PLAINTREE
SYSTEMS INC.

TRIODETIC

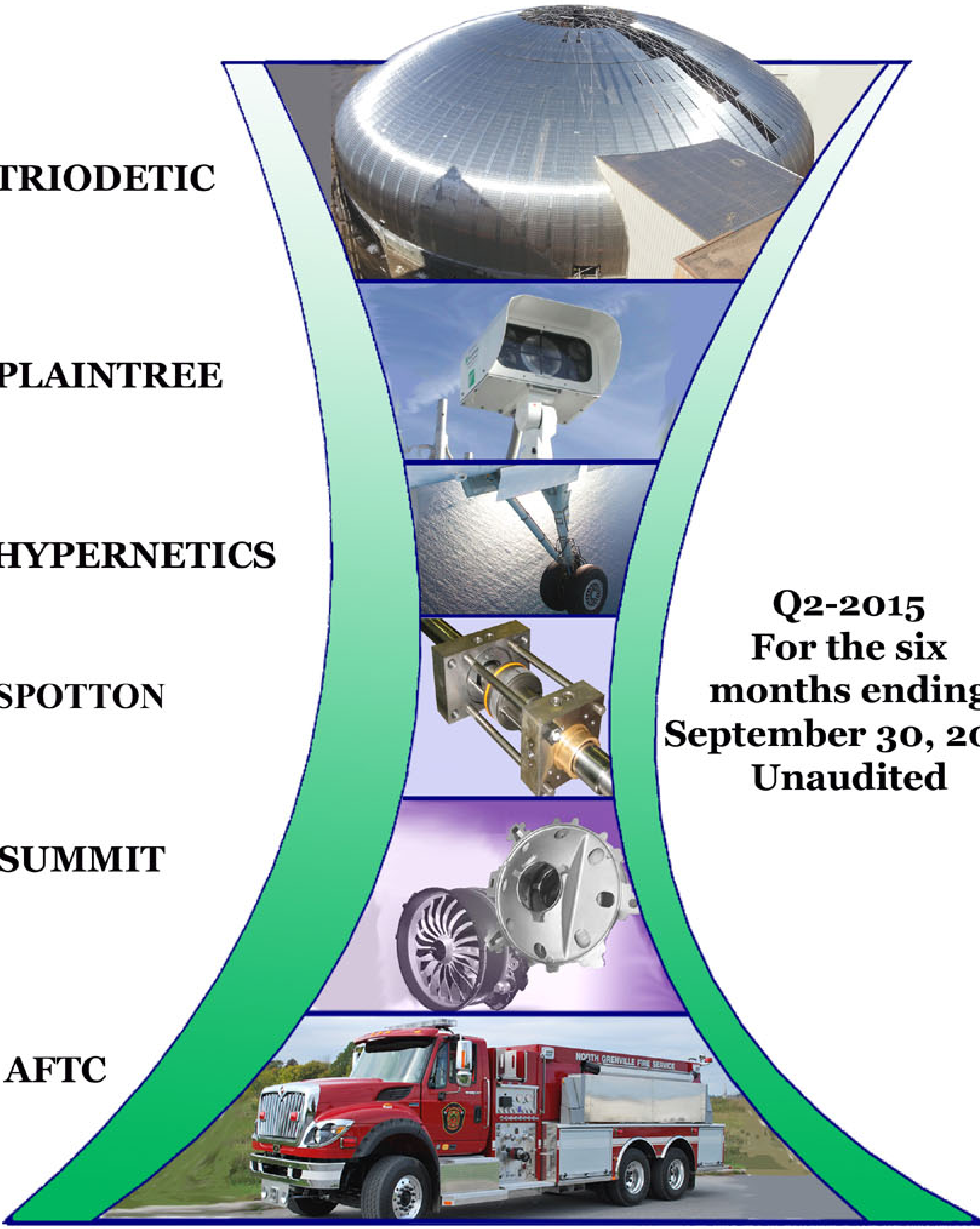
PLAINTREE

HYPERNETICS

SPOTTON

SUMMIT

AFTC



Q2-2015
For the six months ending September 30, 2014
Unaudited

“Notice to Reader”

The accompanying unaudited interim consolidated financial statements of Plaintree Systems Inc. for the six months ended September 30, 2014 have been prepared by management and approved by the Audit Committee and the Board of Directors of the Company. These statements have not been reviewed by the Company’s external auditors.

Date: November 24, 2014

“David Watson”

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David Watson
CEO

PLAINTREE SYSTEMS INC.

Condensed Consolidated Statement of Financial Positions

(in Canadian dollars)

	September 30, 2014	March 31, 2014
Assets	(unaudited)	(audited)
	$	$
Trade receivables and other receivables	**3,688,385**	1,885,105
Unbilled revenue	**2,313,752**	1,895,308
Inventories (Note 4)	**1,924,530**	1,293,747
Prepaid expenses and other receivables	**108,602**	177,231
Note receivable (Note 5)	**379,532**	401,858
Due from related party	**-**	1,096,641
	8,414,801	6,749,890
Non-current assets		
PROPERTY, PLANT AND EQUIPMENT, NET (Note 7)	**6,361,190**	6,460,981
INTANGIBLE ASSETS (Note 8)	**989,713**	1,057,936
Total Assets	**15,765,704**	14,268,807
Current liabilities		
Bank indebtedness	**315,769**	24,776
Trade and other payables	**2,718,102**	1,661,739
Deferred Revenue	**350,312**	866,067
Deferred Income (government grant) - current (Note 10)	**9,720**	**-**
Current portion of long-term debt - bank (Note 9)	**776,299**	4,041,993
Current portion of long-term debt - other (Note 10)	**28,443**	**-**
	4,198,645	6,594,575
LONG-TERM DEBT - Bank (Note 9)	**2,877,544**	-
LONG -TERM DEBT - Other (Note 10)	**351,709**	**-**
DUE TO RELATED PARTIES (Note 11)	**7,656,105**	**7,579,907**
DEFERRED INCOME (Government Grant) (Note 10)	**73,216**	**-**
Total Liabilities	**15,157,219**	14,174,482
Shareholders' equity		
Issued capital (Note 13)	**2**	2
Equity	**608,483**	94,323
Total Shareholder's equity	**608,485**	94,325
	15,765,704	14,268,807

