

Orbit Canada Inc.

2500 MHz MCS
Radiocommunications and Broadcasting Branch
Industry Canada
Room 1514A – Jean Edmonds Tower North
300 Slater St.
Ottawa, Ontario
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Oct. 12, 1999

2500MHz@ic.gc.ca

Re: Notice No. DGRB-006-99
Detailed Submission

Orbit Canada Inc., the applicant, has provided one electronic version and twelve paper copies of its Detailed Submission for each service area being applied for. The list of these service areas is attachment #1 to this letter. The shareholders of Orbit Canada Inc. upon licensing will be; 3Com Canada Inc., Powertel Broadband Services Inc. and a number of individual Canadians. Orbit Canada Inc. is eligible to apply and although it is a new corporation for the purposes of this application, these shareholders are;

- i. Experienced MCS 2500 MHz digital system service operators currently operating in the Toronto area.
- ii. Experienced wireless telecommunications systems designers, systems integrators, builders, product suppliers and operators on both the national and North American scale.
- iii. Shareholders who are also directors and officers have proven track records of management capability covering business acumen of technical, commercial, legal and regulatory aspects.
- iv. The corporate shareholder support makes Orbit a sustainable competitive service provider having the appropriate financial resources and range of personnel resources with the skills and corporate infrastructure to execute its business and learning plans.

Sincerely,

PER H. Dunstan

Harry Dunstan, P. Eng.
President

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Orbit Canada Inc.

Business Plan

and

Applications

for

2500 Mhz Multipoint Communications Systems License

Regional Filings for the Regions of:

British Columbia

Alberta

Saskatchewan

Ontario

Eastern Ontario & Outaouais

October 12, 1999

NOTICE TO READER

This document is the property of Orbit Canada Inc. ("Orbit"). This document describes the business and the technology of Orbit and is being provided to you for the purposes of supporting Orbit's applications for the 2500 MHz Multipoint Communications Systems ("MCS") as per the Spectrum Management and Telecommunications. Policy document dated June 1999. By accepting delivery of this document, the recipient agrees to keep its contents confidential, except insofar as disclosure is required to assess the applications. Finally, in accepting delivery of this document, the reader agrees not to disassemble or rearrange this document in any manner in order to present only a portion of the plan.

OVERVIEW

Orbit Canada Inc. ("Orbit") has designed and built the world's first and only digital wireless high-speed Internet system capable of delivering MPEG1 and MPEG2 digital interactive multimedia, Voice over Internet ("VoIP") and video conferencing utilizing microwave frequencies and terrestrial services. Broadcasting from the First Canadian Place facility in Toronto using a frequency in partnership with PowerTel Broadband Services Inc., Orbit's first end-user market is comprised of the educational and healthcare institutions, government agencies and businesses located within a radius of 55 to 80 kilometres of the broadcast head-end. Orbit intends to expand its coverage area immediately upon approval from Industry Canada to offer services in Ontario, Saskatchewan, Alberta, British Columbia and Eastern Ontario and Outaouais.

The phenomenal growth of the Internet (4% per day world wide) and the continual demand for greater bandwidth for interactive multimedia, audio and other services (i.e. voice services and access to the Multicast feature of the Internet) will ensure the Company's success as it markets its unique wireless delivery system.

The Company's long-term business strategy is to maintain a leadership position through superior partnerships with organizations such as 3Com Canada Inc. ("3Com"), a US\$6 billion, world leading manufacturer of telecommunications, computing, broadcast and Internet equipment. Orbit commits to ensuring the continual delivery of innovative, advanced services based on technologies that are scalable, standards-based and open.

To deliver Orbit's high-speed services, the Company utilizes microwave frequencies for both one-way and two-way delivery as well as terrestrial leased lines for dial-up V.90 services and greater. With its digital network, Orbit is able to deliver files via the Internet economically at heretofore unseen speeds allowing, for example, the viewing of interactive multimedia, on subscribers' computers. This is a unique service that, in effect, eliminates the phenomenon known as the WWW aka the "World Wide Wait" and allows fiscally inhibited organizations such as schools and hospitals to enjoy the benefits of Internet-based resources. Orbit and 3Com are positioned and are committed to delivering these services immediately upon receiving a license from Industry Canada.

Certain of Orbit's executives activated this unique technology in January 1996 operating under an Industry Canada experimental license broadcasting from the CN Tower to the Scarborough and North York Boards of Education as well as other educational and healthcare institutions. These individuals activated a beta test centre broadcasting from Grand Island, New York using spectrum acquired from CAI Wireless Systems Inc. of Arlington, Virginia for the sole purpose of conducting a wireless research and development program. To date, in excess of \$5 million has been spent to develop Orbit's advanced technologies in co-operation with some of the most advanced software and hardware manufacturers in North America. These include companies such as 3Com, AT&T Canada, ITS Electronics Inc., Lucent, Decathlon, Silicon Graphics, Sun Microsystems, 3Com, Optivision and Hybrid Networks.

The technology and system architecture allows educational institutions and businesses to dramatically improve the efficiency of their Internet access systems (LAN's, WAN's or individual Personal Computers). At the same time, this architecture (as it was designed) allows Orbit to quickly replicate and operate very low cost broadcast head-end systems.

Orbit's wireless services provides the infrastructure required to implement a wide range of applications such as distance learning and training Internet-based e-commerce, telemedicine, and interactive multi-media communications.

In brief, Orbit's services include the delivery of:

- Large and graphic intensive **World Wide Web** pages and large electronic-mail files to be downloaded in seconds.
- Interactive Multimedia streaming.
- MPEG1 and MPEG2 interactive multimedia programming via the Internet.
- Interactive services (audio and multimedia) for distance learning and other applications.
- Interactive multimedia and educational content stored in a unique, digitally compressed format designed for real-time viewing on subscribers' computers and other interactive multimedia distribution systems.
- A secure broadcast system, utilizing Key Exchange, Encryption, Decryption protecting Orbit's subscriber's , addressing the over the air **privacy concerns**.
- High quality voice-over-Internet ("Voice Over IP").
- Two-way high-speed wireless communications.
- The only ISP offering a full range of connectivity speeds from V.90 to 10Mbps.
- Unique wireless services in total compliance with Industry Canada and the United States Federal Communications Commission.

Orbit also has the ability to provide high quality e-mail services and host web pages. In September 1999, Orbit commenced delivery of its services in the Greater Toronto Area to schools, hospitals and commercial subscribers.

Orbit has researched and developed proven technology and has unsurpassed experience, and the entrepreneurial drive to succeed. As a result, Orbit expects that all stakeholders will enjoy the benefit of a favourable licensing decision.

By licensing Orbit, Industry Canada will demonstrate its commitment to fostering competition on the Information Highway. Orbit is an innovative, entrepreneurial organization. Orbit has developed an exciting plan for the use of the 2500 Mhz spectrum for the enhancement of learning and welcomes the opportunity to implement it. It is Orbit's mission to develop new broadband products and services, provide consumer choice and contribute to job creation and economic growth.

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EXECUTIVE SUMMARY

Orbit Canada Inc. ("Orbit" or "the Company"), a wholly owned Canadian corporation incorporated in the Province of Ontario, was incorporated in 1999 for the sole purpose of implementing high speed digital wireless services in Canada using the Multipoint Communications Systems ("MCS") band. Orbit has completed the building of a high-speed digital wireless system to serve the Greater Toronto Area and neighbouring communities. Orbit is currently building on this strong base of operations and enjoying a successful business roll-out. Success in its applications to Industry Canada for additional frequencies will allow the Company, with the financial, technical and marketing support of 3Com Canada Inc. ("3Com") to immediately commence the expansion of its coverage areas. With the license, Orbit will provide advanced services to educational, healthcare and commercial customers with robust services resulting from its four years and \$5 million of research dedicated to this technology. Having worked with the top software and hardware manufacturers in the world, Orbit's experience in this field is unsurpassed.

Board of Directors and Management

Orbit's Board of Directors is comprised of experienced financial, legal, marketing and telecommunications professionals. Orbit's current management have more than 75 combined years of experience in the design, deployment and marketing of digital microwave technologies and telecommunications networks.

Markets and Services

Initially, Orbit will concentrate on providing services to the **educational, healthcare, commercial, residential and governmental organizations**. Orbit's applications are for additional radio frequency spectrum from Industry Canada in order to provide voice, interactive multimedia and high-speed data services for Ontario, Saskatchewan, Alberta, and British Columbia. These provinces are comprised of a population of approximately 20 million, two thirds of the country's schools, healthcare institutions, and its fastest growing economic regions.

It is projected by Omnia Communications Inc. that the penetration of on-line subscribers to the Internet in Canada will reach 36.5% by the end of 1999 and is projected to rise to 73.6% by 2004. In terms of services, Orbit is offering high-speed Internet services and access to the multi-cast features of the Internet, which are specifically targeted for the education and healthcare markets (although they are also in demand by commercial and consumer markets). Upon acquiring additional frequencies through the application process, Orbit will offer such services as the delivery of:

- Large and graphic intensive **World Wide Web** pages and large electronic-mail files to be downloaded in seconds.
- . Interactive Multimedia streaming.
- Storage and transmission of MPEG1 and MPEG2 interactive multimedia programming via the Internet.
- Interactive services (audio and multimedia) for distance learning and other applications.

- Interactive multimedia and educational content stored in a unique, digitally compressed format designed for real-time viewing on subscribers' computers.
- High quality voice-over-Internet ("Voice Over IP").
- Two-way high-speed wireless communications.
- A full range of connectivity speeds from V.90 to 10Mbps.
- E-mail services.
- Web page hosting.

Technology

Orbit currently utilizes 64 Quadrature Amplitude Modulation ("QAM") digital wireless technology and will be migrating to 128 and 256 QAM technology early in 2000, to maximize the potential of the 16 broadcast frequencies. Orbit also uses V.90 dial-up digital technology, 100 Base-T Ethernet, and MPEG1 and MPEG2 digital technology to deliver its services. Orbit is the first company in the world to utilize these combined technologies for the wireless delivery of digitally encoded compressed interactive multimedia from the Internet. This allows high quality video conferencing for schools and businesses. As Orbit operates in a wireless environment, it has significant capital cost advantages over satellite and terrestrial technologies including fibre optics.

The transmission head-end equipment costs for a typical metropolitan area is approximately \$1,250,000 including hardware and software. These head-ends are modular and scalable in design and can be expanded as market share increases. The head-end for a smaller market (i.e. a rural area) costs approximately \$750,000. Orbit's hardware technology is supplied by the following suppliers:

- **3Com**, which provides Internet routers and servers and network design and support;
- **Silicon Graphics**, which is providing video servers and related technologies;
- **Optivision**, a world leader in MPEG2 technology and video compression for long-distance learning;
- **Hybrid Networks**, which provides wireless Internet equipment;
- **Decathlon Systems**, which supplies video compression technology for interactive conferencing;
- **ITS Electronics**, suppliers of digital transmitters and repeaters.

Orbit has been working with AT&T Canada and Teleias Inc. (a Systems Integrator established by one of the founders of UUNET Canada) to build one of the most advanced high-speed Internet networks available in North America today. AT&T is supplying Orbit with sophisticated Internet hardware, support and management, and a Virtual Point of Presence ("VPOP") service to provide connectivity to the Internet and to communicate data requests from subscribers to Orbit's head-end. AT&T's VPOP service is currently available in British Columbia, Alberta, Ontario (and will be available in Saskatchewan in early 2000). Orbit provides one and two-way data transmission service to customers that have wireless equipment connected to their LAN's, WAN's or Personal Computers through a unique data processing network design that allows V.90 dial-up services at speeds twice as fast as currently available in Canada today.

Competition

From a competitive perspective, Orbit's system is considerably less capital intensive than traditional terrestrial systems, as it does not require an extensive network of land-based cable and head-end equipment. Simply put, there is no expensive electronic equipment between Orbit's wireless head-end and the consumer. In comparison to LMDS, DTH and other wireless providers, Orbit's capital and operational expenses are significantly lower. Finally, wireless systems (and Orbit's system in particular, due to the robustness of its radio spectrum allocation) have historically fewer service problems than terrestrial systems and are not adversely impacted by inclement weather (unlike wireline services that are susceptible to outages due to severe weather conditions).

Regulatory Environment

Orbit operates in compliance with North American radio transmission rules and regulations under the terms and conditions of an agreement signed in December 1997 by Industry Canada and the American Federal Communications Commission ("FCC"). Orbit commenced broadcasting from First Canadian Place, serving the GTA in September 1999. Orbit operates in compliance with Industry Canada and FCC broadcast regulations. Orbit has a working relationship with MCI Worldcom/CAI Wireless Systems Inc. the holder of licensed spectrum in areas bordering Canada. This relationship will reduce significantly potential conflict on the issue of cross-border microwave radio interference. In addition, orbit has successfully conducted frequency co-ordination testing with local Canadian broadcasters and commits to conducting similar tests in a licensed areas. Further, Orbit's Toronto broadcast site is operating in compliance with Health Canada's Safety Code 6 standard for wireless broadcasters, and Orbit will build and maintain each of its new sites in compliance with the Safety Code. Finally, Orbit acknowledges that there will be Conditions of License as described in Industry Canada's Policy and Procedures documentation relating to the licensing of the 2500 Mhz band.

Marketing Plan

As a result of its sophisticated technologies and lower infrastructure costs, Orbit is able to competitively price its services to its subscribers. Orbit's primary markets are the educational and healthcare communities in its licensed areas. Orbit will also market its services to commercial enterprises and residential consumers in its broadcast coverage areas to support and subsidize discounts to the institutional sector.

To reach the education and healthcare markets, Orbit will market its services in conjunction with such organizations as 3Com. This guarantees that Orbit have an **immediate** presence in all its service coverage areas with trained and professional marketing representation as well as installation, training, and service. In addition, as Orbit will be hosting educational material on behalf of various publishers, these organizations will be promoting Orbit's services as an economical and easy means of distributing material. Orbit will be conducting seminars during each year as well as conducting various programs to encourage the creative use of its broadband services.

To reach commercial subscribers, Orbit will distribute its services through various telecommunications and computer service organizations interested in offering bundled communications services. A number of such organizations have already signed agreements to market Orbit's services and are anxious to introduce the service to their clients. To reach residential consumers, Orbit will partner with national and regional retail organizations such as Radio Shack and Future Shop (with whom Orbit has held discussions) in a manner similar to Canadian DTH satellite and PCS providers.

To ensure awareness and market penetration in each of its primary markets, Orbit commits to spending appropriate sums based on communications plans prepared by experienced marketing consultants for each area of operation. For the institutional markets, Orbit will concentrate its resources on ensuring the lowest possible costs for its services. To ensure availability of its services to the institutional market at these prices, Orbit will aggressively market its services to residential and commercial markets using a variety of proven marketing techniques. Revenues from these latter sources will, in effect, subsidize the institutional markets.

In September, 1999, Orbit launched its services in Toronto and has been experiencing excellent customer acceptance, based on the installations to date the Company will have an excess of 500 schools, commercial and residential utilizing Orbit's network by the end of December 1999.

Operations and Infrastructure

Orbit's Toronto facility is comprised of a microwave broadcast head-end with its broadcast and receive antennae at a height of approximately 1100'. The necessary equipment to provide its services was installed and commissioned throughout August and activated in September 1999. Frequency co-ordination tests were conducted with Bell Canada and LookTV to ensure that there is no radio interference with their services. As Orbit's channel is directly adjacent to LookTV's frequencies, these tests proved that Orbit can co-exist with other wireless providers without creating any detriment to their services.

Orbit's Toronto MCS microwave frequency has the capacity to serve thousands of institutional, commercial and residential accounts with wireless services. Furthermore, using its V.90 dial-up technology, Orbit can serve hundred's of thousands of subscribers. With the frequencies to be licensed by Industry Canada, Orbit could easily provide services to over 150,000 wireless subscribers in each of its broadcast coverage areas. Orbit's network capacity is a direct result of its unique architecture that addresses the challenge of data collision – a serious problem that afflicts virtually all Internet Service Providers as they expand. This architecture was designed based on Orbit's four years of research & development and deployment of wireless services and was implemented by AT&T Canada under Orbit's direction. The network is totally redundant and provides for the deployment of new and innovative services to "mega" users of bandwidth such as schools, libraries, hospitals and universities.

To accommodate expansion in the coverage areas applied for, Orbit has entered into agreements with various telecommunications companies to co-locate equipment at their tower sites. These arrangements ensure that Orbit will have the necessary broadcast sites to meet or exceed the coverage area objectives and time frames of its business plan as well as its obligations under a broadcast license.

Orbit will contract with AT&T Canada to install fibre facilities to these tower sites upon successful approval of these applications (which will also be of use to ClearNET). Orbit will use radio frequencies and locally leased lines to backhaul traffic to AT&T's national VPOP network.

Finance

The company has a commitment for financial support for its applications and business plans from 3Com Canada Inc. To date, a combined total of approximately \$5 million on research and development, equipment, engineering and installation costs has been spent.

A capital infusion of \$40 million is required to deploy systems in the provinces that Orbit is applying to Industry Canada for licensing. This capital is required for the build-out of the network, marketing, operations, capital assets and other purposes as described in the Company's projections.

The chart below summarises Orbit's financial projections for the first five years of its operation predicated on receiving the licenses applied for:

Year Ending (000's)	Year 1	Year 2	Year 3	Year 4	Year 5
Revenue	7,440	32,959	73,023	116,550	160,204
Net Income	(4660)	(1,392)	9,773	23,105	36,453
Retained Earnings	(4,905)	(6,297)	(3,476)	26,581	63,034

To finance its growth and projections based on success in its license applications, Orbit will issue an Initial Public Offering in 2000 as have such similarly Industry Canada licensed organizations as ClearNET, Cantel, and others. To this end, Orbit has held discussions with securities dealers.

DIRECTORS AND MANAGEMENT

Mr. Harry Dunstan, P.Eng., President. Mr. Dunstan is a senior executive in the technology sector of the telecommunication and broadcast industries. He is a Professional Engineer who has become well known for his depth of technology expertise coupled with an excellent business acumen. These balanced traits make him a valued asset, sought after as both a corporate officer and member of a number of companies' and trade associations' Board of Directors. Historically, Mr. Dunstan has been the President of a firm with international operations in six countries and shipping over \$100 million worth of radio communications goods and services world-wide. He has experience running publicly traded corporations, including both American and Canadian listed firms.

Mr. Dunstan has historically been called upon and then demonstrated the skills, experience, and capability to conceive a business plan, build the business, and carry out a profitable exit strategy for the investors. He has direct experience in the building and management of wireless broadband businesses; wireless LMR systems manufacturing; new product development and manufacturing; commercial and military robotics. Mr. Dunstan also has highly relevant trade association and spectrum regulatory experience. Dunstan attended the University of Toronto graduating in Electrical Engineering in 1974. Since graduating he has studied the following Contract Law, Computer Science, Surface Acoustic Waves, accounting, MRP and DRP systems, building web-based applications. He has also conducted primary research under both the USA DARPA and Canadian IRDP for R+D projects.

Mr. Dunstan was responsible for a continental United States rollout including design and build of a 400 site (with 1600 repeaters) wireless network over a two year period from 1994 to 1995. Mr. Dunstan also consults to major Canadian corporations on the issue of electronic commerce, specifically relating to security and authenticity of secure payment gateways. Mr. Dunstan has worked with Industry Canada's Communications Research Centre to test and validate an RF propagation and interference computer model for the MCS band. This effort will contribute to the rapid deployment of Orbit's network.

Ms. Rona Ruben, CA., Chief Financial Officer. Former CFO of NetStar and The Sports Network (Rona, please fill in a bio). . Ms. Rubin gives financial leadership to the company after 8 years of progressive position advancement with The Sports Network Inc. most recently as Director of Finance. Ms. Rubin as a member of the executive committee was actively involved in design making, strategic planning and the assessment of business opportunities and alternatives. Additionally Me. Rubin was responsible for TSN's business plan as well as involvement in various CRTC licensee applications and renewals. Ms. Rubin is currently the Director, Corporate development for California Innovations Inc. a preeminent distributor of soft sided packing.

Mr. Philip E. Smith, CA. , Vice President Finance. Phil Smith C.A. Vice-President Finance. Mr. Smith joins the company after seven years as a partner at Weisbrod Smith & Goldmacher where he provided tax and financial services to a wide range of clients including several high tech companies. He has assisted several emerging technology companies obtain financing and utilize various government initiatives to support their growth. Previously, he was with KPMG Peat Marwick in both Calgary and Toronto where he continues to service international tax clients. Mr. Smith is founder and President of Keyboard Technologies Inc. a designer of keyboard and security devices.

Douglas C. Lloyd, Vice President Technology. As principal, over the past 15 years, Mr. Lloyd has been involved in the development, launch, marketing and management of some of Canada's most innovative telecommunications and broadcast organizations. This has included building national satellite and microwave telecommunications networks. Prior to this period, he held general management and sales management positions with several of Canada's leading technology companies.

Since 1996, Mr. Lloyd has been involved in research and development, design and deployment of wireless networks in Canada, the United States and elsewhere. These networks were built specifically for the purposes of providing high-speed digital services. Under Mr. Lloyd's direction, Orbit has built the world's first high-speed digital wireless Internet delivery system utilizing MPEG1 and MPEG2 digitally encrypted compression technology. Mr. Lloyd has been working closely with numerous world-leading hardware and software companies on issues pertaining to wireless networks. The result of this work is robust wireless technologies being marketed around the world by such organizations as Hybrid Networks, Silicon Graphics, Optivision and ITS Electronics.

Ian Hochberg MBA, Executive Vice-President. Since 1991, Mr. Hochberg has provided management consulting services to organisations in the telecommunications and Information Technology sectors. His clients have included software and hardware developers, telecommunications and broadcasting service providers. Mr. Hochberg has served as the Vice-Chairman of the Telecommunications Policy Committee of the Information Technology Association of Canada (ITAC). He is currently a member of the Executive Committee of the MIT/York Enterprise Forum and is a director of several private and public companies in the Information Technology Sector. Mr. Hochberg sits on the computer committee of his childrens' school. He is responsible for strategic planning and related issues.

Daniel R. Servos, Director..Dan Servos is President of **3Com** Canada. He has held this position since April, 1999. Mr. Servos is responsible for all Canadian operations including strategic planning, marketing, sales and distribution, network consulting, research and development, human resources, finance and customer service. In this role, he works with the **3Com** team and channel partners to deliver **3Com**'s end-to-end, convergence-ready networking solutions to consumers and to private and public sector customers across Canada.

Mr. Servos has more than sixteen years of sales, marketing, service delivery and operational experience in Canada's technology sector, most recently as vice-president and general manager of a major Canadian networking company. His extensive marketing and channel expertise complement 3Com's already strong channel presence, and will enhance 3Com's ability to serve Canadian consumer and enterprise customers of all sizes. An accomplished public speaker, Mr. Servos has been recognized repeatedly for his excellence in management and marketing.

Mr. Servos holds a bachelor of business administration (honours) from Toronto's Schulich School of Business at York University, and has completed numerous management and business skills development courses throughout his career. He sits on the board of the Telecommunications Learning Institute in Toronto.

LCol Arthur J.R.H. Neadow, CD, PFSC (Ret), Director. Col Neadow joins the Company in the continuation of his successful business career and after a distinguished career in the Canadian military. He retired from the forces in 1984 with the rank of Lieutenant Colonel to enjoy success as an investment banker and financial advisor. In this role, he specialized in investment banking for venture capital intensive projects and a diverse base of local and international clients. He is currently a major shareholder and the Executive Vice president of Creative Logic Ltd., a company that develops and produces multimedia solutions for the international banking community. Col Neadow was born and raised in Kingston, Ontario. He completed his undergraduate education at the Universities of New Brunswick, Alberta (Edmonton) and McGill, where he studied international affairs, mathematics, literature and languages. Col Neadow completed post-graduate studies in political geography as a Commissioned Officer at the Royal Military College in Kingston. He is a graduate of the Canadian forces Senior Staff College, the Nuclear War College, the Civil Defense College, the Advanced Officers Training School, the Canadian Forces Senior Management School, and the Major Projects School.

Rear Admiral Carl W. Ross (retired), Director. Admiral Ross joins Orbit as a Director following his successful 37 year career in the Canadian Militia, Royal Canadian Signal Corps, Royal Canadian Navy, and Canadian Armed Forces (1943 to 1980). During his military career, he obtained: a BSc in Electrical Engineering from the University of New Brunswick; a BSc in Mechanical Engineering from United States Naval Post Graduate School; a Diploma in Business Administration for the University of Minnesota; a MSc from the Aeronautical Engineering Department of the Massachusetts Institute of Technology; and a MA in Public Administration from Carleton University in Ottawa. Admiral Ross retired as Commandant of the National Defence College of Canada in 1981 and joined Scan Marine Inc. as their Vice President and Project Manager for their Canadian Patrol Frigate Program. In 1984 he joined the faculty of Queen's University's School of Business and in 1986 he became a Director and the CEO of Stork Canada (where he continues to be a Director).

In 1989, Admiral Ross founded Brybren Enterprises Inc. to manage Engineering and Consulting in a variety of organisations. He is a Past Director of Hotel Dieu Hospital, Past Chairman of the Citizen's Advisory Committee, Joyceville Institution and a Past Director of the Greater Kingston Chamber of Commerce and member of the Enterprise Resources Committee.

Demonstrated Competencies

As outlined in Industry Canada's Policy and Licensing Procedures, Orbit has brought together a experienced and knowledgeable team specializing in designing and deploying digital wireless networks in North America. Furthermore the financial professionals have had over 60 years of accumulative experience in managing large successful corporations. Recently, Orbit has put their technical staff through an extensive manufactures training program, involving the company's hardware and software, and are presently training new employees in this new advanced emerging technology.

Orbit currently enjoys alliances with some of the largest telecommunication leaders in the world , who are currently working with company's on a daily basis, as it expands out the Toronto network. Recently, Orbit's management team negotiated a financial commitment with 3Com Canada Inc. , a leader in the educational market in Canada that will assist Orbit in deploying its wireless services Canada.

Personnel

Senior network management, financial management, and marketing responsibilities are to be handled by experienced individuals that Orbit has hired. Orbit will also be drawing on the expertise of 3Com employees at all levels to assist in its operations and marketing. Administrative staff will be retained as required. These individuals will be on staff by the end of 1999. Orbit is also utilizing the services of some of the most knowledgeable and experienced consultants in the Internet and wireless industries.

In terms of new hiring, Orbit expects to have 810 people on staff by the end of five years of operations. Of these, 280 will be jobs requiring a high degree of technical skill in this emerging telecommunications field.

Orbit will also encourage co-op students from the communities in which it operates to work at the Company. In this manner, Orbit will be in a position to understand the needs of this important segment of the economy.

Employment Equity

Orbit estimates that it will create up to 200 highly skilled personnel (currently the Company has 12 individuals on staff) should it be successful in its applications for spectrum in British Columbia, Alberta, Saskatchewan and Ontario over the first five years of operations.

Orbit's highest level of management will ensure that fair employment practices are followed at all times. Due to the new and technical nature of the business, flexibility and technical expertise will be the first and foremost conditions for employment by Orbit – experience, skills and education will be the criteria by which prospective employees are judged. There will be no barriers to employment for any of the four designated groups (women, Aboriginal peoples, disabled persons and members of visible minorities).

Advertising for employees will include such phrases as: "We welcome all qualified candidates" and/or "Orbit is committed to diversity in the workforce and equal access to opportunities based on merit and performance." Employment advertising will be placed in major newspapers where access to the advertisements will be available to all interested Canadians.

Orbit will at all times consider employment equity issues in its hiring practices and in all other aspects of its management of human resources. Equitable employment practices will be required of all the Company's consultants, contractors, etc.

SERVICES

Orbit currently provides the Internet to subscribers at a speed of 10 Mbps using wireless delivery technology and dial-up V.90 speeds on its terrestrial network. The wireless service is up to 80 times faster than the local telephone company and 40 times faster than the local cable company. Orbit's V.90 download speed is twice as fast as any other V.90 service in Canada. The question is why is speed important? To quote Fortune Magazine (July 6, 1998, page 96),

"the application that really established the Net as a mass medium is "streaming video," the sending of moving images over the Net in real time. Surfers love PC software that decodes audio and video streams from the Net. RealNetworks, in Seattle, is uploading 100,000 copies of its free "players" each day. Whereas video delivered via the Web is grainy and jerky today, as bandwidths around the Net increase it will become smoother, like TV."

For Orbit subscribers, the ability to download digital interactive multimedia and educational content from the Internet has arrived. Simply put, Orbit's Internet speed is not unlike driving a Ferrari. Once driven, the average user has difficulty reverting back to the Volkswagen speeds that traditional modems deliver. For example, with standard 56Kbps modems, a 30 second multimedia clip can take 15 minutes to download, whereas with Orbit, this would take mere seconds.

This capability allows Orbit to offer high-speed wireless Internet, and audio services to schools, health care institutions and businesses seeking enhanced productivity in all activities involving communications, including, remote education services, research and inter and intra-office electronic communications. Furthermore, this speed allows high quality "Voice Over IP" services that will dramatically reduce the cost of long distance telecommunications – a benefit for all Orbit's subscribers.

In brief, once Orbit acquires additional frequencies, it will be able to offer schools, businesses and other consumers the following services:

- **Downloading in seconds**, large and graphic intensive **World Wide Web** pages and large electronic-mail files. Orbit has developed a unique high-speed digital wireless Internet delivery service. Upstream connectivity may be by wireless (i.e. a two-way wireless service) or by V.90 dial-up via the PSTN. Orbit's unique network architecture permits the fasted V.90 access and delivery speeds currently available in Canada.
- **Interactive Multimedia Streaming** . Large institutions such as hospitals, governments and universities transmit courseware, live operations, etc. through the Multi-cast backbone, however it is only accessible to those with sufficient bandwidth. Orbit's subscribers will have access to the Multicast features of the Internet due to the bandwidth and the compression techniques utilized by Orbit.
- **The "streaming" of educational content in MPEG1 and MPEG2 format** as well as beta and VHS tapes to be transported via the Internet to subscribers' existing computers and played on their video monitors. The content is viewed in the same manner and with the same (or better) quality picture and audio broadcasts from a cable or satellite company. Subscribers do **not** require set-top boxes to receive this educational content, nor do they need to subscribe to digital cable or satellite services to have access to the content. The educational content may be transmitted to distribution systems within schools or offices for multiple viewing.

- **Interactive Multimedia and Audio Interactive Services.** Educational systems today need to reduce costs and increase revenues while expanding and improving services. Orbit's MPEG transmission system allows schools to add curriculum and expand rural areas without increasing staff size or building new schools. The systems and software tools provide users with the foundation to build the latest in educational Intranets. The content and communications network can then be used to and revenue generating services. The quality of MPEG2 compressed data makes telemedicine a reality. The healthcare industry can now reduce costs while at the same time improve services. Doctors can now review ultrasound data output from remote locations, specialists can provide consultations without leaving the hospital or office. Remote communities can access medical services without travelling hundreds of miles. In addition, enhanced educational services can be provided at the "teachable moment", including CME, graduate clinical education and undergraduate medical education. These services are made economical with Orbit's technology and wireless transmission systems.
- **High quality voice-over-Internet ("Voice Over IP").** This service enables voice service through Orbit's Internet network and may be accessed through a two-way wireless system or terrestrial V.90 service. The quality of the voice service is comparable (or better) to that of traditional telephone companies. For the subscriber to access this service, they merely dial as they would normally (i.e. no additional numbers or special telephone handsets).
- **Web Site Hosting.** Subscribers will have 10Mb of space made available at Orbit for the purpose of hosting their web sites. Additional space requirements will be priced on a project by project basis. Web Sites will be hosted on Orbit's own server, protected by sophisticated firewalls. Educational material publishers will be encouraged to store their content digitally with Orbit for wireless distribution to schools, students and others. Orbit has the technology to ensure that publishers are compensated for providing this material (if desired).
- **E-Mail Services.** Each institutional and business subscriber will have up to 50 e-mail addresses available, hosted on an independent server protected by sophisticated firewalls.
- **E-Commerce Services.** Orbit's transmission speed allows for the rapid processing of electronic commerce transactions for subscribers hosting their web sites. Orbit provides authenticated state of the art digital certification, secure gateway's for commercial transactions. Protected by two sophisticated firewalls, advanced Encryption and Decryption process. Assuring the highest possible level of privacy and security available today. Orbit is committed to assuring to maintaining the highest level of securities.
- **Traditional ISP services.** This service utilizes V.90 technology that is available to only the most sophisticated of Internet Service Providers and is the fastest such facility available in Canada today. It is available to Orbit subscribers due to the technology Orbit is using for its wireless services.

MARKETS

Orbit's initial target markets are broken out into four categories and quantified in the chart below by region applied for:

1. Institutions, which includes schools, universities, hospitals, libraries and other public or quasi-public organizations including government agencies and departments;
2. Large size commercial enterprises, defined as having at least 500 employees;
3. Small to mid sized commercial enterprises ("SME's"), defined as having less than 500 employees;
4. Residential consumers.

The "universe" of potential subscribers is as follows:

Region/Category	Institutions ¹	Large Commercial ¹	SME's ¹	Residential Households ²
British Columbia	2,460	1,032	146,438	1,423,500
Alberta	2,122	883	109,444	978,000
Saskatchewan ³	1,214	587	36,093	371,500
Ontario	6,602	1,030	305,352	3,258,500
Eastern Ontario & Outaouais	1,585	247	73,284	780,000
Total	13,983	3,779	670,611	6,811,500

Notes:

1. Source: Omnia Communications Inc.
2. Source: Industry Canada
3. Orbit acknowledges that deployment in Saskatchewan may be delayed due to the process for gaining interconnection to the PSTN. This may impact on Orbit's financial plan vis this region.

