AURORA SOLAR TECHNOLOGIES INC.

(Formerly ACT Aurora Control Technologies Corp.)

REPORT TO SHAREHOLDERS AND MANAGEMENT DISCUSSION AND ANALYSIS OF THE FINANCIAL POSITION AND RESULTS OF OPERATIONS

FOR THE THREE MONTHS ENDED 30 JUNE 2015

Stated in Canadian Funds

DATE: 28 AUGUST 2015

Table of Contents

Table of Contents 1
To Our Shareholders 1
Forward-Looking Statements 1
General 2
Highlights, Significant Events and Transactions 3
Results of Operations 4
Financial Data for Last Eight Quarters 6
Outstanding Shares 6
Financial Position and Liquidity 6
Capital Resources and Commitments 7
Off-Balance Sheet Arrangements 7
Related Party Transactions 7
Financial Instruments 8
Investor Relations Activities 9
Management 9
Disclosure Controls and Procedures 9
Approval 10
A Cautionary Tale 10

TO OUR SHAREHOLDERS

The following information, should be read in conjunction with the unaudited condensed interim consolidated financial statements of Aurora Solar Technologies Inc., formerly ACT Aurora Control Technologies Corp. (the "Company", or "Aurora") for the three months ended 30 June 2015 (fiscal 2016) and the related notes attached thereto, and the audited annual financial statements for the year ended 31 March 2015, which were prepared in accordance with International Financial Reporting Standards ("IFRS"). All amounts are expressed in Canadian dollars unless otherwise indicated.

Additional information about the Company, including the audited consolidated financial statements, and the notes thereto, for the year ended 31 March 2015, prepared in accordance with IFRS, can be found on SEDAR at www.sedar.com.

Discussion of the Company, its operations and associated risks are further described in the Company's filings, available for viewing at www.sedar.com. A copy of this Management Discussion and Analysis ("MD&A") will be provided to any applicant upon request.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this MD&A may be deemed to be "forward-looking statements". All statements in this discussion other than statements of historical facts, that address future events or developments that the Company expects, are forward-looking statements. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices, regulatory approvals, continued availability of capital and financing, and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and that actual results or developments may differ materially from those projected in the forward-looking statements.

Forward-looking statements reflect current expectations of management regarding future events and operating performance as of the date of the MD&A. Such information: involves significant risks and uncertainties; should not be read as guarantees of future performance or results; and will not necessarily be accurate indications of whether or not such results will be achieved. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements, including, but not limited to, the risks related to; general economic and business conditions and competition for, among other things, capital.

Forward-Looking Information	Key Assumptions	Most Relevant Risk Factors
Future funding for ongoing operations	The Company will be able to raise these funds	The Company has disclosed that this may be difficult and failure to raise these funds will materially impact the Company's ability to continue as a going concern
Favourable economic conditions	The economy in Canada, the United States, Europe, and Asia will move in a direction that will support the worldwide PV solar market	The economic conditions move in a negative direction causing changes to the landscape affecting future pricing and inventory

GENERAL

Aurora Control Technologies Inc., a company incorporated on 14 May 2009 under the Canada Business Corporations Act and extra-provincially in British Columbia on 24 May 2011, develops, manufactures and markets Production Measurement and Control systems ("PMC™") to the solar wafer, cell and panel manufacturing industry. Headquartered in North Vancouver, Canada, and founded by experienced leaders in process measurement, semiconductor manufacturing and industrial automation, the Aurora's inline, real-time measurement and control products provide photovoltaic cell manufacturers with the means to lower production costs and increase profitability. Aurora has developed an in-line metrology device and associated controller for direct use in PV manufacturing lines to measure and improve the efficiency and quality of the cells. Aurora is directly marketing its products to manufactures. Aurora was incorporated on 26 October 2006 under the Business Corporations Act of British Columbia as a capital pool company.

On 3 November 2011, the Company completed its qualifying transaction ("QT") by acquiring Aurora Control Technologies Inc. On May 28, 2015, the Company announced a name change to Aurora Solar Technologies Inc. to better reflect the business focus of the Company.

The address of the Company's corporate and administrative office and principal place of business is #210 – 980 West 1st Street, North Vancouver, BC, V7P 3N4.

Manufacturers of Solar Products experience significant variations in product quality that result in the downgrading of 25-50% of their production which significantly reduces their profitability. Aurora's mission is to produce measurement and control solutions which allow solar cell producers to improve manufacturing yield, lower costs, decrease waste and attain higher margins. By measuring the cell after the diffusion furnace and reducing variability by controlling the furnace, significant improvements in final cell efficiency are possible.