APPROVED BY THE BOARD

"David Watson"
"Girvan Patterson"

PLAINTREE SYSTEMS INC.

Condensed Consolidated Statements of Comprehensive Profit (Loss)

(in Canadian dollars)

	Three Months Ended September 30, 2014 (unaudited)	Three Months Ended September 30, 2013 (unaudited)	Six Months Ended September 30, 2014 (unaudited)	Six Months Ended September 30, 2013 (unaudited)
	(unaudited)	(audited)	(unaudited)	(audited)
	$	$	$	$
Revenue	**6,769,576**	5,858,829	**11,438,187**	9,471,024
Cost of sales	**4,785,759**	4,127,028	**8,946,434**	6,748,473
Gross margin	**1,983,817**	1,731,801	**2,491,753**	2,722,551
Operating expenses				
Research and development	**306,684**	333,097	**656,995**	669,095
Finance and administration	**221,000**	310,939	**545,372**	621,623
Sales and marketing	**211,065**	205,100	**456,153**	364,203
Interest expense	**134,487**	56,105	**249,320**	127,344
(Gain) loss on foreign exchange	**70,209**	25,134	**69,752**	361
	943,445	930,375	**1,977,592**	1,782,626
Net income and comprehensive income	**1,040,371**	801,426	**514,160**	939,925
Basic and diluted income (loss) per common share (Note 14)	**0.05**	0.04	**(0.02)**	0.02
Weighted average common shares outstanding	**12,925,253**	12,925,253	**12,925,253**	12,925,253

PLAINTREE SYSTEMS INC.

Condensed Statements of Cash Flows

(in Canadian dollars)

	Six Months Ended September 30, 2014 (unaudited)	Six Months Ended September 30, 2013 (unaudited)
	$	$
Cash flows from operating activities		
Profit for the period	**514,160**	939,925
Accretion of government assistance	**(5,527)**	-
Depreciation of intangible assets	**68,223**	67,265
Depreciation of property, plant and equipment	**427,459**	337,918
	1,004,315	1,345,108
Movements in working capital		
(Increase) in trade and other receivables	**(1,803,280)**	(2,661,449)
(Increase) Decrease in unbilled revenue	**(418,444)**	762,091
(Increase) in inventories	**(630,783)**	(193,148)
Decrease in notes receivable	**22,326**	22,325
Decrease in other assets	**68,629**	7,886
Decrease in due from related parties	**-**	6,077
Increase in trade and other payables	**1,056,363**	356,303
(Decrease) increase in deferred revenue	**(515,755)**	132,458
Cash used in operations	**(1,216,630)**	(222,349)
Interest paid on related party debt	**143,785**	92,005
Net cash (used in) operating activities	**(1,072,845)**	(130,344)
Cash flows from investing activities		
Payments to acquire property, plant and equipment	**(327,668)**	(1,335,397)
Net cash (used in) investing activiites	**(327,668)**	(1,335,397)
Cash flows from financing activities		
Borrowings to acquire financial assets	**1,060,649**	1,519,250
Increase of government assistance	**88,463**	-
Repayment of borrowings	**(392,009)**	(1,293,293)
Increase of borrowings - related party	**352,416**	457,603
Net cash from financing activities	**1,109,520**	683,560
Net (decrease) in cash and cash equivalents	**(290,993)**	(782,181)
Cash and cash equivalents at the beginning of the year	**(24,776)**	145,760
Cash and cash equivalents at the end of the period	**(315,769)**	(636,420)

PLAINTREE SYSTEMS INC.
Consolidated Statement of changes in equity
as at September 30, 2014 and 2013

	Common Shares Number	Issued Capital	Preferred Shares (1) Number	Issued Capital	Equity (Deficit)	Shareholders' Equity
		$		$	$	$
Balances at September 30, 2013	12,925,253	1	18,325	1	2,745,619	2,745,621
Net loss	-	-	-	-	(2,651,296)	(2,651,296)
Balances at March 31, 2014	12,925,253	1	18,325	1	94,323	94,325
Net income					514,160	514,160
Balances at September 30, 2014	12,925,253	1	18,325	1	608,483	608,485

(1) Class A Shares have a 8% cumulative dividend, calculated on redemption amount, redeemable at the option of the Company at any time at $1000 per share plus accrued dividends; non-voting.

1. Description of the business

Plaintree Systems Inc. ("Plaintree" or the "Company") was incorporated in Canada under the Canada Business Corporation Act and is publicly traded on the Canadian Securities Exchange (“CSE”) under "NPT". The Company operates an Electronics division (the Hypernetics business, the free space optics business and Summit Aerospace USA Inc. (“Summit”) business) and a Specialty Structures division (the Triodetic business, the Arnprior Fire Trucks Corp. and Spotton 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. The Arnprior Fire Truck business designs and fabricates custom emergency vehicles. The Spotton business is a designer and manufacturer of high end custom hydraulic and pneumatic cylinders and values. Summit, is a wholly-owned subsidiary of Plaintree which specializes in the high end machining of super-alloys for the aircraft and helicopter markets. The address of the Company’s registered office and principal place of business is 10 Didak Drive, Arnprior, Ontario, K7S 0C3.