These potential subscriber projections are used as the basis of Orbit's financial projections (Appendix 1).

Orbit will ensure that its services will be available in both Official Languages as well as to aboriginal, multicultural and special needs communities within its coverage area. Further, Orbit is committed to working with the Learning Community to ensure ubiquitous access to all its services.

TECHNOLOGY

Orbit's 64 QAM wireless system uses microwave frequencies, operating in the 2500 MHz range, to provide Internet, Moving Picture Expert Group ("MPEG") programming, Voice over the Internet ("VoIP") and other services. The 64 QAM modulation system chosen by Orbit has encryption to mask the digital packets of data so that data can not be deciphered at any location throughout Orbit's network. DES chips perform the encryption/decryption via three activities, **KEY EXCHANGE, ENCRYPTION, and DECRYPTION**. The key is an algorithm that contains a number of set of bits, which is used to encrypt packets so the data cannot be deciphered with the key exchange process. By early 2000, 128 and 256 QAM modulation systems will be available. This will improve capacity on the existing frequencies. Orbit has designed its system to accommodate this upgrade with no interruption in service to subscribers. Signals are broadcast in an omni-transmission to the subscriber's premises where off-air antennae receive the signal. This type of system is the simplest and most cost efficient method of bringing Internet, interactive multimedia and educational content to schools, businesses and residential consumers. Furthermore, Orbit's customer premise equipment can be remotely diagnosed and, in many instance, reprogrammed and repaired remotely.

The equipment installed by Orbit is supplied by major manufacturers such as 3Com, Silicon Graphics, Oracle, Optivision and others. It consists of a central point of presence or head-end equipment and wireless equipment. Some of the main components of the head-end are multimedia and terminal servers and digital routers, along with digital transmitters. The network is configured to 100 Base-T technology with MPEG encoders. The head-end manages the downstream microwave channels, AT&T's VPOP connection to the Internet and the Public Switch Telephone Network (PSTN) upstream lines of Orbit's asymmetric network. This equipment allows Orbit to serve its subscriber base within the coverage area of its head-end tower.

Orbit also provides a dial-up service utilizing V.90 technology. This technology is available only to the most sophisticated Internet Service Providers and is a direct result of Orbit having implemented its wireless high-speed digital Internet delivery service. This system will add virtually no incremental operating expenses, while allowing Orbit to market advanced services to small businesses and residential consumers at very competitive rates.

The precise configuration of Orbit's system and software is not described in this plan for confidentiality purposes, although they are briefly described below:

- 1. One and Two Way Wireless Internet Access Services:** Orbit has designed a unique system for processing and delivering high-speed Internet services. The network is redundant and operates with two parallel networks. The first network is designed to manage in-bound requests from subscribers (i.e. requests for data files) over the Public Switching Telephone Network ("PSTN") supporting V.90 dial-up technology as well as requests from two-way wireless subscribers, which bypasses the PSTN. The second network manages the delivery of the requested data files. The connection to the Internet is a fibre optic 10Mbps interface supplied by AT&T Canada operating on an OC3 national fibre backbone currently serving major metropolitan centres across Canada (allowing connectivity to all of Orbit's broadcast sites to allow data transfers in and between regions). This unique architecture eliminates data collision and preserves data transfer speed to and from subscribers. The network equipment is housed in a head-end located at broadcast facilities.

The head-end equipment is comprised of 64 QAM encoders, modulators, terminal servers, multimedia servers, high-speed routers, all connected to digital transmitters. The head-end manages the downstream and upstream of microwave channels and the Public Switching Telephone Network ("PSTN") upstream lines of Orbit's asymmetric network (see Appendix 8 for a network diagram). This sophisticated equipment and software allows Orbit to provide its wireless services to manage the projected number of users simultaneously within the coverage area of a broadcast head-end.

To subscribers, this system provides a very fast, seamless connection to the Internet, through either a one or two-way wireless connection. **Indeed, this is a highly robust system that maximizes the potential of the 2500 MHz range, essentially allowing "bandwidth on demand". This technology working today operating from Orbit's broadcast head-end at the First Canadian Place in Toronto.**

2. **One and Two Way Educational transmission services:** MPEG1 and MPEG2 educational content are up-streamed and encoded and modulated (using a proprietary process) to multimedia servers at Orbit's head-end and then are re-broadcast to subscribers of Orbit's services. With the ability to allow two-way transmissions, educational content may be sent directly to Orbit for re-distribution. This content would then be stored on Orbit's terabyte multimedia servers. Orbit will also maintain a DVD educational library on its servers. These DVD's may be loaded directly into the servers or by upstreaming either terrestrial or wireless means. This means that schools will **not** have to acquire their own DVD distribution systems, resulting in a substantial savings for school boards. Orbit will allow publishers of educational content the opportunity to host their learning material for their educators to view and download via wireless systems to one or numerous schools within the broadcast area as required.
3. **High quality voice-over-Internet ("Voice Over IP"):** This service is enable at the subscriber site by a router or modem designed to route long distance calls (via terrestrial V.90 or wireless) to Orbit's head-end. At the head-end, the call is processed through a carrier gateway and routers and sent via the Internet to the designated area code where it is processed by a local gateway and router (managed by a local ISP with which Orbit has partnered) to the local PSTN. In Canada, AT&T delivers the long distance calls through its fibre backbone and VPOP service. By Orbit utilizing its network efficiently, the result is significant savings for Orbit's subscribers.
4. **Video Conferencing and other Interactive Services:** Subscribers access these services either directly, using Orbit as a gateway or through the Internet. Access may be made either using terrestrial dial-up services or two-way wireless system. These services utilize the same systems and technologies (client-server software, encoders, decoders, and data compression systems) as Orbit is using to deliver MPEG programming.
5. **Co-ordination with American Broadcasters:** Currently, Americans broadcast in **horizontal polarisation** along the border while Canadians broadcast in **vertical polarisation**. This allows them to broadcast in the same allocated frequencies *without* interfering with each other's broadcast signals. Orbit has held meeting and working closely with CAI Wireless Systems Inc. (recently acquired by MCI Worldcom), the holders of the spectrum in New York and other Canadian border communities.

Orbit has agreements in place on a variety of issues including the use of their Grand Island site for testing purposes. Orbit transmitted in complete compliance with the Industry Canada/FCC cross-border treaty. Orbit has also held discussions with the holders of spectrum in the other states bordering on the Provinces that Orbit is applying to serve. Finally, Orbit has conducted frequency co-ordination tests with Bell Canada and LookTV in Toronto and there is no interference with their broadcast signals.

Broadcast Coverage

Orbit's wireless systems can transmit signals over distances of approximately 55 to 80 kilometres from its central transmission points, subject to local terrain, and the height of the transmission towers. As the transmission of microwave frequencies requires line-of-sight ("LOS") between the transmitter and the receiving antenna, buildings, dense foliage and topography can cause signal interference that can diminish or block signals. When operating in 1995 and 1996 from the CN Tower in Toronto as well as from Grand Island, New York, while performing research and development, a similar system delivered uninterrupted services as far as 120 kilometres.

However, increasing transmission power and using engineering techniques such as beam benders and other technologies that can ameliorate certain line-of-sight constraints and low and high powered signal repeaters substantially enhances the coverage area from each head-end. Digital technology has greatly enhanced the capabilities of 64 QAM systems and reduces "line-of-sight" constraints.

Orbit will utilize the most appropriate towers available from such organizations as ClearNET, Motorola, and AT&T Canada Inc. , and will transmit from the appropriate sites utilizing both vertical and horizontal polarization methods . In metropolitan areas, Orbit will continue to work with office building property managers to secure appropriate office tower sites.

LeBlanc & Royle Telecom and Tylon Tower will be contracted to engineer and install a minimum of three sites per month. These organizations will perform windload studies and reinforce existing towers (i.e. ClearNET, AT&T and Motorola's towers) and construct new towers where required.

Nonetheless, Orbit expects a standard 10% reduction in its subscriber base due to terrain and other obstacles that block line-of-sight broadcast signals and has adjusted its projections accordingly. This will likely be reduced, based on the engineer's report, due to the substantial height of the broadcast sites chosen.

In terms of Orbit's applications for MCS frequencies, the Company is seeking licenses for the Provinces of British Columbia, Alberta, Saskatchewan, and Ontario as well as Eastern Ontario and Outaouais. In these regions, Orbit will provide ubiquitous coverage throughout each region to ensure that its services to educational institutions will be offered across each licensed region.

To accomplish steady geographical coverage in the next five years Orbit will lease terrestrial services and tower space from ClearNET , AT&T, and Motorola. Orbit has submitted maps of ClearNET's current coverage areas that mirror Orbit's rollout plan (APPENDIX 2). By using existing towers Orbit will be able to install transmission equipment and microwave repeaters at a rate of three sites per month in the first year.

Capital Costs

The budget below applies to Orbit's average size configuration of broadcast head-ends. Actual costs at each head-end will vary based on the market size served by each head-end. In addition, should market penetration exceed projections, the system will need expansion. The network is modular and scalable, which will facilitate any required expansion.

Transmit Site Head-End Budget¹	
Antennae, Andrews Model HMD	\$10,000
Receive antennas and related equipment	30,000
16 Digital transmitters and racks and one redundant transmitter	160,000
Wave guide	50,000
Filters and connectors (wave guide connectors and hangers)	10,000
Combiners and multiplexers	55,000
Servers, Hardware and software	140,000
Multimedia Servers, encoders and compression equipment	250,000
Wireless Internet hardware and software	225,000
Routers and gateway switches VoIP	265,000
Installation and Engineering	55,000
Total	\$1,250,000

Each repeater site will cost approximately \$750,000., including Engineering. Therefore, on a regional basis, Orbit expects to incur capital costs **for head ends and repeater sites** as follows:

Region	Main Head-End Sites	Tower and Repeater Sites	Capital Costs
British Columbia	36	23	62,250,000
Alberta	35	25	8,500,000
Saskatchewan	26	19	46,750,00
Ontario	37	27	66,500,00
Eastern Ontario & Outaouais	6	15	18,750,000
Total	140	109	256,750,000

In addition to head-end capital costs, Orbit will incur expenses for completing its proprietary billing and administrative software, which will cost approximately \$250,000.

Internet Connectivity, System Management and Operations

Orbit has been working closely with AT&T Canada to build one of the most advanced high-speed Internet services available in North America today. AT&T's VPOP service will provide fast access to the Internet backbone and is entirely scalable so that Orbit's costs are based on its subscribership. Under the VPOP service contract, AT&T is responsible for the network connection to the Internet and their technical department will be available 24 hours per day, seven days per week (24 x 7). This program will also cover Orbit's V.90 dial-up service network.

At the head-end and at subscribers premises, Orbit's manufacturer suppliers warranty their products and will replace or repair any problem units immediately. In terms of managing the head-end, administration and operations, Orbit will have in place appropriate personnel by the end of 1999 (some personnel are already on board). In general, the equipment is self-sufficient and does not require the physical presence of an operator. Indeed, 95% of any problems can be remedied remotely. See Appendix 8 for Network Diagrams of the system.

Subscriber Equipment

Orbit's wireless system will be deploying "**addressable**" **subscriber authorisation technology**, which enables remote service of the equipment. By eliminating service calls, the addressable system reduces operating costs.

The antenna for reception of wireless services is installed at the subscriber location is considerably smaller than either VHF/UHF or DTH satellite receiving antennae. A wireless antenna as small as 4" x 4" x 1" can be used in an installation. It is designed to provide for easy installation and to withstand adverse Canadian weather conditions. The antenna can often be installed unobtrusively under the eaves, inside a window, or on a roof at the subscriber's location.

To view data transmitted via the Internet, subscribers require a simple proprietary (to Orbit) video output card in their computer connected with coaxial cable to the television to enable the viewing of these videos in real-time on televisions or other medium. This saves subscribers from having to acquire expensive decoding equipment to decode the MPEG1 and MPEG2 transmissions. The proprietary video output card was designed, developed and successfully tested in Grand Island by Orbit to fit directly into a PCI slot in any Personal Computer.

Orbit's state-of-the-art digital equipment has been designed to provide a complete range of services as described herein. In addition, many of these features reduce the risk of obsolescence dramatically. Specifically, the digital multimedia equipment is fully MPEG compliant, which is the industry standard as chosen by the FCC for High Definition Television ("HDTV"). Orbit's equipment is HDTV capable and it is the same technology being used by DTH and terrestrial cable companies. In other words, if this technology becomes obsolete, then all DTH and cable equipment will have to be upgraded. The life span of the technology is 7 to 10 years and the technology cycle is only now beginning, resulting in the expected economic life.

Further more, this advanced digital technology is currently available and is free from the threat of signal pirating by non-subscribers. In addition to digital cryptographic technology, the equipment has three layers of proprietary digital security. Due to its close relationship with its suppliers, Orbit will be in a position to know what products are being developed and, if necessary, develop a strategy for replacing the subscriber equipment at minimal cost.

COMPETITION

Orbit faces competition from: cable and telephone companies; Internet Service Providers ("ISP's"); Cable Companies; and other wireless providers. Orbit has substantial cost and/or other advantages over these competitors. These advantages include:

- **Focus.** Orbit is totally focused on the rollout of wireless services whereas telephone and cable companies have other business interests that are either competitive or distracting to the implementation of a high-speed digital wireless service. Orbit contends that these issues will **directly** impact on the timeliness of deployment by these organizations (i.e. considerable funds have been spent on building or upgrading terrestrial networks over the past five years, so they are not necessarily motivated to build out wireless services).
- **Experience.** Orbit has a working technology, broadcasting in the MCS range today from the First Canadian servicing the GTA. Orbit has identified suitable suppliers after the expenditure of approximately \$5 million over the past four years to develop its networks. Indeed, Orbit's predecessor has provided services to schools and hospitals in the GTA as recently as 1997 utilizing an experimental license from Industry Canada. Orbit is led by one of Canada's foremost authorities on the building and management of wireless communications networks.
- **Speed and Affordability.** Orbit offers both the fastest possible one and two-way wireless and terrestrial services available. With wireless, Orbit can transmit at 10Mbps, which can only be equalled with a T3 connection that can cost up to \$15,000 per month from telephone companies and other Internet Service Providers. Orbit's retail pricing for a higher grade o of service will be approximately one tenth of this price to commercial accounts and less for institutional clients.
- **Coverage.** Orbit expects to have approximately 85% coverage with the towers provided by AT&T, ClearNET, and Motorola. Where there are no tower sites, Orbit will ask the Boards of Education to provide real estate and/or roof top access where feasible in order to reduce or costs the savings of which will be contributed to the fund administered by the Steering Committee. To serve very remote communities, in the provinces applied for, Orbit is currently discussing the opportunity of leasing satellite transponders to facilitate interactive broadband services in these communities. There are technical challenges with regard to the use of satellites for this purpose (not to mention additional costs) however, as these challenges are addressed, satellites many be of some benefit to these communities.
- **Partners.** Orbit has partnered with 3Com Canada Inc., an organization that has dedicated substantial resources to the Learning community in terms network design and installation; training for MIS professionals and staff; not to mention discounts on equipment, services and upgrades. Perhaps more importantly, 3Com is a member of University Corp., which is responsible fo the next generation of the Internet (Internet2) whose founding partners include 135 universities and 40 major corporations. In addition, 3Com is a partner and executive on the IP Multicasting Initiative, which is responsible for the evolution of the multicasting on the Internet.

REGULATORY ENVIRONMENT

Orbit is currently operating its Toronto broadcast head-end in full compliance with North American regulations as detailed in the cross-border Agreement as outlined in FCC public Notice DA 97-2881, dated December 19, 1997.

Furthermore, on July 22, 1998, the CRTC issued a Public Notice (Telecom Public Notice 98-17) in which they forebear from regulating telephone companies' Internet Services. This means that they will not seek to impose new regulatory restrictions on the industry.

This request stipulated that Industry Canada would look favourably upon an applicant that had proven advanced technology; a viable business case; a plan for handling cross-border issues (as radio frequencies know no boundaries); and, in particular, a well considered plan to provide for learning. Orbit is working with the Co-ordinator of the Provincial Learning Authorities as well as the Ontario Learning Authority to ensure that their needs are met, if not exceeded. By focusing on providing services to education and healthcare institutions as well as businesses with its proven, advanced technology, Orbit should be well-positioned in its applications. This application will be further enhanced as Orbit has a relationship with MCI Worldcom, the holder of radio frequency licenses on the United States side of the Canada/US border as well as other FCC licensees in border areas.

Orbit's Toronto broadcast site is operating in compliance with Health Canada's Safety Code 6, a new standard for wireless broadcasters, and Orbit will build and maintain each of its new sites in compliance with the Safety Code. Further, Orbit acknowledges that there will be Conditions of License as described in Industry Canada's Policy and Procedures documentation relating to the licensing of the 2500 Mhz band and that the Company will be subject to the Radiocommunication Act. Finally, Orbit will comply with the international co-ordination standards.

MARKETING

Orbit is currently providing a leading edge service to one of the fastest growing markets in North America and is applying for a license to serve nearly two thirds of Canada. The Internet is growing at a staggering pace with hundreds of thousands of new subscribers, web sites and electronic commerce services coming on stream every day (see Appendix 3 for a report by Omnia Communications Inc., a well recognized market research firm that focuses on issues relating to telecommunications). In conjunction with a highly experienced marketing communications company to develop and implement a comprehensive marketing strategy that incorporates advanced technology and competitive pricing (as described above); local and regional distribution; installation; marketing communications; attentive customer services; and clear subscription and cancellation policies. These are described in the sections below.

Distribution

Based on the opportunity presented by the services and prices that can be offered by digital wireless technology, Orbit has prepared a marketing strategy the objective of which is to acquire the following number of subscribers in each market segment over the five regions for which Orbit is applying:

Subscriber Group	Year 1	Year 2	Year 3	Year 4	Year 5
Institutional ^{1.}	629	944	1,258	1,574	1,887
Large Commercial ^{2.}	69	136	205	272	340
SME's ^{3.}	3,017	15,088	30,178	45,266	60,355
Residential ^{4.}	6,130	15,633	31,891	48,792	66,358
Total Cumulative Subscribers	9,845	31,801	63,532	95,904	128,940

Notes:

1. Institutional subscribers are comprised of all public, elementary and secondary schools (including Catholic and Aboriginal schools), colleges, healthcare institutions, government agencies, crown corporations, ministries, and libraries.
2. Large commercial enterprises are comprised of private and public organizations with 500 or more employees.
3. SME's are are comprised of private and public organizations with fewer than 500 employees.
4. Each residential subscriber is a household.

To reach the institutional markets, Orbit will market its services in conjunction with such organizations as 3Com. This guarantees that Orbit have an **immediate** presence in all its service coverage areas with trained and professional marketing representation as well as installation, training, and service. In addition, as Orbit will be hosting educational material on behalf of various publishers, these organizations will be promoting Orbit's services as an economical and easy means of distributing material.

To reach commercial subscribers, Orbit will distribute its services through various telecommunications and computer service organizations interested in offering bundled communications services. A number of such organizations have already committed to marketing Orbit's services and are anxious to introduce the service to their clients. To reach residential consumers, Orbit will partner with national and regional retail organizations such as Radio Shack and Future Shop (with whom Orbit has held discussions) in a manner similar to Canadian DTH satellite and PCS providers.

To ensure awareness and market penetration in each of its primary markets, Orbit and 3Com commits to spending appropriate sums based on communications plans prepared by experienced marketing consultants for each area of operation. For the institutional markets, Orbit will concentrate its resources on ensuring the lowest possible costs for its services. To ensure availability of its services to the institutional market at these prices, Orbit will aggressively market its services to residential and commercial markets using a variety of proven marketing techniques. Revenues from these latter sources will, in effect, subsidize the institutional markets.

Installation

Based on extensive discussions and negotiations, Orbit intends to enter into an agreement with Cablecom, a division of Bracknell Corporation (an FP 500 company) for the installation and service of antenna, modems and cabling at subscriber locations. This will include schools, hospitals, universities, libraries and commercial and residential locations in all Orbit's coverage areas. Cablecom has the experience, capacity and financial wherewithal to meet Orbit's installation requirements in the Provinces applied for, which will mean the hiring of substantial additional skilled network installers. Cablecom is a large organisation with personnel located throughout Orbit's sphere of operations (see Appendix 6 for a Profile of Cablecom). Orbit and/or its primary equipment suppliers will train Cablecom (to the limited extent that training is required) in the installation and servicing of equipment. Installation costs will be passed on to the subscriber directly from Cablecom. Therefore, no revenue from installation services, or costs related to those services, are included in the Financial Projections.

Advertising

To support the marketing effort, Orbit has retained LA Ads Inc. of Toronto as its advertising agency and has provided for a multi million dollar marketing budget. LA Ads will develop marketing literature to be used as support documentation and other material for distributors as the distributors will be providing the front line sales effort. Orbit will also work with its distributors to design and implement specific marketing programs. Finally, Orbit will promote its services on the Internet at its own web site. The advertising and promotional material will emphasize Orbit's superior Internet services, access to the Multicast backbone and its other advantages.

Customer Service

Orbit is keenly aware that to successfully compete with the established telephone companies, it will have to provide high quality and timely service to its customers through its distributors. Orbit is committed to retain trained installers and service technicians. Customer service will be handled by the distributor at the front end and by AT&T and the Company through such organizations as Bracknell Corporation at the back-end on a 24 x 7 basis to handle technical issues. To foster and maintain customer loyalty, Orbit will train the distributors' customer service representatives.

Subscriber requests to add or delete services may all be made over the Internet or by telephone and will be handled by Orbit's customer service and/or technical personnel working from the Company's call centre. No changes to subscriber equipment are necessary to make such modifications, as the digital terminal is fully addressable remotely. In addition, subscriber account information can be accessed in a similar manner.

FINANCE

Capital Requirements

A capital infusion of \$40 million is required to build-out Orbit's system as described herein and successfully roll-out services. This will be comprised of both equipment lease financing and equity capital. Orbit has received a commitment from 3Com Canada Inc. (a US\$6billion company with cash reserves of US\$2 billion) to partner with Orbit to ensure Orbit's service deployment. Although 3Com is capable of providing both the required lease and equity capital, Orbit is holding exploratory discussions with Yorkton Securities to evaluate the timing and process of an Initial Public Offering.

Projections

Orbit has prepared a comprehensive set of detailed financial projections for each region applied for. The Income Statement, Cash Flow and Balance sheets are provided on a monthly and annual basis, along with the major assumptions used to develop the projections may be found in Appendix 1. Orbit welcomes the opportunity to discuss its projections in detail and to provide corroborating evidence for any aspect of its financial plan.

Ownership

All of Orbit's shares to date have been issued to Canadians (see Appendix 4 for incorporation documentation and related materials).. Orbit is not a holding company at this time, however, its structure may change pending the outcome of the licensing process.

As stated above Orbit has a partnership agreement with 3Com Canada inc. in which 3Com is committed to "ensuring the success service deployment". This may involve an equity investment, however, this will also be determined following the licensing decision. In any case, 3Com's equity position will not exceed the percentage allowable under the Radiocommunication Regulations.

CONCLUSION

In submitting this document, Orbit Canada is applying for each of the following regions on an individual and stand alone basis and Orbit is prepared to accept the responsibilities of a license in any or all of the applied for regions. To be specific, these regions are British Columbia, Alberta, Saskatchewan, Ontario, and Eastern Ontario and Outaouais.

Orbit has demonstrated institutional, financial, economic and technical capabilities that support the expansion and continued operation of its MCS facilities as described herein. Orbit's competencies as discussed in this document and in the accompanying Learning Plan include, but are not limited to:

Management Experience

- Experience in the installation and operation of telecommunications systems.
- Management experience and capability.
- Existing staff with the requisite experience in system implementation, marketing and sales, equipment procurement, management and technology.

Alliances

- Domestic and international alliances with organizations for the establishment and management of Orbit's existing and proposed facilities.
- Institutional, economic and technical arrangements with other companies and organizations in support of system implementation and operation.

Financial Capabilities

- A detailed five year financial plan that includes revenues, expenditures, and forecasts for this period, including the key underlying assumptions with sufficient detail to enable verification (although the Applicant will be available to address any questions regarding its projections).
- Evidence that the necessary financing is obtainable on reasonable terms and conditions. Funding arrangements will be finalized upon the awarding of the license.
- A business plan that incorporates background information, supported by concrete market research of the actual and potential market, trends and competitive environment. The plan includes:
 - Details on the Company's business and marketing strategy, product and service offerings, Human resource plans and policies.
 - Supplier and partnership relationships.
 - Technology strategy, including proposed network capital expenditures.
 - A five year implementation plan for each region applied for.

As a result, it is believed that Orbit Canada Inc. is well positioned to acquire and successfully manage radio spectrum. Orbit is anxious to demonstrate its capabilities and to provide its services for the benefit of Canadians in general and those individuals and organizations in the Learning Communities in particular. In the process of deploying its services, Orbit will be assisting in making Canada "one of the most connected countries in the world".

APPENDICES

- Appendix 1: Pro Forma Financial Statements and Major Assumptions
- Appendix 2: Maps of ClearNET Coverage Areas
- Appendix 3: Report from Omnia Communications
- Appendix 4: Incorporation Documentation and Related Information
- Appendix 5: Commitment and Profile of 3Com Canada Inc.
- Appendix 6: Profiles of Cablecom (Bracknell Corporation) and Hybrid
- Appendix 7: Letters of Support of ITS Electronics, Yorkton, Teleias and Decathlon

- Appendix 8: Network Diagram of First Canadian Place, Related Web Sites and
AT&T Internet and VPOP Service

APPENDIX 1

Pro Forma Financial Statements And Major Assumptions

**Orbit Canada Inc.
Pro Forma Financial Statements and Assumptions
Years Ending December 31, 2000 to 2004**

1. List of Major Assumptions
2. Balance Sheet
3. Income Statement
4. Cashflow Statement

Monthly and 5 Year Summary Spreadsheets

ORBIT CANADA INC.
OPENING BALANCE SHEET

ASSETS	
CURRENT ASSETS	
Cash	\$ 100
Accounts Receivable	
Prepaid & Sundry Assets	
TOTAL CURRENT ASSETS	
R&D TAX CREDIT RECEIVABLE	
CAPITAL ASSETS	
Capital Assets	
Accumulated Amortization	
NET CAPITAL ASSETS	
TOTAL ASSETS	<u>\$ 100</u>
 LIABILITIES AND OWNERS' EQUITY	
CURRENT LIABILITIES	
Accounts Payable	
Income Tax Payable	
TOTAL CURRENT LIABILITIES	
LONG-TERM LIABILITIES	
Lease\ Loan Obligation	
Other Long Term Debt	
TOTAL LONG-TERM LIABILITIES	
TOTAL LIABILITIES	
SHAREHOLDERS EQUITY	
Capital Stock	(1) \$ 100
New Equity Capital / Debt	
Retained Earnings	
TOTAL SHAREHOLDERS EQUITY	
TOTAL LIABILITIES & EQUITY	<u>\$ 100</u>

1) 10,000,000 COMMON SHARES ISSUED AND OUTSTANDING

Potential Subscribers "Universe"

Subscriber Group/Province	Year 1	Year 2	Year 3	Year 4	Year 5
Institutional Accounts					
British Columbia	2,460	2,460	2,460	2,460	2,460
Alberta	2,122	2,122	2,122	2,122	2,122
Saskatchewan	1,214	1,214	1,214	1,214	1,214
Ontario	6,602	6,602	6,602	6,602	6,602
Eastern Ontario	1,585	1,585	1,585	1,585	1,585
Total	13,983	13,983	13,983	13,983	13,983
Large Commercial Accounts					
British Columbia	1,032	1,032	1,032	1,032	1,032
Alberta	863	863	863	863	863
Saskatchewan	587	587	587	587	587
Ontario	1,030	1,030	1,030	1,030	1,030
Eastern Ontario	247	247	247	247	247
Total	3,779	3,779	3,779	3,779	3,779
SME's					
British Columbia	146,436	146,436	146,436	146,436	146,436
Alberta	109,444	109,444	109,444	109,444	109,444
Saskatchewan	36,093	36,093	36,093	36,093	36,093
Ontario	305,352	305,352	305,352	305,352	305,352
Eastern Ontario	73,284	73,284	73,284	73,284	73,284
Total	670,611	670,611	670,611	670,611	670,611
Residential Accounts					
British Columbia	1,423,500	1,451,970	1,481,000	1,510,630	1,540,842
Alberta	978,000	987,500	1,017,511	1,037,961	1,056,579
Saskatchewan	371,500	378,930	386,569	394,239	402,124
Ontario	3,258,500	3,323,070	3,396,143	3,457,946	3,527,105
Eastern Ontario	780,000	795,000	811,512	827,742	844,297
Total	6,811,500	6,947,730	7,086,635	7,228,418	7,373,967

Subscriber Group/Provinces	Subscribers By Year End				
	Year 1	Year 2	Year 3	Year 4	Year 5
Education/Institutional/Universities					
British Columbia	151	166	221	277	352
Alberta	66	143	191	239	286
Saskatchewan	65	82	109	137	164
Ontario	297	446	594	743	891
Eastern Ontario	71	107	143	178	214
Total	629	944	1,259	1,574	1,887
	1.8%	3.0%	5.4%	7.2%	9.0%
Large Commercial Accounts					
British Columbia	19	37	56	74	93
Alberta	16	32	48	64	79
Saskatchewan	11	21	32	42	53
Ontario	19	37	56	74	93
Eastern Ontario	4	9	13	18	22
Total	69	136	208	272	340
	0.6%	1.3%	2.5%	3.3%	4.0%
SME's					
British Columbia	659	3,296	6,590	9,885	13,179
Alberta	402	2,482	4,925	7,387	9,860
Saskatchewan	162	812	1,624	2,436	3,248
Ontario	1,374	8,070	13,741	20,011	27,482
Eastern Ontario	330	1,649	3,298	4,947	6,596
Total	3,817	19,999	39,178	58,666	79,965
	0.09%	0.32%	0.93%	1.41%	1.96%
Residential Accounts					
British Columbia	1,281	3,267	6,865	10,197	13,868
Alberta	880	2,245	4,579	7,009	9,528
Saskatchewan	334	833	1,739	2,661	3,619
Ontario	2,933	7,479	15,296	22,341	31,744
Eastern Ontario	702	1,700	3,652	5,597	7,560
Total	6,130	15,529	32,131	48,705	66,319
	0.15%	0.43%	0.87%	1.27%	1.68%
Cumulative Subscribers	9,845	31,981	63,532	95,904	128,940

Subscriber Group	Subscribers By Year End				
	Year 1	Year 2	Year 3	Year 4	Year 5
Institutional	629	944	1,259	1,574	1,887
Large Commercial	69	136	208	272	340
SME's	3,017	19,988	39,178	58,666	79,965
Residential	6,130	15,633	31,891	48,792	66,319
Total Cumulative Subscribers	9,845	31,981	63,532	95,904	128,940

**ORBIT CANADA INC.
ALBERTA PRO FORMA
BALANCE SHEET**

Orbit Canada Inc.
Pro Forma Balance Sheet
1999 to 2004

Month Year	Y/E DEC 1999	Y/E DEC 2000	Y/E DEC 2001	Y/E DEC 2002	Y/E DEC 2003	Y/E DEC 2004
ASSETS						
CURRENT ASSETS						
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts Receivable	-	364,244	1,448,221	2,762,266	4,054,350	5,348,676
Prepaid & Sundry Assets	-	-	-	-	-	-
TOTAL CURRENT ASSETS	\$ -	\$ 364,244	\$ 1,448,221	\$ 2,762,266	\$ 4,054,350	\$ 5,348,676
RAD TAX CREDIT RECEIVABLE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CAPITAL ASSETS						
Capital Assets	\$ -	\$ 11,750,000	\$ 25,755,000	\$ 39,565,000	\$ 53,375,000	\$ 67,185,000
Accumulated Amortization	-	1,269,000	5,133,500	11,760,583	21,199,667	33,360,750
NET CAPITAL ASSETS	\$ -	\$ 10,481,000	\$ 20,621,500	\$ 27,784,417	\$ 32,185,333	\$ 33,824,250
TOTAL ASSETS	\$ -	\$ 10,845,244	\$ 22,069,721	\$ 30,546,683	\$ 36,239,684	\$ 39,172,926
LIABILITIES AND OWNERS' EQUITY						
CURRENT LIABILITIES						
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Income Tax Payable	(200,598)	(4,270,832)	(10,125,228)	(15,699,856)	(19,753,137)	(22,277,659)
TOTAL CURRENT LIABILITIES	\$ (200,598)	\$ (4,270,832)	\$ (10,125,228)	\$ (15,699,856)	\$ (19,753,137)	\$ (22,277,659)
LONG-TERM LIABILITIES						
Lease/ Loan Obligation	-	8,812,272	6,915,137	5,426,424	4,258,205	3,341,485
Other Long Term Debt	-	-	-	-	-	-
TOTAL LONG-TERM LIABILITIES	\$ -	\$ 8,812,272	\$ 6,915,137	\$ 5,426,424	\$ 4,258,205	\$ 3,341,485
TOTAL LIABILITIES	\$ (200,598)	\$ 4,541,440	\$ (3,210,091)	\$ (10,273,433)	\$ (15,494,931)	\$ (18,936,174)
SHAREHOLDERS' EQUITY						
Capital Stock	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
New Equity Capital / Debt	445,774	11,523,709	37,655,092	80,873,854	75,877,338	65,337,349
Retained Earnings	(245,176)	(5,219,905)	(12,375,279)	(19,168,713)	(24,142,723)	(27,228,250)
TOTAL SHAREHOLDERS' EQUITY	\$ 200,598	\$ 6,303,804	\$ 25,279,813	\$ 40,820,116	\$ 51,734,615	\$ 58,109,100
TOTAL LIABILITIES & EQUITY	\$ -	\$ 10,845,244	\$ 22,069,721	\$ 30,546,683	\$ 36,239,684	\$ 39,172,926

