MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

PLAINTREE SYSTEMS INC.

For the nine months ended December 31, 2013 and 2012

Date – February 21, 2014

The following discussion and analysis is the responsibility of management and has been reviewed by the Audit Committee of Plaintree Systems Inc ("Plaintree" or the "Company") and approved by the Board of Directors of Plaintree. The Board of Directors carries out its responsibilities for the financial statements and management's discussion and analysis principally through the Audit Committee, which is comprised exclusively of independent directors.

The following discussion of the financial condition, changes in financial condition and results of operations of Plaintree is for the nine months ended December 31, 2013 and 2012. Historical results of operations, percentage relationships and any trends that may be inferred there from are not necessarily indicative of the operating results of any future periods. Unless otherwise stated all amounts are in Canadian dollars following the requirements of the International Financial Reporting Standards ("IFRS).The information contained herein is dated as of February 21, 2014 and is current to that date, unless otherwise stated. Management is responsible for ensuring that processes are in place to provide sufficient knowledge to support the representations made in the interim filings. Our Audit Committee and Board of Directors provide an oversight role with respect to all public financial disclosures by the Company, and have reviewed this MD&A and the accompanying financial statements.

W. David Watson II, President and Chief Executive Officer, and Lynn E. Saunders, Chief Financial Officer, in accordance with National Instrument 52-109 ("NI52-109"), have both certified that they have reviewed the interim financial statements and this MD&A ("the interim Filings") and that, based on their knowledge having exercised reasonable diligence, (a) the interim Filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made with respect to the period covered by the interim filings; and (b) the interim financial statements together with the other financial information included in the interim Filings fairly present in all material respects the financial condition, financial performance and cash flows of the Company, as of the dates and for the periods presented in the interim Filings.

Investors should be aware that the inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis Disclosure Controls and Procedures and Internal Controls over Financial Reporting as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim filings and other reports provided under securities legislation.

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Caution Regarding Forward Looking Information

This MD&A of the Company contains certain statements that, to the extent not based on historical events, are forward-looking statements based on certain assumptions and reflect Plaintree's current expectations. Forward-looking statements include, without limitation, statements evaluating market and general economic conditions, and statements regarding growth strategy and future-oriented project revenue, costs and expenditures. Actual results could differ materially from those projected and should not be relied upon as a prediction of future events. A variety of inherent risks, uncertainties and factors, many of which are beyond Plaintree's control, affect the operations, performance and results of Plaintree and its business, and could cause actual results to differ materially from current expectations of estimated or anticipated events or results. Some of these risks, uncertainties and factors include the impact or unanticipated impact of: companies evaluating Plaintree's products delaying purchase decisions; current, pending and proposed legislative or regulatory developments in the jurisdictions where Plaintree operates; change in tax laws; political conditions and developments; intensifying competition from established competitors and new entrants in the industry; technological change; currency value fluctuation; general economic conditions worldwide, including in China; Plaintree's success in developing and introducing new products and services, expanding existing distribution channels, developing new distribution channels and realizing increased revenue from these channels. This list is not exhaustive of the factors that may affect any of Plaintree's forward-looking statements. Plaintree undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made, or to reflect the occurrence of unanticipated events, whether as a result of new information, future events or results otherwise. Readers are cautioned not to put undue reliance on forward-looking statements. Readers should also carefully review the risks concerning the business of the Company and the industries in which it operates generally described in the documents filed from time to time with Canadian securities regulatory authorities.

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Overview

Plaintree Systems Inc ("Plaintree" or "the Company") was incorporated in Canada pursuant to the Canada Business Corporations Act. The Company operates through two divisions: Electronics and Specialty Structures. The Electronics division consists of the Hypernetics business, the free space optics business and Summit Aerospace USA Inc.. The Specialty Structures division consists of the Triodetic business and Arnprior Fire Trucks Corp. Plaintree was historically a designer and manufacturer of wireless connections transmitting data on beams of light versus conventional radio frequency, commonly referred to as free space optics ("FSO"). The Hypernetics business manufactures avionic components for various applications including aircraft antiskid braking, aircraft instrument indicators, solenoids and permanent magnet alternators. The Triodetic business is a design/build manufacturer of steel, aluminum and stainless steel specialty structures such as commercial domes, free form structures, barrel vaults, space frames and industrial dome coverings. Arnprior Fire Trucks Corp. involves the custom build of high-end fire trucks and emergency vehicles to be sold to municipalities. Summit Aerospace USA Inc, a wholly owned US subsidiary of Plaintree, provides precision machining for jet engine components, up to 36 inches in diameter and holding tolerances of 1/1000, to the aerospace and defense markets.