2. Basis of presentation

a) Statement of compliance

The condensed consolidated unaudited interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and were approved for issue by the Board of Directors on November 24, 2014. The unaudited consolidated interim financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting* using the accounting policies disclosed below. These statements should be read in conjunction with the audited financial statements and notes included in the Annual Report for the year ended March 31, 2014.

b) Basis of measurement

These consolidated financial statements have been prepared on a historical cost basis except for share-based compensation, which is measured at fair value. Historical cost is generally based upon the fair value of the consideration given in exchange for assets.

c) Basis of consolidation

The consolidated financial statements include the accounts of Plaintree Systems Inc. and its wholly-owned subsidiaries Summit Aerospace USA Incan., Plaintree Systems Corp. and Triodetic Inc. (U.S. companies) and Arnprior Fire Trucks Corp., Triodetic Ltd. and Spotton Corp. (Canadian companies). Subsidiaries are entities controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries align with the policies adopted by the Company. All inter-company transactions have been eliminated.

3. Significant accounting policies

The significant accounting policies used in preparing these condensed consolidated interim financial statements are unchanged from those disclosed in the Company's 2014 annual consolidated financial statements and have been applied consistently to the periods presented in these condensed consolidated interim financial statements.

New and revised IFRS in issue but not effective

IFRS 9 Financial Instruments ("IFRS 9")

IFRS 9 was issued by the International Accounting Standards Board ("IASB") in November 2009 and October 2010 and will replace IAS 39. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Two measurement categories continue to exist to account for financial liabilities in IFRS 9, fair value through profit or loss ("FVTPL") and amortized cost. Financial liabilities held-for-trading are measured at FVTPL, and all other financial liabilities are measured at amortized cost unless the fair value option is applied. The treatment of embedded derivatives under the new standard is consistent with IAS 39 and is applied to financial liabilities and non-derivative hosts not within the scope of the standard. IFRS 9 is effective January 21, 2018. The impact of this ongoing project will be assessed by the Company as remaining phases of the project are complete.

New and revised IFRS in issue but not effective

Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32)

Amendments to IAS 32 *Financial Instruments: Presentation* clarifies certain aspects because of diversity in application of the requirements on offsetting, focus on four main areas:

- the meaning of "currently has a legally enforceable right of set-off"
- the application of simultaneous realisation and settlement
- the offsetting of collateral amounts
- the unit of account for applying the offsetting requirements.

The IAS 32 amendments will be applied retrospectively for annual periods beginning on or after January 1, 2014.

IFRIC 21 Levies ("IFRIC 21")

IFRIC 21 provides guidance on when to recognize a liability for a levy imposed by a government, both for levies that are accounted for in accordance with IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* and those where the timing and amount of the levy is certain.

The Interpretation identifies the obligating event for the recognition of a liability as the activity that triggers the payment of the levy in accordance with the relevant legislation. It provides the following guidance on recognition of a liability to pay levies:

- the liability is recognised progressively if the obligating event occurs over a period of time.
- if an obligation is triggered on reaching a minimum threshold, the liability is recognised when that minimum threshold is reached.

IFRIC 21 is effective for annual periods beginning on or after January 1, 2014.

IAS 36 Impairment of Assets ("IAS 36")

In May 2013, the IASB amended IAS 36 to clarify the requirement to disclose information about the recoverable amount of assets for which an impairment loss has been recognized or reversed. The IAS 36 amendments will be applied retrospectively for annual periods beginning on or after January 1, 2014.

IFRS 15 *Revenue from Contracts with Customers*

IFRS 15 provides a single, principles based five-step model to be applied to all contracts with customers.

(in Canadian dollars)

The five steps in the model are as follows:

- Identify the contract with the customer
- Identify the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligations in the contracts
- Recognise revenue when (or as) the entity satisfies a performance obligation.

Guidance is provided on topics such as the point in which revenue is recognised, accounting for variable consideration, costs of fulfilling and obtaining a contract and various related matters. New disclosures about revenue are also introduced. This standard is applicable to an entity's first annual IFRS financial statements for a period beginning on or after 1 January 2017

The impact of these standards and amendments has not yet been determined.

4. Inventories

	September 30, 2014	March 31, 2014
	$	$
Raw materials	947,210	505,003
Work in process	735,745	600,148
Finished goods	241,575	188,596
	1,924,530	1,293,747

The cost of inventories recognized as an expense during the six month period was $8,943,173 (September 30, 2013 - $6,613,425). The total carrying value of inventory at September 30, 2014 was pledged as security through general security agreements under bank lines of credit and related party liabilities.

The Company wrote down its inventories by $NIL for the six months ended September 30, 2014 (September 30, 2013 - $NIL) to reflect where the carrying amount exceeded net realizable value. Recoveries of inventory write-downs for the second quarter of fiscal 2015 was $76,655 (2013 - $44,613).

5. Note receivable

On March 28, 2012, the Company sold one of its two manufacturing buildings for $470,000. The Company assumed a vendor take-back first mortgage of $446,509 for a three-year term with interest at prime plus 2% per annum and principal repayments beginning April 1, 2013. As at September 30, 2014, a balance of $379,532 remained owing to the Company. The note matures on March 31, 2015 and as such the note is recorded as a current asset.