With its DecimaTM and VeritasTM product lines, Aurora provides solar cell manufacturers with the most accurate and repeatable products to characterize and control the emitter formation process. This is the most important process step in determining solar cell efficiency. Aurora's objective is to markedly reduce the costly and excessively wide spread of final product quality classes that are common in the solar cell manufacturing industry.

Aurora's initial customers are Crystalline Silicon (c-Si) photovoltaic cell manufacturers. Aurora markets and sells directly to these customers located in North America, Europe and Asia. Aurora's products integrate in-line measurement, process control and production flow management. Aurora is not aware of any other companies selling such a coordinated set of products designed to work together for in-line measurement and real-time control of each stage of the cell manufacturing process.

HIGHLIGHTS, SIGNIFICANT EVENTS AND TRANSACTIONS

On 23 June 2015, the Company announced the allowance of new patent protection in three key markets: Europe, China, and Japan.

Also in June 2015, the Company announced the closing of a brokered private placement with Euro Pacific Canada Inc. acting as the agent. This offering saw the issuance of 6,280,833 units ("Units") at a price of $0.30 per Unit for gross proceeds of $1,884,249.90. Each Unit consists of one common share (a "Share") and aone half share purchase warrant (a "Warrant"), with each warrant entitling the holder to purchase one additional Share (a "Warrant Share") for a period of 36 months at a price of $0.45 per Warrant Share.

In connection with the private placement, the Company paid $113,055 in commission, a corporate finance fee of $25,000 plus tax, and issued an aggregate of 376,850 agents warrants exerciablse to purchase common shares at $0.30 per share until 26 June 2017. All securites issued are subject to a hold period expiring on 27 October 2015.

In early June 2015, the Company announced the receipt of an order from a leading diffusion furnace and automation provider to equip four new production lines with its Decima 3T and Veritas quality control systems for optimal control of solar cell manufacturing quality. This marks the largest single order in the Company's history.

In May 2015, the Company changed its name to Aurora Solar Technologies Inc. to better align with its focus on measurement and yield optimization solutions for the Solar Industry. There is was change to the trading symbol on the TSX Venture Exchange.

In March 2015, the Company announced the receipt of two orders from SEMCO Engineering for its Decima inline measurement system with Veritas™ software. The Decima and Veritas products were to be installed at two confidential PV cell manufacturers.

Also in March 2015, the Company announced the receipt of a letter of intent from an existing customer for the purchase of two Decima inline measurement systems with Veritas™ software.

Also in March 2015, the Company announced the introduction of the Decima 3T. In combination with Aurora's Veritas™ visualization and control system, the newest member of the Decima inline measurement product family responded to customer and partner demands for higher-density characterization of solar cell emitter uniformity and the need for seamless integration into diffusion furnace operations.

In December 2014, the Company announced management changes with Gordon Deans assuming the role of Chief Technology Officer and resigning his former position as President & CEO. Michael Heaven, Executive Chairman, was announced as acting President & CEO as the Board of Directors completed its selection of a new Chief Executive Officer.

In November 2014, the Company announced the launch of Veritas™ software providing unique capability for simple and powerful production monitoring and control of the emitter diffusion process. The 3D uniformity profiles for wafers across entire furnace tubes are graphically displayed and provide production personnel with the ability to quickly detect, diagnose and resolve process issues. The consistency and accuracy of Aurora's measurement and the 3D profile displays generated considerable interest from solar cell manufacturers, furnace suppliers and Aurora's business partners.

In October 2014, the Company announced it was one of a select group of companies invited for presentation at the U.S. Department of Energy's National Renewable Energy Laboratory's (NREL) Industry Growth Forum, the premier clean energy investment event in the United States.

In September 2014, the Company announced the granting of US Patent 8829442 for its application "Non-contact Measurement of the Dopant Content of Semiconductor Layers".

Results of Operations

The comprehensive loss attributable to the shareholders for the period ended 30 June 2015 was $421,505, which compares to a comprehensive loss of $394,169 during the same period in 2014. The main fluctuations in costs are as follows:

Product sales (Rounded '000)		**3 Months** **2015**		3 Months 2014
	$	**48,000**	$	50,000
Variance	**$**	**(2,000)**		

The Company continues to move forward in selling its products to customers. While the amounts recorded in the three month period ended June 2015 are comparable to the three month period ended June 2014, management believes this is more by coincidence than plan. In the early stages of sales the numbers are not regularly recurring but fluctuate as orders are not yet reliable and a single order may cause substantial change. It is management's expectation that further guidance will be offered in the course of the current fiscal year.