**ORBIT CANADA INC.
ALBERTA
PROFORMA PROJECTIONS**

Market Assumptions

1	There is no seasonality with regard to account acquisition	
2	Institutional Accounts includes schools, hospitals, libraries, government agencies, etc.	
3	Large commercial accounts have 500 or more employees	
4	SME's have fewer than 500 employees	
5	Residential Accounts are equivalent to a household	
6	Rounding-down will be used in computing the numbers of accounts/line:	
7	The number of households are expected to grow annually at the rate of:	2.0%
8	The number of Institutional and commercial accounts are not expected to grow.	
9	Monthly Churn Rate as a percent of accumulated accounts:	2.00%

Expense Assumptions

10	Monthly Main Head-End Access and Modem Expenses, based on a 5 year agreement	\$15,000
11	One time installation charges:	18,650
12	Monthly local access at the repeater sites	500
13	High Speed Wireless Internet Access with PSTN upstream	-
14	Two-Way High Speed Wireless Internet Access	-
15	T1 Access (Leased Line)	1,000.00
16	ISDN Access (Leased Line)	88.00
17	V.90 Dial-Up Service	5.00
18	E-mail Addresses	-
19	Web Site Hosting	-
20	Video Streaming	-
21	Video Conferencing	75.00
22	Network Design and Implementation	1,500.00
23	Installation	1,000.00
24	License Fee for first year (payable in March)	440,549
25	License Fee Annual inflation factor:	2.0%
26	Research & Development as a percent of revenue	5.0%
27	Bad Debt Expense as a percent of revenue (on average)	1.0%
28	Cash from fixed monthly services is collected in 30 days. Variable charges are collected in 60 days. Disbursements are made in 30 days. All balance sheet figures are derived from the income or cash flow statements.	
29	Income Tax Rate	45.0%
30	Interest Rate on leased equipment	10.0%
31	Amortization Term in months on leased equipment	60
32	Lease Term in months	60
33	Pre-Launch marketing expenses for each market:	\$500,000

Finance and Administration Expenses

33	Office tower monthly rent:	\$2,000
34	Stand alone tower monthly rent:	\$1,000
35	Operations costs for telephone and office supplies per month:	\$5,000
36	Monthly Office and Service Centre Rent + P&B Taxes	\$10,000
37	Legal and other professional fees per month:	\$10,000

Technical and Operations Expenses

38	Annual Technical Support	\$252,000
39	Annual Technical Support Monthly Increase	5,000
40	Field Representative Monthly Travel Expenses in Year 1	5,000

**CANADA INC.
ALBERTA PRO FORMA
BALANCE SHEET**

Orbit Canada Inc.
Pro Forma Balance Sheet
1999 to 2004

Month	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD DEC
Year	2000	2000	2000	2000	2000	2000	2000	2000	2000	2000	2000	2000	2000
ASSETS													
CURRENT ASSETS													
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts Receivable	73,229	96,066	1,261,141	152,597	179,052	205,508	231,964	258,420	284,876	311,332	337,788	364,244	364,244
Prepaid & Sundry Assets	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL CURRENT ASSETS	\$ 73,229	\$ 96,066	\$ 1,261,141	\$ 152,597	\$ 179,052	\$ 205,508	\$ 231,964	\$ 258,420	\$ 284,876	\$ 311,332	\$ 337,788	\$ 364,244	\$ 364,244
PP&E													
RAD TAX CREDIT RECEIVABLE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CAPITAL ASSETS													
Capital Assets	\$ 964,333	\$ 1,915,667	\$ 2,875,000	\$ 3,854,333	\$ 4,841,667	\$ 5,830,000	\$ 6,869,333	\$ 7,826,667	\$ 8,815,000	\$ 9,813,333	\$ 10,786,667	\$ 11,750,000	\$ 11,750,000
Accumulated Amortization	(15,972)	(47,917)	(96,833)	(160,139)	(240,833)	(338,000)	(452,472)	(582,917)	(729,833)	(893,369)	(1,073,167)	(1,269,000)	(1,269,000)
NET CAPITAL ASSETS	\$ 948,361	\$ 1,867,750	\$ 2,778,167	\$ 3,694,194	\$ 4,600,833	\$ 5,492,000	\$ 6,416,861	\$ 7,243,750	\$ 8,085,167	\$ 8,919,964	\$ 9,713,500	\$ 10,481,000	\$ 10,481,000
TOTAL ASSETS	\$ 1,015,590	\$ 1,968,436	\$ 2,965,307	\$ 3,850,791	\$ 4,779,886	\$ 5,697,508	\$ 6,647,825	\$ 7,502,170	\$ 8,370,043	\$ 9,231,276	\$ 10,051,288	\$ 10,845,244	\$ 10,845,244
LIABILITIES AND OWNERS' EQUITY													
CURRENT LIABILITIES													
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Income Tax Payable	(436,291)	(713,829)	(1,296,793)	(1,542,553)	(1,807,329)	(2,089,833)	(2,438,095)	(2,762,193)	(3,108,118)	(3,476,054)	(3,864,458)	(4,270,832)	(4,270,832)
TOTAL CURRENT LIABILITIES	\$ (436,291)	\$ (713,829)	\$ (1,296,793)	\$ (1,542,553)	\$ (1,807,329)	\$ (2,089,833)	\$ (2,438,095)	\$ (2,762,193)	\$ (3,108,118)	\$ (3,476,054)	\$ (3,864,458)	\$ (4,270,832)	\$ (4,270,832)
LONG-TERM LIABILITIES													
Lease Loan Obligation	-	-	936,167	1,985,967	2,808,500	3,720,897	4,664,045	5,509,931	6,306,299	7,219,300	8,026,781	8,812,272	8,812,272
Other Long Term Debt	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL LONG-TERM LIABILITIES	\$ -	\$ -	\$ 936,167	\$ 1,985,967	\$ 2,808,500	\$ 3,720,897	\$ 4,664,045	\$ 5,509,931	\$ 6,306,299	\$ 7,219,300	\$ 8,026,781	\$ 8,812,272	\$ 8,812,272
TOTAL LIABILITIES	\$ (436,291)	\$ (713,829)	\$ (359,616)	\$ 341,114	\$ 1,001,180	\$ 1,631,064	\$ 2,225,950	\$ 2,747,739	\$ 3,250,181	\$ 3,743,246	\$ 4,164,323	\$ 4,541,440	\$ 4,541,440
SHAREHOLDERS EQUITY													
Capital Stock	-	-	-	-	-	-	-	-	-	-	-	-	-
New Equity Capital / Debt	1,589,571	3,554,723	4,842,325	5,395,020	5,987,652	6,620,684	7,401,769	8,130,445	8,910,856	9,736,540	10,510,191	11,523,709	11,523,709
Retained Earnings	(536,989)	(872,456)	(1,587,491)	(1,895,343)	(2,208,946)	(2,554,240)	(2,979,884)	(3,376,613)	(3,800,034)	(4,248,510)	(4,723,228)	(5,219,905)	(5,219,905)
TOTAL SHAREHOLDERS EQUITY	\$ 1,053,381	\$ 2,682,267	\$ 3,254,834	\$ 3,500,677	\$ 3,778,705	\$ 4,066,444	\$ 4,421,875	\$ 4,754,432	\$ 5,110,862	\$ 5,488,030	\$ 5,806,963	\$ 6,303,804	\$ 6,303,804
TOTAL LIABILITIES & EQUITY	\$ 1,015,590	\$ 1,968,436	\$ 2,965,307	\$ 3,850,791	\$ 4,779,886	\$ 5,697,508	\$ 6,647,825	\$ 7,502,170	\$ 8,370,043	\$ 9,231,276	\$ 10,051,288	\$ 10,845,244	\$ 10,845,244

**CANADA INC.
ALBERTA PRO FORMA
BALANCE SHEET**

Orbit Canada Inc.
Pro Forma Balance Sheet
1999 to 2004

Month	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD DEC
Year	2001	2001	2001	2001	2001	2001	2001	2001	2001	2001	2001	2001	2001
ASSETS													
CURRENT ASSETS													
Cash	\$ -	\$ (846,942)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts Receivable	512,359	597,437	662,515	767,594	852,673	937,751	1,022,829	1,107,908	1,192,986	1,278,065	1,363,143	1,448,221	1,448,221
Prepaid & Sundry Assets	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL CURRENT ASSETS	\$ 512,359	\$ (249,505)	\$ 662,515	\$ 767,594	\$ 852,673	\$ 937,751	\$ 1,022,829	\$ 1,107,908	\$ 1,192,986	\$ 1,278,065	\$ 1,363,143	\$ 1,448,221	\$ 1,448,221
R&D TAX CREDIT RECEIVABLE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CAPITAL ASSETS													
Capital Assets	\$ 12,910,833	\$ 14,096,667	\$ 15,217,500	\$ 16,368,333	\$ 17,524,167	\$ 18,679,000	\$ 19,860,833	\$ 21,106,667	\$ 22,257,500	\$ 23,439,333	\$ 24,604,167	\$ 25,755,000	\$ 25,755,000
Accumulated Amortization	(1,484,181)	(1,716,458)	(1,972,083)	(2,244,899)	(2,530,950)	(2,848,125)	(3,180,865)	(3,532,580)	(3,903,542)	(4,294,181)	(4,704,250)	(5,133,500)	(5,133,500)
NET CAPITAL ASSETS	\$ 11,426,652	\$ 12,380,209	\$ 13,245,417	\$ 14,123,434	\$ 14,993,217	\$ 15,830,875	\$ 16,700,028	\$ 17,574,083	\$ 18,354,058	\$ 19,145,152	\$ 19,899,917	\$ 20,621,500	\$ 20,621,500
TOTAL ASSETS	\$ 11,939,012	\$ 12,088,803	\$ 13,927,932	\$ 14,891,038	\$ 15,839,881	\$ 16,759,626	\$ 17,802,857	\$ 18,681,991	\$ 19,546,945	\$ 20,422,217	\$ 21,283,060	\$ 22,069,721	\$ 22,069,721
LIABILITIES AND OWNERS' EQUITY													
CURRENT LIABILITIES													
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Income Tax Payable	(4,706,662)	(5,154,870)	(5,902,061)	(6,362,782)	(6,822,064)	(7,279,645)	(7,810,286)	(8,273,035)	(8,735,333)	(9,197,974)	(9,662,576)	(10,126,228)	(10,126,228)
TOTAL CURRENT LIABILITIES	\$ (4,706,662)	\$ (5,154,870)	\$ (5,902,061)	\$ (6,362,782)	\$ (6,822,064)	\$ (7,279,645)	\$ (7,810,286)	\$ (8,273,035)	\$ (8,735,333)	\$ (9,197,974)	\$ (9,662,576)	\$ (10,126,228)	\$ (10,126,228)
LONG-TERM LIABILITIES													
Leased Loan Obligation	8,030,026	8,463,305	8,294,040	8,128,150	7,965,598	7,801,284	7,650,150	7,497,155	7,347,212	7,200,267	7,056,262	6,915,137	6,915,137
Other Long Term Debt	8,030,026	8,463,305	8,294,040	8,128,150	7,965,598	7,801,284	7,650,150	7,497,155	7,347,212	7,200,267	7,056,262	6,915,137	6,915,137
TOTAL LONG-TERM LIABILITIES	\$ 8,030,026	\$ 8,463,305	\$ 8,294,040	\$ 8,128,150	\$ 7,965,598	\$ 7,801,284	\$ 7,650,150	\$ 7,497,155	\$ 7,347,212	\$ 7,200,267	\$ 7,056,262	\$ 6,915,137	\$ 6,915,137
TOTAL LIABILITIES	\$ 3,323,375	\$ 3,308,435	\$ 2,391,979	\$ 1,765,377	\$ 1,143,541	\$ 526,639	\$ (180,128)	\$ (775,880)	\$ (1,388,122)	\$ (1,997,707)	\$ (2,606,314)	\$ (3,210,091)	\$ (3,210,091)
SHAREHOLDERS' EQUITY													
Capital Stock	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
New Equity Capital / Debt	13,762,211	15,060,765	16,749,560	20,902,965	23,054,406	24,130,331	27,800,830	29,549,358	31,811,546	33,961,852	36,679,190	37,655,092	37,655,092
Retained Earnings	(5,752,574)	(5,380,397)	(7,213,630)	(7,778,733)	(8,336,696)	(8,887,344)	(9,545,905)	(10,111,487)	(10,676,519)	(11,241,968)	(11,809,816)	(12,375,279)	(12,375,279)
TOTAL SHAREHOLDERS' EQUITY	\$ 8,009,637	\$ 9,780,368	\$ 11,535,930	\$ 13,124,232	\$ 14,717,710	\$ 15,243,087	\$ 17,962,965	\$ 19,457,871	\$ 20,935,066	\$ 22,219,904	\$ 23,869,374	\$ 25,279,813	\$ 25,279,813
TOTAL LIABILITIES & EQUITY	\$ 11,939,012	\$ 12,088,803	\$ 13,927,932	\$ 14,891,038	\$ 15,839,881	\$ 16,759,626	\$ 17,802,857	\$ 18,681,991	\$ 19,546,945	\$ 20,422,217	\$ 21,283,060	\$ 22,069,721	\$ 22,069,721

CANADA INC.
ALBERTA PRO FORMA
BALANCE SHEET

Orbit Canada Inc
Pro Forma Balance Sheet
1999 to 2004

Month Year	JAN 2002	FEB 2002	MAR 2002	APR 2002	MAY 2002	JUN 2002	JUL 2002	AUG 2002	SEP 2002	OCT 2002	NOV 2002	DEC 2002	YTD DEC 2002
ASSETS													
CURRENT ASSETS													
Cash	\$ 1,580,293	\$ 1,687,745	\$ 1,795,197	\$ 1,902,649	\$ 2,010,101	\$ 2,117,554	\$ 2,225,006	\$ 2,332,458	\$ 2,439,910	\$ 2,547,362	\$ 2,654,814	\$ 2,762,266	\$ 2,762,266
Accounts Receivable													
Prepaid & Sundry Assets													
TOTAL CURRENT ASSETS	\$ 1,580,293	\$ 1,687,745	\$ 1,795,197	\$ 1,902,649	\$ 2,010,101	\$ 2,117,554	\$ 2,225,006	\$ 2,332,458	\$ 2,439,910	\$ 2,547,362	\$ 2,654,814	\$ 2,762,266	\$ 2,762,266
R&D TAX CREDIT RECEIVABLE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CAPITAL ASSETS													
Capital Assets	\$ 25,905,833	\$ 26,056,867	\$ 26,207,900	\$ 30,356,333	\$ 31,509,167	\$ 32,660,000	\$ 33,810,833	\$ 34,961,667	\$ 36,112,500	\$ 37,263,333	\$ 38,414,167	\$ 39,565,000	\$ 39,565,000
Accumulated Amortization	(5,581,931)	(6,046,542)	(6,536,333)	(7,042,396)	(7,567,458)	(8,111,792)	(8,675,306)	(9,258,000)	(9,858,875)	(10,460,931)	(11,121,187)	(11,780,583)	(11,780,583)
NET CAPITAL ASSETS	\$ 21,323,903	\$ 22,007,125	\$ 22,671,567	\$ 23,313,937	\$ 23,941,708	\$ 24,548,208	\$ 25,135,527	\$ 25,703,667	\$ 26,253,625	\$ 26,792,403	\$ 27,293,000	\$ 27,784,417	\$ 27,784,417
TOTAL ASSETS	\$ 22,904,196	\$ 23,694,870	\$ 24,496,364	\$ 25,218,617	\$ 25,951,810	\$ 26,665,762	\$ 27,369,533	\$ 28,036,124	\$ 28,692,535	\$ 29,329,765	\$ 29,947,814	\$ 30,546,683	\$ 30,546,683
LIABILITIES AND OWNERS' EQUITY													
CURRENT LIABILITIES													
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Income Tax Payable	(10,645,831)	(11,157,760)	(11,953,145)	(12,433,968)	(12,894,830)	(13,335,723)	(13,829,282)	(14,235,651)	(14,628,280)	(15,002,725)	(15,361,120)	(15,699,856)	(15,699,856)
TOTAL CURRENT LIABILITIES	\$ (10,645,831)	\$ (11,157,760)	\$ (11,953,145)	\$ (12,433,968)	\$ (12,894,830)	\$ (13,335,723)	\$ (13,829,282)	\$ (14,235,651)	\$ (14,628,280)	\$ (15,002,725)	\$ (15,361,120)	\$ (15,699,856)	\$ (15,699,856)
LONG-TERM LIABILITIES													
Lease Loan Obligation	6,776,834	6,841,297	6,908,472	6,378,302	6,250,736	6,125,721	6,003,297	5,880,143	5,765,440	5,650,170	5,537,167	5,426,424	5,426,424
Other Long Term Debt	6,776,834	6,641,297	6,508,472	6,378,302	6,250,736	6,125,721	6,003,297	5,880,143	5,765,440	5,650,170	5,537,167	5,426,424	5,426,424
TOTAL LONG-TERM LIABILITIES	\$ (3,868,997)	\$ (4,516,462)	\$ (5,044,673)	\$ (5,055,666)	\$ (6,644,094)	\$ (7,210,002)	\$ (7,826,075)	\$ (8,352,708)	\$ (8,862,800)	\$ (9,362,555)	\$ (9,823,953)	\$ (10,273,433)	\$ (10,273,433)
TOTAL LIABILITIES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
SHAREHOLDERS' EQUITY													
Capital Stock	39,794,784	41,848,594	44,520,436	46,471,450	48,356,252	50,174,982	52,080,063	53,780,206	55,434,344	57,018,984	58,549,470	60,008,829	60,873,854
New Equity Capital / Debt	(13,011,571)	(13,637,282)	(14,093,395)	(15,197,697)	(15,760,348)	(16,299,218)	(16,902,455)	(17,399,374)	(17,879,000)	(18,335,664)	(18,774,703)	(19,186,713)	(19,186,713)
Retained Earnings	26,773,193	28,211,332	29,911,037	31,274,383	32,595,904	33,813,764	35,186,608	36,389,833	37,556,335	38,692,320	39,771,768	40,820,116	40,820,116
TOTAL SHAREHOLDERS' EQUITY	\$ 22,904,196	\$ 23,694,870	\$ 24,496,364	\$ 25,218,617	\$ 25,951,810	\$ 26,665,762	\$ 27,369,533	\$ 28,036,124	\$ 28,692,535	\$ 29,329,765	\$ 29,947,814	\$ 30,546,683	\$ 30,546,683

**ORBIT CANADA INC.
ALBERTA PRO FORMA
BALANCE SHEET**

Orbit Canada Inc.
Pro Forma Balance Sheet
1999 to 2004

Month	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD DEC
Year	2003	2003	2003	2003	2003	2003	2003	2003	2003	2003	2003	2003	2003
ASSETS													
CURRENT ASSETS													
Cash	\$ 2,869,094	\$ 2,977,572	\$ 3,065,250	\$ 3,152,928	\$ 3,200,506	\$ 3,408,283	\$ 3,515,961	\$ 3,623,639	\$ 3,731,317	\$ 3,838,996	\$ 3,946,672	\$ 4,054,350	\$ 4,054,350
Accounts Receivable													
Prepaid & Sundry Assets													
TOTAL CURRENT ASSETS	\$ 2,869,094	\$ 2,977,572	\$ 3,065,250	\$ 3,152,928	\$ 3,200,506	\$ 3,408,283	\$ 3,515,961	\$ 3,623,639	\$ 3,731,317	\$ 3,838,996	\$ 3,946,672	\$ 4,054,350	\$ 4,054,350
NO TAX CREDIT RECEIVABLE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CAPITAL ASSETS													
Capital Assets	\$ 40,715,633	\$ 41,966,667	\$ 43,017,500	\$ 44,166,333	\$ 45,319,167	\$ 46,470,000	\$ 47,620,833	\$ 48,771,667	\$ 49,922,500	\$ 51,073,333	\$ 52,224,167	\$ 53,375,000	\$ 53,375,000
Accumulated Amortization	(12,469,181)	(13,166,968)	(13,873,917)	(14,610,086)	(15,366,375)	(16,139,875)	(16,933,558)	(17,746,417)	(18,578,458)	(19,429,661)	(20,300,083)	(21,189,667)	(21,189,667)
NET CAPITAL ASSETS	\$ 28,246,452	\$ 28,799,699	\$ 29,143,583	\$ 29,556,247	\$ 29,952,792	\$ 30,330,125	\$ 30,687,275	\$ 31,025,250	\$ 31,342,849	\$ 31,643,672	\$ 31,924,589	\$ 32,185,333	\$ 32,185,333
TOTAL ASSETS	\$ 31,126,547	\$ 31,667,270	\$ 32,228,833	\$ 32,751,206	\$ 33,254,397	\$ 33,738,408	\$ 34,203,236	\$ 34,648,889	\$ 35,075,359	\$ 35,482,668	\$ 35,870,756	\$ 36,239,684	\$ 36,239,684
LIABILITIES AND OWNERS' EQUITY													
CURRENT LIABILITIES													
Accounts Payable	\$ (16,094,700)	\$ (16,478,877)	\$ (17,151,212)	\$ (17,805,284)	\$ (17,839,656)	\$ (18,154,480)	\$ (18,522,438)	\$ (18,803,714)	\$ (19,066,958)	\$ (19,312,673)	\$ (19,542,541)	\$ (19,753,137)	\$ (19,753,137)
Income Tax Payable	\$ (18,054,700)	\$ (16,478,877)	\$ (17,151,212)	\$ (17,502,284)	\$ (17,839,656)	\$ (18,154,480)	\$ (18,522,438)	\$ (18,803,714)	\$ (19,066,958)	\$ (19,312,673)	\$ (19,542,541)	\$ (19,753,137)	\$ (19,753,137)
TOTAL CURRENT LIABILITIES	\$ (34,149,400)	\$ (32,957,754)	\$ (34,302,424)	\$ (35,307,568)	\$ (35,679,312)	\$ (36,308,960)	\$ (37,044,876)	\$ (37,607,428)	\$ (38,133,916)	\$ (38,625,346)	\$ (39,085,082)	\$ (39,506,274)	\$ (39,506,274)
LONG-TERM LIABILITIES													
Lease Loan Obligation	\$ 5,317,865	\$ 5,211,537	\$ 5,107,306	\$ 5,005,169	\$ 4,905,057	\$ 4,806,966	\$ 4,710,817	\$ 4,616,601	\$ 4,524,269	\$ 4,433,783	\$ 4,345,107	\$ 4,258,205	\$ 4,258,205
Other Long Term Debt	\$ 5,317,865	\$ 5,211,537	\$ 5,107,306	\$ 5,005,169	\$ 4,905,057	\$ 4,806,966	\$ 4,710,817	\$ 4,616,601	\$ 4,524,269	\$ 4,433,783	\$ 4,345,107	\$ 4,258,205	\$ 4,258,205
TOTAL LONG-TERM LIABILITIES	\$ 10,635,730	\$ 10,423,074	\$ 10,214,612	\$ 10,010,338	\$ 9,810,114	\$ 9,613,932	\$ 9,421,634	\$ 9,233,201	\$ 9,048,538	\$ 8,867,566	\$ 8,689,214	\$ 8,513,410	\$ 8,513,410
TOTAL LIABILITIES	\$ (23,513,670)	\$ (22,534,680)	\$ (24,087,812)	\$ (25,297,230)	\$ (25,869,200)	\$ (26,694,928)	\$ (27,623,242)	\$ (28,374,227)	\$ (29,085,378)	\$ (29,757,780)	\$ (30,395,868)	\$ (31,012,864)	\$ (31,012,864)
SHAREHOLDERS' EQUITY													
Capital Stock	\$ 61,574,652	\$ 63,095,499	\$ 65,235,332	\$ 66,946,675	\$ 67,993,107	\$ 69,274,764	\$ 70,653,396	\$ 71,818,320	\$ 72,922,108	\$ 73,965,662	\$ 74,953,517	\$ 75,877,338	\$ 75,877,338
New Equity Capital / Debt	(19,671,300)	(20,140,948)	(20,962,593)	(21,395,347)	(21,804,072)	(22,188,822)	(22,638,536)	(23,060,318)	(23,504,060)	(23,864,256)	(24,265,328)	(24,142,723)	(24,142,723)
Retained Earnings	\$ 41,503,352	\$ 42,954,020	\$ 44,272,739	\$ 45,251,329	\$ 46,189,035	\$ 47,086,943	\$ 48,014,860	\$ 48,836,003	\$ 49,618,048	\$ 50,361,437	\$ 51,068,189	\$ 51,734,615	\$ 51,734,615
TOTAL SHAREHOLDERS' EQUITY	\$ 83,406,704	\$ 85,908,571	\$ 88,545,478	\$ 90,802,657	\$ 92,378,070	\$ 94,062,885	\$ 95,835,716	\$ 97,594,005	\$ 99,436,106	\$ 101,162,893	\$ 102,974,433	\$ 104,839,011	\$ 104,839,011
TOTAL LIABILITIES & EQUITY	\$ 31,126,547	\$ 31,667,270	\$ 32,228,833	\$ 32,751,206	\$ 33,254,397	\$ 33,738,408	\$ 34,203,236	\$ 34,648,889	\$ 35,075,359	\$ 35,482,668	\$ 35,870,756	\$ 36,239,684	\$ 36,239,684

**ORBIT CANADA INC.
ALBERTA PRO FORMA
BALANCE SHEET**

Orbit Canada Inc
Pro Forma Balance Sheet
1999 to 2004

Month Year	JAN 2004	FEB 2004	MAR 2004	APR 2004	MAY 2004	JUN 2004	JUL 2004	AUG 2004	SEP 2004	OCT 2004	NOV 2004	DEC 2004	YTD DEC 2004
ASSETS													
CURRENT ASSETS													
Cash	\$ 4,162,022	\$ 4,269,899	\$ 4,377,777	\$ 4,485,555	\$ 4,593,332	\$ 4,701,110	\$ 4,809,288	\$ 4,917,165	\$ 5,025,043	\$ 5,132,921	\$ 5,240,798	\$ 5,348,676	\$ 5,348,676
Accounts Receivable													
Prepaid & Sundry Assets													
TOTAL CURRENT ASSETS	\$ 4,162,022	\$ 4,269,899	\$ 4,377,777	\$ 4,485,555	\$ 4,593,332	\$ 4,701,110	\$ 4,809,288	\$ 4,917,165	\$ 5,025,043	\$ 5,132,921	\$ 5,240,798	\$ 5,348,676	\$ 5,348,676
R&B TAX CREDIT RECEIVABLE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CAPITAL ASSETS													
Capital Assets	\$ 54,525,833	\$ 56,676,687	\$ 58,827,540	\$ 60,978,393	\$ 63,129,246	\$ 65,280,099	\$ 67,430,952	\$ 69,581,805	\$ 71,732,658	\$ 73,883,511	\$ 76,034,364	\$ 78,185,217	\$ 78,185,217
Accumulated Amortization	\$ 22,096,431	\$ 23,026,375	\$ 23,956,319	\$ 24,886,263	\$ 25,816,207	\$ 26,746,151	\$ 27,676,095	\$ 28,606,039	\$ 29,535,983	\$ 30,465,927	\$ 31,395,871	\$ 32,325,815	\$ 32,325,815
NET CAPITAL ASSETS	\$ 32,429,402	\$ 33,650,312	\$ 34,871,221	\$ 36,092,130	\$ 37,313,039	\$ 38,533,948	\$ 39,754,857	\$ 40,975,766	\$ 42,196,675	\$ 43,417,584	\$ 44,638,493	\$ 45,859,402	\$ 45,859,402
TOTAL ASSETS	\$ 36,591,424	\$ 38,920,211	\$ 39,231,777	\$ 40,977,685	\$ 42,726,371	\$ 44,475,057	\$ 46,223,743	\$ 47,972,429	\$ 49,721,116	\$ 51,469,802	\$ 53,218,488	\$ 54,967,174	\$ 54,967,174
LIABILITIES AND OWNERS' EQUITY													
CURRENT LIABILITIES													
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Income Tax Payable	\$ (20,015,549)	\$ (20,270,854)	\$ (20,526,159)	\$ (20,781,464)	\$ (21,036,769)	\$ (21,292,074)	\$ (21,547,379)	\$ (21,802,684)	\$ (22,057,989)	\$ (22,313,294)	\$ (22,568,599)	\$ (22,823,904)	\$ (22,823,904)
TOTAL CURRENT LIABILITIES	\$ (20,015,549)	\$ (20,270,854)	\$ (20,526,159)	\$ (20,781,464)	\$ (21,036,769)	\$ (21,292,074)	\$ (21,547,379)	\$ (21,802,684)	\$ (22,057,989)	\$ (22,313,294)	\$ (22,568,599)	\$ (22,823,904)	\$ (22,823,904)
LONG-TERM LIABILITIES													
Lease/Loan Obligation	\$ 4,173,041	\$ 4,089,580	\$ 4,006,119	\$ 3,922,658	\$ 3,839,197	\$ 3,755,736	\$ 3,672,275	\$ 3,588,814	\$ 3,505,353	\$ 3,421,892	\$ 3,338,431	\$ 3,254,970	\$ 3,254,970
Other Long Term Debt													
TOTAL LONG-TERM LIABILITIES	\$ 4,173,041	\$ 4,089,580	\$ 4,006,119	\$ 3,922,658	\$ 3,839,197	\$ 3,755,736	\$ 3,672,275	\$ 3,588,814	\$ 3,505,353	\$ 3,421,892	\$ 3,338,431	\$ 3,254,970	\$ 3,254,970
TOTAL LIABILITIES	\$ (15,842,507)	\$ (16,181,274)	\$ (16,519,040)	\$ (16,858,806)	\$ (17,207,566)	\$ (17,556,320)	\$ (17,905,074)	\$ (18,253,828)	\$ (18,602,582)	\$ (18,951,336)	\$ (19,299,093)	\$ (19,647,847)	\$ (19,647,847)
SHAREHOLDERS EQUITY													
Capital Stock	\$ 76,896,300	\$ 77,876,953	\$ 78,857,606	\$ 79,838,259	\$ 80,818,912	\$ 81,800,000	\$ 82,781,088	\$ 83,762,176	\$ 84,743,264	\$ 85,724,352	\$ 86,705,440	\$ 87,686,528	\$ 87,686,528
New Equity Capital / Debt	\$ (24,463,448)	\$ (24,775,488)	\$ (25,087,528)	\$ (25,399,568)	\$ (25,711,608)	\$ (26,023,648)	\$ (26,335,688)	\$ (26,647,728)	\$ (26,959,768)	\$ (27,271,808)	\$ (27,583,848)	\$ (27,895,888)	\$ (27,895,888)
Retained Earnings	\$ 52,431,532	\$ 53,191,486	\$ 53,951,440	\$ 54,711,394	\$ 55,471,348	\$ 56,231,302	\$ 56,991,256	\$ 57,751,210	\$ 58,511,164	\$ 59,271,118	\$ 60,031,072	\$ 60,791,026	\$ 60,791,026
TOTAL SHAREHOLDERS EQUITY	\$ 104,864,384	\$ 106,292,951	\$ 107,721,516	\$ 109,150,086	\$ 110,578,650	\$ 112,007,214	\$ 113,435,778	\$ 114,864,342	\$ 116,292,906	\$ 117,721,470	\$ 119,150,034	\$ 120,578,598	\$ 120,578,598
TOTAL LIABILITIES & EQUITY	\$ 89,048,877	\$ 92,738,986	\$ 95,710,793	\$ 99,836,491	\$ 103,963,927	\$ 108,090,777	\$ 112,217,619	\$ 116,344,461	\$ 120,471,303	\$ 124,598,145	\$ 128,724,987	\$ 132,851,829	\$ 132,851,829