6. Due from related party

Subsequent to year-end, the Company purchased the assets of Spotton Corporation. All inter-company transactions have been eliminated.

(in Canadian dollars)

7. Property, plant and equipment

	Factory equipment	Computer equipment	Furniture	Vehicles	Lease improvements	Building	Land	Total
	$	$	$	$	$	$	$	$
Balance as of March 31, 2014	3,080,104	9,851	18,200	96,279	1,297,036	1,674,080	285,431	6,460,981
Additions	51,601	2,766	-	13,365	259,936	-	-	327,668
Depreciation	(246,843)	(3,225)	(2,279)	(24,878)	(88,612)	(61,622)	-	(427,459)
Balance as of September 30, 2014	2,884,862	9,392	15,921	84,766	1,468,360	1,612,458	285,431	6,361,190

8. Intangible assets

	Customer relationship	Non-competition agreement	Computer software	Total
	$	$	$	$
March 31, 2014	1,042,616	6,923	8,397	1,057,936
Depreciation	(65,164)	(769)	(2,290)	(68,223)
September 30, 2014	**977,452**	**6,154**	**6,107**	**989,713**

(in Canadian dollars)

9. **Long-term debt - bank**

	September 30, 2014	March 31, 2014
	$	$
Mortgage loan, payable in monthly principal installments of $4,028, bearing interest at a rate equal to the bank's LIBOR rate plus 3.5%, secured by a general security agreement, maturing May 2020.	**739,822**	756,960
Bank loan, payable in monthly blended installments of $4,221, bearing interest at a rate of prime plus 1.25% per annum, secured by a general security agreement, maturing October 2027.	**319,086**	337,385
Term loan payable in monthly blended installments of $733, bearing interest at a rate of prime minus 0.65% per annum, secured by a mortgage on a property, maturing November 2016.	**94,624**	97,871
Demand non-revolving loan payable in monthly blended installments of $691, at a rate of prime plus 1.5%, secured by general security agreement, maturing five years from the date of each draw-down or February 2022.	**73,363**	80,618
Demand non-revolving loan payable in monthly blended installments of $2,867, at a rate of prime plus 1.5%, secured by a general security agreement, maturing five years from the date of each draw-down or October 2021.	**299,710**	317,464
Demand non-revolving loan payable in monthly blended installments of $4,901, at a rate of prime plus 1.5%, secured by a general security agreement, maturing ten years following full draw-down of the loan or June 2016.	**221,125**	251,497
Demand non-revolving USD denominated loan payable in monthly blended installments of US$65,000, interest at LIBOR plus 3% per annum, maturing January 2016.	**1,448,696**	1,675,073
Demand non-revolving US denominated loan payable in monthly blended installments of $9,906, interest at a rate of 3.63%, secured by a general security agreement, maturing June 2017.	**344,270**	398,576
Term non-revolving USD denominated loan payable in monthly installments of $3,161, bearing interest at the rate of prime plus 1.25% per annum, secured by a general security agreement, maturing September 2018.	**110,147**	126,549
	3,650,843	4,041,993
Current Portion	**776,299**	4,041,993
Balance	**2,874,544**	-

(in Canadian dollars)

10. Long–term debt - Other

The Company's Summit Aerospace USA Inc. division accepted a loan from the Pennsylvania Industrial Development Authority (PIDA) as partial financing towards the manufacturing facility in Pocono Summit, PA purchased in May 2013. In April 2014 the Company received a draw from the loan in the amount of $421,852 USD ($450,117 CND). Monthly repayments are amortized over fifteen years at a fixed rate of 1.5%. The loan facility is for an aggregate of $720,000 USD for a term of seven years, funding 45% of the cost of the building, land and renovations.

The Company records the government loan at its estimated fair value at the date in which the payments are recorded. The estimated fair value of the loan payable is determined by discounting future cash flows associated with the loan at a discount rate which represents the estimated borrowing rate to the Company. The difference between the face value of the loan and the estimated fair value is deemed to be government assistance. The loan payable is accreted to the face value over the term of the loan and is recognized as accretion expense.

	Present Value	Deferred Government Assistance	Long-term Debt (Government Loan)
	$	$	$
Opening Balance	384,011	88,463	472,474
Repayments	3,860		3,860
Accretion		5,527	5,527
September 30, 2014	380,152	82,936	463,087
Current Portion	28,443	9,720	38,163
Balance	351,709	73,216	424,924

11. Due to related parties

	September 30, 20014	March 31, 2014
	$	$
Due to senior officers	**3,858,866**	**3,665,568**
Dividends payable	**60,000**	**60,000**
Due to Targa Group Inc., debenture interest	**247,672**	**247,672**
Due to Tidal Quality Management Inc.	**276,617**	**713,284**
Due to Targa Group Inc., line of credit	**1,219,737**	**1,194,737**
Due to Targa Group Inc., demand loan	**1,858,401**	**1,563,833**
Due to Targa Group Inc., demand loan interest	**134,812**	**134,813**
	7,656,105	**7,579,907**
Less: current portion	**-**	**-**
	7,656,105	**7,579,907**

As at September 30, 2014, a balance of $3,858,866 ($2,842,286 principal and $1,016,580 interest), (March 31, 2014 - $2,718,820 in principal and $947,048 in interest) remained owing to senior officers of the Company. These amounts are classified as long-term as the parties have agreed not to demand repayment before December 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 share. An amount of $60,000 (March 31, 2013 - $60,000) of the dividend remains outstanding as of September 30, 2014. The balance is classified as long-term as the related party has agreed not to demand payment before December 2015.