Cost of sales (Rounded '000)		**3 Months** **2015**		3 Months 2014
	$	**62,000**	$	6,000
Variance	**$**	**56,000**		

The variance in cost of sales are relatable to the discussion above on product sales.

Engineering consulting (Rounded '000)		**3 Months** **2015**		3 Months 2014
	$	**130,000**	$	62,000
Variance	**$**	**68,000**		

Consulting fees increased in the three month period ended 30 June 2015 when compared to the three month period ended 30 June 2014 as a result of the expanded use of engineering consultants that were not previously under contract in order to facilitate and support the Company's growth. For comparative purposes, management has adjusted the 30 June 2014 figure to include $20,000 that was previously reported as professional fees as this change more accurately reflects the nature of the expense incurred.

Wages and benefits (Rounded '000)		**3 Months** **2015**		3 Months 2014
	$	**110,000**	$	123,000
Variance	**$**	**(13,000)**		

The decrease in wages and benefits for the period ended 30 June 2015 is less than the comparative period due to changes in the roles played by key management personnel in order to better support the Company's product development and operational activity. For comparative purposes, management has adjusted the 30 June 2014 figure and moved $17,000 to Management fees as this change more accurately reflects the nature of the expense incurred and is in line with current period presentation.

Professional fees		**3 Months**		3 Months
(Rounded '000)		**2015**		2014
	$	**43,000**	$	10,000
Variance	**$**	**33,000**		

Professional fees expense is largely impacted by the Company's life cycle and development of products. The Company incurs these fees as required, the timing of which is not consistent period over period. In the current period the increase relates to support in contract preparations. As a result, the three month period ended 30 June 2015 is higher than the same period in 2014. Moreover, the Company has been actively ramping up operations, and as such, requires more support than in previous periods, as relates to record keeping.

Shareholder relations		**3 Months**		3 Months
(Rounded '000)		**2015**		2014
	$	**39,000**	$	54,000
Variance	**$**	**(15,000)**		

The Company has made a concerted effort to control expenses in this area.

Travel and promotion		**3 Months**		3 Months
(Rounded '000)		**2015**		2014
	$	**21,000**	$	48,000
Variance	**$**	**(27,000)**		

Travel and promotion has decreased over the comparative period as the Company has had less demand for key personnel to travel on location as the Company has had repeat sales with existing customers, which requires less relationship development. The decrease is within the expectations of management.

Share-based compensation		**3 Months**		3 Months
(Rounded '000)		**2015**		2014
	$	**8,000**	$	77,000
Variance	**$**	**(69,000)**		

Changes in share-based compensation from period to period result from the issuance of options to directors, officers, and consultants of the Company. Issuances of options are completed at the discretion of the Board. The decrease is not outside the expectations of management.

Financial Data for Last Eight Quarters

The following table sets out selected unaudited quarterly financial information of the Company and is derived from the unaudited condensed interim consolidated financial statements prepared by management. The Company's interim financial statements are prepared in accordance with International Financial Reporting Standards and are expressed in Canadian dollars.

Three Months Ended	Jun-15	Mar-15	Dec-14	Sep-14	Jun-14	Mar-14	Dec-13	Sep-13
Total Revenues	48,063	72,638	-	59,150	49,729	-	-	-
Loss from continuing operations	421,505	595,728	473,209	352,869	394,169	353,017	486,087	410,622
Loss for the period	421,505	595,728	473,209	352,869	394,169	353,017	486,087	410,622
Loss per share (Basic and diluted)	0.02	0.02	0.02	0.01	0.02	0.02	0.02	0.02
Total assets	2,016,491	752,611	1,022,814	1,534,433	495,362	830,807	1,109,450	709,288
Working capital	1,712,581	423,851	933,318	1,430,240	411,972	727,071	1,049,338	650,365

The variances occurring in June 2015 have been discussed above.

Variances between quarters from June 2015 back through September 2013 are primarily a result of the business life cycle and its stage of research and development. During these periods, expenses incurred are largely driven by the development of the Company's product and vary based on timing of testing and the availability of required inputs. None of the changes between the above quarters are outside the expectation of management.