ORBIT CANADA INC.
ALBERTA PRO FORMA
INCOME STATEMENT

1997 - 1999	1999	2000	2001	2002	2003	2004
Month	Y/E DEC	Y/E DEC	Y/E DEC	Y/E DEC	Y/E DEC	Y/E DEC
Year	1999	2000	2001	2002	2003	2004
TOTAL REVENUE	\$ -	\$ 2,624,836	\$ 11,763,462	\$ 26,055,355	\$ 41,545,468	\$ 57,064,188
TOTAL COST OF GOODS SOLD	\$ -	\$ 1,626,030	\$ 3,646,059	\$ 5,076,223	\$ 6,504,358	\$ 7,915,376
GROSS PROFIT	\$ -	\$ 998,806	\$ 8,115,393	\$ 20,979,132	\$ 35,041,110	\$ 49,148,810
OPERATING EXPENSES						
Salaries, Benefits and Related Expense	\$ 186,021	\$ 2,145,988	\$ 3,369,308	\$ 4,322,359	\$ 5,203,268	\$ 6,053,154
Marketing	15,000	2,352,388	2,436,176	3,357,031	4,342,597	5,413,213
Subcontract and Consulting Fees	60,000	120,000	108,000	97,200	87,480	78,732
Equipment & Software Technical Support	42,000	252,000	312,000	372,000	432,000	492,000
Maintenance and Repairs of facilities	-	1,586,250	4,830,625	8,308,854	11,761,354	15,213,854
Main Head-End Access charges:	40,000	450,000	1,620,000	3,080,000	4,500,000	5,940,000
One time installation charges:	-	93,250	149,200	149,200	149,200	149,200
Monthly local access at the repeater sit	-	21,000	57,000	87,000	117,000	161,500
Office Rents, Property & Business Tax	1,667	10,000	10,000	10,000	10,000	10,000
Main Head End Rent	4,000	120,000	312,000	504,000	696,000	888,000
Repeater Site Rent	-	64,000	144,000	204,000	264,000	324,000
Vehicle Expenses	-	36,000	36,000	36,000	36,000	36,000
Field Representative Expenses	10,000	60,000	120,000	180,000	240,000	300,000
Telephone and Office Supplies	10,000	60,000	60,000	60,000	60,000	60,000
Legal & Accounting	60,000	120,000	120,000	120,000	120,000	120,000
Insurance	8,000	24,000	24,000	24,000	24,000	24,000
Bank Charges	3,000	6,000	6,000	6,000	6,000	6,000
Bad Debt Expense	-	26,248	117,635	280,554	415,455	570,642
R & D Expenses	-	52,497	235,270	521,107	830,909	1,141,284
Education Fund	-	131,242	588,174	1,302,758	2,077,273	2,853,209
License Fees	-	440,549	419,380	459,347	467,514	476,964
Contingency	3,750	7,500	7,500	7,500	7,500	7,500
TOTAL OPERATING EXPENSES	\$ 443,438	\$ 8,196,911	\$ 15,112,260	\$ 23,447,920	\$ 31,857,571	\$ 40,338,152
EBITDA	\$ (443,438)	\$ (7,200,105)	\$ (6,996,857)	\$ (2,468,788)	\$ 3,153,539	\$ 8,806,658
Amortization	-	(1,269,000)	(3,864,500)	(6,647,063)	(9,408,083)	(12,171,083)
Interest Expenses	(2,337)	(575,858)	(2,143,414)	(3,272,191)	(2,751,745)	(2,246,623)
Income Taxes	200,598	4,070,233	5,644,387	5,574,628	4,053,280	2,524,522
NET INCOME	\$ (245,176)	\$ (4,974,729)	\$ (7,155,374)	\$ (5,813,434)	\$ (4,954,009)	\$ (3,085,527)

ORBIT CANADA INC.
ALBERTA PRO FORMA
INCOME STATEMENT

1997 - 1999

Month	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	Y/E
Year	2000	2000	2000	2000	2000	2000	2000	2000	2000	2000	2000	2000	2000
TOTAL REVENUE	\$ 73,229	\$ 99,685	\$ 126,141	\$ 152,557	\$ 179,062	\$ 208,508	\$ 231,964	\$ 258,420	\$ 284,876	\$ 311,332	\$ 337,788	\$ 364,244	\$ 2,624,836
TOTAL COST OF GOODS SOLD	\$ 27,545	\$ 47,174	\$ 66,802	\$ 88,431	\$ 106,060	\$ 125,688	\$ 145,317	\$ 164,945	\$ 184,674	\$ 204,203	\$ 223,831	\$ 243,460	\$ 1,626,030
GROSS PROFIT	\$ 45,684	\$ 52,511	\$ 59,339	\$ 66,166	\$ 72,993	\$ 79,820	\$ 86,647	\$ 93,475	\$ 100,302	\$ 107,129	\$ 113,957	\$ 120,784	\$ 998,806
OPERATING EXPENSES													
Salaries, Benefits and Related Expense	\$ 112,356	\$ 149,899	\$ 185,208	\$ 168,911	\$ 176,568	\$ 176,568	\$ 187,928	\$ 187,928	\$ 198,550	\$ 202,253	\$ 209,910	\$ 209,910	\$ 2,145,968
Marketing	301,890	304,613	492,335	428,352	131,115	133,838	136,560	139,283	142,006	144,729	147,452	150,175	2,352,388
Subcontract and Consulting Fees	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	120,000
Equipment & Software Technical Support	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000	252,000
Maintenance and Repairs of facilities	19,965	39,931	59,896	80,382	100,868	121,458	143,090	163,056	183,646	204,444	224,722	244,782	1,586,250
Main Head-End Access charges:	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500	450,000
One time installation charges:							53,250						
Monthly local access at the repeater sit	1,750	1,760	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	93,250
Office Rents, Property & Business Taxes	833	833	833	833	833	833	833	833	833	833	833	833	21,000
Main Head End Rent	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	120,000
Repeater Site Rent	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	84,000
Vehicle Expenses	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	36,000
Field Representative Expenses	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	60,000
Telephone and Office Supplies	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	60,000
Legal & Accounting	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	120,000
Insurance	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	24,000
Bank Charges	500	500	500	500	500	500	500	500	500	500	500	500	6,000
Bad Debt Expense	732	887	1,261	1,526	1,791	2,055	2,320	2,584	2,849	3,113	3,378	3,642	26,248
R & D Expenses	1,465	1,954	2,523	3,052	3,581	4,110	4,639	5,168	5,696	6,227	6,756	7,285	52,667
Education Fund	3,661	4,984	6,307	7,630	8,953	10,275	11,598	12,921	14,244	15,567	16,889	18,212	131,242
License Fees			440,549										440,549
Contingency	625	625	625	625	625	625	625	625	625	625	625	625	7,500
TOTAL OPERATING EXPENSES	\$ 554,277	\$ 616,626	\$ 1,282,288	\$ 504,101	\$ 537,083	\$ 562,513	\$ 693,594	\$ 625,149	\$ 661,200	\$ 680,542	\$ 725,315	\$ 748,224	\$ 6,186,911
EBITDA	\$ (508,694)	\$ (564,115)	\$ (1,153,147)	\$ (437,935)	\$ (464,090)	\$ (482,692)	\$ (606,946)	\$ (531,674)	\$ (560,898)	\$ (583,412)	\$ (609,359)	\$ (627,440)	\$ (6,224,105)
Amortization	(15,972)	(31,944)	(47,917)	(64,306)	(80,694)	(97,107)	(114,472)	(130,444)	(146,817)	(163,556)	(179,778)	(196,833)	(1,269,000)
Interest Expenses	(3,840)	(16,248)	(29,030)	(39,471)	(49,588)	(47,948)	(52,497)	(56,099)	(63,131)	(68,444)	(73,983)	(79,780)	(575,858)
Income Taxes	237,893	275,538	584,953	243,770	284,767	292,513	348,262	324,098	346,926	366,935	386,404	406,374	4,070,253
NET INCOME	\$ (290,513)	\$ (338,769)	\$ (714,943)	\$ (297,942)	\$ (323,604)	\$ (345,294)	\$ (425,654)	\$ (396,119)	\$ (424,020)	\$ (449,476)	\$ (474,716)	\$ (496,679)	\$ (4,963,655)

ORBIT CANADA INC.
ALBERTA PRO FORMA
INCOME STATEMENT

1997 - 1999

Month	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
Year	2001	2001	2001	2001	2001	2001	2001	2001	2001	2001	2001	2001	2001
TOTAL REVENUE	\$ 512,359	\$ 597,437	\$ 682,518	\$ 767,594	\$ 852,673	\$ 937,751	\$ 1,022,829	\$ 1,107,908	\$ 1,192,996	\$ 1,278,065	\$ 1,363,143	\$ 1,448,221	\$ 3,369,300
TOTAL COST OF GOODS SOLD	\$ 249,461	\$ 259,376	\$ 259,296	\$ 279,213	\$ 289,131	\$ 299,049	\$ 308,966	\$ 318,884	\$ 328,801	\$ 338,719	\$ 348,637	\$ 358,554	\$ 3,648,089
GROSS PROFIT	\$ 262,898	\$ 338,061	\$ 423,222	\$ 488,381	\$ 563,542	\$ 638,702	\$ 713,863	\$ 789,024	\$ 864,195	\$ 939,346	\$ 1,014,506	\$ 1,089,667	\$ 8,115,383
OPERATING EXPENSES													
Salaries, Benefits and Related Expense	\$ 228,022	\$ 250,554	\$ 275,476	\$ 279,291	\$ 279,291	\$ 279,291	\$ 290,992	\$ 290,992	\$ 294,046	\$ 297,661	\$ 305,747	\$ 305,747	\$ 3,369,300
Marketing	150,740	161,305	366,870	172,435	179,004	183,566	169,131	194,696	200,261	205,828	211,391	216,956	2,436,178
Succession and Consulting Fees	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	108,000
Equipment & Software Technical Support	26,000	26,000	26,000	26,000	26,000	26,000	26,000	26,000	26,000	26,000	26,000	26,000	312,000
Maintenance and Repairs of facilities	268,976	292,847	317,031	341,007	366,087	388,958	415,851	439,722	463,696	488,299	512,587	536,563	4,830,625
Main Head-End Access charges:	135,000	135,000	135,000	135,000	135,000	135,000	135,000	135,000	135,000	135,000	135,000	135,000	1,620,000
One time installation charges:													
Modify local access at the repeater st	4,750	4,750	4,750	4,750	4,750	4,750	4,750	4,750	4,750	4,750	4,750	4,750	57,000
Office Rent, Property & Business Tax	833	833	833	833	833	833	833	833	833	833	833	833	10,000
Main Head End Rent	26,000	26,000	26,000	26,000	26,000	26,000	26,000	26,000	26,000	26,000	26,000	26,000	312,000
Repeater Site Rent	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	144,000
Vehicle Expenses	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	36,000
Field Representative Expenses	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	120,000
Telephone and Office Supplies	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	60,000
Legal & Accounting	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	120,000
Insurance	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	24,000
Bank Charges	500	500	500	500	500	500	500	500	500	500	500	500	6,000
Bad Debt Expense	5,124	5,974	6,825	7,676	8,527	9,378	10,228	11,079	11,930	12,781	13,631	14,482	117,635
R & D Expense	10,247	11,949	13,650	15,352	17,053	18,755	20,457	22,158	23,860	25,561	27,263	28,964	235,270
Education Fund	25,616	26,672	34,126	38,380	42,634	46,888	51,141	55,395	59,649	63,903	68,157	72,411	588,174
License Fees				449,360									449,360
Contingency	625	625	625	625	625	625	625	625	625	625	625	625	7,500
TOTAL OPERATING EXPENSES	\$ 990,435	\$ 997,209	\$ 1,706,047	\$ 1,096,949	\$ 1,135,300	\$ 1,171,543	\$ 1,371,708	\$ 1,258,751	\$ 1,296,152	\$ 1,338,939	\$ 1,385,465	\$ 1,419,632	\$ 14,119,632
EBITDA	\$ (667,536)	\$ (659,150)	\$ (610,468)	\$ (610,468)	\$ (571,759)	\$ (532,841)	\$ (657,845)	\$ (469,727)	\$ (433,967)	\$ (399,698)	\$ (368,978)	\$ (330,165)	\$ (6,996,857)
Amortization	(215,161)	(234,278)	(253,625)	(272,806)	(292,069)	(311,167)	(332,681)	(351,778)	(370,968)	(390,639)	(410,089)	(429,250)	(3,964,500)
Interest Expenses	(85,772)	(102,613)	(111,971)	(140,531)	(156,777)	(172,861)	(188,677)	(206,827)	(222,404)	(237,656)	(253,402)	(268,701)	(2,148,414)
Income Taxes	435,820	448,219	747,150	460,721	459,272	457,591	530,841	462,749	462,209	462,641	464,802	462,652	5,854,397
NET INCOME	\$ (532,669)	\$ (547,823)	\$ (913,233)	\$ (563,104)	\$ (561,333)	\$ (659,276)	\$ (644,561)	\$ (585,582)	\$ (566,032)	\$ (565,450)	\$ (567,947)	\$ (565,463)	\$ (7,155,374)

**ORBIT CANADA INC.
ALBERTA PRO FORMA
INCOME STATEMENT**

1997 - 1999

Month Year	JAN 2002	FEB 2002	MAR 2002	APR 2002	MAY 2002	JUN 2002	JUL 2002	AUG 2002	SEP 2002	OCT 2002	NOV 2002	DEC 2002	Y/E DEC 2002
TOTAL REVENUE	\$ 1,580,293	\$ 1,587,745	\$ 1,795,187	\$ 1,902,649	\$ 2,010,101	\$ 2,117,554	\$ 2,225,008	\$ 2,332,458	\$ 2,439,910	\$ 2,547,362	\$ 2,654,814	\$ 2,762,268	\$ 28,055,355
TOTAL COST OF GOODS SOLD	\$ 368,472	\$ 376,389	\$ 388,307	\$ 398,225	\$ 408,142	\$ 418,060	\$ 427,977	\$ 437,895	\$ 447,813	\$ 457,730	\$ 467,648	\$ 477,565	\$ 5,076,223
GROSS PROFIT	\$ 1,211,821	\$ 1,209,356	\$ 1,406,880	\$ 1,504,425	\$ 1,601,959	\$ 1,699,494	\$ 1,797,028	\$ 1,894,563	\$ 1,992,097	\$ 2,089,632	\$ 2,187,166	\$ 2,284,701	\$ 20,979,132
OPERATING EXPENSES													
Salaries, Benefits and Related Expense	\$ 328,278	\$ 331,424	\$ 347,665	\$ 351,594	\$ 351,594	\$ 351,594	\$ 363,646	\$ 363,646	\$ 376,221	\$ 380,151	\$ 388,273	\$ 396,273	\$ 4,322,359
Mining	228,053	231,150	438,287	245,344	252,441	259,538	266,634	273,731	280,828	287,925	295,022	302,119	3,357,031
Subcontract and Consulting Fees	8,100	8,100	8,100	8,100	8,100	8,100	8,100	8,100	8,100	8,100	8,100	8,100	87,200
Equipment & Software Technical Support	31,000	31,000	31,000	31,000	31,000	31,000	31,000	31,000	31,000	31,000	31,000	31,000	372,000
Maintenance and Repairs of facilities	560,538	564,514	608,490	652,465	696,441	690,417	704,392	728,368	752,344	776,319	800,295	824,271	8,308,854
Main Head-End Access charges	255,000	255,000	255,000	255,000	255,000	255,000	255,000	255,000	255,000	255,000	255,000	255,000	3,060,000
One time installation charges:													
Monthly local access at the reseller sit	7,250	7,250	7,250	7,250	7,250	7,250	7,250	7,250	7,250	7,250	7,250	7,250	149,200
Office Rents, Property & Business Tax	833	833	833	833	833	833	833	833	833	833	833	833	87,000
Main Head End Rent	42,000	42,000	42,000	42,000	42,000	42,000	42,000	42,000	42,000	42,000	42,000	42,000	504,000
Retailer Site Rent	17,000	17,000	17,000	17,000	17,000	17,000	17,000	17,000	17,000	17,000	17,000	17,000	204,000
Vehicle Expenses	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	36,000
Field Representative Expenses	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	180,000
Telephone and Office Supplies	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	60,000
Legal & Accounting	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	120,000
Insurance	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	24,000
Bank Charges	500	500	500	500	500	500	500	500	500	500	500	500	6,000
Bad Debt Expense	15,803	16,877	17,952	19,026	20,101	21,176	22,250	23,325	24,399	25,474	26,548	27,623	290,554
R & D Expense	31,606	33,755	35,904	38,053	40,202	42,351	44,500	46,649	48,798	50,947	53,096	55,245	521,107
Education Fund	79,015	84,387	89,760	95,132	100,505	105,878	111,250	116,623	121,995	127,368	132,741	138,113	1,302,768
License Fees			458,347										458,347
Contingency	625	625	625	625	625	625	625	625	625	625	625	625	7,500
TOTAL OPERATING EXPENSES	\$ 1,636,601	\$ 1,679,416	\$ 2,393,672	\$ 1,778,923	\$ 1,818,592	\$ 1,858,261	\$ 2,059,181	\$ 1,949,650	\$ 2,001,894	\$ 2,045,492	\$ 2,089,284	\$ 2,132,952	\$ 23,447,920
EBITDA	\$ (424,780)	\$ (370,060)	\$ (966,792)	\$ (274,499)	\$ (216,633)	\$ (158,767)	\$ (262,153)	\$ (55,087)	\$ (9,797)	\$ 44,140	\$ 93,883	\$ 151,749	\$ (2,460,786)
Amortization	(448,431)	(467,611)	(466,792)	(505,872)	(525,153)	(544,333)	(563,514)	(582,694)	(601,875)	(621,056)	(640,236)	(659,417)	(6,647,083)
Interest Expenses	(283,665)	(289,947)	(293,949)	(288,070)	(282,308)	(276,682)	(271,120)	(265,706)	(260,392)	(255,194)	(250,091)	(245,079)	(3,272,191)
Income Taxes	520,603	511,929	796,385	480,843	480,842	440,883	493,558	406,570	382,429	374,445	358,395	338,738	5,574,628
NET INCOME	\$ (638,292)	\$ (625,690)	\$ (972,137)	\$ (567,697)	\$ (563,252)	\$ (538,668)	\$ (603,238)	\$ (496,818)	\$ (479,635)	\$ (457,655)	\$ (436,039)	\$ (414,011)	\$ (6,813,434)

ORBIT CANADA INC.
ALBERTA PRO FORMA
INCOME STATEMENT

1997 - 1999

Month	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YE
Year	2003	2003	2003	2003	2003	2003	2003	2003	2003	2003	2003	2003	2003
TOTAL REVENUE	\$2,969,894	\$2,977,572	\$3,085,250	\$3,192,526	\$3,300,606	\$3,408,283	\$3,515,981	\$3,623,639	\$3,731,317	\$3,839,995	\$3,946,672	\$4,054,350	#####
TOTAL COST OF GOODS SOLD	\$ 467,483	\$ 497,401	\$ 507,318	\$ 517,236	\$ 527,153	\$ 537,071	\$ 546,989	\$ 556,906	\$ 566,824	\$ 576,741	\$ 586,659	\$ 596,577	\$ 6,504,358
GROSS PROFIT	\$2,502,411	\$2,480,172	\$2,577,932	\$2,675,290	\$2,773,452	\$2,871,212	\$2,968,992	\$3,066,733	\$3,164,493	\$3,263,253	\$3,360,013	\$3,457,774	#####
OPERATING EXPENSES													
Salaries, Benefits and Related Expense	\$ 403,969	\$ 407,209	\$ 423,937	\$ 427,984	\$ 427,984	\$ 427,984	\$ 440,398	\$ 440,398	\$ 443,638	\$ 447,885	\$ 456,051	\$ 456,051	\$ 5,203,283
Marketing	309,262	316,405	529,548	330,652	337,635	344,978	352,121	359,265	366,408	373,551	380,694	387,838	4,382,597
Subcontract and Consulting Fees	7,290	7,290	7,290	7,290	7,290	7,290	7,290	7,290	7,290	7,290	7,290	7,290	87,480
Equipment & Software Technical Support	36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000	432,000
Maintenance and Repairs of facilities	848,247	872,222	896,198	920,174	944,149	968,125	992,101	1,016,076	1,040,052	1,064,028	1,088,003	1,111,979	11,761,354
Main Head-End Access charges:	375,000	375,000	375,000	375,000	375,000	375,000	375,000	375,000	375,000	375,000	375,000	375,000	4,500,000
One time installation charges:						149,200							149,200
Monthly local access at the repeater site	9,750	9,750	9,750	9,750	9,750	9,750	9,750	9,750	9,750	9,750	9,750	9,750	117,000
Office Rents, Property & Business Tax	833	833	833	833	833	833	833	833	833	833	833	833	10,000
Main Head End Rent	58,000	58,000	58,000	58,000	58,000	58,000	58,000	58,000	58,000	58,000	58,000	58,000	696,000
Repeater Site Rent	22,000	22,000	22,000	22,000	22,000	22,000	22,000	22,000	22,000	22,000	22,000	22,000	264,000
Vehicle Expenses	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	36,000
Field Representative Expenses	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	240,000
Telephone and Office Supplies	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	60,000
Legal & Accounting	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	120,000
Insurance	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	24,000
Bank Charges	500	500	500	500	500	500	500	500	500	500	500	500	6,000
Bad Debt Expense	28,899	29,776	30,652	31,529	32,406	33,283	34,160	35,037	35,914	36,791	37,668	38,545	415,455
R & D Expenses	37,396	59,551	61,705	63,859	66,012	68,166	70,319	72,473	74,628	76,782	78,936	81,090	830,909
Education Fund	143,495	146,879	154,262	158,646	165,030	170,414	175,798	181,182	186,566	191,950	197,334	202,718	2,077,273
License Fees													467,514
Contingency	625	625	625	625	625	625	625	625	625	625	625	625	7,500
TOTAL OPERATING EXPENSES	\$2,341,067	\$2,394,041	\$3,108,016	\$2,484,282	\$2,524,915	\$2,563,748	\$2,765,095	\$2,855,628	\$2,899,602	\$2,742,382	\$2,790,461	\$2,830,215	#####
EBITDA	\$ 41,344	\$ 56,131	\$ (530,084)	\$ 191,410	\$ 249,437	\$ 307,464	\$ 203,878	\$ 411,105	\$ 485,891	\$ 519,871	\$ 569,532	\$ 627,559	\$ 3,153,539
Amortization	(678,597)	(687,776)	(716,958)	(736,139)	(756,319)	(774,500)	(793,681)	(812,861)	(832,042)	(851,222)	(870,403)	(889,583)	(9,408,083)
Interest Expenses	(240,177)	(252,079)	(247,037)	(242,086)	(237,254)	(232,422)	(227,590)	(222,758)	(218,926)	(214,094)	(209,262)	(204,430)	(2,751,745)
Income Taxes	394,844	394,476	672,336	354,071	334,412	314,795	307,948	291,276	283,244	246,615	229,968	210,596	4,053,280
NET INCOME	\$ (482,587)	\$ (469,549)	\$ (821,744)	\$ (432,754)	\$ (408,725)	\$ (384,750)	\$ (449,714)	\$ (343,782)	\$ (321,742)	\$ (300,496)	\$ (281,072)	\$ (257,986)	\$ (6,964,009)

**ORBIT CANADA INC.
ALBERTA PRO FORMA
INCOME STATEMENT**

1997 - 1999

Month	JAN 2004	FEB 2004	MAR 2004	APR 2004	MAY 2004	JUN 2004	JUL 2004	AUG 2004	SEP 2004	OCT 2004	NOV 2004	DEC 2004	Y/E DEC 2004
TOTAL REVENUE	\$1,162,022	\$4,269,699	\$4,377,777	\$4,495,655	\$4,593,532	\$4,701,410	\$4,809,288	\$4,917,165	\$5,025,043	\$5,132,921	\$5,240,798	\$5,348,676	#####
TOTAL COST OF GOODS SOLD	\$ 806,204	\$ 615,915	\$ 625,626	\$ 635,337	\$ 645,048	\$ 654,759	\$ 664,470	\$ 674,181	\$ 683,892	\$ 693,603	\$ 703,314	\$ 713,025	\$ 7,915,376
GROSS PROFIT	\$3,355,817	\$3,653,784	\$3,752,151	\$3,850,317	\$3,948,484	\$4,046,651	\$4,144,817	\$4,242,984	\$4,341,151	\$4,439,318	\$4,537,484	\$4,635,651	#####
OPERATING EXPENSES													
Salaries, Benefits and Related Expense	\$ 473,902	\$ 477,259	\$ 494,459	\$ 499,638	\$ 499,638	\$ 498,638	\$ 511,423	\$ 511,423	\$ 514,761	\$ 518,930	\$ 527,547	\$ 527,547	\$ 6,053,154
Marketing	395,005	402,175	609,344	416,513	423,681	430,850	438,019	445,188	452,356	459,525	466,694	473,863	5,413,213
Subcontract and Consulting Fees	6,561	6,561	6,561	6,561	6,561	6,561	6,561	6,561	6,561	6,561	6,561	6,561	78,732
Equipment & Software Technical Support	41,000	41,000	41,000	41,000	41,000	41,000	41,000	41,000	41,000	41,000	41,000	41,000	492,000
Maintenance and Repairs of facilities	1,135,955	1,158,931	1,183,906	1,207,882	1,231,858	1,255,833	1,279,809	1,303,785	1,327,760	1,351,736	1,375,712	1,399,688	15,213,854
Main Head-End Access charges:	495,000	495,000	495,000	495,000	495,000	495,000	495,000	495,000	495,000	495,000	495,000	495,000	5,940,000
One time installation charges:							149,200						149,200
Monthly local access at the (repeater site)		16,500	16,500	16,500	16,500	16,500	16,500	16,500	16,500	16,500	16,500	16,500	181,500
Office Rents, Property & Business Tax	833	833	833	833	833	833	833	833	833	833	833	833	10,000
Main Head End Rent	74,000	74,000	74,000	74,000	74,000	74,000	74,000	74,000	74,000	74,000	74,000	74,000	888,000
Repeater Site Rent	27,000	27,000	27,000	27,000	27,000	27,000	27,000	27,000	27,000	27,000	27,000	27,000	324,000
Vehicle Expenses	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	36,000
Field Representative Expenses	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	300,000
Telephone and Office Supplies	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	60,000
Legal & Accounting	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	120,000
Insurance	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	24,000
Bank Charges	500	500	500	500	500	500	500	500	500	500	500	500	6,000
Bad Debt Expense	41,520	42,699	43,778	44,857	45,936	47,014	48,093	49,172	50,250	51,329	52,408	53,487	570,642
R & D Expenses	83,240	85,398	87,556	89,713	91,871	94,028	96,186	98,343	100,501	102,658	104,816	106,974	1,141,294
Education Fund	208,101	213,495	218,889	224,283	229,677	235,070	240,464	245,858	251,252	256,646	262,040	267,434	2,893,209
License Fees			478,864										478,864
Contingency	625	625	625	625	625	625	625	625	625	625	625	625	7,500
TOTAL OPERATING EXPENSES	\$3,028,344	\$3,087,956	\$3,821,825	\$3,188,304	\$3,228,676	\$3,268,453	\$3,470,214	\$3,360,798	\$3,403,901	\$3,447,844	\$3,496,236	\$3,536,010	#####
EBITDA	\$ 527,474	\$ 566,028	\$ (69,874)	\$ 651,414	\$ 719,806	\$ 778,198	\$ 674,604	\$ 562,196	\$ 937,250	\$ 991,474	\$1,041,248	\$1,099,640	\$ 8,609,659
Amortization	(908,764)	(527,944)	(947,125)	(966,306)	(985,488)	(1,004,667)	(1,023,847)	(1,043,028)	(1,062,209)	(1,081,389)	(1,100,569)	(1,119,750)	(12,171,083)
Interest Expenses	(201,847)	(205,428)	(201,320)	(197,294)	(193,348)	(189,481)	(185,691)	(181,978)	(178,338)	(174,771)	(171,276)	(167,850)	(2,248,623)
Income Taxes	262,412	285,305	548,154	225,364	206,563	187,177	240,721	154,264	136,483	119,109	103,769	84,562	2,524,522
NET INCOME	\$ (320,726)	\$ (312,040)	\$ (689,966)	\$ (276,202)	\$ (252,466)	\$ (228,772)	\$ (294,214)	\$ (188,545)	\$ (166,813)	\$ (145,578)	\$ (126,828)	\$ (103,378)	\$ (3,085,527)

**ORBIT CANADA INC.
ALBERTA PRO FORMA
CASH FLOW STATEMENT**

Orbit Canada Inc.
Pro Forma Cash Flow Statement
1997 - 1999

Month Year	Y/E DEC 1999	Y/E DEC 2000	Y/E DEC 2001	Y/E DEC 2002	Y/E DEC 2003	Y/E DEC 2004
Receipts	\$ -	\$ 2,260,592	\$ 10,679,504	\$ 24,741,310	\$ 40,253,384	\$ 55,769,860
Disbursements						
Cost of Goods Sold	\$ -	\$ 1,626,030	\$ 3,648,089	\$ 5,076,223	\$ 6,504,368	\$ 7,915,376
Operating Expenses	\$ 443,438	\$ 8,198,911	\$ 15,112,250	\$ 23,447,920	\$ 31,887,571	\$ 40,339,152
Total Disbursements	\$ 443,438	\$ 9,824,941	\$ 18,760,338	\$ 28,524,143	\$ 38,391,928	\$ 48,254,528
Cash Flow from Operations	\$ (443,438)	\$ (7,564,349)	\$ (8,080,835)	\$ (3,782,833)	\$ 1,861,456	\$ 7,515,332
Opening Bank Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Assets Leased	\$ -	\$ (11,750,000)	\$ -	\$ -	\$ -	\$ (13,810,000)
Capital Assets Purchased	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest Payments	\$ (2,337)	\$ (575,868)	\$ (2,148,414)	\$ (3,272,191)	\$ (2,751,745)	\$ (2,248,623)
Income Tax Payments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Raised	\$ 445,774	\$ 19,880,205	\$ 25,081,090	\$ 20,865,024	\$ 14,700,290	\$ 8,543,291
Closing Bank Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

ORBIT CANADA INC.
ALBERTA PRO-FORMA
CASH FLOW STATEMENT

Orbit Canada Inc.
Pro Forma Cash Flow Statement
1997 - 1999

Month Year	JAN 2000	FEB 2000	MAR 2000	APR 2000	MAY 2000	JUN 2000	JUL 2000	AUG 2000	SEP 2000	OCT 2000	NOV 2000	DEC 2000	Y/E DEC 2000
Receipts	\$ -	\$ 73,229	\$ 99,885	\$ 126,141	\$ 152,697	\$ 179,052	\$ 205,508	\$ 231,964	\$ 258,420	\$ 284,876	\$ 311,332	\$ 337,786	\$ 2,290,562
Disbursements													
Cost of Goods Sold	\$ 27,545	\$ 47,174	\$ 66,802	\$ 86,431	\$ 106,060	\$ 125,698	\$ 146,317	\$ 164,945	\$ 184,574	\$ 204,203	\$ 223,831	\$ 243,460	\$ 1,626,030
Operating Expenses	\$ 594,277	\$ 618,026	\$ 1,282,288	\$ 904,101	\$ 537,083	\$ 562,513	\$ 663,994	\$ 625,149	\$ 681,200	\$ 690,542	\$ 723,315	\$ 740,224	\$ 8,190,911
Total Disbursements	\$ 581,023	\$ 665,199	\$ 1,349,090	\$ 990,532	\$ 643,143	\$ 688,201	\$ 808,311	\$ 790,094	\$ 865,774	\$ 894,744	\$ 947,146	\$ 981,684	\$ 9,824,941
Cash Flow from Operations	\$ (581,023)	\$ (590,570)	\$ (1,249,405)	\$ (454,391)	\$ (490,546)	\$ (509,148)	\$ (603,402)	\$ (558,130)	\$ (587,354)	\$ (609,868)	\$ (635,815)	\$ (643,898)	\$ (7,564,349)
Operating Bank Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Assets Leased	\$ (968,333)	\$ (968,333)	\$ (968,333)	\$ (968,333)	\$ (968,333)	\$ (1,036,333)	\$ (968,333)	\$ (968,333)	\$ (968,333)	\$ (968,333)	\$ (973,333)	\$ (963,333)	\$ (11,750,000)
Capital Assets Purchased	(3,540)	(15,246)	(26,030)	(30,471)	(43,586)	(47,948)	(52,497)	(59,099)	(63,131)	(69,444)	(73,983)	(79,780)	\$ (675,958)
Interest Payments	-	-	-	-	-	-	-	-	-	-	-	-	-
Income Tax Payments	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Raised	\$ 1,543,798	\$ 1,565,152	\$ 2,258,769	\$ 1,487,195	\$ 1,517,465	\$ 1,545,429	\$ 1,724,233	\$ 1,574,562	\$ 1,636,819	\$ 1,676,845	\$ 1,683,131	\$ 1,697,009	\$ 19,890,205
Closing Bank Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