As at March 31, 2014, a balance of $247,672 in debenture interest (March 31, 2013 - $247,672) is outstanding. The balance is classified as long-term as the related party has agreed not to demand payment before December 2015.

Until March 31, 2003, the Company leased facilities from a company controlled by Targa. Lease arrears including interest of $151,596 owing to this related party, amounted to $327,066 (March 31, 2013 - $322,370). The Company accepted partial financing in the form of a note payable in the amount of $373,473 during fiscal 2014 from Tidal for a new facility in Pocono Summit. As at September 30 a balance of $345,109 with accumulated interest of $24,445 remained outstanding. The interest is at bank prime plus 2% and accrues on the principal balance. Loans totaling $420,003 owed to Spotton by Tidal have been consolidated into the net balance as of April 1, 2014 with the acquisition of Spotton Corp by the Company. The party has agreed not to demand repayment of the total balance of $276,617 (March 31, 2013 - $713,284) before December 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 September 30, 2014, $1,000,000, (March 31, 2014 - $1,000,000) remained outstanding on the line of credit with accumulated interest of $219,737 (March 31, 2014 - $194,737) for a balance of $1,219,737 (March 31, 2014 - $1,194,737). At September 30, 2014, $1,741,040, (March 31, 2013 - $1,491,040) remained outstanding on the demand loan with accumulated interest of $117,361 (March 31, 2014 - $72,793.46 for a balance of $1,858,401 (March 31, 2014 - $1,563,833). Targa has agreed that it will not demand repayment before December 2015 and, accordingly, the amounts are classified as long-term.

Accumulated interest in the amount of $134,813 (March 31, 2013 - $134,813), on a loan from Targa, for which the principal was fully repaid in fiscal 2008, remains outstanding as of September 30, 2014. The party has agreed not to demand repayment before December 2015 and, accordingly, the amount is classified as long-term.

13. Share capital

Authorized
Unlimited number of common shares
Unlimited number of Class A preferred shares

Class A 8% cumulative dividend, calculated on redemption amount, redeemable at the option of the Company at any time at $1,000 per share plus accrued dividends; liquidation preference of the redemption value plus cumulative dividends (when and if declared) to common shares; non-voting. As at September 30 2014, the accrued and unpaid dividends on the Class A preferred shares were $9,729,000.

(in Canadian dollars)

14. Basic and diluted earnings per common share

	Three Months September 30, 2014 (unaudited)	Three Months September 30, 2013 (unaudited)
	$	$
Net Income	**1,040,371**	801,426
Cumulative dividends on preferred shares - six months	**(366,500)**	(366,500)
Net (loss) income attributable to common shares (basic and diluted)	**673,871**	434,926
Basic and diluted weighted average shares outstanding	**12,925,253**	12,925,253
Basic and diluted (loss) earnings per share	**0.05**	0.04

	Six Months September 30, 2014 (unaudited)	SIx Months September 30, 2013 (unaudited)
	$	$
Net Income	**514,160**	939,925
Cumulative dividends on preferred shares - six months	**(733,000)**	(733,000)
Net (loss) income attributable to common shares (basic and diluted)	**(218,840)**	206,925
Basic and diluted weighted average shares outstanding	**12,925,253**	12,925,253
Basic and diluted (loss) earnings per share	**(0.02)**	0.02

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(in Canadian dollars)

15. Segmented information

The Company's chief decision maker, the CEO, tracks the Company's operations as two business segments - the design, development, manufacture, marketing and support of electronic products, and the specialty structural products. From time to time, the Company provides management services primarily to related companies. The revenue and cost of sales related to these services are presented in the consolidated statements of comprehensive (loss) income. No other expenses or assets are attributable to this segment. The Company determines the geographic location of revenues based on the location of its customers.

Revenues by division

	For the three months ended		For the six months ended	
	September 30, 2014	September 30, 2013	**September 30, 2014**	September 30, 2013
	$	$	**$**	$
Electronics	**1,680,982**	1,524,088	**3,076,445**	2,765,723
Specialty structures	**5,088,594**	4,334,741	**8,361,742**	6,705,301
	6,769,576	5,858,829	**11,438,187**	9,471,024

Net income before taxes by division

	For the three months ended		For the six months ended	
	September 30, 2014	September 30, 2013	**September 30, 2014**	September 30, 2013
	$	$	**$**	$
Electronics	**295,565**	199,330	**138,155**	417,396
Specialty structures	**744,806**	602,096	**376,002**	522,529
	1,040,371	801,426	**514,157**	939,925

Revenues by geographical location

	For the three months ended		For the six months ended	
	September 30, 2014	September, 2013	**September 30, 2014**	September 30, 2013
	$	$	**$**	$
Canada	**3,788,155**	4,475,164	**6,396,601**	6,702,395
United states	**1,861,953**	1,240,989	**3,430,433**	2,398,249
Peru	**1,068,866**	-	**1,503,954**	-
Other	**50,602**	142,676	**107,199**	370,380
	6,769,576	5,858,829	**11,438,187**	9,471,024

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

	For the three months ended		For the six months ended	
	September 30 ,2014	September 30, 2013	**September 30 ,2014**	September 30, 2013
	$	$	**$**	$
Number of customers	**2**	2	**2**	2
% of total revenue	**15%,16%**	15%, 45%	**10%,19%**	16%, 28%

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

PLAINTREE SYSTEMS INC.