Outstanding Shares

As at 30 June 2015 and the date of this report, the Company had 33,187,686 common shares issued and outstanding (30 June 2014 – 22,941,853). As at 30 June 2015, and the fully diluted amount of 42,363,194 represents warrants of 5,777,316 and options of 3,398,192.

Financial Position and Liquidity

The Company's financial instruments consist of cash, receivables, and accounts payable and accrued liabilities. The Company has no speculative financial instruments, derivatives, forward contracts or hedges.

Currency & Credit Risk – All of the Company's Canadian cash is held at a major bank and such balances earn interest at market rates. The Company also maintains cash in US dollars. The cash balances and payables that are denominated in foreign currencies are subject to currency risk due to fluctuations in the exchange rate between the currencies. To manage this risk, the Company maintains only the minimum amount of foreign cash required to fund its on-going operational activity.

Fair Value – As at 30 June 2015 and 31 March 2015, the carrying values of receivables and accounts payable and accrued liabilities approximate their fair values due to their short term to maturity.

It is management's opinion that the Company is not exposed to significant credit, interest rate, liquidity or market risks in respect of these financial instruments. The Company's policies and processes of managing all risks associated with its financial instruments have not changed during the period.

CAPITAL RESOURCES AND COMMITMENTS

On 1 April 2015, the Company renewed the lease for its head office for a 12 month period, for a total contractual obligation of $22,258.

On 15 September 2014, the Company engaged the Howard Group, and Investor Relations firm, for a period of five years at a monthly rate of $7,500. In addition, the Company granted 280,000 incentive stock options, exercisable at $0.38 per share, vesting over a period of 12 months.

OFF-BALANCE SHEET ARRANGEMENTS

The Company had no off-balance sheet arrangements as at 30 June 2015 and as at the date hereof.

RELATED PARTY TRANSACTIONS

Related party transactions and balances not disclosed elsewhere in the Financial Statements are as follows:

RELATED PARTY DISCLOSURE

Name and Principal Position	Period(i)	Remuneration or fees(ii)	Included in Accounts Payable
Outgoing CEO – management fees(iii)	**2016**	**$ -**	**$ -**
	2015	38,000	-
CEO – management fees(iv)	**2016**	**25,000**	**-**
	2015	15,000	-
Outgoing CFO – management fees(v)	**2016**	**-**	**-**
	2015	15,000	-
Associate counsel – legal services	**2016**	**19,000**	**7,000**
	2015	3,000	-
Clearline Chartered Accountants, a company of which the incoming CFO is a director (vi) – management fees	**2016**	**9,500**	**6,000**
	2015	-	-
Chief Operating Officer - consulting services	**2016**	**62,000**	**10,000**
	2015	5,000	-
Outgoing VP of Engineering – consulting services	**2016**	**-**	**-**
	2015	49,800	-
Clearline Chartered Accountants, a company of which the incoming CFO is a director (vi) – accounting services	**2016**	**16,000**	**-**
	2015	2,000	-

(i) For the three months ended 30 June 2015 (fiscal 2016) and 30 June 2014 (fiscal 2015).
(ii) Amounts disclosed were paid or accrued to the related party.
(iii) The Company's CEO stepped down effective 30 November 2014.
(iv) The Company appointed its Chairman of the Board as interim CEO effective 1 December 2014.
(v) The Company's CFO stepped down effective 30 June 2014.
(vi) The Company hired a new CFO, Grant T. Smith, effective 1 July 2014.

Share-based compensation awarded to directors and officers during the three month period ended 30 June 2015 totalled $588 (30 June 2014 - $76,649).

These expenses were incurred in the normal course of operations and have been measured at the exchange amount, which is determined on a cost recovery basis.

FINANCIAL INSTRUMENTS

a) Financial instrument classification and measurement

Financial instruments of the Company carried on the Condensed Interim Consolidated Statement of Financial Position are carried at amortized cost with the exception of cash, which is carried at fair value. There are no significant differences between the carrying value of financial instruments and their estimated fair values as at 30 June 2015 due to the immediate or short-term maturities of the financial instruments.

The fair value of the Company's cash is quoted in active markets. The Company classifies the fair value of these transactions according to the following hierarchy:

Level 1 – quoted prices in active markets for identical financial instruments.

Level 2 – quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs and significant and significant value drivers are observable in active markets.

Level 3 – valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable.