Recent Developments

On May 23, 2013 the Company completed the acquisition of a 16,300 sq ft manufacturing facility in Pocono Summit, PA and will relocate its Summit Aerospace business during the spring of 2014.

The Company's common shares are quoted on the CNSX under symbol "NPT" in Canada.

Control Activities

For all changes to policies and procedures that have been identified, the effectiveness of internal controls over financial reporting and disclosure controls and procedures has been assessed and any required changes have been implemented.

Selected Financial Information

The Company's consolidated financial statements are stated in Canadian dollars and are prepared in accordance with IFRS. The following table sets forth selected financial information from the nine months ended December 31, 2013:

($000s, except per share amounts)

	December 31, 2013 (unaudited)	March 31, 2013 audited
Total assets	$ 15,646	$ 13,087
Total liabilities	$ 13,251	$ 11,281
Long-term liabilities	$ 8,729	$ 4,927
Cash dividends declared per share ($1,000 per share)	$ nil	$ nil

($000s, except per share data)

	For the three months ended December 31,	
	2013 (unaudited)	2012 (unaudited)
Revenue	**$ 6,144**	$ 2,804
Net (loss) and total comprehensive (loss)	**$ (351)**	$ (35)
Net loss attributable to common shareholders	**$ (717)**	$ (401)
Basic and diluted loss per share	**$ (0.06)**	$ (0.03)

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($000s, except per share data)

	For the nine months ended December 31,	
	2013 (unaudited)	2012 (unaudited)
Revenue	**$ 15,615**	$ 5,582
Net income (loss) and total comprehensive income (loss)	**$ 589**	$ (212)
Net loss attributable to common shareholders	**$ (511)**	$ (945)
Basic and diluted loss per share	**$ (0.04)**	$ (0.07)

	($000s, except per share and % amounts) (unaudited) **Three Months Ended December 31,**		**Change from**
	2013	**2012**	**2012 to 2013**
Revenue	$ 6,144	$ 4,091	$ 2,053
Cost of sales	5,619	2,945	2,674
Gross margin	525	1,146	(621)
	9%	28%	
Operating expenses:			
Research and development	358	285	73
Finance and administration	330	358	(28)
Sales and marketing	165	93	72
Interest expense	79	40	39
(Gain) on disposal of asset	-	(3)	3
(Gain) Loss on foreign exchange	(56)	-	(56)
	876	773	103
Net income (loss) and comprehensive income (loss)	(351)	373	(724)

	($000s, except per share and % amounts) (unaudited) Nine Months Ended December 31,		Change from
	2013	2012	2012 to 2013
Revenue	$ 15,615	$ 9,973	$ 5,642
Cost of sales	12,367	7,120	5,247
Gross margin	3,248	2,853	395
	21%	26%	
Operating expenses:			
Research and development	1,028	982	46
Finance and administration	952	868	84
Sales and marketing	529	399	130
Interest expense	206	151	55
Loss on disposal of asset	-	(33)	33
(Gain) on foreign exchange	(56)	25	(81)
	2,659	2,391	(267)
Net income (loss) and comprehensive income (loss)	589	462	128

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Results of Operations

Business Segment Information

The Company's chief decision maker, the Chief Executive Officer, tracks the Company's operations through two business segments - the design, development, manufacture, marketing and support of electronic products (Electronics) and specialty structures products (Specialty Structures).