For the three and six months ended September 30, 2014 and 2013

Date – November 24, 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 three and six months ended September 30, 2014 and 2013. 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 November 24, 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 ("NI 52-109"), 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.

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

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.

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

Overview

Plaintree Systems Inc. ("Plaintree" or the "Company") was incorporated in Canada under the Canada Business Corporation Act and is publicly traded on the Canadian Securities Exchange (CSE) under "NPT". The Company operates an Electronics division (the Hypernetics business, the free space optics business and Summit Aerospace USA Inc. ("Summit") business) and a Specialty Structures division (the Triodetic business, Arnprior Fire Trucks Corp. business and Spotton Corporation business). 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, including non-US sales activity through Triodetic Ltd. a wholly-owned subsidiary, is a design/build manufacturer of steel, aluminium and stainless steel specialty structures such as commercial domes, free form structures, barrel vaults, space frames and industrial dome coverings. Summit Aerospace USA Inc is a wholly-owned subsidiary of Plaintree which specializes in the high end machining of super-alloys for the aircraft and helicopter markets. Arnprior Fire Trucks Corp. is a wholly-owned subsidiary of Plaintree which specializes in the design and manufacturing of fire trucks for municipal and commercial use. Spotton Corporation is a wholly-owned subsidiary of Plaintree which is in the business of designing and manufacturing high end custom hydraulic and pneumatic valves and cylinders for the industrial and oil and gas markets. The address of the Company's registered office and principal place of business is 10 Didak Drive, Arnprior, Ontario, K7S 0C3.

Recent Developments

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 Company increased its credit facility with its bankers (HSBC Bank USA) and obtained a short-term loan from a related party for the purposes of financing the $1.1M acquisition. The relocation of Summit Aerospace USA Inc. was completed in June 2014.

On April 1, 2014, the Company has reorganized the non-US sales activities of Triodetic and all of the sales activities in relation to non-US business will be dealt with by Triodetic Ltd., a wholly-owned subsidiary of Plaintree. Plaintree's Triodetic division will still continue to manufacture the structures to be sold through Triodetic Ltd.

On March 31, 2014, the Company acquired all of the shares of Spotton Corporation for $120.

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.

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

Selected Annual 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 Company's interim financial statements:

($000s, except per share amounts)

	September 30, 2014	March 31, 2014
	$	$
Total assets	**15,766**	6,750
Total liabilities	**15,157**	14,174
Long-term liabilities	**10,959**	7,580
Cash dividends declared per share	**nil**	nil

($000s, except per share amounts)

	Three months ended September 30, 2014	**Three months ended September 30, 2013**
	$	$
Revenue	**6,770**	5,859
Net (loss) income and total comprehensive (loss) income	**1,040**	801
Net loss attributed to common shareholders	**674**	484
Basic and diluted loss per share	**0.05**	0.04

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

($000s, except per share amounts)

	SIx months ended September 30, 2014	**Six months ended September 30, 2013**
	$	$
Revenue	**11,438**	9,471
Net (loss) income and total comprehensive (loss) income	**514**	940
Net loss attributed to common shareholders	**(219)**	207
Basic and diluted (loss) earnings per share	**(0.02)**	0.02

Results of Operations

	Plaintree Systems Inc. *($000s, except per share and % amounts)* **for the three months ended**		**Change from**
	September 30, 2014	**September 30, 2013**	**2013 to 2014**
	$	$	$
Revenue	**6,770**	5,859	911
Cost of sales	**4,786**	4,127	659
Gross margin	**1984**	1,732	252
	29%	30%	
Operating expenses:			
Research and development	**307**	333	(26)
Finance and administration	**221**	311	(90)
Sales and marketing	**211**	205	6
Interest expense	**134**	56	78
Loss on foreign exchange	**70**	25	45
	943	930	13
Net income and comprehensive income	**1,040**	801	(239)

Plaintree Systems Inc.

	($000s, except per share and % amounts) for the six months ended		Change from
	September 30, 2014	**September 30, 2013**	**2013 to 2014**
	$	$	$
Revenue	**11,438**	9,471	1,967
Cost of sales	**8,946**	6,748	2,198
Gross margin	**2,492**	2,723	(231)
	22%	29%	
Operating expenses:			
Research and development	**657**	669	(12)
Finance and administration	**546**	622	(76)
Sales and marketing	**456**	364	92
Interest expense	**249**	128	121
Loss on foreign exchange	**70**	-	70
	1,978	1,783	195
Net income and comprehensive income	**514**	940	(426)

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND 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 six months ended	
	September 30, 2014	September 30, 2013	**September 30, 2014**	September 30, 2013
	$	$	**$**	$
Electronics	**1,680,982**	1,524,088	**3,076,445**	2,765,723
Specialty structures	**5,088,594**	4,334,741	**8,361,742**	6,705,301
	6,769,576	5,858,829	**11,438,187**	9,471,024

Net income before taxes by division

	For the three months ended		For the six months ended	
	September 30, 2014	September 30, 2013	**September 30, 2014**	September 30, 2013
	$	$	**$**	$
Electronics	**295,565**	199,330	**138,155**	417,396
Specialty structures	**744,806**	602,096	**376,002**	522,529
	1,040,371	801,426	**514,157**	939,925

Revenues by geographical location

	For the three months ended		For the six months ended	
	September 30, 2014	September, 2013	**September 30, 2014**	September 30, 2013
	$	$	**$**	$
Canada	**3,788,155**	4,475,164	**6,396,601**	6,702,395
United states	**1,861,953**	1,240,989	**3,430,433**	2,398,249
Peru	**1,068,866**	-	**1,503,954**	-
Other	**50,602**	142,676	**107,199**	370,380
	6,769,576	5,858,829	**11,438,187**	9,471,024

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

	For the three months ended		For the six months ended	
	September 30 ,2014	September 30, 2013	**September 30 ,2014**	September 30, 2013
	$	$	**$**	$
Number of customers	**2**	2	**2**	2
% of total revenue	**15%,16%**	15%, 45%	**10%,19%**	16%, 28%

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

Revenues

Revenue

Total product revenue for the six months ended September 30, 2014 was $11,438,187 compared to $9,741,024 for six months ended September 30, 2013.

