. Discussions with the Government of Québec to qualify the $1.8 million balance as 2012 and 2013 Québec Investment Tax Credits are ongoing, and if successful, such refund will be also be applied towards the financing of the HPA plant.
- On June 15, 2015, Orbite announced that effective June 17, 2015, the Company changed its name to Orbite Technologies Inc. to better reflect Orbite's current vision and growth prospects, while emphasizing the importance of its technologies in its current and future growth plans. Accordingly, Orbite's website is now www.orbitetech.com. Concurrently with its name change, the Company's shares began trading under the "Industrial/Technology" listing segment on the Toronto Stock Exchange, instead of "Mining".
- On June 18, 2015, the Company held its 2015 annual and special shareholders meeting during which shareholders approved all of the resolutions proposed by management, including the approval of the Company's newly implemented restricted share unit plan and deferred share unit plan.
- On June 29, 2015, Orbite announced that it received notification from IP Australia, the Australian Government agency that administers intellectual property (IP) rights, of the granting and the delivery of patent 2012308068 pertaining to *Processes for preparing alumina and various other products*. The new patent provides protection until September 16, 2032.

The following is a description of the general developments of the Company subsequent to the financial quarter ended June 30, 2015:

- On July 2, 2015, Orbite announced that the National Research Council of Canada (NRC) will evaluate Orbite's High Purity Alumina (HPA) for use in lithium-ion battery separators in collaboration with Orbite's Technology Development Center.
- On July 10, 2015, the Company received $2.7 million from the Government of Québec in consideration of investment tax credits on the equipment purchased for manufacturing and processing in the Gaspé region. The payment relates to the 2012 and 2013 financial year and the Company expects subsequent payments to follow. At the date of publication of the consolidated financial statements a total amount of $25,000,000 had been received (including interest) and was deposited in a segregated account to serve as security for the convertible debentures issued in December 2012.
- On July 20, 2015, the Company drew $3.7 million on the $5 million bridge loan from Investissement Québec. As of July 20, 2015, $6.7 million was drawn on the aggregate $8.03 million available.
- On July 23, 2015, Orbite announced the passing of Mr. Christian Van Houtte, a director of the Company.

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 three tonnes per day ("tpd") high purity alumina plant (the "HPA plant"), scheduled to enter commercial production in the fourth quarter of the 2015 financial year.

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 2014 and commercial operations are expected to commence in Q4 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.

Q2 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 fourth quarter of 2015.

  A comprehensive cost and engineering review, which began in 2014, 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 was 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
Labor	$10,420
Contingencies	$3,000
Critical Spare Parts & Specialty Tools	$750
Total	**$42,100**

During Q2 2015, the refractory installation process and internal prepping of the decomposer and calciner ovens commenced at the end of March, as planned, with CNC Mechanical (2002) Inc. ("CNC") and RHI Canada Inc. ("RHI"). Replacement bricks were successfully precast using the new refractory material and refractory installation in the calciner system auxiliary piping progressed well at RHI in Boucherville and underwent curing at Les Services Mobiles Thermetco's ("Thermetco") facility in Montreal. The new refractory material was also successfully cast in place and pre-cured in the decomposer and calciner in Cap-Chat. Overall installation of bricks and mortar in the calciner, decomposer and piping progressed well, with onsite technical oversight from Outotec and refractory suppliers.

However, installation productivity by the contractors was not as high as forecast by them at the contract bidding stage. Lower than anticipated productivity, as indicated by RHI, was due to a steeper than anticipated learning curve, and longer intermediate curing requirements than originally projected for the new refractory material. To ensure that precision and quality requirements related to this critical component of the plant were met, Orbite agreed to an extended timeline. Refractory installation will materially be completed on July 31, four to six weeks longer than the originally scheduled 8 to 10 week period and will now be followed by a four week heating and curing process.

Specialty alloy piping, analogous to that used in the nuclear industry, is required for high-temperature steam supply to the decomposer and calciner. The shop prefabrication contract for this specialty piping was awarded to Groupe Pro-B Inc. of Trois-Rivières (Québec). Prefabrication of the steam piping has commenced and its onsite installation is planned to commence in August.