Revenues by division

	For the three months ended		For the nine months ended	
	December 31, 2013	December 31, 2012	**December 31, 2013**	December 31, 2012
Electronics	**$ 1,391,825**	$ 1,420,160	**$ 4,157,548**	$ 4,390,908
Specialty Structures	**4,752,131**	2,671,021	**11,457,432**	5,282,414
Total earnings (loss)	**$ 6,143,956**	$ 4,091,181	**$ 15,614,980**	$ 9,673,322

Net income (loss) before taxes by division

	For the three months ended		For the nine months ended	
	December 31, 2013	December 31, 2012	**December 31, 2013**	December 31, 2012
Electronics	**$ 170,835**	$ 199,814	**$ 588,231**	$ 775,589
Specialty Structures	**(521,780)**	173,525	**749**	(613,997)
Total earnings (loss)	**$ (350,945)**	$ 373,339	**$ 588,980**	$ 161,592

Revenue by geographical location

	For the three months ended		For the nine months ended	
	December 31, 2013	December 31, 2012	**December 31, 2013**	December 31, 2012
Canada	**$ 4,608,021**	$ 2,850,947	**$ 11,310,416**	5,226,276
United States	**1,154,042**	1,172,715	**3,552,291**	3,993,159
Other	**362,343**	3,401	**651,870**	290,444
Europe	**19,550**	64,118	**100,403**	163,443
Total Revenue	**$ 6,143,956**	**$ 4,091,181**	**$ 15,614,980**	**$ 9,673,322**

The product revenue concentration (customers with revenues in excess of 10% of revenues)

	For the three months ended		For the nine months ended	
	December 31, 2013	December 31, 2012	**December 31, 2013**	December 31, 2012
Number of customers	**1**	4	**2**	2
% of total revenue	**20%**	60%	**50%**	28%

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Revenues

Revenue

Total product revenue for nine months ended December 31, 2013 was $15,614,980 compared to $9,673,322 for the nine months ended December 31, 2012.

Plaintree has two diversified business divisions: Specialty Structures and Electronics.

Plaintree's Electronics Division revenues for the first nine months of fiscal 2014 of $4,157,548 held relatively constant from the same period in fiscal 2013 of $4,390,908.

Plaintree's Specialty Structures Division revenues for the first nine months of fiscal 2014 of $11,457,432 were up from the same period in fiscal 2013 by $6,175,018. Sales from the Triodetic business significantly contributed to the increase in this division.

Although sales and profits were up for the first nine months of this fiscal year, in the third quarter the Company did experience setbacks on its large dome contract in Saskatchewan. Delays in the start of the project forced the majority of the installation work to occur during the last three months of winter. To exacerbate the challenges faced, the winter proved to be the coldest winter in 100 years. Installation costs will be more than double the estimated amounts and this has reduced the overall year to date profitability.

Gross Margin

The total gross margin year over year remains relatively constant at 21% – 26%.

Operating Expenses

Research and development expenses

Research and development expenses were $1,027,785 and $982,016 in the first nine months of fiscal 2014 and 2013 respectively. Research and development expenditures consist primarily of development engineering and personnel expenses.

Finance and administration expenses

Finance and administration expenses were $951,631 and $867,586 in the first nine months of fiscal 2014 and 2013 respectively. Finance and administration expenses consist primarily of costs associated with managing the Company's finances, which included financial staff, legal and audit activities.

Sales and marketing expenses

Sales and marketing expenses were $529,034 and $398,815 in the first nine months of fiscal 2014 and 2013 respectively. These expenses consisted primarily of personnel and related costs associated with the Company's sales and marketing departments, which include sales commissions, advertising, travel, trade shows and other promotional activities.

Interest expense

Interest expense consists of interest incurred on bank and related party debt. Interest expenses were $206,175 and $150,737 for the first nine months of fiscal 2014 and 2013, respectively. Interest expense increased primarily due to the increase in borrowings for plant equipment and plant leaseholds. The majority of the Company's debt accrues interest at variable rates based on the Company's bank prime lending rate of interest.

Gain on foreign exchange

The Company reported (gains) losses on foreign exchange of $(56,044) and $24,942 in the first nine months of fiscals 2014 and 2013 respectively. The gain/loss on foreign exchange represents the gain/loss, realized or unrealized, of transactions and year end foreign balances that are completed in currencies other than the Company's reporting currency.

Net (loss), Comprehensive (loss) and Net (loss) Attributable to Common Shareholders

Net profit (loss) and comprehensive (loss) for the first three quarters of Fiscal 2014 and 2013 was $(510,520) and $(937,908) respectively. Net income (loss) attributed to common shareholders is calculated by reducing net income by the $1,466,000 cumulative yearly dividends that accrue annually on the Class A preferred shares. The cumulative dividends accrue at 8% per annum on the face value of the $18,325,000 for the Class A preferred shares and as of December 31, 2013, the accrued and unpaid dividends on the Class A preferred shares were $8,729,000.