ORBIT CANADA INC.
ALBERTA PRO FORMA
CASH FLOW STATEMENT

Orbit Canada Inc.
Pro Forma Cash Flow Statement
1997 - 1999

Month Year	JAN 2001	FEB 2001	MAR 2001	APR 2001	MAY 2001	JUN 2001	JUL 2001	AUG 2001	SEP 2001	OCT 2001	NOV 2001	DEC 2001	Y/E DEC 2001
Receipts	\$ 364,244	\$ 512,359	\$ 597,437	\$ 682,516	\$ 767,594	\$ 852,673	\$ 937,751	\$ 1,022,929	\$ 1,107,906	\$ 1,192,986	\$ 1,278,065	\$ 1,363,143	\$ 10,679,504
Disbursements													
Cost of Goods Sold	\$ 249,461	\$ 250,378	\$ 269,296	\$ 279,213	\$ 289,131	\$ 299,049	\$ 308,966	\$ 318,884	\$ 328,801	\$ 338,719	\$ 348,637	\$ 358,554	\$ 3,648,089
Operating Expenses	930,436	997,209	1,708,047	1,090,049	1,135,300	1,171,543	1,371,706	1,256,751	1,258,152	1,338,939	1,383,485	1,419,832	15,112,250
Total Disbursements	1,256,568	1,256,568	1,977,343	1,379,262	1,424,431	1,470,592	1,680,674	1,577,634	1,626,954	1,677,658	1,732,121	1,778,386	18,760,338
Cash Flow from Operations	\$ (915,652)	\$ (744,229)	\$ (1,379,906)	\$ (696,747)	\$ (656,837)	\$ (617,919)	\$ (742,923)	\$ (554,805)	\$ (519,046)	\$ (484,672)	\$ (454,057)	\$ (415,243)	\$ (8,086,835)
Operating Bank Balance	\$ -	\$ -	\$ (846,842)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Assets Leased	1,145,833	(1,145,833)	(1,145,833)	(1,150,633)	(1,155,833)	(1,145,833)	(1,290,833)	(1,145,833)	(1,150,833)	(1,180,833)	(1,185,833)	(1,150,833)	14,005,000
Interest Payments	(86,772)	(102,613)	(111,971)	(140,951)	(158,777)	(172,861)	(188,677)	(206,827)	(222,404)	(237,858)	(253,402)	(268,701)	(2,148,414)
Income Tax Payments	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Raised	1,990,931	1,990,931	1,990,931	1,990,931	1,990,931	1,990,931	1,990,931	1,990,931	1,990,931	1,990,931	1,990,931	1,990,931	1,990,931
Closing Bank Balance	\$ -	\$ (846,842)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**ORBIT CANADA INC.
ALBERTA PRO FORMA
CASH FLOW STATEMENT**

Orbit Canada Inc.
Pro Forma Cash Flow Statement
1997 - 1999

Month Year	JAN 2001	FEB 2001	MAR 2001	APR 2001	MAY 2001	JUN 2001	JUL 2001	AUG 2001	SEP 2001	OCT 2001	NOV 2001	DEC 2001	YTD DEC 2001
Receipts	\$ 364,244	\$ 512,359	\$ 597,437	\$ 682,516	\$ 767,594	\$ 852,673	\$ 937,751	\$ 1,022,829	\$ 1,107,908	\$ 1,192,986	\$ 1,278,065	\$ 1,363,143	\$ 10,679,504
Disbursements													
Cost of Goods Sold	\$ 249,461	\$ 259,378	\$ 269,296	\$ 279,213	\$ 289,131	\$ 299,049	\$ 308,966	\$ 318,884	\$ 328,801	\$ 338,719	\$ 348,637	\$ 358,554	\$ 3,648,089
Operating Expenses	930,435	997,209	1,708,047	1,098,849	1,135,900	1,171,543	1,371,708	1,258,751	1,298,162	1,338,939	1,383,486	1,419,832	15,112,250
Total Disbursements	#####	#####	#####	#####	#####	#####	#####	#####	#####	#####	#####	#####	#####
	\$ 1,256,588	\$ 1,977,343	\$ 1,378,062	\$ 1,424,431	\$ 1,470,992	\$ 1,660,674	\$ 1,577,634	\$ 1,626,954	\$ 1,626,954	\$ 1,677,658	\$ 1,732,121	\$ 1,778,386	\$ 18,760,338
Cash Flow from Operations	\$ (915,652)	\$ (744,229)	\$ (1,379,906)	\$ (696,547)	\$ (656,837)	\$ (617,919)	\$ (742,923)	\$ (554,805)	\$ (519,046)	\$ (484,672)	\$ (454,057)	\$ (415,243)	\$ (8,080,835)
Opening Bank Balance	\$ -	\$ -	\$ (846,842)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Assets Leased	#####	#####	#####	#####	#####	#####	#####	#####	#####	#####	#####	#####	#####
	\$ (1,145,833)	\$ (1,145,833)	\$ (1,150,833)	\$ (1,150,833)	\$ (1,155,833)	\$ (1,145,833)	\$ (1,145,833)	\$ (1,145,833)	\$ (1,150,833)	\$ (1,180,833)	\$ (1,166,833)	\$ (1,150,833)	\$ (14,005,000)
Capital Assets Purchased	(85,772)	(102,613)	(111,971)	(140,551)	(156,777)	(172,861)	(188,877)	(206,827)	(222,404)	(237,858)	(253,402)	(268,701)	(2,148,414)
Interest Payments	-	-	-	-	-	-	-	-	-	-	-	-	-
Income Tax Payments	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Raised	#####	#####	#####	#####	#####	#####	#####	#####	#####	#####	#####	#####	#####
	\$ 1,992,675	\$ 3,499,562	\$ 1,996,931	\$ 1,996,448	\$ 1,969,448	\$ 1,936,614	\$ 2,222,433	\$ 1,907,465	\$ 1,892,263	\$ 1,903,363	\$ 1,873,292	\$ 1,834,777	\$ 25,081,090
Closing Bank Balance	\$ -	\$ (846,842)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

ORBIT CANADA INC.
ALBERTA PRO FORMA
CASH FLOW STATEMENT

Orbit Canada Inc.
Pro Forma Cash Flow Statement
1997 - 1999

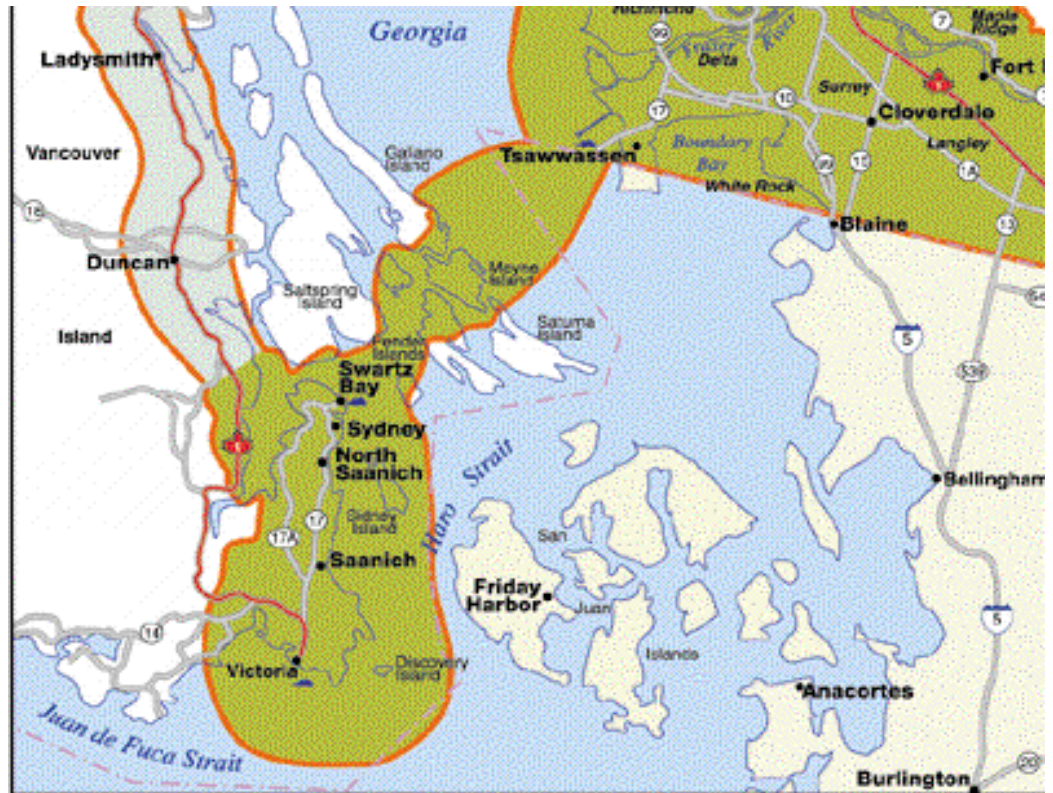
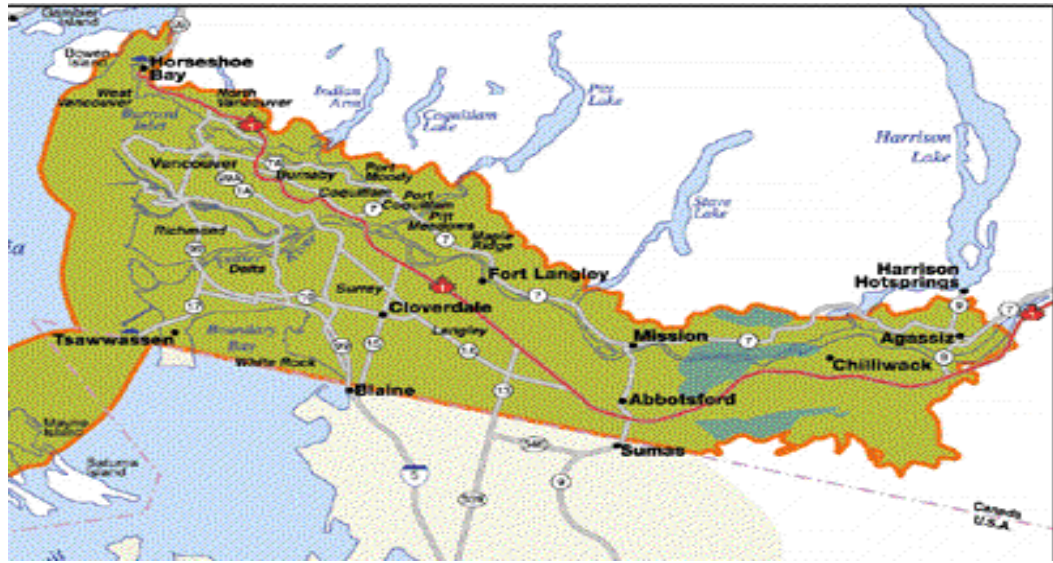
Month Year	JAN 2002	FEB 2002	MAR 2002	APR 2002	MAY 2002	JUN 2002	JUL 2002	AUG 2002	SEP 2002	OCT 2002	NOV 2002	DEC 2002	YTD DEC 2002
Receipts	\$ 1,448,221	\$ 1,580,293	\$ 1,687,745	\$ 1,795,197	\$ 1,902,649	\$ 2,010,101	\$ 2,117,554	\$ 2,225,006	\$ 2,332,458	\$ 2,439,910	\$ 2,547,362	\$ 2,654,814	\$ 24,741,310
Disbursements													
Cost of Goods Sold	\$ 368,472	\$ 378,389	\$ 388,307	\$ 398,225	\$ 408,142	\$ 418,060	\$ 427,977	\$ 437,895	\$ 447,813	\$ 457,730	\$ 467,648	\$ 477,565	\$ 5,076,223
Operating Expenses	1,636,601	1,679,416	2,393,672	1,778,923	1,818,592	1,658,261	2,059,181	1,949,650	2,001,894	2,045,492	2,093,284	2,132,952	23,447,920
Total Disbursements	\$ 2,005,073	\$ 2,057,805	\$ 2,781,979	\$ 2,177,148	\$ 2,226,734	\$ 2,276,321	\$ 2,487,159	\$ 2,387,545	\$ 2,449,707	\$ 2,503,223	\$ 2,560,932	\$ 2,610,518	\$ 28,524,143
Cash Flow from Operations	\$ (556,851)	\$ (477,513)	\$ (1,094,235)	\$ (381,951)	\$ (324,085)	\$ (266,219)	\$ (369,605)	\$ (162,539)	\$ (117,249)	\$ (63,313)	\$ (13,569)	\$ 44,296	\$ (3,782,833)
Operating Bank Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Assets Leased													
Capital Assets Purchased	\$ (1,150,833)	\$ (1,150,833)	\$ (1,150,833)	\$ (1,150,833)	\$ (1,150,833)	\$ (1,150,833)	\$ (1,150,833)	\$ (1,150,833)	\$ (1,150,833)	\$ (1,150,833)	\$ (1,150,833)	\$ (1,150,833)	\$ (13,810,000)
Interest Payments	(283,665)	(299,947)	(293,949)	(288,070)	(282,308)	(276,662)	(271,129)	(265,706)	(260,392)	(255,184)	(250,081)	(245,079)	\$ (3,272,191)
Income Tax Payments	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Raised	\$ 1,991,369	\$ 1,928,293	\$ 2,539,016	\$ 1,820,854	\$ 1,757,227	\$ 1,693,716	\$ 1,791,567	\$ 1,579,079	\$ 1,528,475	\$ 1,469,330	\$ 1,414,483	\$ 1,351,616	\$ 20,865,024
Closing Bank Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

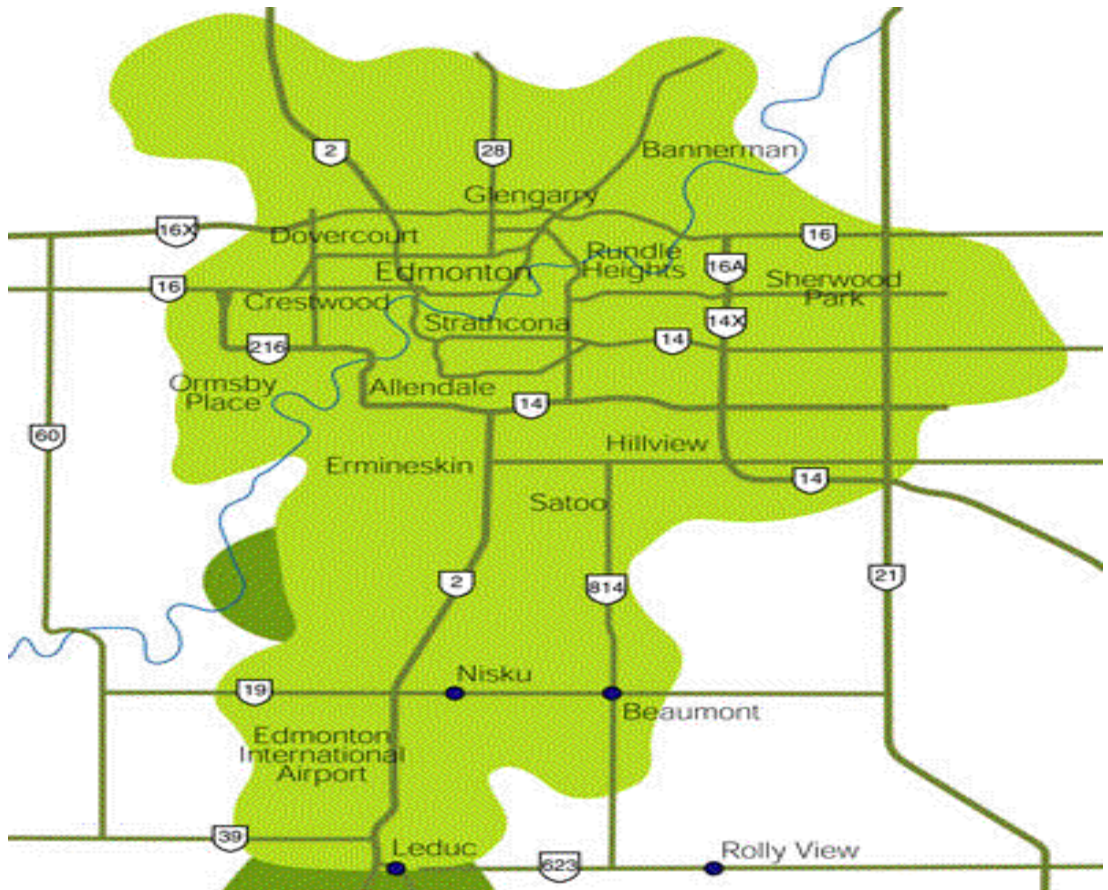
APPENDIX 2

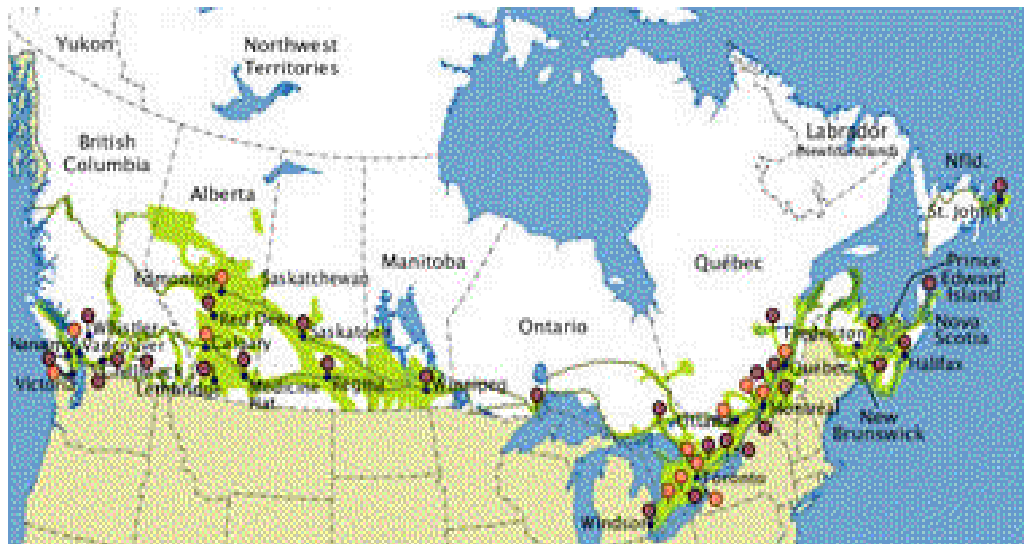
Maps of ClearNET Coverage Areas











APPENDIX 3

Report from Omnia Communications



OMNIA COMMUNICATIONS INC.

Market Research in Support of MCS Licence Application

Prepared for Orbit Canada Inc.

1 October 1999

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Backgrounder on OMNIA COMMUNICATIONS INC.

Founded in 1986 by David Ellis, OMNIA COMMUNICATIONS is one of Canada's leading new media research and production firms. OMNIA tracks consumer behaviour, technology developments, business strategies and regulatory affairs. We advise our clients, which include some of the most notable communications players in Canada, on how to benefit from changes in the media and media technologies. These clients include telecommunications and satellite companies, broadcasters, the cable industry, publishers and government agencies.

Scope of Information and Limitation on Use

This document provides research about the Canadian media marketplace as it relates to Orbit Canada's application for an MCS licence from Industry Canada. The contents of the report are not intended to form the body of the application but are designed to provide Orbit Canada with insight into the marketplace it wishes to pursue.

The information in this document has been provided to Orbit Canada Inc. for the express purpose of filing for an MCS licence from Industry Canada. This information is the property of OMNIA COMMUNICATIONS INC. and cannot be used for any other purpose without the express written consent of OMNIA.

OMNIA COMMUNICATIONS does not necessarily support the views expressed by the applicant in its submission to Industry Canada.

Learning Plan Research

Growth in demand for new media learning tools

In their report *Market Assessment Study of New Media Learning Materials*, published in January 1996, the authors of the report, sponsored by Industry Canada, identified several demand factors behind the increasing attractiveness of new media learning materials. They report:

- Canada has enormous learning needs itself, both in the development of new knowledge-based industries and in the mining of knowledge from within our traditional resource and manufacturing-based economy, sectors that are under extreme pressure in the face of global open trading (pg. 7).
- A key factor and threat affecting attitudes to and use of NMLM [new media learning materials] relate not so much to which industry sector is being examined, but rather to the technological sophistication of workers, trainers and managers in each industry. Highly educated, highly computer-literate workers who are employed in technology-intensive jobs show great readiness to use NMLM. They are familiar with the technology and are comfortable using it to meet their training and information needs (pg. 11).
- With growing competition and increasing foreign market orientation, there is a large demand for training that increases knowledge about foreign markets and trade promotion skill (pg. 11).

NB: The report defines new media learning materials (NMLM) as “computer software and courseware content, including multimedia and interactive programs, applied to computer-based training. The spread of NMLM follows the increase in desktop computing power, sophisticated presentation software, CD-ROM technology and broadband networks” (pg. 1).

Benefits gained using new media learning tools, including savings per employee trained and productivity increases

The *Market Assessment Study* also identified the economic benefits expected to accrue from the collective use of new media learning technologies. The report states:

In terms of training costs alone, NMLM will generate significant savings for the Canadian economy. For the sectors under study, annual savings are expected to increase to \$1.6-2.5 billion by 2005, with a best estimate of \$2.0 billion. On a per-employee basis, this represents savings of between \$178 and \$270 annually, with a best estimate of \$223 (pg. 22).

Projected growth of the e-learning market in Canada including compounded annual growth rate

In *Technology-Mediated Learning: Current Initiatives and Implications for Higher Education*, a report funded by Industry Canada and presented to the Council of Ministers of Education in November 1998, the authors report the following:

The Canadian IT training and education services industry is estimated to be \$635 million for 1996, a 17.5 per cent increase from 1995. The E-learning market represents 2 per cent, or \$13 million, of the total market. By the year 2000, IDC Canada anticipates that this market share will rise to 22 per cent of the total, experiencing a compounded annual growth rate of 16 per cent. StatsCan estimated in 1987 that one third of companies provided formal training for their employees for a total of \$1.4 billion annually. The Conference Board of Canada surveyed companies in 1990 and discovered a growth trend, with training expenditures of 444 companies reaching \$315.9 million in 1989. In 1993, the Board found that 275 medium to large businesses had increased spending from an average of \$659 per capita to \$849 between 1992 and 1993 (pg. 9).

Requirements for retraining of the Canadian work force

Technology-Mediated Learning also reported the following:

According to the Canadian Labour Market Productivity Centre (1989), students leaving school today will need to be retrained at least five times in their working life, and nearly half the new jobs created will require the equivalent of 17 years full-time education. Many of the new jobs will require a much higher level of skill than those they are replacing. Those already employed will need to retrain to higher or different standards to keep their jobs (pg. 1).

Perceived benefits of increased opportunities for education through the communications infrastructure

In the 1995 document entitled *Lifelong learning on the knowledge highway: Access to lifelong learning opportunities on Canada's Information Highway*, prepared for HRDC's Office of Learning Technologies, the author reported that:

Access to the information highway will enable more cost-effective, productive and relevant education and training through increased opportunities for:

- home-based learning;
- training opportunities closer to home;
- training in the work place;
- customized training services to industry;
- just-in-time learning; and,
- school-to-college or to-work linkage.

Factors behind the increased importance of distance- and tele-learning.

Lifelong learning on the knowledge highway, prepared for HRDC's Office of Learning Technologies, reports that:

The last report of the Economic Council of Canada was on Education and Training. The study revealed, among matters, that:

- historically (1909-1988), education has contributed positively to economic growth (on an annual basis approximately one-half percentage point);
- the education sector was a major contributor to the level of gross domestic product (between 5 and 8% (in 1986 dollars) in the period 1961-91);
- education is a highly labour-intensive industry. In 1991, over 850,000 persons – 1 out of every 14 Canadians employed – worked in the education industry;
- the absolute number of employees in the education sector increased 30% between 1976 and 1991 while the total school enrollment (all levels) remained relatively stable since 1976, although its composition changed (e.g. more disabled and ESL students);
- expenditures on primary and secondary school sectors since 1971 have stabilized, even through student enrolments continued to decline in both absolute and relative terms; and,
- impressive post-secondary enrolment increases since 1971 have not been matched by corresponding increases in expenditures.

The Council report concludes with a number of guiding principles for sustained, long-term, future action including:

- creation of a training culture in Canada
- development of a stronger skill training system to complement a general academic orientation;
- increased business-education partnership in general and vocational training;
- transformation, by employers, of their business operations into “learning enterprises”; and,
- systematic co-ordination of government efforts at all levels regarding education and training.

Demand for educational services delivered to the home

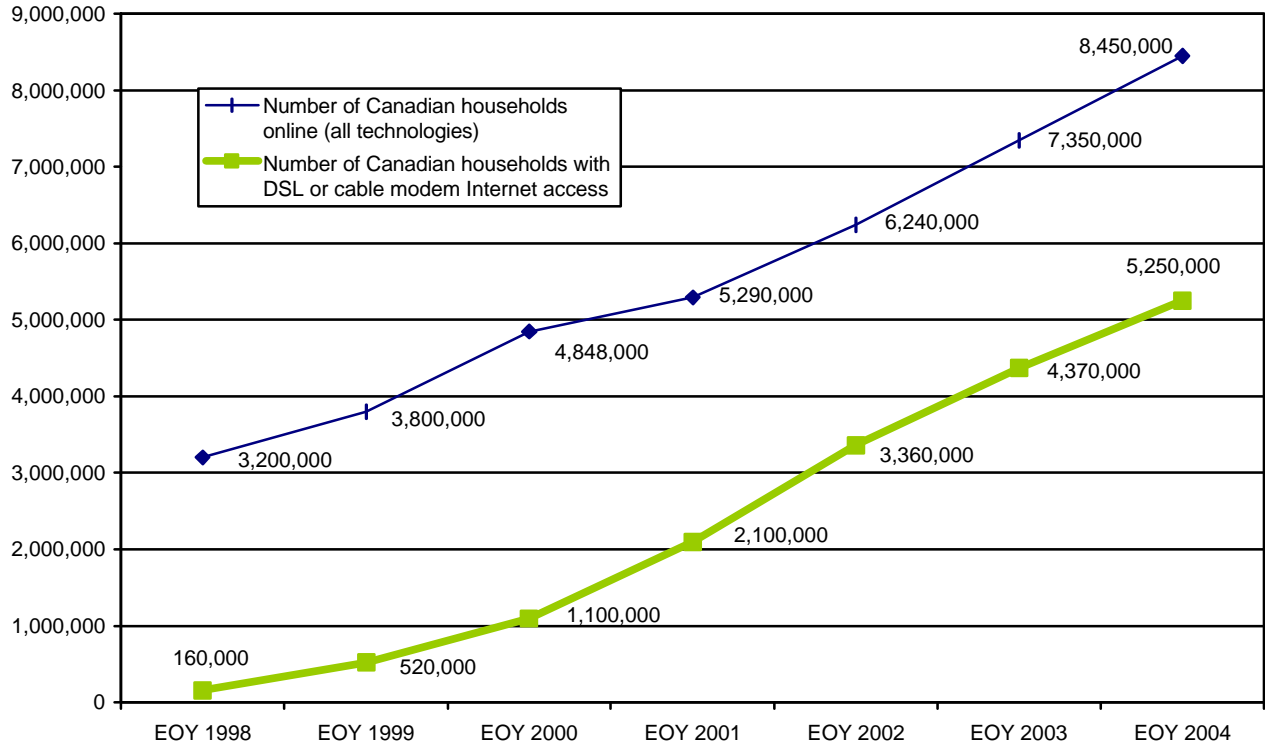
In *Lifelong learning on the knowledge highway*, prepared for HRDC's Office of Learning Technologies, the author reported that:

A 1994 Gallup Canada Survey indicated that of six possible types of services, interest in educational services, such as a home study course or programs that would help with school or university, was by far the highest. Almost 60% of Canadians expressed interest in such a service compared to 21% interest in, for example, home shopping (pg. 11).

OMNIA Technology Forecasts

Growth of the online marketplace in Canada

Growth of Internet penetration in Canadian households (1998-2004): Total online households vs high-speed households



Market Research about Canadian Internet Users

Users of survey data should always be aware of the inherent “statistical error” associated with random samples. Such error is often cited in the form “plus or minus x per cent, 19 times out of 20.” What this means is that a proportion of 50% can be expected to vary from 50 - x% to 50 + x% in 95 out of 100 randomly drawn samples. This is also referred to as “sample error.”

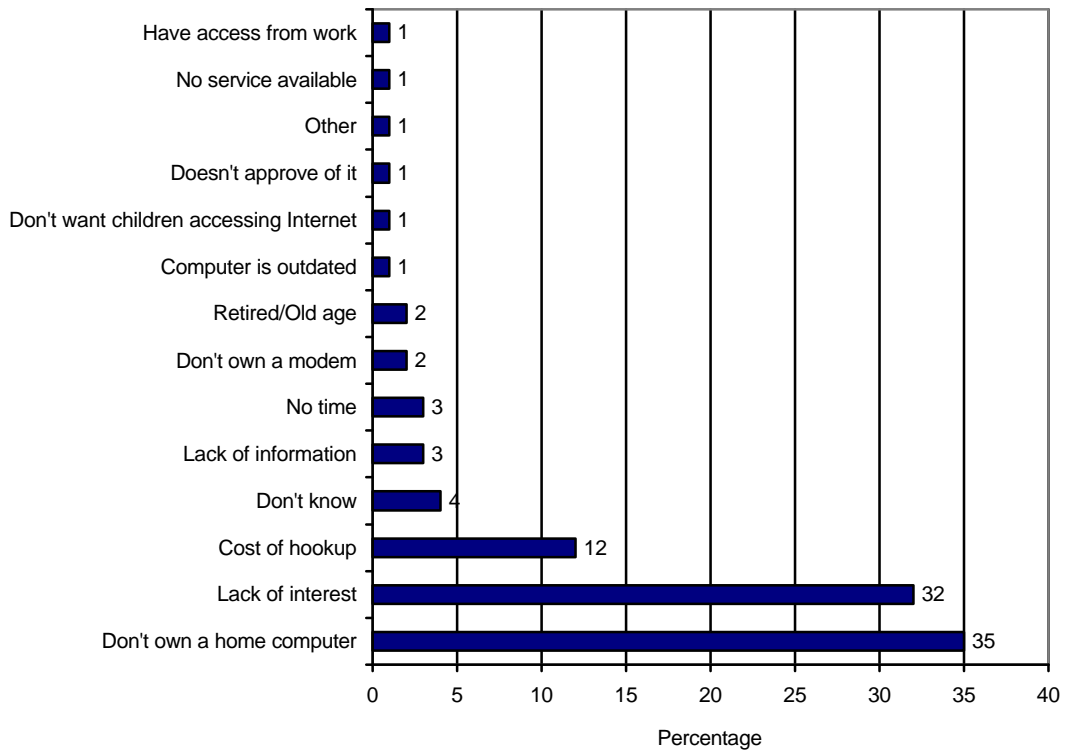
In larger samples, the error is reduced. In a sample of 383 (infinite population), the sample error is 5%. In a sample of 1000, the error is 3%. And so on.

Often proportions less than 50% or more than 50% are cited in reports. What must be remembered is that as the proportion cited approaches 0% or 100%, the absolute error diminishes and is NEVER MORE THAN THE PROPORTION. Logically, the error of a proportion of 3% or 97% cannot be plus or minus 5%, since that would imply that some samples would produce proportions larger than 100% (an impossibility). As the proportion approaches 0 or 100% the error diminishes absolutely, but increases relative to the size of the proportion.

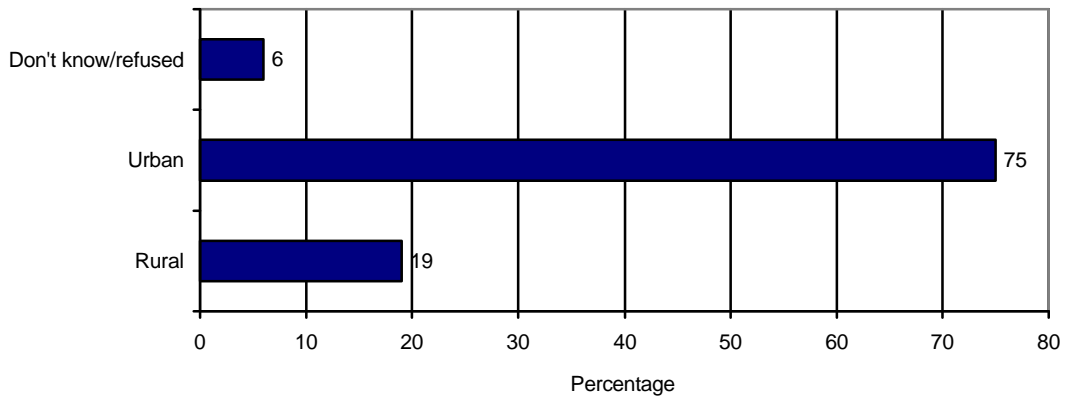
All statistical estimates are subject to “error” of this kind. Therefore, in reading reports based on survey research it is wise to keep in mind that successive measurements of the same population might produce different results. Also, it should be emphasized that only RANDOMLY selected samples can be estimated in this way.

The research data stems from a survey of 1,600 Canadians conducted in June 1999. OMNIA and Pollara, one of Canada’s leading survey companies, oversampled Internet users so that Canadian onliners made up over 1,000 of the total respondents. Respondents were asked over 100 questions on a wide range of topics related to Internet use.