Prefabrication contracts for lined piping (acid duty) were awarded to Sarnia Piping Specialties Ltd, of Sarnia, (Ontario) and QIP Equipment Ltd. of Montreal (Québec). Shop prefabrication has commenced and delivery to the construction site is planned to start in August. Bids for field installation of all piping as well as for the supply and installation of insulation and ventilation have all been received and the Company is in the process of finalizing contractual agreements with the selected companies.

Major mechanical equipment installation, electrical and instrumentation installation, civil work and building erection are all progressing according to schedule.

A labor dispute (now resolved) at one of our suppliers may have affected its ability to fulfil, within the initially contemplated timeframe, its commitment of supplying a number of components critical to our timeline in relation to the completion of the high temperature steam system for the calciner and decomposer.

Consequently and as announced on June 12, 2015, the Company anticipates commencement of commissioning in Q3 2015 and the start of commercial production in Q4 2015.

As at June 30, 2015, the Corporation had incurred external capital costs of approximately $24.2 million of the revised estimated total of $42.1 million, and therefore estimated costs left to be incurred at that date were approximately $17.9 million.

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

  The preliminary engineering and cost estimate for this phase are currently being reviewed and the decision to proceed with plant expansion is expected to be taken during the second half of 2015. Plant expansion is expected to commence in mid-2016, with ramp up to 5 tpd to start in Q4 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 late 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 July 15, 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 1.2294 CA$/USD which is the average rate from April 1, 2015 to June 30, 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
July 15, 2015 (1)	$356	$86	$39	$518	$159	$192	$131	$402	$255	$615	42%	2.4	$1,745

Notes:

(1) Prices (In USD) extracted from the following sources: Alumina: Three-month London Metal Exchange contract prices as of July 15, 2015 is $1,692.50/tonne X 17.1% = US$289.42. 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$62.29/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$62.29 X 69.55% / 62% = US$69.88 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$421.25/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$421.25/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$1,500/kg was used. The average exchange rate from April 1, 2015 to June 30, 2015 (1.2294 CAD$/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 July 15, 2015, the following average prices (USD/kg - FOB China) were extracted from Metal Pages web site (www.metal-pages.com): Ga (as metal)= $200.20, Y_2O_3= $8.42, La_2O_3= $3.05, CeO_2= $2.85, Pr_5O_{11}= $75.6, Nd_2O_3= $51.51, Sm_2O_3= $1.56, Eu_2O_3= $325.29, Gd_2O_3= $46.50, Tb_2O_3= $656.79, Dy_2O_3= $301.5. A conservative price of $1,500 per kg was used for the Sc_2O_3. The average exchange rate from April 1, 2015 to June 30, 2015 (1.2294 CAD$/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

Orbite owns 100% of 74 mineral claims totaling approximately 41 km2 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 June 30, 2015, Orbite also owns 100% of 100 mineral claims covering approximately 57 km2 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. 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.

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 (see (2) above) 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 JULY 30, 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 outstanding 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.

The Company recently implemented a Restricted Share Unit Plan ("RSU Plan") and a Deferred Share Unit Plan ("DSU Plan") which were approved by shareholders on June 18, 2015. The DSU and RSU Plan provides that restricted and deferred share unit awards may be granted by the Board or the Corporate Governance & Human Resources committee (the "Committee") which administers the RSU Plan to full-time employees, officers and eligible contractors of the Company in a calendar year as compensation for services rendered to the Company. Each restricted and deferred share unit awards entitles the holder, subject to the terms of the DSU or RSU Plan, to receive a payment in fully-paid Common Shares issued from the treasury of the Company or a cash equivalent.

The aggregate number of Shares reserved for issuance upon the redemption of all share unit awards granted under the DSU and RSU Plan, or any other security-based compensation arrangement of the Company (including, without limitation, the Stock Option Plan), shall not exceed 10% of the issued and outstanding Shares.

As of July 30, 2015, the Company had 369,022,126 Class A Shares issued and outstanding. The Company also had 66,548,123 Share Purchase Warrants exercisable at a weighted average price of $0.44 and expiring between December 2016 and April 2018. The Company also had 18,695,250 Common Share Purchase Options at a weighted average price of $0.68. The Company could issue a further 7,142,857 Common Shares if the 2012 Convertible Debentures, 928,750 Common Shares if the 2013 Debentures and 9,498,461 Common Shares if the April and May 2015 remaining Debentures were fully converted at the option of the holders.