Quarterly Results

The following table sets out selected unaudited consolidated financial information for each quarter in fiscals 2014, 2013 and fiscal 2012:

Quarters ended

(unaudited, in $000s except per share data)

	Dec 31 2013	Sept 30 2013	June 30 2013	Mar 31 2013	Dec 31 2012	Sept 30 2012	June 30 2012	Mar 31 2012
Revenue	$6,144	$5,859	$3,612	$4,118	$4,091	$2,804	$2,778	$2,556
Net (loss) profit and total comprehensive (loss) income	$(351)	$801	$139	$212	$373	$(35)	$(177)	$(446)
Net (loss) profit								

attributed to common shareholders	$(717)	$435	$(228)	$(155)	$6	$(402)	$(543)	$(835)
Basic and diluted (loss) earnings per share	$0.04	$(0.02)	$(0.02)	$0.00	$(0.03)	$(0.04)	$(0.06)	$(0.08)

Liquidity and Capital Resources

($000s)

	As at December 31, 2013 (unaudited)	**As at December 31, 2012 (unaudited)**	**Change**
(Bank indebtedness)Cash	**$ (1,037)**	$ 192	$ (1,229)
Working Capital	**$ 4,166**	$ 2,582	$ 1,584

	Nine months ended December 31, 2013 (unaudited)	Nine months ended December 31, 2012 (unaudited)	Change
Net cash (used in) provided by:			
Operating activities	**$ (221)**	**$ (69)**	**$ (152)**
Investing activities	**$ (1,531)**	**$ (817)**	**$ (714)**
Financing activities	**$ 569**	**$ (185)**	**$ 754**

Cash

As at December 31, 2013, the Company was indebted to the bank for $1,182,305 in cash, an decrease of $1,182,305 from March 31, 2013.

Working Capital

Working capital represents current assets less current liabilities. As at December 31, 2013, the Company had positive working capital of $4,165,631 compared to working capital of $738,717 at March 31, 2013 after the bank debt was reclassified as a current liability due to breaches of two bank covenants. The Company is subject to various covenants on the long-term debt (including debt to tangible net worth, current assets to current liabilities, capital and debt service ratios). On March 31, 2013, the Company was in breach of the debt service ratio and the current assets to current liabilities covenants to which the bank has provided forbearance until April 1, 2014. The bank expects the Company to be back in covenant by March 31, 2014. IFRS requires that a financial liability be classified as current even if an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the financial statements are authorized for issue. The Company's working capital without this reclassification of current bank debt is $4,165,631 and $2,894,737 for periods ending December 31, 2013 and March 31, 2013 respectively.

Cash (used in) provided by Operating activities

Cash used in operating activities for the first nine months of fiscal 2014 and fiscal 2013 was $(220,925) and $ (69,253) respectively. Cash used in operating activities during the first nine months of fiscal 2014 mainly relates to an increase in trade accounts receivable from increased sales and inventory.

Cash (used in) Investing activities

Cash used in investing activities for the first nine months of fiscal 2014 was $(1,530,847) representing an increase of $659,478 in cash used of $(871,369) in the same period during fiscal 2013. The primary use of cash for this fiscal pertains to the purchase of the newly acquired manufacturing facility in Pocono Summit, PA for Summit Aerospace business.

Cash provided by (used in)Financing activities

Cash provided by financing activities for the first nine months of fiscal 2014 was $569,466 representing a increase of $754,184 from cash used of $(184,718) in the same period during fiscal 2013. Cash provided by financing activities in the first nine months of fiscal 2014 relates primarily to the increase of both related party and bank financing incurred to complete the purchase of the newly acquired manufacturing facility in Pocono Summit, PA for Summit Aerospace business.

Outlook

The first nine months of fiscal 2014 concluded with a net income of $588,980 before adjusting for accrued and unpaid dividends on the Class A preferred shares. Continued growth for the Company is expected from Summit Aerospace and Arnprior Fire Trucks Corp in the next several years. The Company has increased their investment into high end, robust and versatile manufacturing equipment throughout all of its divisions. Plaintree moved to a larger facility in late fiscal 2011 and has recently acquired a larger facility in Pennsylvania to ensure it had sufficient capacity for growth for both its Canadian and US operations.