Why unconnected Canadians don’t have Internet access

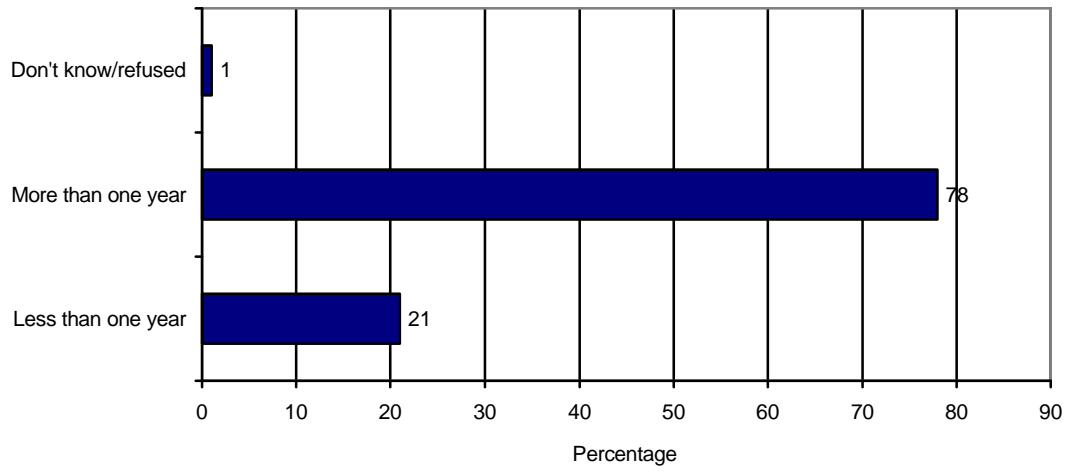


Percentage of onliners who are rural vs urban



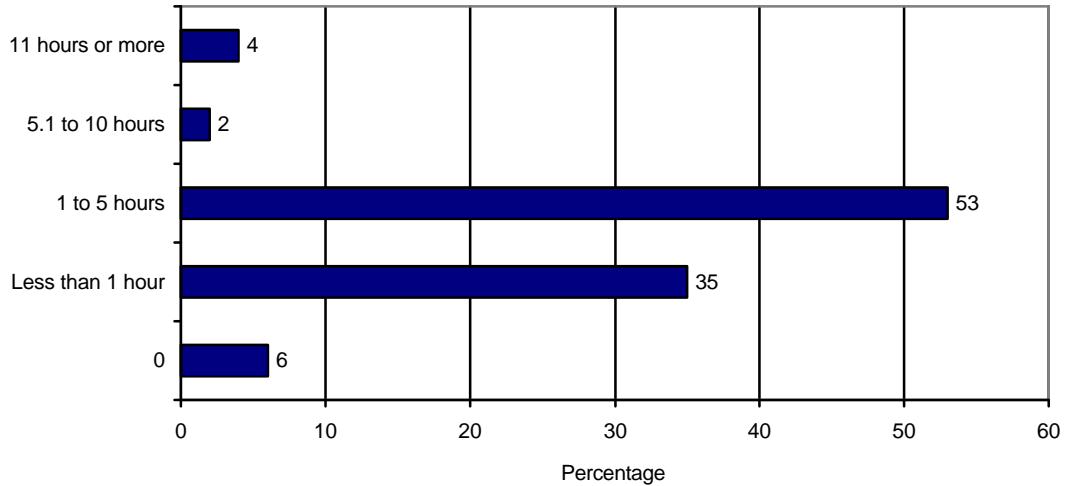
How long Canadians with Internet access have been online

How long has your household had an Internet connection at home?



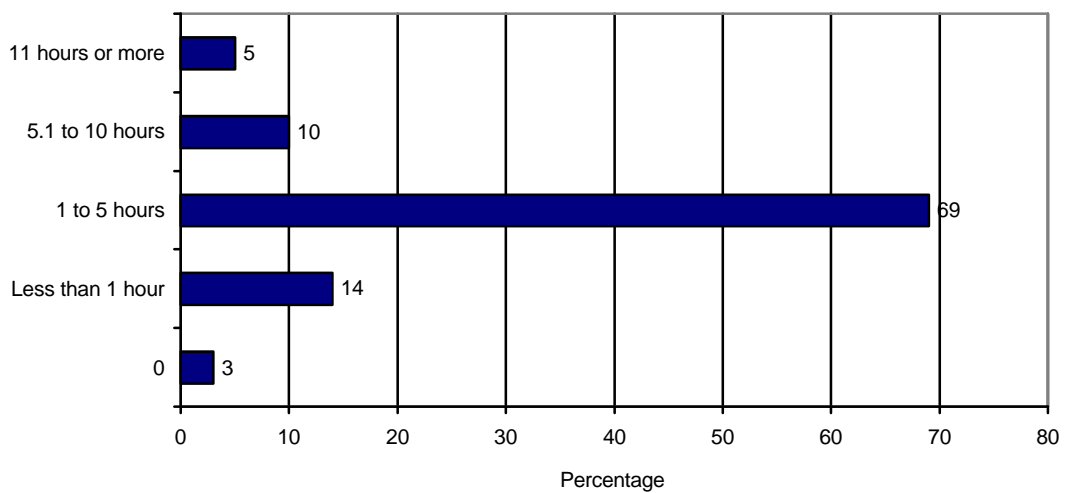
Time spent using the Internet from home

How many hours per day do you spend specifically on the Internet, including both email and the World Wide Web at home?



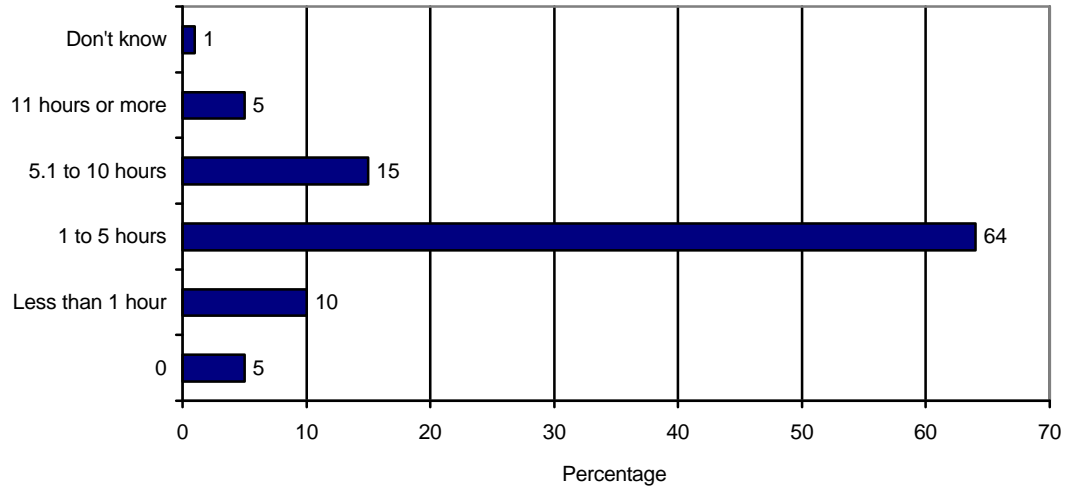
Time spent using computers at home on an average weekday

How many hours per day do you spend on your computer on an average weekday at home?



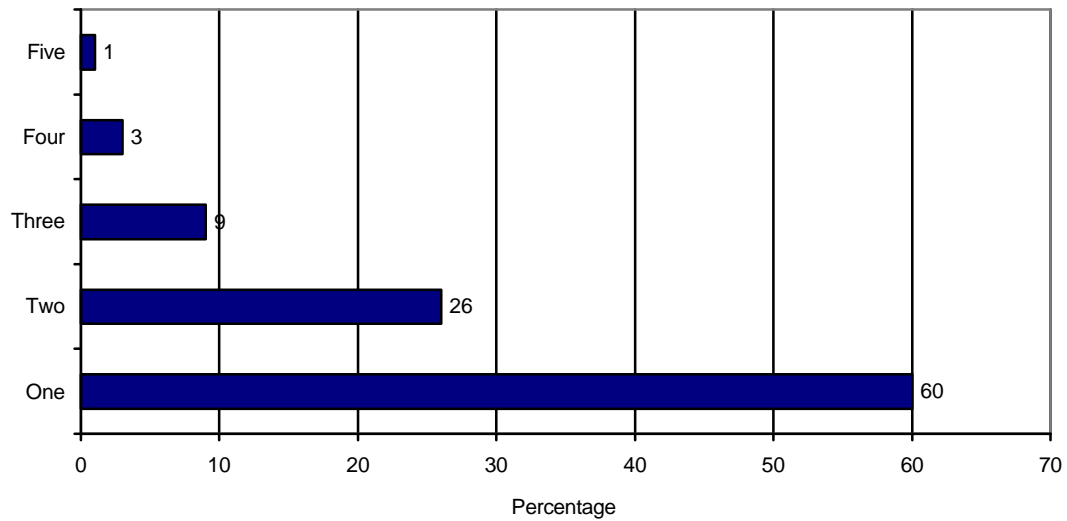
Time spent using computers on an average weekend at home?

Approximately how many hours do you spend on your home computer on an average weekend at home?

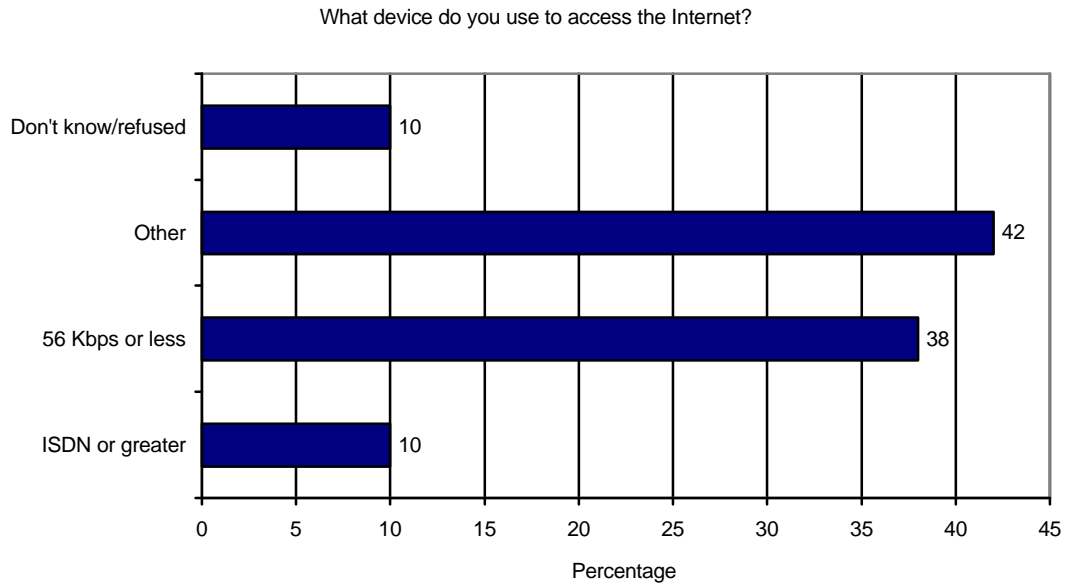


Number of computers in the household

How many computers do you have in your household?

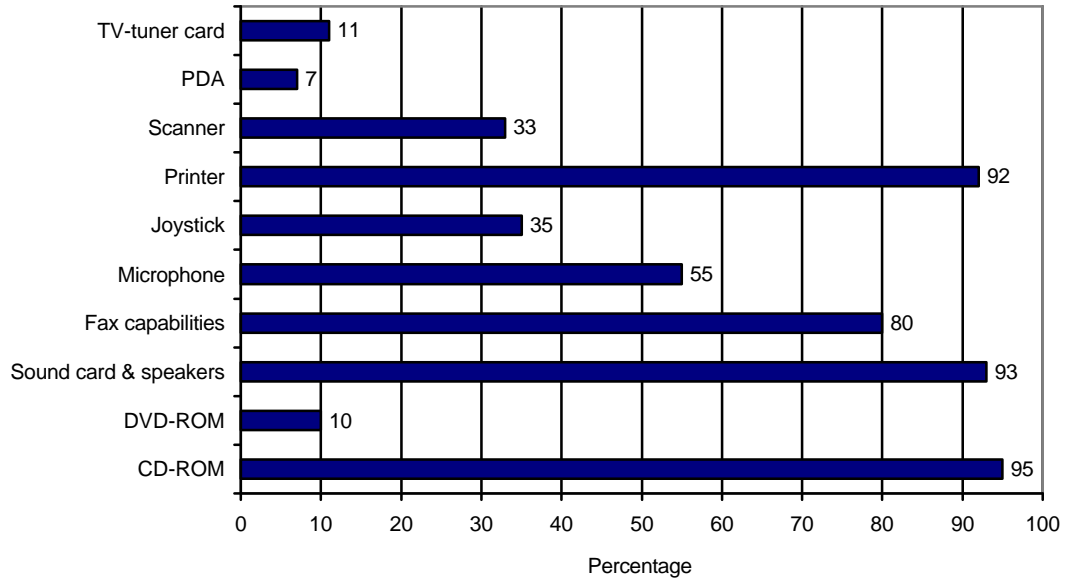


Modem speed Canadian onliners are using to access the Internet



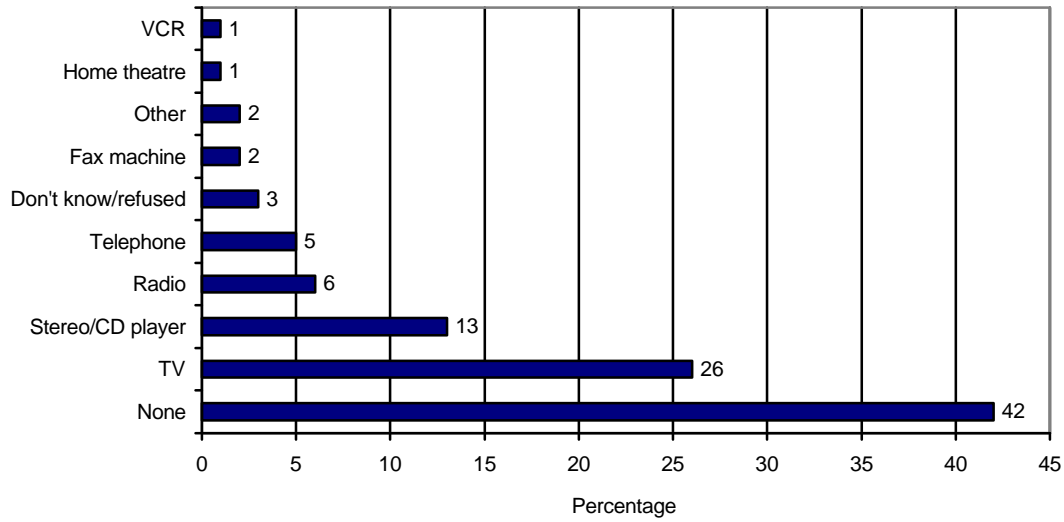
Peripherals Canadian onliners have on their computers including TV tuner cards.

Does the computer you use to access the Internet in your household have:



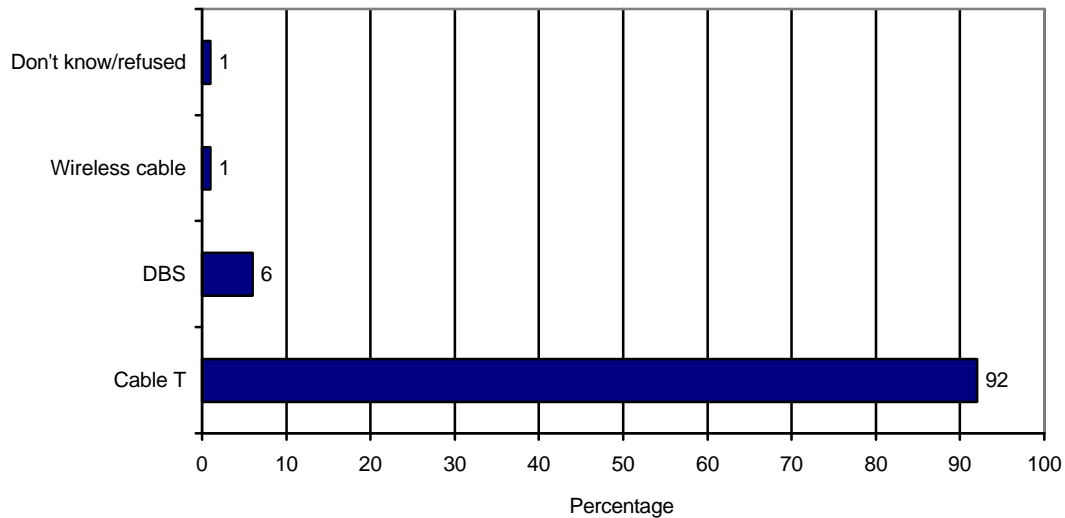
What media equipment (e.g. television) shares the room with the computer used to access the Internet

What other media equipment is used in the same room as the computer you use most to access the Internet?



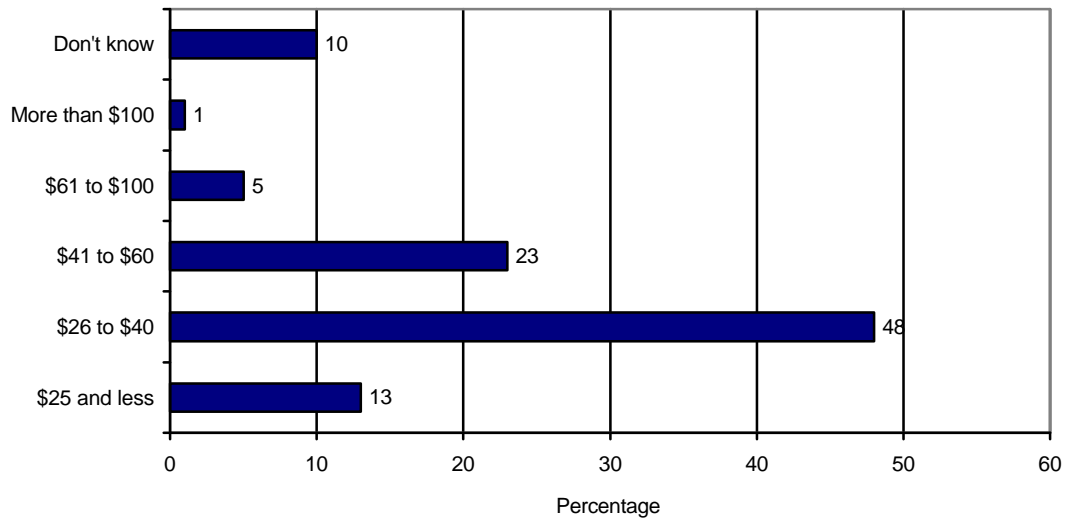
What kind of multichannel television service is received by onliners

What kind of multichannel television service do you receive?



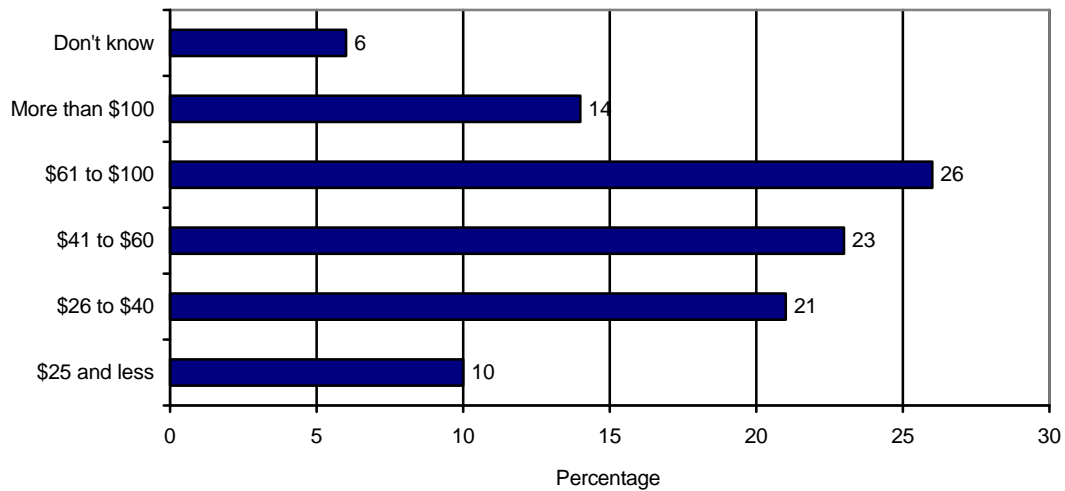
Estimated monthly spending on multichannel television service by onliners

How much would you estimate you spend on all cable television services, per month?



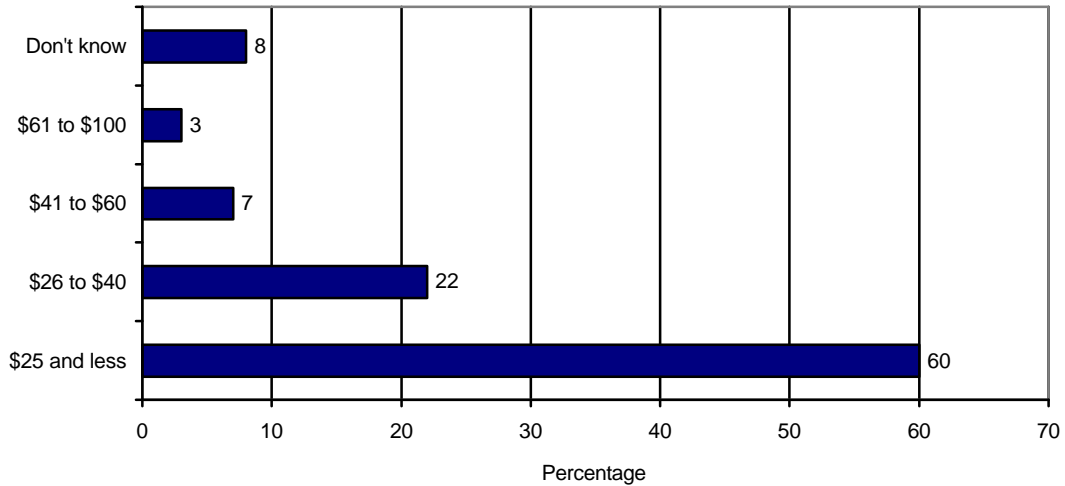
Estimated monthly spending on telephone services by onliners

How much would you estimate you spend on all telephone services, including long distance, on a month basis?



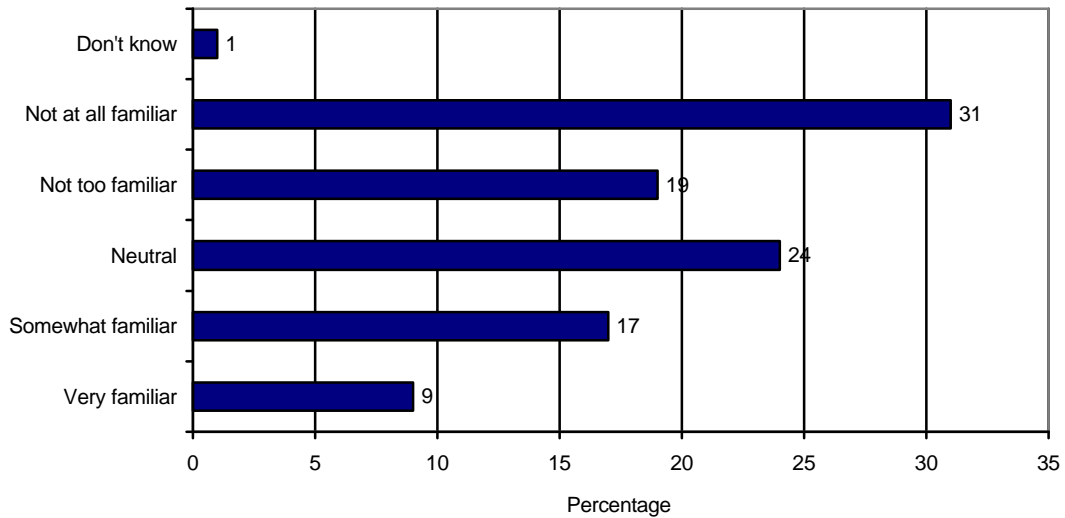
Estimated monthly spending on Internet access

How much would you estimate your household is spending per month on online connections?



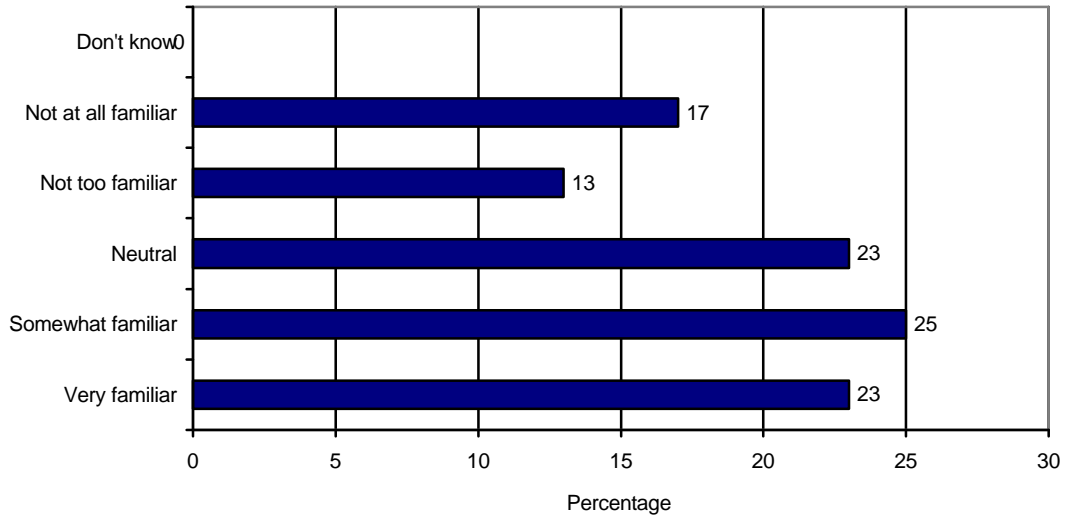
Familiarity of Canadian onliners with Internet over television

How familiar are you with Internet over television?



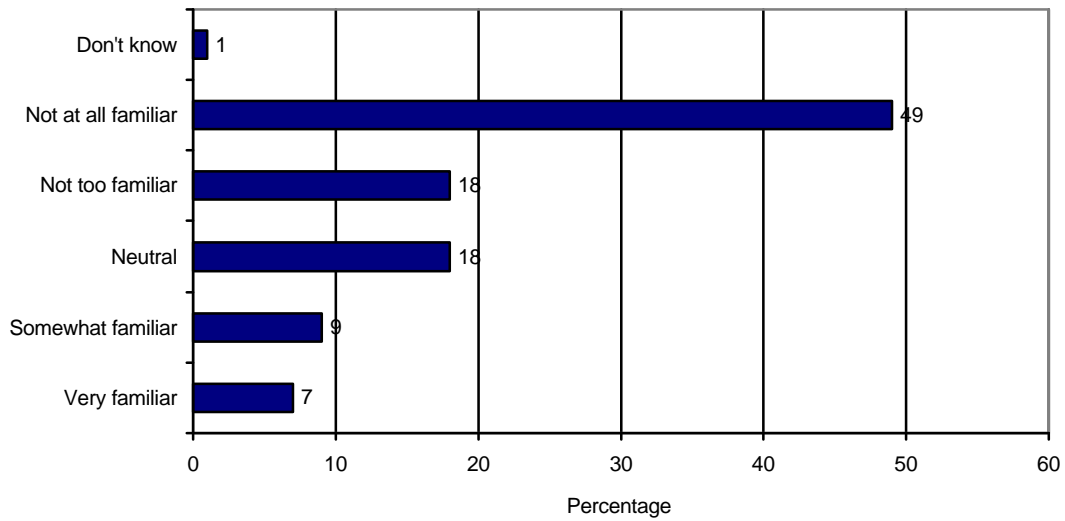
Familiarity of Canadian onliners with satellite television

How familiar are you with satellite television?



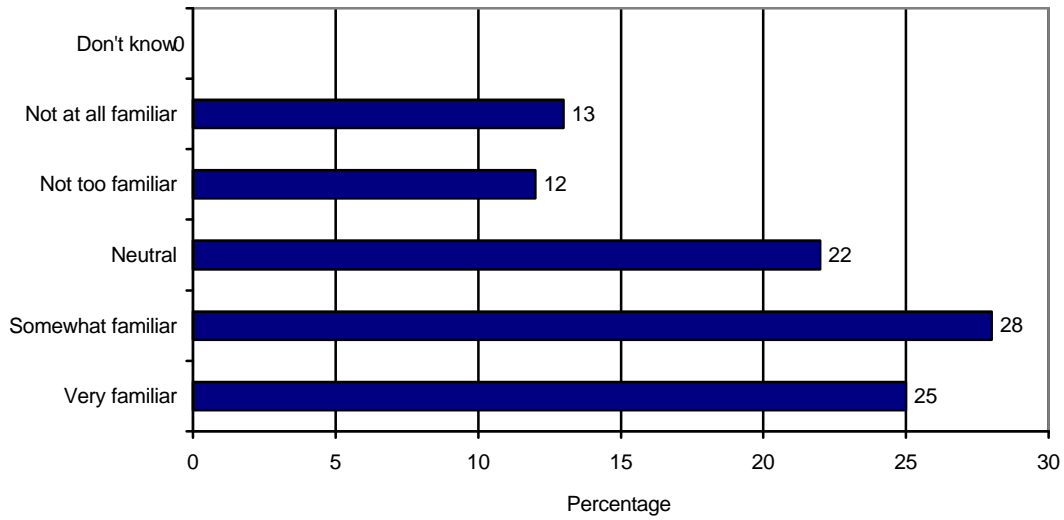
Familiarity of Canadian onliners with wireless cable television

How familiar are you with wireless cable television?



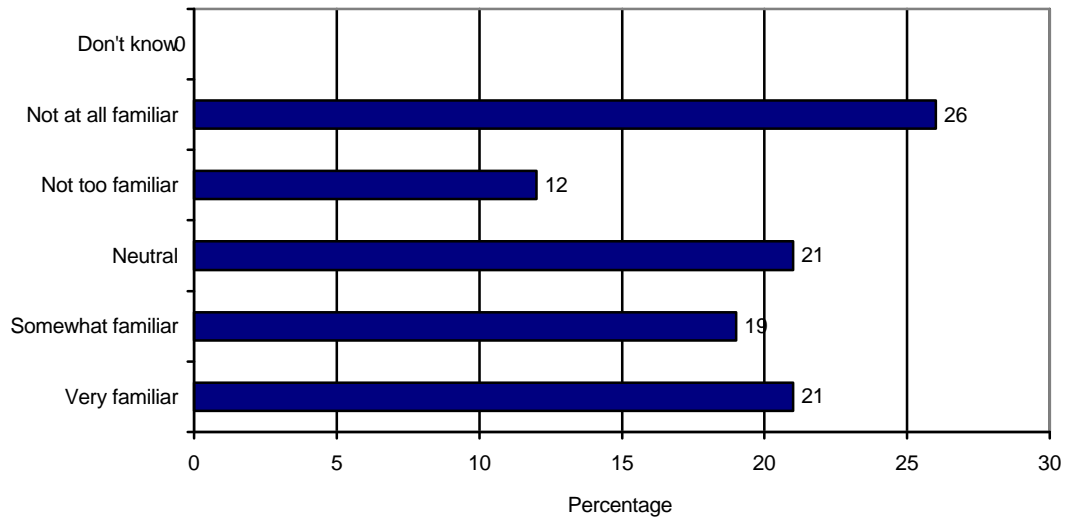
Familiarity of Canadian onliners with high-speed Internet access

How familiar are you with high-speed Internet access?

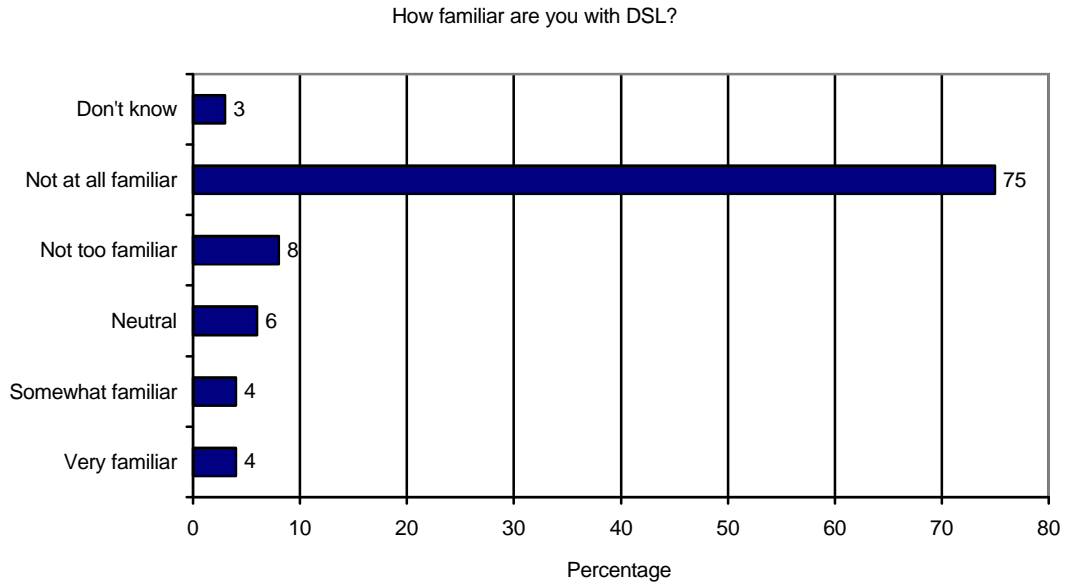


Familiarity of Canadian onliners with cable modems

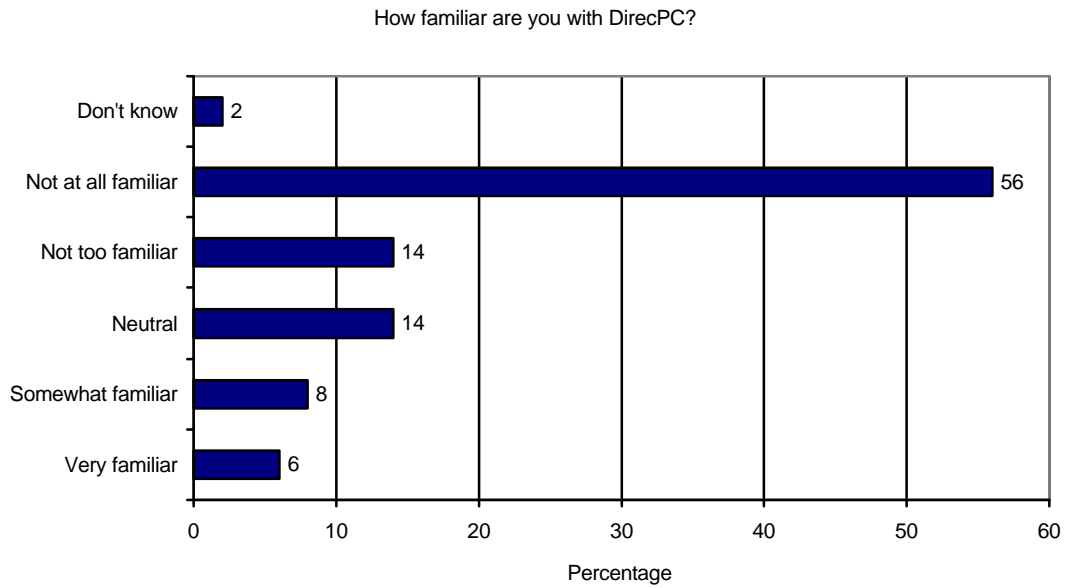
How familiar are you with cable modems?