Outstanding Class A Shares	369,022,126
Share purchase warrants	66,548,123
Share options	18,695,250
Convertible debentures (2012)	7,142,857
Convertible debentures (2013) (1)	928,750
Convertible debentures (April and May 2015) (2)	9,498,461
Fully Diluted	**471,835,567**

(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)	June 30, 2015	December 31, 2014
Assets		
Current assets:		
Cash and cash equivalents	$ 3,704,547	$ 2,977,929
Short-term investments	403,701	376,199
Sales taxes and other receivables	1,092,508	1,346,020
Current income and mining taxes recoverable	1,760,700	1,760,700
Investment tax credits and other governmental assistance receivable	7,500,419	5,197,822
Inventory	111,504	129,579
Prepaid expenses and others	719,051	845,187
Derivative financial instruments	-	354,000
Total current assets	15,292,430	12,987,436
Non-current assets:		
Restricted cash	22,473,726	16,354,020
Investment tax credits receivable	3,356,591	9,356,591
Property, plant and equipment	85,331,190	78,392,193
Patents and others	1,729,216	1,409,146
Exploration and evaluation assets	16,953,447	16,975,490
Total non-current assets	129,844,170	122,487,440
Total assets	$ 145,136,600	$ 135,474,876
Liabilities		
Current liabilities:		
Accounts payable and accrued liabilities	$ 3,122,658	$ 5,155,262
Short-term loan	3,025,000	-
Long-term debt	5,072	4,972
Derivative financial instrument	640,578	-
Total current liabilities	6,793,308	5,160,234
Non-current liabilities:		
Convertible debentures liability	23,754,118	21,371,538
Long-term debt	4,810,479	4,638,799
Deferred income and mining tax liabilities	2,372,460	2,372,460
Derivative financial instrument	46,878	69,604
Total non-current liabilities	30,983,935	28,452,401
Equity		
Share capital and warrants	179,089,847	169,152,760
Contributed surplus	16,967,552	14,981,211
Deficit	(88,698,042)	(82,271,730)
Total equity attributable to equity holders of the Company	107,359,357	101,862,241
Total liabilities and equity	$ 145,136,600	$ 135,474,876

Cash and short-term investments

Cash and short-term investments increased by $754,000 during the first six months of 2015 compared to December 31, 2014. The increase is mainly due to the $15.0 million received from issuance of the 2015 debentures and the $3.025 million short term loan received from Investissement Québec in January 2015, partially offset by the continued investment in the construction of the HPA plant, research and development, general administration and HPA plant operating expenses.

Sales taxes and other receivables

Sales taxes and other receivables decreased by $254,000 during the first six months of 2015 compared to December 31, 2014. The decrease in 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 for the first six months of 2015 compared to December 31, 2014. The decrease is due to a change in fair value pertaining to the Series Y subscription rights.

Investment tax credits and other government assistance receivable

Investment tax credits and other government assistance receivable increased by $2.303 million during the six-month period compared to December 31, 2014. The increase is mainly due to the recognition of the 2015 investment tax credits receivable on the equipment purchased for manufacturing and processing in the Gaspé region in 2015.

Investment tax credits (Non-current)

Investment tax credits classified as non-current decreased by $6 million during the first six months 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 receives 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.

Restricted cash

Restricted cash increased by $6.120 million during the first 6 months 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 $6.939 million in the first six months of 2015 compared to December 31, 2014. The net increase results from $9.344 million, before investment tax credits, in the investment in PP&E, and is mainly attributable to the HPA plant (which includes capitalized interest of $1.920

million), partially offset by $2.260 million investment tax credits.

Patents and others

Patents increased by $320,000 during the first six months of 2015, compared to December 31, 2014. The increase is principally due to the costs resulting from the 20 new filings including national entry phases in various countries, one new continuation application filed in the USA and one new divisional application filed in Canada, during the first six months of 2015.