There can be no assurances that the Company will achieve the long term operating results required to reduce the bank and related party debt to adequate levels and achieve profitability to meet the obligations to Class A preferred shareholders and provide income and cash flow attributable to common shareholders.

Related Party Transactions

Due to Related Party

As of December 31, 2013 $1,636,884 (March 31, 2013 - $1,510,345) is owed from Spotton Corporation, a company that is a related party of Targa Group Inc. ("Targa"), a material shareholder of the Company. The balance accrues interest at prime plus 2% and is due from the related party on demand. The balance relates to rent, utilities charges, advances and related interest.

	December 31 2013	March 31, 2013
Due to Senior officers	**$3,604,506**	$3,392,540
Dividends payable	**60,000**	60,000
Due to Targa Group Inc., Convertible Debentures	**247,672**	247,672
Due to Tidal Quality Management Inc.	**706,516**	332,370
Due to Targa Group Inc., Line of Credit	**785,570**	763,070
Due to Targa Group Inc., Demand Loan	**66,581**	66,581
Due to Targa Group Inc., loan interest	**134,812**	134,813
	5,605,657	4,987,046
Less: current portion	**(60,000)**	(60,000)
	$5,545,657	$4,927,046

As at December 31, 2013 a balance of $3,604,506 ($2,691,281 principal and $913,225 interest) remained owing to senior officers. Interest at bank prime plus 2% accrues on principal balances. These amounts are classified as long-term as the parties have agreed not to demand repayment before March 2015.

On July 14, 2011, the board of directors of the Company declared a cash dividend of $10.91405 per Class A preferred share ($200,000 in the aggregate) payable on July 22, 2011 to the holders of record at the close of business on July 18, 2011. The Class A preferred shares are held by related parties and are entitled to annual cumulative dividends of 8% on the $1,000 redemption amount of the Class A preferred shares. The dividend declared was a partial payment of the dividends accumulated. A balance of $60,000 remains unpaid.

As at December 31, 2013 a balance of $247,672 (March 31, 2013 - $247,672) of the due to related parties is convertible into common shares of the Company at a rate of $0.0115 at the option of the Targa. The balance is classified as long-term as the related party has agreed not to demand payment before March 2015.

Until March 31, 2003, the Company leased facilities from a company controlled by Targa. Lease arrears, including interest of $165,084 owing to this related party, amounted to $322,150 (March 31, 2013 - $322,370). The Company accepted partial financing in the form of a note payable in the amount of $373,473 with accumulated interest of $10,893 as of December 31, 2013 from Tidal for a new facility in Pocono

Summit. Interest at bank prime plus 2% accrues on principal balances. The party has agreed not to demand repayment before March 2015 and the amount is classified as long-term.

The Company has a demand loan of up to $1,800,000 and a revolving line of credit of up to $1,000,000 with Targa. Under the loan agreements, all amounts advanced to the Company are payable on demand and bear interest at bank prime plus 2%. The Targa Credit Facility is secured by a security interest granted over the assets of the Company. At December 31, 2013, $600,000, (March 31, 2013 - $600,000) remained outstanding on the line of credit with accumulated interest of $185,570, (March 31, 2013 - $163,070) for a balance of $785,570; $NIL was drawn against the revolving demand loan with accumulated interest owing of $66,581 for a balance of $66,581.Targa has agreed that it will not demand repayment before March 2015 and, accordingly, the amounts is classified as long-term.

Accumulated interest in the amount of $134,812 (March 31, 2013 - $134,812) - on a loan from Targa remains outstanding as of December 31, 2013. The party has agreed not to demand repayment before March 2015 and the amount is classified as long-term.

The Company leases premises located at 10 Didak Drive, owned by Tidal Quality Management Corporation, a company owned by Targa Group Inc., Plaintree’s largest shareholder. During the first three quarters of fiscal 2014, the Company paid $36,620 to Tidal in lease payments

Facilities

The Company leases a 135,500 sq/ft building at 10 Didak Drive in Arnprior, Ontario.

On May 23, 2013 the Company along with its wholly-owned US subsidiary completed the acquisition of a 16,300 sq ft manufacturing facility in Pocono Summit, PA. The relocation of Summit Aerospace USA Inc. from its present leased location is expected to be complete by spring 2014.