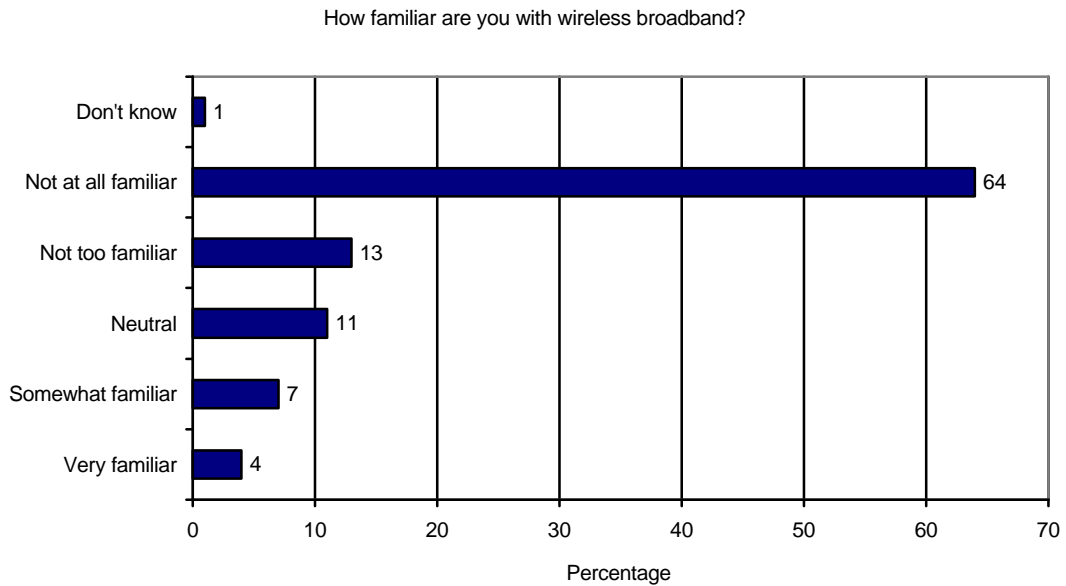
Familiarity of Canadian onliners with DSL



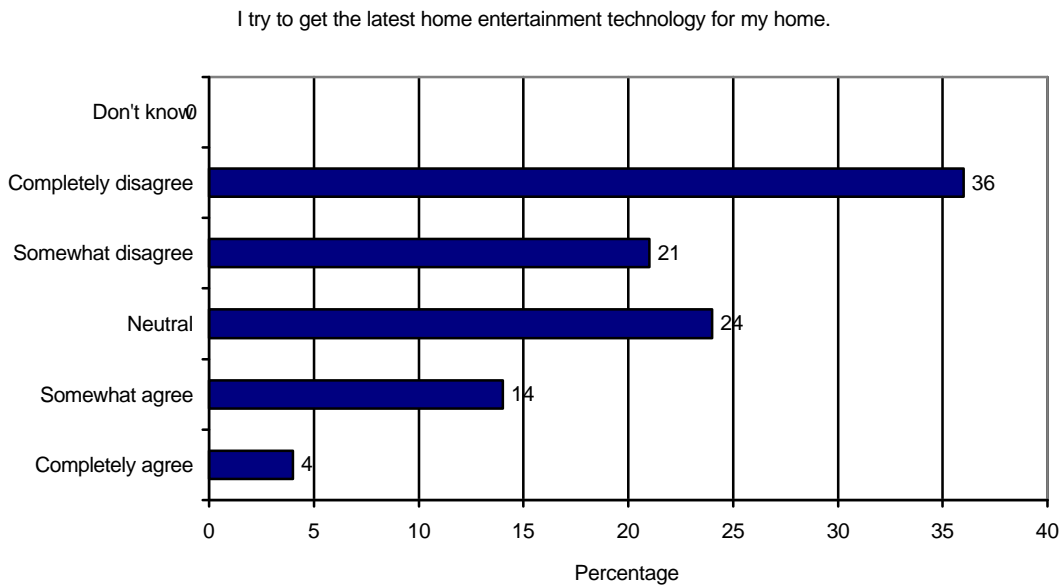
Familiarity of Canadian onliners with DirecPC



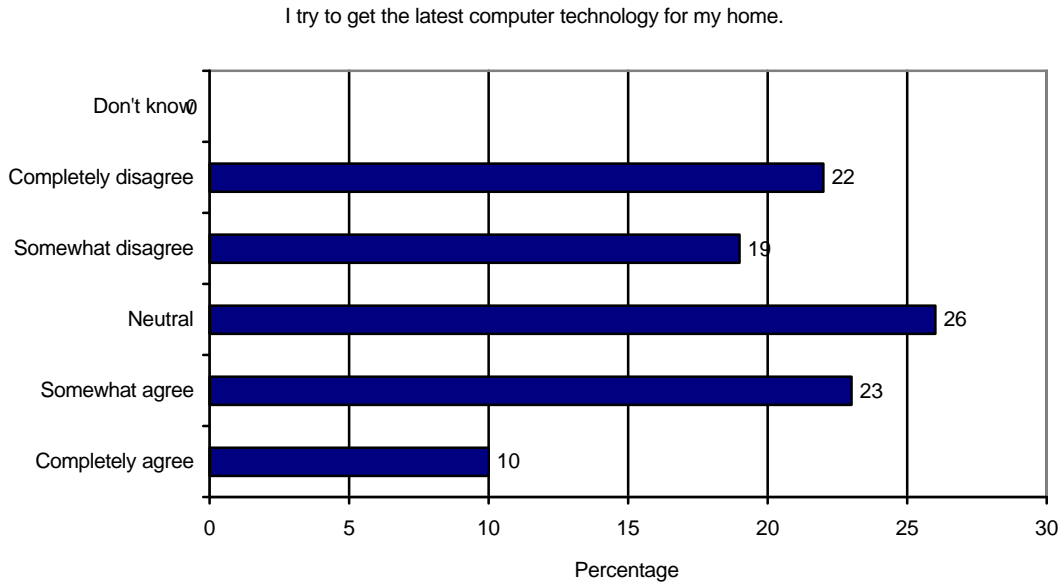
Familiarity of Canadian onliners with wireless broadband



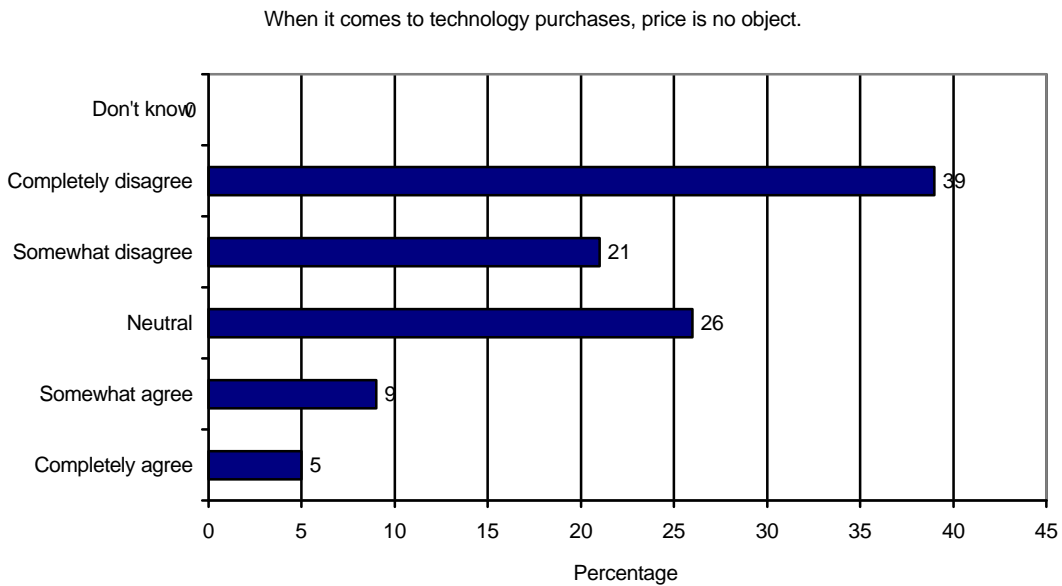
Importance of owning the latest home entertainment technology to Canadian onliners



Importance of owning the latest computer technology to Canadian onliners

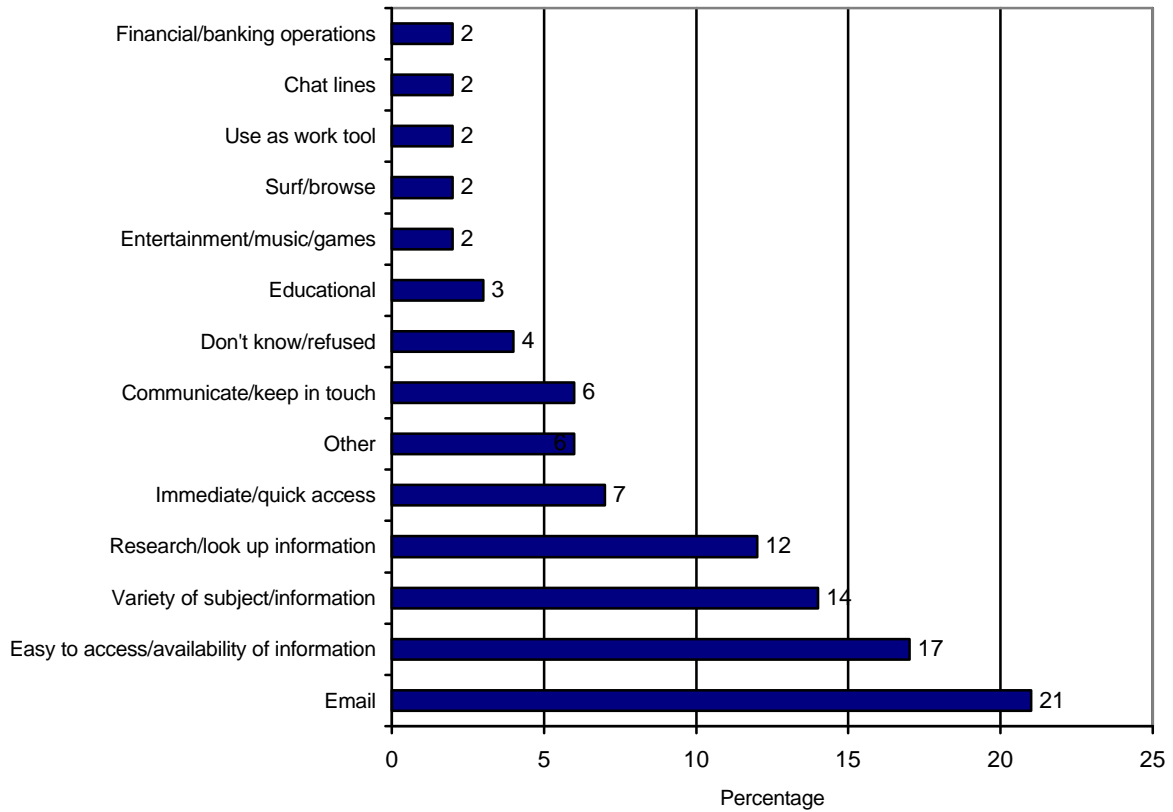


Importance of price when making technology purchasing decisions to Canadian onliners



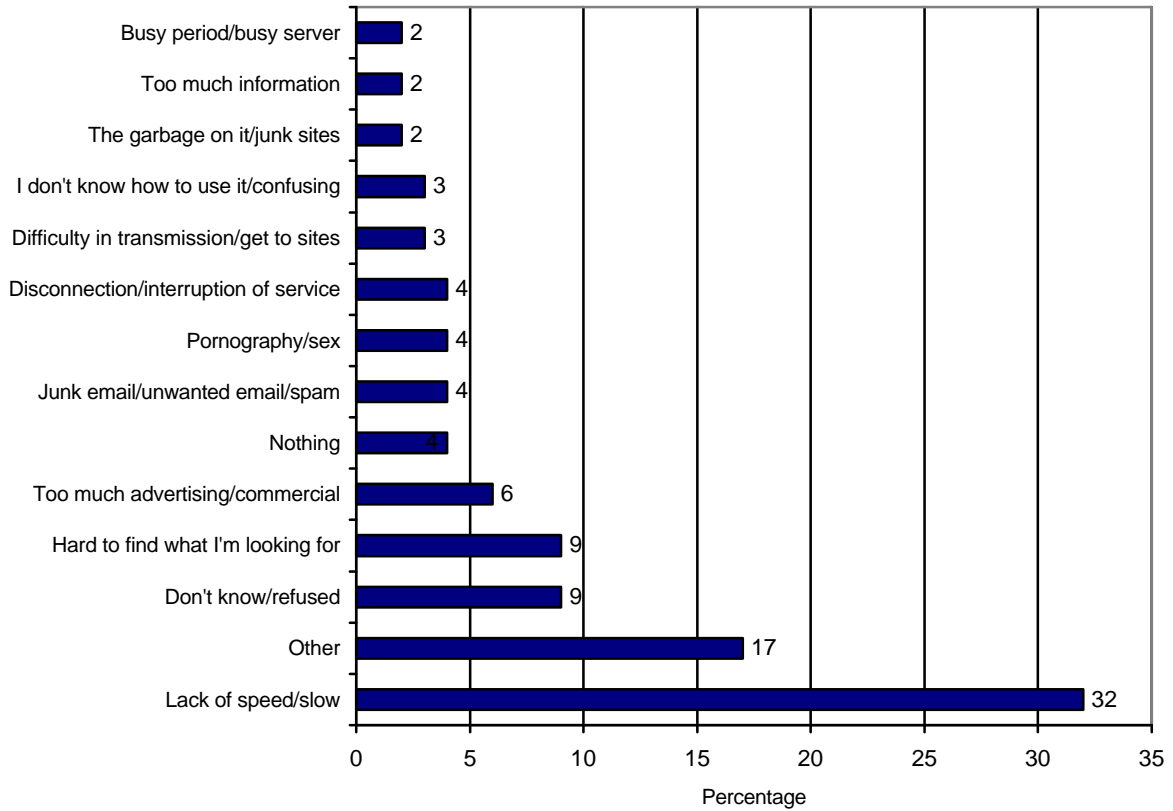
Most satisfactory part of the Internet experience for Canadian onlineers

What would you say is the most satisfying part of the Internet experience for you?



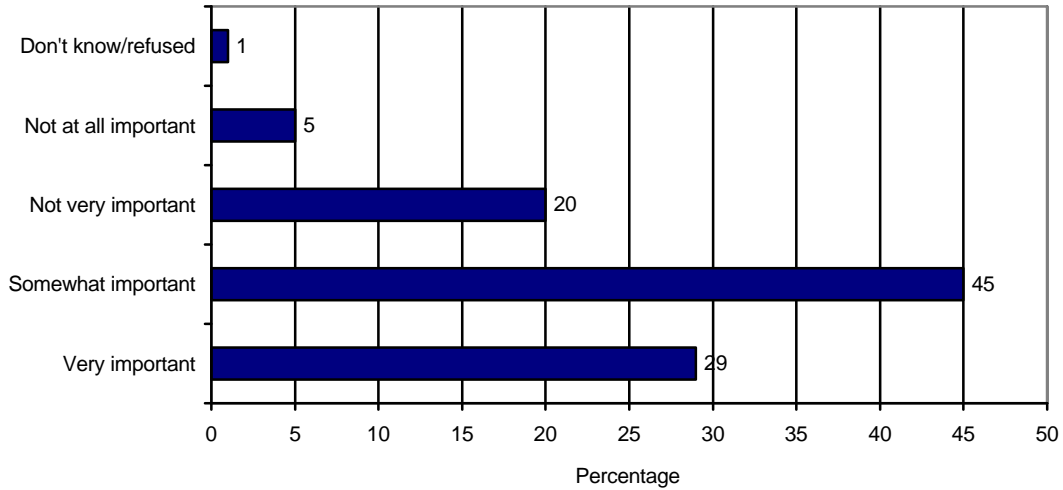
Least satisfactory part of the Internet experience for Canadian onlineers

What would you say is the least satisfying part of the Internet experience for you?



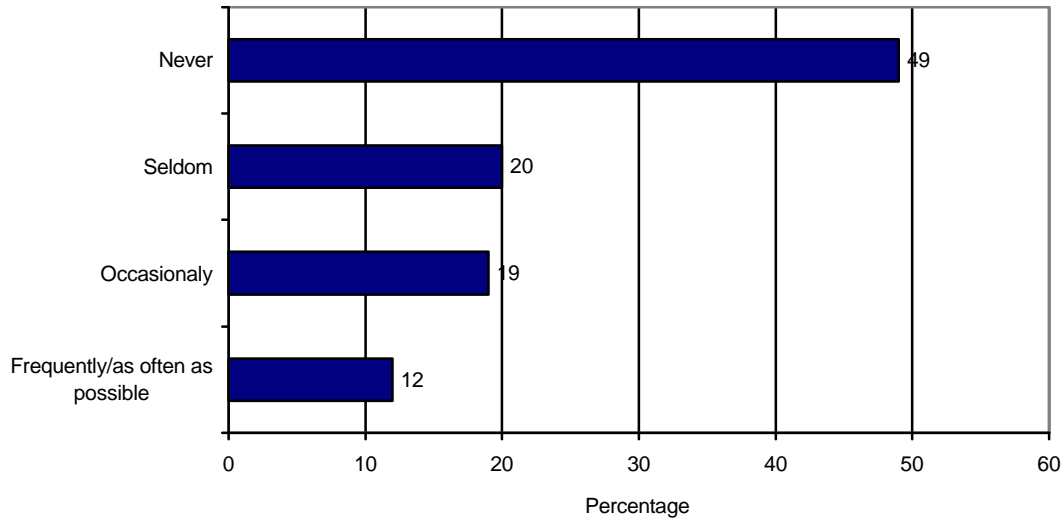
Importance of high-speed access to Canadian onliners

How important is it to you that you have a high-speed Internet connection such as cable modem or DSL at home?

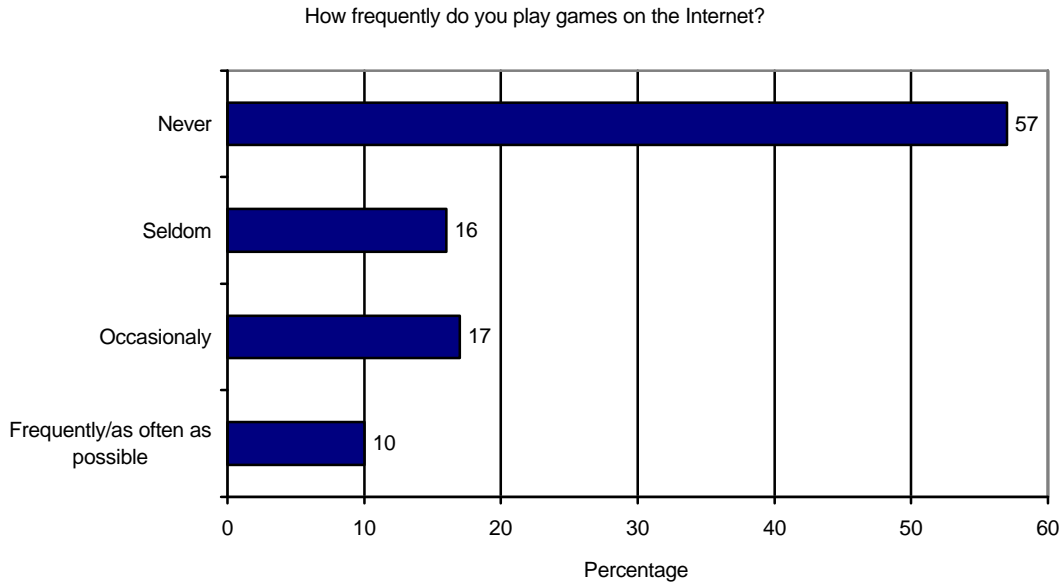


Frequency of Internet use for listening to music

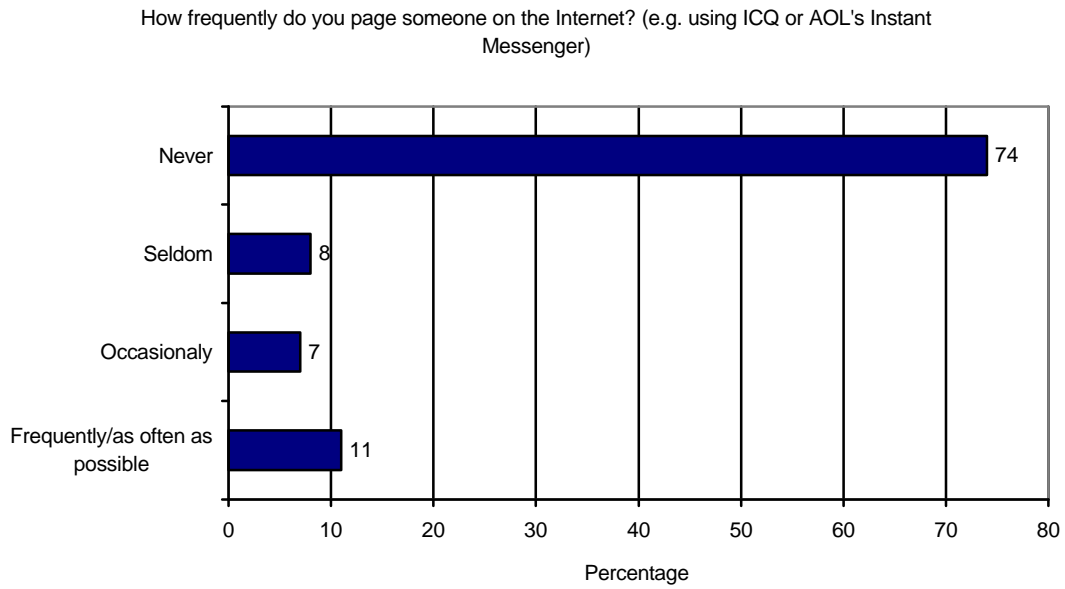
How frequently do you listen to music on the Internet?



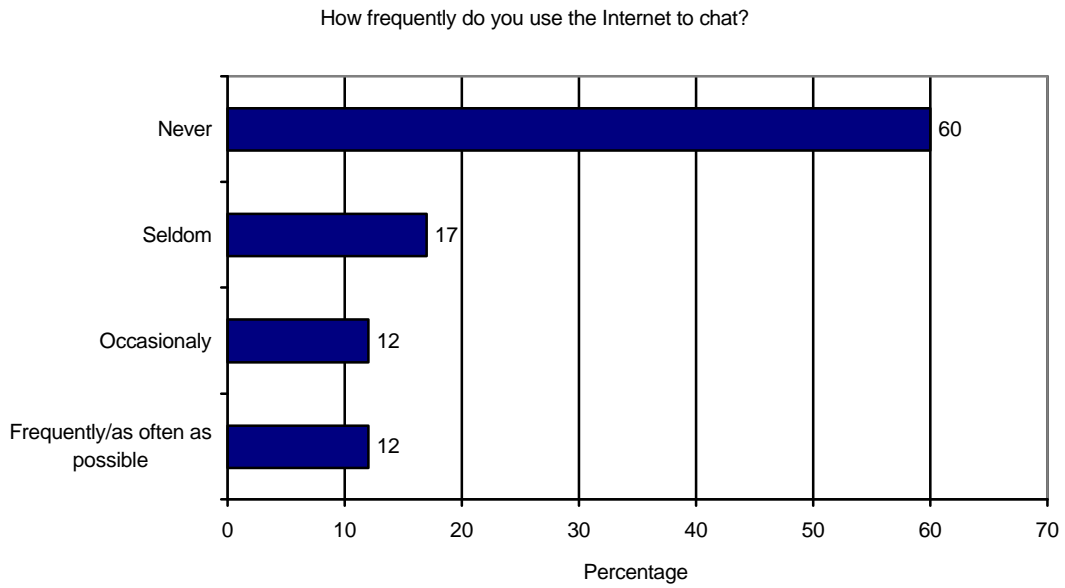
Frequency of Internet use for playing games



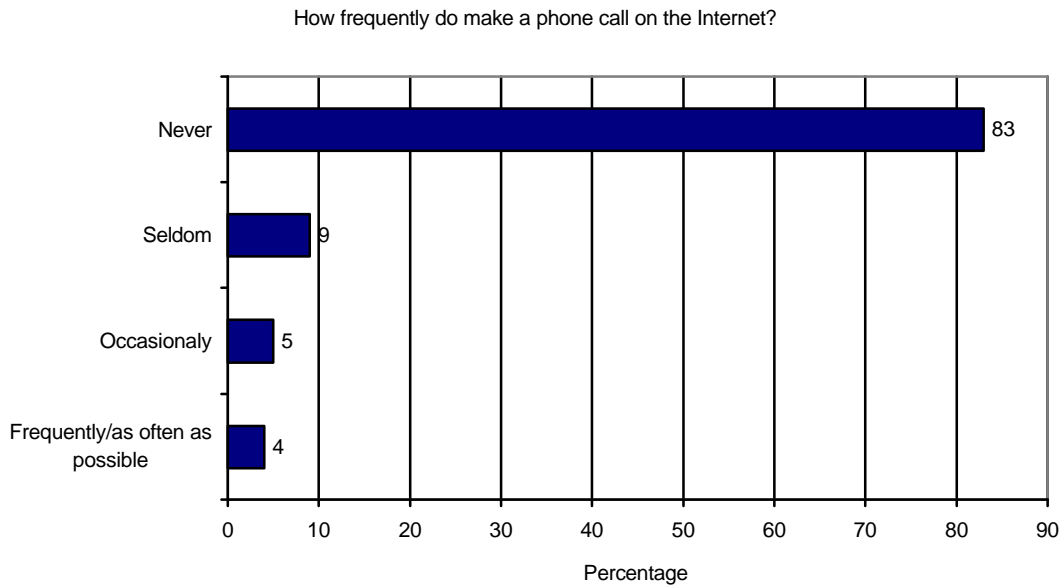
Frequency of Internet use for paging others



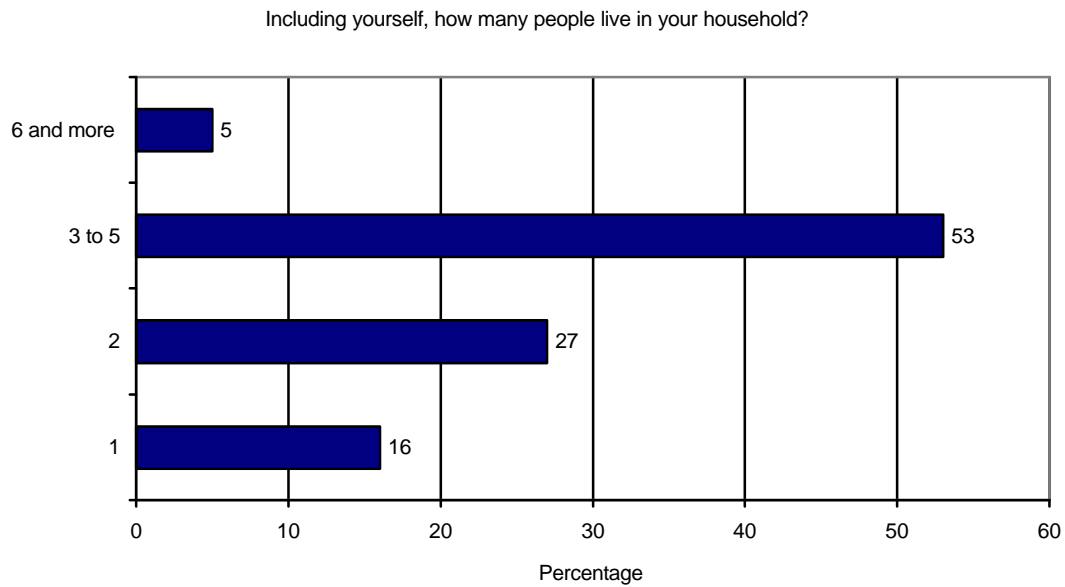
Frequency of Internet use for chat



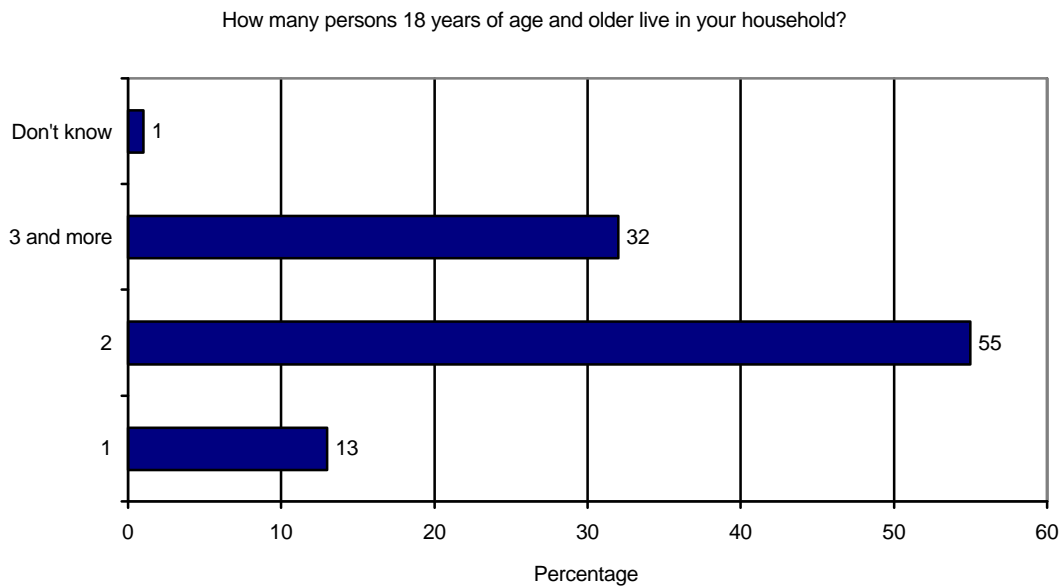
Frequency of Internet use for making phone calls



Total number of occupants in the households of Canadian online

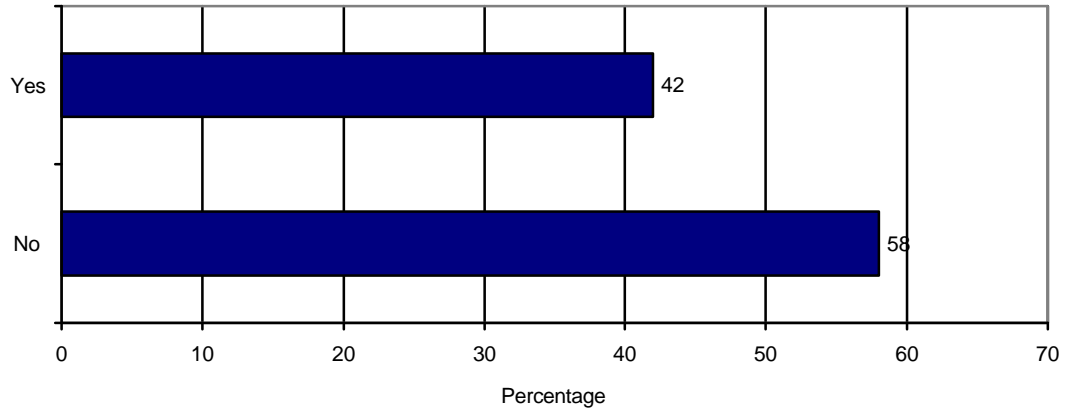


Number of occupants over 18 years of age in the households of Canadian online



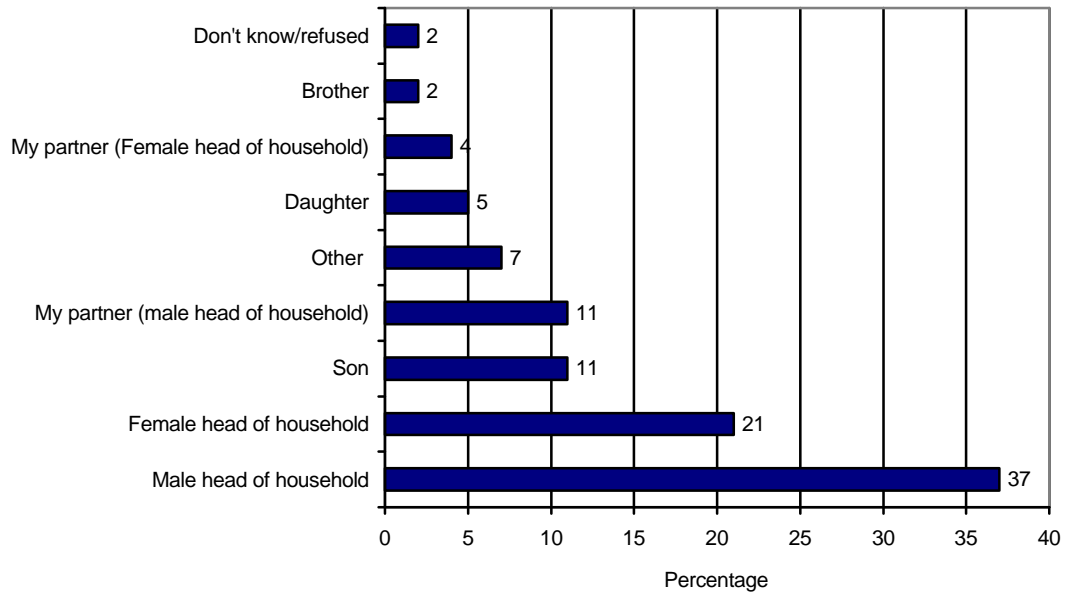
Number of children under the age of 18 who live in the households of Canadian online

Do children under the age of 18 live in your household?