Accounts payable, accrued liabilities

Accounts payable and accrued liabilities decreased by $2.033 million during the first six months of 2015, compared to December 31, 2014. This decrease is mainly due to a decrease in the accounts payable turnover ratio.

Short-term loan

Short term loan increased by $3.025 million during 2015 compared to December 31, 2014 due to the receipt of a $3.025 million loan from Investissement Québec.

Derivative financial instrument

The Company has current derivative financial instruments, recognized on the Statement of Financial Position (refer to note 7 and 13 of the Condensed consolidated interim financial statements for a description of the convertible debt), representing the estimated fair value of the convertible debentures holders' conversion option and the make-whole amount on the 2015 convertible debentures issued during the second quarter of 2015. During the first six months of 2015, the derivative financial instrument liability increased by $641,000 compared to December 31, 2014 mainly due the changes in the derivative's fair value between the date of issuance and June 30, 2015.

Long-term debt and convertible debentures liability

Long-term debt (including short-term portion) and convertible debentures increased by $172,000 and by $2.383 million, respectively during the first six months of 2015, as compared to December 31, 2014. The increase in long-term debt is due mainly to the accretion of interest during the period. The increase in convertible debentures liability is mainly due to the issuance of the 2015 convertible debentures, partially offset by the exercise of the conversion option of the 2013 and 2015 convertible debentures.

Share capital and warrants

Share capital and warrants increased by $9.937 million during the six-month period ended June 30, 2015 compared to December 31, 2014, mainly due to the issuance of common shares as a result of the conversion of the 2013 and 2015 debentures.

Contributed surplus

Contributed surplus increased by $1.986 million during the first six months of 2015, compared to December 31, 2014, due to the recognition of share-based payments and warrants issued.

RESULTS OF OPERATIONS

Condensed Consolidated Interim Statements of Comprehensive Loss
(unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2015	2014	2015	2014
Expenses				
Research and development charges, net of investment tax credits and other governmental assistance	$ 532,457	$ 471,655	$ 915,636	$ 875,829
General and administrative charges	1,815,083	1,879,208	3,021,514	4,023,810
HPA plant operations	1,131,434	972,345	1,985,825	1,837,688
Other expense	-	245,578	-	245,578
Loss before net finance expense and income and mining taxes	(3,478,974)	(3,568,786)	(5,922,975)	(6,982,905)
Net finance expense	(261,215)	(716,669)	(503,337)	(1,713,717)
Loss before income and mining taxes	(3,740,189)	(4,285,455)	(6,426,312)	(8,696,622)
Income and mining taxes				
Current	-	60,800	-	60,800
Deferred	-	(60,800)	-	(60,800)
	-	-	-	-
Net loss and comprehensive loss	$ (3,740,189)	$ (4,285,455)	$ (6,426,312)	$ (8,696,622)
Basic and diluted net loss per share	$ (0.01)	$ (0.02)	$ (0.02)	$ (0.03)
Weighted average number of shares outstanding	357,441,920	265,904,695	339,219,968	253,298,475

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 $8,000 and $29,000 for the three and six months ended June 30, 2015. Research and development charges increased by 12.9% or $61,000 and by 4.5% or $40,000 during the three and six months of 2015 respectively, compared to the same periods in 2014, due to an increase in salaries, consulting fees, repairs and maintenance, partially offset by a decrease in shared-based payments.

General and administrative charges

General and administration charges consist mostly of personnel related costs (salaries and 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 3.4% or $64,000 during the quarter compared to the same period of 2014. General and administration charges decreased by 24.9% or $1.002 million during the six months ended June 30, 2015 compared to the same period in 2014. The decrease during the six-month period is attributable mainly to a decrease in share-based payments, consulting and professional fees.

HPA plant operations

HPA plant operations include administration, operating and maintenance costs for the HPA plant in Cap-Chat. 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 increased by 16.4% or $159,000 during the quarter ended June 30, 2015, and increased by 8.1% or $148,000, for the six months ended June 30, 2015, as compared to the same periods in 2014. Both increases are due mainly to increases in salaries, consulting fees, environmental waste services, and share-base payments, partially offset by a decrease in energy and environmental remediation.