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

Plaintree's Electronics Division revenue increased to $3,076,445 in the six months ended September 30, 2014 compared to $2,765,723 for the six months ended September 30, 2013.

Plaintree's Specialty Structures Division revenue increased to $8,361,742 in the six months ended September 30, 2014 from $6,705,301 for the six months ended September 30, 2013. The increase is a result of the addition of the Spotton business and larger contracts in the Triodetic business.

Gross Margin

Total gross margin decreased in the first six months of fiscal 2015 to 22% from 29% for the first six months of fiscal 2014.

Operating Expenses

Research and development expenses

Research and development expenses were $656,995 and $669,095 in the first half of fiscal 2015 and 2014 respectively. Research and development expenditures consist primarily of development engineering and personnel expenses.

Finance and administration expenses

Finance and administration expenses were $545,372 and $621,623 in the first half of fiscal 2015 and 2014 respectively. Finance and administration expenses consist primarily of costs associated with managing the Company's finances, which included financial staff, legal and audit activities. Amortization of intangibles related to the business of Summit Aerospace is the primary reason for the increase in finance and administration expenses.

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Sales and marketing expenses

Sales and marketing expenses were $456,153 and $364,203 in the first half of fiscal 2015 and 2014 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 $249,320 and $127,344 for the first half of fiscals 2015 and 2014, respectively. Interest expense increased primarily due to the increase in borrowings for plant 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 losses on foreign exchange of $69,752 and $361 in the half quarter of fiscal 2015 and 2014 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) Profit, Comprehensive (Loss) Income and Net (Loss) Profit Attributable to Common Shareholders

Net (loss) profit and comprehensive (loss) income for the first six months of fiscals 2015 and 2014 was $(218,820) and $206,925 respectively. Net profit (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 September 30, 2014, 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 fiscal 2015 and fiscal 2014:

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

	Sept 30 2014 $	June 30 2014 $	Mar 31 2014 $	Dec 31 2013 $	Sept 30 2013 $	June 30 2013 $	Mar 31 2013 $	Dec 31 2012 $
Revenue	6,770	4,669	5,189	6,144	5,859	3,612	4,118	4,091
Net profit (loss) and total comprehensive income (loss)	1,040	(526)	(2,300)	(351)	801	139	212	373
Net profit (loss) attributed to common shareholders	674	(893)	(2,667)	(717)	435	(228)	(155)	6
Basic and diluted earnings (loss) per shareholder	0.05	(0.07)	(0.12)	(0.04)	(0.02)	(0.02)	(0.02)	(0.00)

Liquidity and Capital Resources

($000s)

	'September 30, 2014	**September 30, 2013**	**Change**
	$	$	$
Cash	**(316)**	(636)	320
Working Capital	**4,216**	4,884	(668)

Net cash (used in) provided by:	**September 30, 2014**	September 30, 2013	Change
	$	$	$
Operating activities	**(1,073)**	(130)	(2,652)
Investing activities	**(328)**	(1,335)	1,031
Financing activities	**1,110**	684	211

Cash

As at September 30, 2014, the Company was indebted to the bank by $315,769 in cash, an increase of $290,993 from March 31, 2013.

Working Capital

Working capital represents current assets less current liabilities. As at September 30, 2014, the Company had positive working capital of $4,216,156 compared to working capital of $155,315 at March 31, 2014 after the bank debt was reclassified as a current liability due to a breach of 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). The Company was in breach of the debt service ratio to which the bank has provided forbearance until April 1, 2015. The bank expects the Company to be back in covenant by March 31, 2015. 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 for March 31, 2014 was $3,308,645.

Cash (used in) provided by Operating activities

Cash used in operating activities for the first six months of Fiscal 2015 was $(1,072,845) representing an increase of $942,501 from cash used of $(130,344) in the first half of fiscal 2014. Cash used in operating activities during fiscal 2015 mainly relates to increase in trade receivables, unbilled receivables, inventories and a decrease in in deferred revenues.

Cash (used in) Investing activities
Cash used in investing activities for the first half of 2015 was $(327,668) representing an increase of $1,007,729 from cash used in investing activities of $(1,335,397) in the first half months of fiscal 2014.

Cash provided by financing activities668
Cash provided by financing activities for the first half months of fiscal 2015 was $1,109,520 representing an increase of $425,960 from cash provided by financing of $683,560 in the first half of fiscal 2014. .

Outlook

The first six months of fiscal 2015 concluded with a net income of $514,160 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 to ensure it had sufficient capacity for growth for its Canadian 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 from Related Party

Subsequent to year-end, the Company purchased all of the shares of Spotton Corporation.