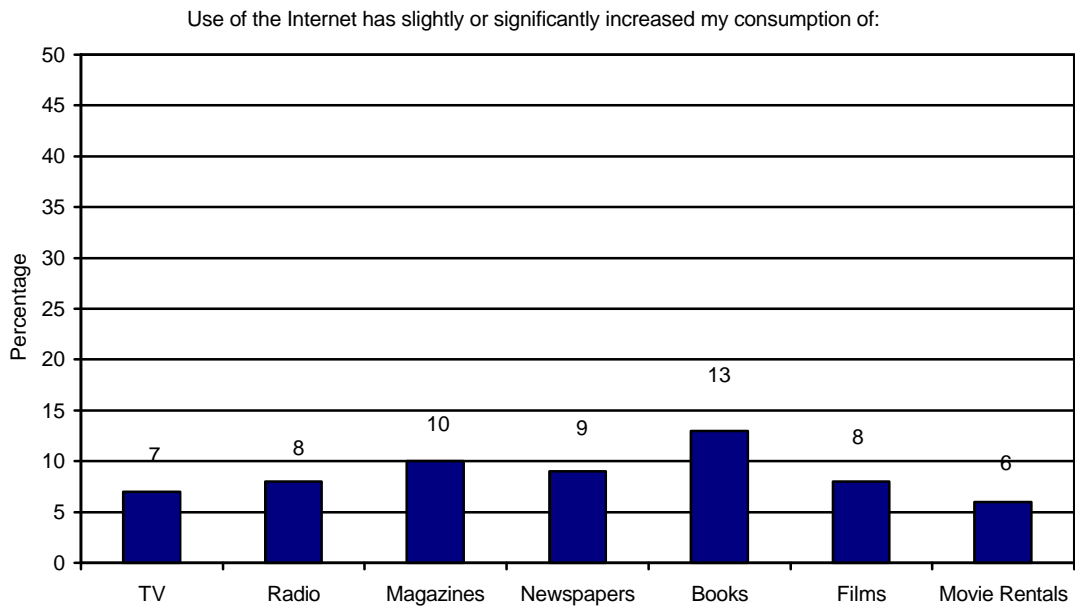
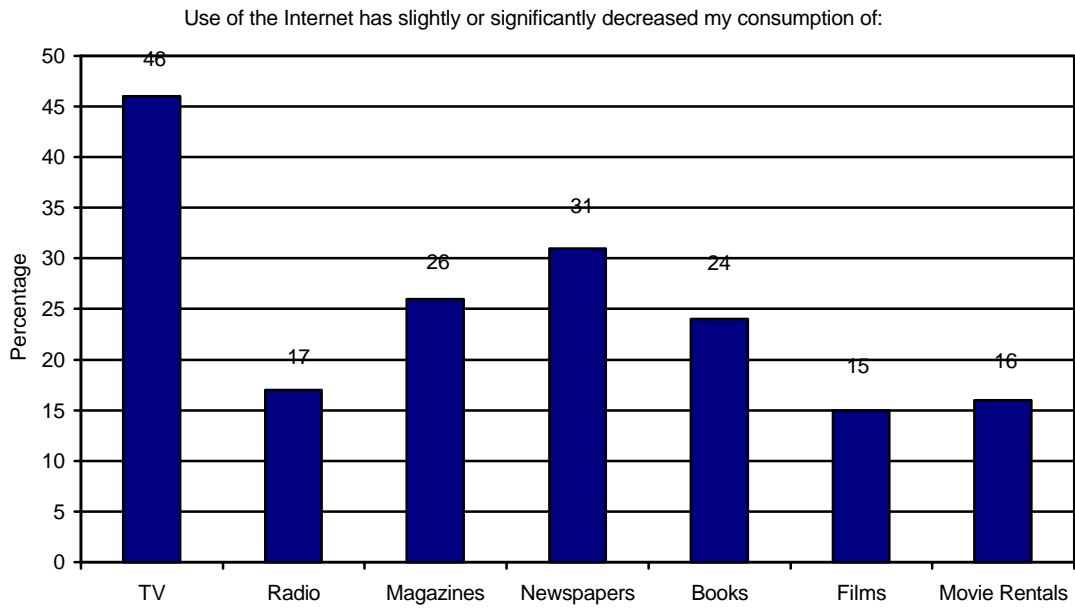


Main Internet user in household

Who would you say is the main user of the Internet in your household?



How Internet use is affecting the use of other media



APPENDIX 4

Incorporation Documentation and Related Information

5. Restrictions, if any, on business the corporation may carry on or on powers the corporation may exercise.

Limites, s'il y a lieu, imposées aux activités commerciales ou aux pouvoirs de la compagnie.

2

There are no such restrictions

6. The classes and any maximum number of shares that the corporation is authorized to issue:

Catégories et nombre maximal, s'il y a lieu, d'actions que la compagnie est autorisée à émettre:

The corporation is authorized to issue an unlimited number of shares of one class.

are

7. Rights, privileges, restrictions and conditions (if any) attaching to each class of shares and directors authority with respect to any class of shares which may be issued in series:

Droits, privilèges, restrictions et conditions, s'il y a lieu, rattachés à chaque catégorie d'actions et pouvoirs des administrateurs relatifs à chaque catégorie d'actions qui peut être émise en série.

3.

Not applicable

1/99

8. The issue, transfer or ownership of shares is/is not restricted and the restrictions (if any) are as follows:

L'émission, le transfert ou la propriété d'actions est/n'est pas restreint. Les restrictions, s'il y a lieu, sont les suivantes:

That the number of the shareholders of the Corporation, exclusive of persons who are in its employment and exclusive of persons who, having been formerly in the employment of the Corporation, were, while in that employment, and have continued after the termination of that employment to be, shareholders of the Corporation, is limited to not more than fifty, two or more persons who are joint registered owners of one or more shares being counted as one shareholder.

That any invitation to the public to subscribe for securities of the Corporation is prohibited.

07/24

CBR 190

9. Other provisions, (if any, are):

None

Autres dispositions, s'il y a lieu:

5.

3/99

10. The names and addresses of the incorporators are
Nom et adresse des fondateurs
 First name, initials and last name or corporate name
Prénom, initiale et nom de famille ou dénomination sociale

Full address for service or address of registered office or
 of principal place of business giving street & No. or R.R.
 No., municipality and postal code
Domicile élu, adresse du siège social ou adresse de l'établissement principal, y compris la rue et le numéro, le numéro de la R.R., le nom de la municipalité et le code postal


Denise Reynolds

134 Fenside Drive
 Don Mills, Ontario
 M3A 2V8

These articles are signed in duplicate.

Les présents statuts sont signés en double exemplaire.

Signatures of incorporators / Signatures des fondateurs


 Denise Reynolds

3.00

Please note that there is no holding company related to ORBIT CANADA INC. (the "Company").

1. Incorporation Documents

1.1 The incorporating documents, including any by-laws relating to control matters for the Company and any related holding company.

A copy of the articles of incorporation for the Company is attached hereto.

The Company does not have any by-laws relating to control matters.

2. Shareholdings

2.1 The details of the authorized and issued shares for each class of shares for the company and any holding company.

Authorized Capital - The authorized capital of the Company consists of an unlimited number of shares of one class.

Issued Capital – As at the date of this Application, there are 10,000,000 common shares issued and outstanding by the Company.

2.2 The details of the rights, privileges, restrictions and conditions of each class of shares for the company and any holding company

The holders of the Common Shares are entitled to one (1) vote for each common share held on all matters to be voted on by such holder and are entitled to receive pro rata such dividends as may be declared on the common shares by the directors of the Company out of funds legally available therefor. Each common share ranks equally with each and all other common shares with respect to dissolution, liquidation and the winding-up of the Company.

2.3 The details of the beneficial ownership by Canadians (as defined in the *Canadian Telecommunications Common Carrier Ownership and Control Regulations*), and by non-Canadians, of each class of shares for the company and any -holding company.

One hundred per cent (100%) of the shares issued and outstanding by the Company are beneficially owned by Canadians as defined in the *Canadian Telecommunications Common Carrier Ownership and Control Regulations*.

2.4 Copies of all shareholder agreements for the company and any holding company.

There are no shareholder agreements for the Company and there is no holding company related to the Company.

3. Directors

3.1 The name and citizenship of each member of the board of directors of the company and any holding company.

Harold Dunstan	– Canadian citizen
Douglas Lloyd	– Canadian citizen
Dan Servos	– Canadian citizen

3.2 The details of any agreements or arrangements related to the election of directors of the company and any holding company.

There are no agreements or arrangements related to the election of directors of the Company.

4. Officers

4.1 The name and citizenship of each officer, and office held, of each officer of the company and any holding company.

Harold Dunstan	President	– Canadian citizen
Douglas Lloyd	Vice-President	– Canadian citizen
Ian Hochberg	Vice-President	– Canadian citizen

4.2 The details of any agreements or arrangements related to the appointment of officers of the company and any holding company.

There are no agreements or arrangements related to the appointment of officers of the Company.

5. Financing

5.1 The complete details of the financial structure of the company and any holding company, including the source of debt and equity financing.

The Company has been financed to the date of this Application by an operating line of credit provided to the Company by 9074-4301 Quebec Inc. in an amount that has not exceeded \$500,000.00.

Each of 9074-4301 Quebec Inc.'s officers and directors and the beneficial owners of more than ninety per cent (90%) of 9074-4301 Quebec Inc.'s issued and outstanding shares are Canadians as defined in the *Canadian Telecommunications Common Carrier Ownership and Control Regulations*.

6. Agreements

6.1 Copies of any agreements between the company and any foreign partner or affiliate.

The only agreement between the Company and a foreign partner or affiliate is reflected in the letter to the Company dated October 6, 1999 (copy attached hereto).

6.2 The details of any other agreement or arrangement which could affect whether the company or any holding company are or are not controlled in fact by Canadians.

There are no any other agreements or arrangements which could affect whether the Company is or is not controlled in fact by Canadians.

APPENDIX 5

Profile
Of

3Com Canada Inc.

3Com: Connecting People to Information

3Com's mission is to connect more people and organizations to information in more innovative, simple, and reliable ways than any other networking company in the world. More than 300 million customers worldwide rely on us to connect with the customized, personalized information they need at home, at work or on the move. We have always innovated for simplicity and reliability. Today, our innovations run the gamut from the industry-leading Palm™ connected organizer - that has set the standard for personal information access - to our award-winning LAN/WAN infrastructure products for the enterprise. All in all, we hold more than 235 patents for the innovative, ground-breaking technologies and products that we've brought to market since our company was founded in 1979. And we continue to innovate with next-wave connectivity solutions in emerging areas of broadband connectivity, home networking, wireless systems, handheld computing, LAN telephony, and Voice-over-IP services.

3Com: Innovating for Simplicity and Reliability

Palm Computing, Inc. - a 3Com company, is the leading provider of handheld computing solutions, including the best-selling Palm III series, Palm V, and Palm VII connected organizers. The Palm Computing platform is supported by more than 18,000 Third-party developers worldwide. Palm Computing's handheld solutions let people carry their most critical information wherever they go and have easy access to other databases and data services.

Consumer and small office/home office - 3Com is the leading supplier of network interface cards, modems, mobile PC Cards, and handheld computers to the consumer/SOHO market, and has the strongest retail presence in this market of any networking company.

Consumer and small office/home office - 3Com is the leading supplier of network interface cards, modems, mobile PC Cards, and handheld computers to the consumer/SOHO market, and has the strongest retail presence in this market of any networking company.

Small/medium businesses - 3Com leads the industry with 25 percent of this fast-growing market that will continue to grow as businesses take advantage of networked resources and e-commerce. This group supports 3Com solutions such as NICs, modems, PC Cards, as well as Office Connect and Super Stack systems.

Large enterprises - 3Com is the industry-leading provider of Ethernet, Fast Ethernet, and Gigabit Ethernet connectivity in business, government, and educational organizations with more than 500 network users. Continued growth of current trends such as voice, data, and video convergence, and e-business will continue to drive growth.

Carriers/service providers - Nine of the top 10 North American Internet service providers use 3Com's powerful Total Control multiservice access platform to link subscribers to the Internet. 3Com also offers a leading voice-over- IP solution and a high-density cable modem termination system using the Total Control platform. Packet-switched wireless modules will soon deliver mobile data networking capabilities.

3Com: Our Customers

Our customers include consumers and businesses, and range from educational and medical institutions to well-known corporations and retailers, such as Wells Fargo Bank, Home Depot, Amazon.com, MCI, and Wal-Mart to the home PC user who wants a fast, simple way to access the Internet.

Location

3Com is a global company with 200 offices located in 48 countries on six continents. 3Com has manufacturing facilities in Ireland, Israel, and Singapore, and in the U.S. in Santa Clara, Calif.; Boxborough, Mass.; Chicago, Ill.; and Salt Lake City, Utah. 3Com Service and Support Centers are located in Asia Pacific Rim, Europe, Latin America, and in the U.S. in Santa Clara and Chicago.

Headquarters:

5400 Bayfront Plaza

Santa Clara, CA 95052-8145

Phone: 800 NET 3COM (Canada and the U.S.) or 408-326-5000

Fax: 408-326-5001

World Wide Web: <http://www.3Com.com>

Employees

Approximately 13,000 worldwide

Intellectual Property

3Com is one of the networking industry's leaders in the number of U.S. patents held-more than 235-that cover various features of the network. Owning core technology is key to 3Com's success in the new era of networking, enabling leadership in markets such as workgroup switching, remote access concentrators, intelligent NICs, DOCSIS-standard cable modems, and handheld computers.

Boundary Routing®

system architecture for plug-and-play remote office connectivity

Parallel Tasking®

performance for increased throughput in Ethernet and Fast Ethernet

NICs and PC Cards

PACE®

technology for enjoying multimedia over Ethernet

XJACK®

connector for attaching a LAN, modem, or LAN+modem PC Card directly to any phone line or network cable



October 6, 1999

Mr. Harry Dunstan
President
Orbit Canada Inc.
22 Victoria Street,
Toronto, Ontario
M5C 1Y2

Re: Support For Orbit

Dear Mr. Dunstan,

We welcome the opportunity of supporting Orbit Canada Inc. in its application for Multi-Point Communications ("MCS") spectrum in Canada and supporting the build-out and marketing of its services upon success in the application process.

We understand that a critical component of your application is your Learning Plan for educational institutions. We are particularly interested in this aspect of your application, as 3COM has dedicated significant resources to serve these markets. Our annual revenues of nearly US \$6 billion and US \$2 billion in cash reserves allows 3COM to provide to Orbit's subscribers in the education, healthcare and library communities such support as:

- Discounts and financing on network equipment. Financing could take the form of lease or rental programs for the institutions as well as individual faculty and staff members. In terms of pricing, 3COM could be prepared to review its current discount program for this market in light of the potential of Orbit's license. With regard to finance, 3COM has a capital corporation subsidiary through which these programs could be delivered.
- Service and support for the equipment installed in schools as well as assistance in designing and implementing networks. Support will include the provision of courses for MIS professionals in the management and maintenance of networks. These courses can be offered at substantial discounts for the institutional markets. With regard to service, 3COM can provide both remote diagnostic and on-site services as required on a 24/7 basis.
- To assist Orbit to meet its obligations to the institutional market, 3COM can share insight into new technologies and patents as they are being developed. This should assist Orbit to keep its advanced wireless and terrestrial networks at the leading edge as well as the networks of Orbit's subscribers. To ensure that Orbit is able to maintain its leadership position in network design, 3COM can provide hardware and software upgrades at discounted price levels.

.../2

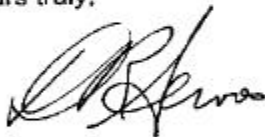
- 3COM has significant resources dedicated to marketing and sales to the institutional market. For example, we have 40+ direct sales representatives across Canada, as well as support staff, trainers and maintenance personnel in offices across the country. 3Com also has formal relationships with hundreds of other organizations that could be leveraged for the benefit of the institutional market. Upon success in its application, we can enter into a Marketing Agreement with Orbit that can ensure that all institutional organizations in its coverage area are made aware of the numerous services that Orbit is capable of providing. Furthermore, Orbit would have access to our facilities across the country to ensure that Orbit's subscribers have the training and support they require.
- 3COM would also be very interested in having representation on Orbit's steering committee to assist in the continued development of services for the institutional market in the years to come.
- Capital to assist Orbit in the roll out of its services upon success in acquiring a license. 3COM has a venture capital fund available to invest in advanced technology-based companies such as Orbit. This support may take the form of equipment financing for head-end equipment as well as working capital in the form of an equity investment. Subject to restrictions on foreign ownership, this equity could be voting, non-voting or a combination of both. The specific levels of investment will be determined once the coverage areas have been awarded, however, 3COM is committed to ensuring the success of Orbit's service deployment.

I trust this letter will serve to support your application and am looking forward to working with you as you rollout your services. 3Com is excited to be involved in this process with your organization as you have clearly developed an advanced approach to utilizing radio spectrum. We certainly see synergies between our organizations that can be developed for the benefit of our mutual markets.

Harry, please do not hesitate to contact me should you have any questions regarding the contents of this letter. We will also make ourselves available to meet with the Learning Authorities and/or Industry Canada at any time during the licensing process.

In closing, I want to reiterate our strong support for your application and wish you well in this endeavour.

Yours truly,



Dan Servos
President & General Manager
3COM Canada Inc.

APPENDIX 6

Profiles Of

Cablecom

Hybrid Networks Inc.

Cablecom

Headquartered in Toronto, with branch offices in Ottawa, Montreal, Kingston, Edmonton, Calgary and Vancouver. Each branch is a self sufficient business unit with its own sales, operations and support organization. More than 150 people are employed by Cablecom across Canada, over half of whom are field service representatives, and we utilize additional contract and subcontract personnel as required to meet our commitments to our customers.

Through our branches and network of authorized service affiliates across Canada, Cablecom offers a single point of contact for our customers' multi-site cabling installation requirements, no matter where they are geographically located. All of our offices are electronically linked to ensure the timely transfer of information about multi-site jobs, and our national sales and estimating team assures consistency is applied to the design of multi-site installations.

Cablecom prides itself on establishing and maintaining long-term relationships with our customers, achieved by providing high-quality, reliable service on a consistent basis. For national customers who have multiple office locations across Canada, Cablecom offers "single-point-of-contact" service, with the emphasis on consistency in the level and quality of the installations. Cablecom's national customers have come to depend on service that is responsive and stable, at every location, every day. Our customers who are based out of single or smaller-scale locations receive this same high level of service, on every project.

When a customer chooses Cablecom, they are gaining a strong partner in their telecommunications department, not just another cabling vendor.

Hybrid Networks, Inc.

Designs, manufactures and sells broadband data communications systems which include cable and wireless modems, and management software.

These products provide high-speed Internet access over broadband networks operated by cable TV and wireless operators. Hybrid's customers include telcos, broadcasters, cable TV operators, wireless operators, and Internet Service Providers (ISPs). Hybrid's products allow these companies to offer the Internet user T1 (1.5 Mbps) and greater speeds at prices you would expect to pay for ISDN. Hybrid Networks focuses on systems for business and work at home users, a segment of the market the company believes will lead market growth. Internet access, telecommuting, web surfing, video conferencing, file transfer and email applications benefit from the speed of Hybrid Networks' cable and modems.

The company is now delivering its third generation system, which provides a modular mix of speeds, media, and protocols in a single system. Cable and wireless operators with one-way networks can enter the high-speed data market immediately and upgrade as their facilities are made two-way capable.

Hybrid Advantages

Wide range of network options including cable, wireless, and telephone networks.
Modular headend architecture easily scales up as subscriber base grows.
Most-effective solution for small businesses and remote offices.
Collision-free, client-server protocols maintain stable operation regardless of distance from headend. Corporate support with secure data transfer to teleworkers and remote sites.

Key Partners

Alcatel Telecom, AT&T, Intel.

Key Customers

A sampling of Hybrid's cable and wireless customers:

Alcatel-Telecom
AT&T
Comcast
CS Wireless
CyberLynx Communications
DirectNET
Heartland Internet
InterJetnet
Internet Ventures
Jones Intercable Corp.
Magnavision
Ohio Valley Cable
SpeedChoice

APPENDIX 7

Letters of Support

ITS Electronics

Teleias

Decathlon

Yorkton



ITS ELECTRONICS INC.

MICROWAVE COMPONENTS AND SUBSYSTEMS

200 EDGELEY BLVD. UNIT 24
CONCORD ONTARIO CANADA L4K 3Y9

TEL 905 880-0405
FAX 905 880-0408

Date: October 10, 1999

Mr. Harry Dunstan,
President,
Orbit Canada Inc.,
44 Victoria Street,
Toronto, Ontario
M5C 1Y2

Dear Harry,

I would like to express how pleased and excited ITS Electronics Inc. is to have the opportunity to work with Orbit Canada on your planned School network. This project will be a key next step for our wireless equipment business, which we have been building for the last 12 years. It will also provide an opportunity for ITS to continue to support the educational infrastructure which is so important to the future success of our country.

I understand that you are planning to roll out a network of as many as 112 base stations with multiple channels at each station. Each of these channels will require a high powered Transmitter much like the unit we have installed for you at First Canadian Place. As we discussed, we will customize the product configuration to fit the configuration of your network, with appropriate redundancy and the most efficient distribution of subsystems. In addition, you will need receivers, transceivers and repeaters from our product line.

I am a firm believer that Wireless Internet is the best application of the band and that education is the most rewarding use of Wireless Internet. ITS has been providing equipment for educational use since 1993 when we first shipped Solid State High Powered Transmitters and Amplifiers to Manitoba for use in the Merlin Network. The Merlin Network was one of the first networks in the world to use digital transmission for wireless communication among schools.

As you know, ITS Equipment is also used in Commercial and Consumer networks worldwide. For example, our single hub system with 10 high powered channels

in a redundant configuration is being operated successfully by Multivision of Sri Lanka, a subsidiary of Rystar Communications, a Canadian public company.

ITS products are known for their quality. In February of 1999, ITS achieved a key milestone when we were certified to ISO9001 by International Quality Registrars Ltd..

Early this year, ITS introduced our new product line called InterWave 99, which is specifically aimed at Wireless Internet. The product line includes Base Station Transmitters, Base Station Receivers, and Internet Subscriber Radios in both the MCS and LMDS frequency bands. These newer products will allow ITS to ride the Internet growth curve to future success. However, the support of Canadian customers will be an important success factor in our growth. This is why we are so excited to be teamed with Orbit Canada.

Our Canadian identity is very important to ITS. We are a wholly Canadian-owned private corporation and all of our design and manufacturing is done in Canada. The company has grown from nothing in 1987 to our current size of 36 employees and we are ready to go the next step.

Successful execution of your project will generate up to 100 new Canadian high-tech jobs and give us a critical mass to win larger Wireless Internet projects and plant the Canadian flag in other parts of the world.

I feel confident that your bid will be seen as beneficial to Canadian companies and technically sound, so you should be well on the way to winning the license. Please be assured that ITS will help you in any way we can.

Again, thank you for selecting ITS Electronics as your microwave equipment supplier.

Regards,



Ilya Tchaplina
President

Teleias

October 8, 1999

**Orbit Canada
44 Victoria St.
Toronto, ON
M5C 1Y2**

Attn: Mr. Harry Dunsten, President

Dear Harry,

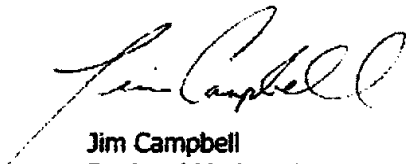
On behalf of the entire Teleias Inc. team, I would like to congratulate you on your success regarding the launch of your wireless Internet service initiative.

We are very pleased to be part of your team of strategic partners and look forward to a long and prosperous business relationship. Teleias is very excited to play a key role as a partner and assist Orbit in becoming a major player in the Internet Service Provision Market Place.

With other powerful partners such as 3 Comm and ATT Canada in your corner, Orbit is on the fast track to offering higher levels of service to an ever growing market that is starving for unique, reliable and efficient internet access.

Thank you again for choosing Teleias Inc.

Sincerely,



Jim Campbell
Regional Market Manager
Teleias Inc.
Jcampbell@teleias.com

Teleias Inc. ▶ 37 Front Street East ▶ Toronto, Ontario ▶ Canada M5E 1B3
Telephone: (416) 366-3335 ▶ Fax: (416) 366-0620 ▶ URL: <http://www.teleias.com>

rid Networks, Inc.

October 7, 1999

Orbit Canada Inc.
44 Victoria Street
Suite 1701
Toronto, ON M5C 1Y2
Attn: Mr. Harry Dunston

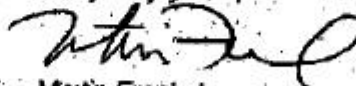
Dear Mr. Dunston:

Decathlon Communications, Inc. is a leading developer of compressed digital wireless cable systems and products. On March 7, 1996, Decathlon installed the world's first compressed digital wireless cable system for Videotron USA and the University of South Florida in Tampa, Florida. We have also supplied digital wireless cable systems in Roanoke, Virginia for Digital Broadcasting Corporation, Fresno, California for the Fresno County Office of Education and American Telecasting, Inc., a wholly owned subsidiary of Sprint Communications and in Shreveport and Baton Rouge, Louisiana for Red River Communications. Internationally, we have installed systems in Argentina and the Philippines.

This coming year we are expanding the educational system in Fresno, California to include the City Center Community College and Fresno State University. We will provide a full array of digital educational programming and a "homework channel" for the Fresno County Office of Education. I have included a letter of recommendation from the Fresno County Office of Education.

Please call me if you have any questions or require additional information. I am excited about the opportunity of working with Orbit Canada Inc., and 3COM Canada in building the long distance learning networks in Canada.

Very truly yours,



Martin Frankel
President

Enclosures

WORLD LEADER IN DIGITAL TELECOMMUNICATIONS

YORKTON



Yorkton Securities Inc.
BCE Place
181 Bay Street
Suite 3100
P.O. Box 830
Toronto, Ontario
M5J 2T3

Telephone 416 864-3500
<http://www.yorkton.com>

October 8, 1999

Mr. Harry Dunstan
President
Orbit Canada Inc.
44 Victoria Street
Suite 1701
Toronto, Ontario
M5C 1Y2

Dear Mr. Dunstan,

We understand that Orbit Canada Inc. ("Orbit" or the "Company") is applying to Industry Canada for a Multipoint Communications System in the 2500-2596 MHz frequency range. Furthermore, we understand that Orbit's application is for spectrum in Alberta, British Columbia, Ontario and Saskatchewan.

This will confirm that Orbit and Yorkton Securities Inc. ("Yorkton") have had preliminary discussions regarding the financing requirements necessary to support the build-out of the system. It is our understanding that Orbit would like to engage Yorkton as its exclusive financial advisor. In that role, Yorkton would be responsible for working with the Company on structuring and implementing a financing plan with external investors and suppliers. The actual terms of the engagement are subject to negotiation following the awarding of your licenses and further discussions with your team and technology suppliers.

As you know, Yorkton is Canada's leading independent investment dealer with offices across Canada and in the United States and Europe. We have made a major commitment to Canada's knowledge-based industries including telecommunications and technology and have the expertise to act as your exclusive advisor. We look forward to working with you on this exciting venture.

Sincerely yours,

Bradley Goldhar
Director of Investment Banking
Telecommunications and Cable Group

Toronto, Canada Vancouver, Canada Calgary, Canada New York, U.S.A. London, England Paris, France Zurich, Switzerland

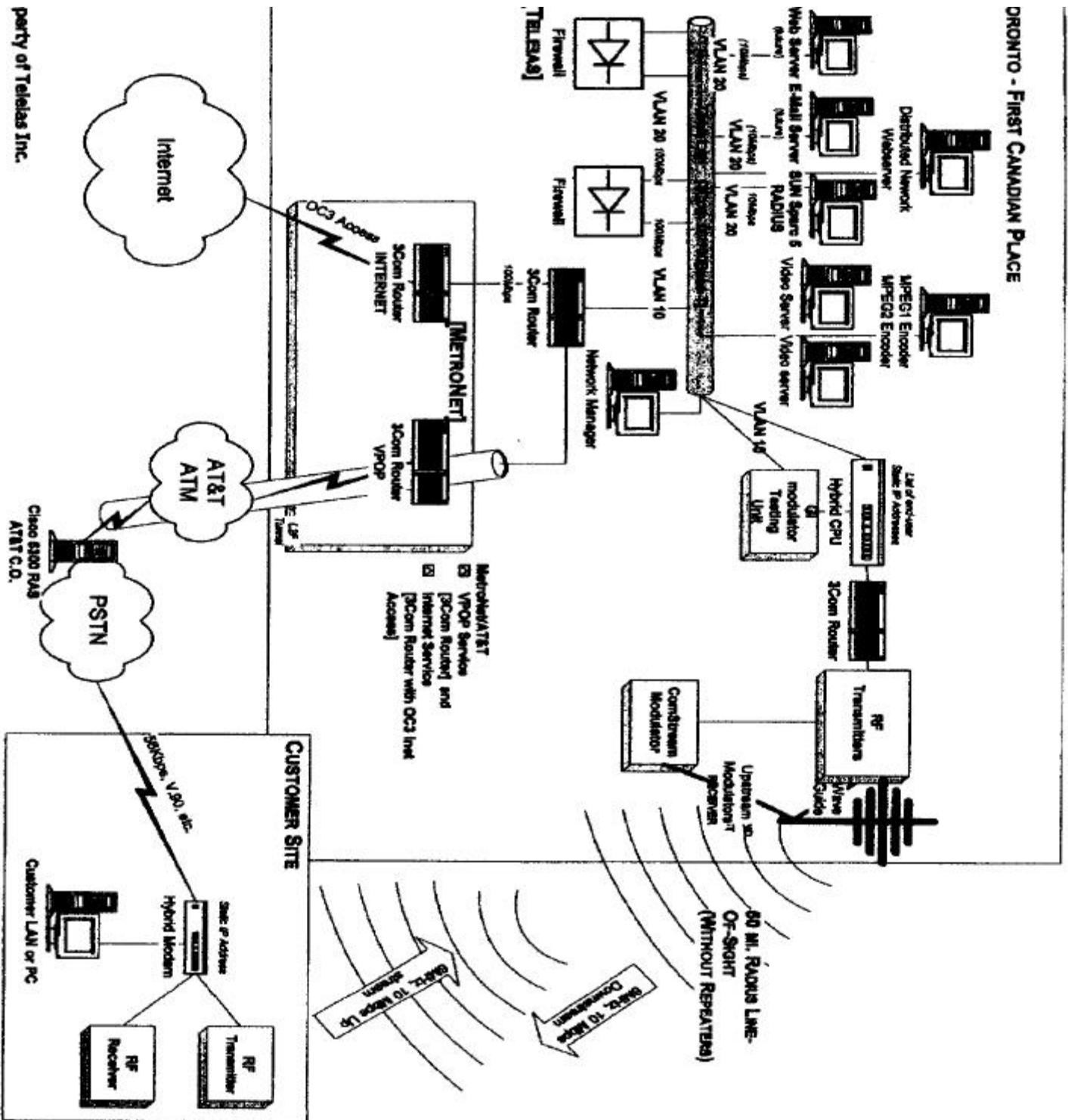
APPENDIX 8

Network Diagram of First Canadian Place

Related Web Sites

AT&T Internet and VPOP Service Documentation

DRONTO - FIRST CANADIAN PLACE



property of Telesis Inc.

Related Inetrnet Links

Orbit Canada Inc	www.orbitca.com
3com	www.3com.com
Hybrid Networks Inc.	www.hybrid.com
ITS Electronics Inc.	www.itselectronics.com
Lucent	www.lucent.com
Decathlon	www.decathlon-digital.com
Silicon Graphincs	www.sgi.com
Sun Micro Systems	www.sun.com
Optivision	www.optivision.com
AT&T Canada	www.attcanada.com
Cablecom	www.cablecom.ca
MCI Worldwide	www.wcom.com
CAI Wireless Systems	www.investquest.com
Teleias	www.teleias.com