Other expense

Other expense decreased by $246,000 during the quarter and the six months ended June 30, 2015, as compared to the same periods in 2014, as no other expense was incurred during the periods ended June 30, 2015.

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, increased by 1.2% or $4,000 during the quarter ended June 30, 2015 and decreased by 55.5% or $656,000 for the six months ended June 30, 2015, compared to the same period in 2014. The decrease is mainly due to the granting of less share purchase options as well as a lower weighted average fair value per share option granted during the first six months of 2015 compared to the same period of 2014.

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

	Three months ended June 30,		Six months ended June 30,	
	2015	2014	2015	2014
Research and development	$ 22,133	$ 30,235	$ 38,591	$ 83,525
General and administration	288,171	304,232	444,841	1,020,947
HPA plant operations	33,338	7,904	34,919	23,813
Recognized in comprehensive loss	343,642	342,371	518,351	1,128,285
Capitalized in property, plant and equipment	2,694	-	8,861	55,357
	$ 346,336	$ 342,371	$ 527,212	$ 1,183,642

Finance income

Finance income, consisting primarily of interest income, increased by $88,000 and $215,000 during the quarter and the six months ended June 30, 2015, as compared to the same periods in 2014, due mainly to interest received along with the investment tax credits received during the period as well as from cash on hand from the issuance of the 2015 convertible debentures.

Finance expense

Finance expense, consisting of interest and transaction costs increased by $480,000 and $483,000 during the quarter and the six months ended June 30, 2015, as compared to the same periods in 2014. These increases are mainly due to transaction costs pertaining to the issuance of the 2015 convertible debentures.

Other financial gains (losses)

The Corporation recognized a gain of $139,000 and a loss of $216,000 during the quarter and the six months ended June 30, 2015, compared to a loss of $708,000 and $1,694,000 for the same periods of 2014. These changes are mainly due to the mark to market adjustments relating to the 2013, series X and 2015 convertible debentures and the changes in fair value of derivative financial instruments.

CASH FLOWS

Condensed Consolidated Interim Statements of Cash Flows
(unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2015	2014	2015	2014
Cash flows				
Operations	$ (3,147,074)	$ (3,262,993)	$ (5,394,739)	$ (5,909,860)
Non-cash working capital items	(2,939,612)	(1,813,521)	(2,082,506)	(2,241,256)
Interest received	113,986	13,105	265,785	36,678
Interest paid	(548,024)	(500,183)	(1,080,799)	(1,000,377)
Operating activities	(6,520,724)	$ (5,563,592)	(8,292,259)	(9,114,815)
Financing activities	13,433,813	10,571,566	16,457,735	14,490,393
Investing activities	(5,040,735)	(1,282,004)	(7,438,858)	(6,623,412)
Net change in cash and cash equivalents	1,872,354	3,725,970	726,618	(1,247,834)
Cash and cash equivalents, beginning of period	1,832,193	4,935,635	2,977,929	9,909,439
Cash and cash equivalents, end of period	$ 3,704,547	$ 8,661,605	$ 3,704,547	$ 8,661,605

Cash Flows from Operating Activities

Cash flows used in operating activities increased by $957,000 during the quarter ended June 30, 2015 compared to the same period of 2014, and decreased by $823,000 during the first six months of 2015 compared to the same period of 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 $116,000 and by $515,000 for the quarter and the six month-period ended June 30, 2015 respectively, compared to the same period in 2014. Cash flows used in non-cash working capital items increased by $1.126, million during the quarter ended June 30, 2015, and decreased by $159,000 for the six months ended June, 2015 as compared to the same period of 2014. The decreases in cash flows used for operations during the quarter and six-month period ended June 30, 2015 are due mainly to reductions in general and administrative expenses. The increase in non-cash working capital items during the quarter ended June 30, 2015, is principally due to investment tax credits and other governmental assistance receivable recognized during the period.

Cash Flows from Financing Activities

Cash flows from financing activities increased by $2.862 million and by $1.967 million during the quarter and the first six months ended June 30, 2015 compared to the same periods in 2014. The increase for the six-month period ended June 30, 2015 compared to the same period in 2014 is due mainly to the net proceeds from the issuance of the 2015 convertible debentures and short-term debt from Investissement Québec partially offset by lower proceeds from issuance of shares, warrants, exercise of options, and long-term debt.