New and Revised IFRS in Issue but not Effective

IFRS 10, IFRS 11, IFRS 12, IAS 27 (as revised in 2011) and IAS 28 (as revised in 2011)

In May 2011, a package of five standards on consolidation, joint arrangements, associates and disclosures was issued, including IFRS 10, IFRS 11, IFRS 12, IAS 27 (as revised in 2011) and IAS 28 (as revised in 2011).

IFRS 10 Consolidated Financial Statements ("IFRS 10") establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities. IFRS 10 replaces the consolidation requirements in SIC-12 Consolidation - Special Purpose Entities and IAS 27 Consolidated and Separate Financial Statements. IFRS 11 Joint Arrangements ("IFRS 11") establishes principles for financial reporting by parties to a joint arrangement. IFRS 11 supersedes current

IAS 31 Interests in Joint Ventures and SIC 13 Jointly Controlled Entities - Non Monetary Contributions by Venturers. IFRS 12 - Disclosure of Interests in Other Entities ("IFRS 12") applies to entities that have an interest in a subsidiary, a joint arrangement, an associate or an unconsolidated structured entity.

IFRS 13 Fair Value Measurement

IFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The Standard defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. The scope of IFRS 13 is broad; it applies to both financial instrument items and non-financial instrument items for which other IFRSs require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances. In general, the disclosure requirements in IFRS 13 are more extensive than those required in the current standards. For example, quantitative and qualitative disclosures based on the three-level fair value hierarchy currently required for financial instruments only under IFRS 7 Financial Instruments: Disclosures will be extended by IFRS 13 to cover all assets and liabilities within its scope.

IFRS 13 is effective for annual periods beginning on or after 1 January 2013, with earlier application permitted.

Amendments to IFRS 7 and IAS 32 Offsetting Financial Assets and Financial Liabilities and the related disclosures

The amendments to IAS 32 clarify existing application issues relating to the offset of financial assets and financial liabilities requirements. Specifically, the amendments clarify the meaning of ‘currently has a legally enforceable right of set-off’ and ‘simultaneous realization and settlement’.

The amendments to IFRS 7 require entities to disclose information about rights of offset and related arrangements (such as collateral posting requirements) for financial instruments under an enforceable master netting agreement or similar arrangement.

The amendments to IFRS 7 are effective for annual periods beginning on or after 1 January 2013 and interim periods within those annual periods. The disclosures should be provided retrospectively for all comparative periods. However, the amendments to IAS 32 are not effective until annual periods beginning on or after 1 January 2014, with retrospective application required.

Amendments to IAS 1 Presentation of items of Other Comprehensive Income

The amendments retain the option to present profit or loss and other comprehensive income either in one continuous statement or in two separate but consecutive statements. Items of other comprehensive income are required to be grouped into those that will and will not be subsequently reclassified to profit or loss. Tax on items of other comprehensive income is required to be allocated on the same basis. The measurement and recognition of items of profit or loss and other comprehensive income are not affected by the amendments. The amendments to IAS 1 are effective for financial years beginning on or after January 1, 2012, with earlier application permitted. The Company is evaluating the impact of the amendments to IAS 1 on its financial statements.

Summary of Outstanding Share Data

As at February 21, 2014, the following equity instruments of the Company were issued and outstanding:

Common Shares: 12,925,253

Class A Preferred Shares: * 18,325

* The Class A Preferred shares provide an 8% cumulative dividend based on a value of $1,000 per share, are redeemable at the option of the Company at any time at $1,000 per share plus accrued dividends and they are non-voting.

Convertible Debentures:** $nil principal value

** The Company has issued various tranches of convertible debentures to related parties for total outstanding value at December 31, 2013, of $247,671 in accrued interest only. The accrued interest is convertible at any time into common shares of the Company at varying conversion rates that were determined at the time of issuance of each tranche. If all the debentures plus accrued interest were converted at the current time, the total number of common shares issued would be 229,935.

Options:*** Options to acquire 560,000 common shares

*** The options, having exercise prices of $0.12, were granted pursuant to the Company's stock option plan.

Additional information relating to the Company may be found on SEDAR at www.sedar.com or the Company's website at www.plaintree.com.