The Company's cash and cash equivalents have been assessed on the fair value hierarchy described above and classified as Level 1.

b) Fair values of financial assets and liabilities

The Company's financial instruments include cash, accounts receivable, accounts payable and current portion of long-term debt. As at 30 June 2015, the carrying value of cash is fair value. Accounts receivable, accounts payable and current portion of long-term debt approximate their fair value due to their short term nature.

c) Market risk

Market risk is the risk that changes in market prices will affect the Company's earnings or the value of its financial instruments. Market risk is made up of interest rate risk, currency risk, and other price risk. The objective of market risk management is to manage and control exposures within acceptable limits, while maximizing returns. The Company is not exposed to significant market risk.

d) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's exposure to credit risk is on its bank accounts and amounts receivable. The Company's cash and cash equivalents are held with major banks in Canada. The Company is not exposed to significant credit risk on these accounts.

The Company's amounts receivable consists of GST and trade receivables. GST is owed from the Government of Canada and is therefore not considered a credit risk. Trade receivables are owed from clients with a history of collections and are therefore not considered a credit risk.

e) Interest rate risk

Interest rate risk is the risk of losses that arise as a result of changes in contracted interest rates. The Company is exposed to interest rate risk for GIC's held, however a 5% shift would not be material.

f) Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. To manage this risk the Company maintains only the minimum amount of foreign cash required to fund its on-going expenditures. The Company is exposed to foreign currency risk, as it deals with customers and vendors in currencies other than its functional currency. A 10% shift in exchange would not be material.

At 30 June 2015 the Company held currency totalling the following:

		30 June 2015		31 March 2015
Canadian dollars	**$**	**111,000**	$	452,000
United States dollars	**$**	**90,083**	$	50,000
Amounts receivable in United States dollars	**$**	**42,000**	$	48,000
Accounts payable in United States dollars	**$**	**15,000**	$	50,000

g) Liquidity risk

Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time. The Company's objective in managing this is to maintain readily available reserves in order to meet its liquidity requirements at any point in time. All of the Company's financial liabilities have contractual maturities of 30 days and are subject to normal trade terms. Management believes that the Company has sufficient funds to meet its obligations as they come due.

INVESTOR RELATIONS ACTIVITIES

With respect to public relations, the Company's policy is to provide information from its corporate offices to investors and brokers directly.

MANAGEMENT

The Company is dependent upon the personal efforts and commitments of its existing management. To the extent that management's services would be unavailable for any reason, a disruption to the operations of the Company could result, and other persons would be required to manage and operate the Company.

DISCLOSURE CONTROLS AND PROCEDURES

The Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") are responsible for designing internal controls over financial reporting in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Company's consolidated financial statements for external purposes in accordance with IFRS. The design of the Company's internal control over financial reporting was assessed as of the date of this Management Discussion and Analysis.

Based on this assessment, it was determined that certain weaknesses existed in internal controls over financial reporting. As indicative of many small companies, the lack of segregation of duties and effective risk assessment were identified as areas where weaknesses existed. The existence of these weaknesses is to be compensated for by senior management monitoring, which exists. The officers will continue to monitor very closely all financial activities of the Company and increase the level of supervision in key areas. It is important to note that this issue would also require the Company to hire additional staff in order to provide greater segregation of duties. Since the increased costs of such hiring could threaten the Company's financial viability, management has chosen to disclose the potential risk in its filings and proceed with increased staffing only when the budgets and work load will enable the action. The Company has attempted to mitigate these weaknesses, through a combination of extensive and detailed review by the CFO of the financial reports, the integrity and reputation of senior accounting personnel, and candid discussion of those risks with the audit committee.

APPROVAL

The Board of Directors of the Company has approved the disclosure contained in this Annual Management Discussion and Analysis.

A CAUTIONARY TALE

This document contains “forward-looking information” which may include, but is not limited to, statements with respect to the future financial or operating performance of the Corporation, its subsidiaries and its projects, the future supply, demand, inventory, production and price of products, the timing and amount of estimated future production, costs of production, requirements for additional capital, government regulation operations, limitations of insurance coverage and the timing and possible outcome of pending litigation and regulatory matters.

Often, but not always, forward-looking statements can be identified by the use of words such as “plans”, “expects”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates”, or “believes” or variations (including negative variations) of such words and phrases, or state that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Corporation and/or its subsidiaries to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, general business, economic, competitive, political and social uncertainties; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; political instability, insurrection or war; delays in obtaining governmental approvals or financing or in the completion of development or construction activities. Although the Corporation has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

Respectfully submitted,

On behalf of the Board of Directors,

“Michael Heaven”

Michael Heaven, CEO