Cash Flows used in Investing Activities

Cash flows used in investing activities increased by $3.759 million and by $815,000 during the quarter and the six months ended June 30, 2015 respectively, compared to the same periods in 2014. These increases are mainly due to higher investments in 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 June 30, 2015, the Company had an aggregate cash and short-term investments balance of $4,108,248, and positive working capital (current assets less current liabilities) of $8,499,122.

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 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 ongoing construction and subsequent commissioning of its HPA plant, the Company closed a $10 million bought deal on April 6, 2015 and an additional $5 million on May 6, 2015 (see note 7). 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 and June 19, 2015 Orbite entered into a loan agreement for up to $3.03 million and $5 million respectively, from Investissement Québec. These loans are repayable when the Company receives the funds from the present and future receivables secured against these loans as described below, or at the latest by June 30, 2016 and June 30, 2017 respectively. They carry an interest rate of 3.5% over the prevailing prime lending rate, which at June 30, 2015 was standing at 2.85%. Interest is payable monthly and during the six-month period ended June 30, 2015 the interest expense amounted to $81,000. These loans are subject to certain reporting and financial customary terms and conditions including maintaining a minimum working capital ratio until repayment of the loan. As of July 30, 2015, $6.69 million was withdrawn from the available aggregate $8.03 million.

The loans are secured by a 1st ranking movable hypothec on the universality of the Company's present and future receivables in the amount of $9,390,000, 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 million and an additional $5 million on May 6, 2015, under the short form base shelf prospectus and prospectus supplement dated March 18 and March 30, 2015 respectively (the "Offering"). 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 $900,000 (equal to 6% of the gross proceeds raised) and 2,769,230 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

On April 13, 2015, based on developments subsequent to the issuance of the exercise notice, including the completion of its $10M public offering of units announced on April 6, 2015, 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, was canceled as approval of the Series Y Subscription Rights was 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 June 30, 2015, the total purchase commitment for capital expenditures at the HPA project relating to equipment amounted to approximately $1.4 million.

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 million bridge loan received from Investissement Québec on January 14, 2015 and the additional $5.0 million loan contracted on June 19, 2015. As of July 30, 2015, $6.685 million was withdrawn from the available aggregate $8.03 million.

These loans are collateralized against the Company’s investment tax credits receivable for 2014 and 2015 estimated at $4.4 million and $7.4 million respectively. The Company expects to discharge its financial obligations related to the 2012 convertible debentures with the refundable investment tax credits of which, $25 million is deposited in a segregated account.

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 three and six months ended June 30, 2015, the Company incurred $224,000 and $342,000 respectively (three and six months ended June 30, 2014 - $63,000 and $130,000) 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 ($)		Net loss per share ($)
June 30, 2015	(3,740,189)		(0.01)
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)

[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.

The increase in net loss in the fourth quarter ended December 31, 2013 compared to the one ended September 30, 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 compared to the quarter ended December 31, 2013, 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 compared to Q1-2014, 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. The net loss increase in the second quarter of 2015 compared to Q1-2015, is due mainly to an increase in share-based payments expense following the grant of options during the second quarter as well as an increase in salaries.

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 quarter and six months ended June 30, 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 quarter and six months ended June 30, 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.orbitetech.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:

IFRS 9 Financial Instruments

On July 24, 2014 the IASB issued the complete IFRS 9 (IFRS 9 (2014)).

The mandatory effective date of IFRS 9 is for annual periods beginning on or after January 1, 2018 and must be applied retrospectively with some exemptions. Early adoption is permitted. The restatement of prior periods is not required and is only permitted if information is available without the use of hindsight.

IFRS 9 (2014) introduces new requirements for the classification and measurement of financial assets. Under IFRS 9 (2014), financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows.

The standard introduces additional changes relating to financial liabilities.

It also amends the impairment model by introducing a new 'expected credit loss' model for calculating impairment.

The Company intends to adopt IFRS 9 (2014) in its financial statements for the annual period beginning on January 1, 2018. The extent of the impact of adoption of the standard 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 June 30, 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 June 30, 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.