	September 30, 20014	March 31, 2014
	$	$
Due to senior officers	**3,858,866**	**3,665,568**
Dividends payable	**60,000**	**60,000**
Due to Targa Group Inc., debenture interest	**247,672**	**247,672**
Due to Tidal Quality Management Inc.	**276,617**	**713,284**
Due to Targa Group Inc., line of credit	**1,219,737**	**1,194,737**
Due to Targa Group Inc., demand loan	**1,858,401**	**1,563,833**
Due to Targa Group Inc., demand loan interest	**134,812**	**134,813**
	7,656,105	**7,579,907**
Less: current portion	**-**	**-**
	7,656,105	**7,579,907**

As at September 30, 2014, a balance of $3,858,866 ($2,842,286 principal and $1,016,580 interest), (March 31, 2014 - $2,718,820 in principal and $947,048 in interest) remained owing to senior officers of the Company. These amounts are classified as long-term as the parties have agreed not to demand repayment before December 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 share. An amount of $60,000 (March 31, 2013 - $60,000) of the dividend remains outstanding as of September 30, 2014. The balance is classified as long-term as the related party has agreed not to demand payment before December 2015.

As at March 31, 2014, a balance of $247,672 in debenture interest (March 31, 2013 - $247,672) is outstanding. The balance is classified as long-term as the related party has agreed not to demand payment before December 2015.

Until March 31, 2003, the Company leased facilities from a company controlled by Targa. Lease arrears including interest of $151,596 owing to this related party, amounted to $327,066 (March 31, 2013 - $322,370). The Company accepted partial financing in the form of a note payable in the amount of $373,473 during fiscal 2014 from Tidal for a new facility in Pocono Summit. As at September 30 a balance of $345,109 with accumulated interest of $24,445 remained outstanding. The interest is at bank prime plus 2% and accrues on the principal balance. Loans totaling $420,003 owed to Spotton by Tidal have been consolidated into the net balance as of April 1, 2014 with the acquisition of Spotton Corp by the Company. The party has agreed not to demand repayment of the total balance of $276,617 (March 31, 2013 - $713,284) before December 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 September 30, 2014, $1,000,000, (March 31, 2014 - $1,000,000) remained outstanding on the line of credit with accumulated interest of $219,737 (March 31, 2014 - $194,737) for a balance of $1,219,737 (March 31, 2014 - $1,194,737). At September 30, 2014, $1,741,040, (March 31, 2013 - $1,491,040) remained outstanding on the demand loan with accumulated interest of $117,361 (March 31, 2014 - $72,793.46 for a balance of $1,858,401 (March 31, 2014 - $1,563,833). Targa has agreed that it will not demand repayment before December 2015 and, accordingly, the amounts are classified as long-term.

Accumulated interest in the amount of $134,813 (March 31, 2013 - $134,813), on a loan from Targa, for which the principal was fully repaid in fiscal 2008, remains outstanding as of September 30, 2014. The party has agreed not to demand repayment before December 2015 and, accordingly, the amount is classified as long-term.

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 leased location was completed in June 2014.

New and Revised IFRS in Issue but not Effective

IFRS 9 Financial Instruments ("IFRS 9")

IFRS 9 was issued by the International Accounting Standards Board ("IASB") in November 2009 and October 2010 and will replace IAS 39. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Two measurement categories continue to exist to account for financial liabilities in IFRS 9, fair value through profit or loss ("FVTPL") and amortized cost. Financial liabilities held-for-trading are measured at FVTPL, and all other financial liabilities are measured at amortized cost unless the fair value option is applied. The treatment of embedded derivatives under the new standard is consistent with IAS 39 and is applied to financial liabilities and non-derivative hosts not within the scope of the standard. IFRS 9 is effective January 21, 2018. The impact of this ongoing project will be assessed by the Company as remaining phases of the project are complete.

Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32)

Amendments to IAS 32 *Financial Instruments: Presentation* clarifies certain aspects because of diversity in application of the requirements on offsetting, focus on four main areas:

- the meaning of "currently has a legally enforceable right of set-off"
- the application of simultaneous realisation and settlement
- the offsetting of collateral amounts
- the unit of account for applying the offsetting requirements.

The IAS 32 amendments will be applied retrospectively for annual periods beginning on or after January 1, 2014.

IFRIC 21 Levies ("IFRIC 21")

IFRIC 21 provides guidance on when to recognise a liability for a levy imposed by a government, both for levies that are accounted for in accordance with IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* and those where the timing and amount of the levy is certain.

The Interpretation identifies the obligating event for the recognition of a liability as the activity that triggers the payment of the levy in accordance with the relevant legislation. It provides the following guidance on recognition of a liability to pay levies:

- the liability is recognised progressively if the obligating event occurs over a period of time.
- if an obligation is triggered on reaching a minimum threshold, the liability is recognised when that minimum threshold is reached.

IFRIC 21 is effective for annual periods beginning on or after January 1, 2014.

IAS 36 Impairment of Assets ("IAS 36")

In May 2013, the IASB amended IAS 36 to clarify the requirement to disclose information about the recoverable amount of assets for which an impairment loss has been recognized or reversed. The IAS 36 amendments will be applied retrospectively for annual periods beginning on or after January 1, 2014.

IFRS 15 *Revenue from Contracts with Customers*

IFRS 15 provides a single, principles based five-step model to be applied to all contracts with customers.

The five steps in the model are as follows:

- Identify the contract with the customer
- Identify the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligations in the contracts
- Recognise revenue when (or as) the entity satisfies a performance obligation.

Guidance is provided on topics such as the point in which revenue is recognised, accounting for variable consideration, costs of fulfilling and obtaining a contract and various related matters. New disclosures about revenue are also introduced. This standard is applicable to an entity's first annual IFRS financial statements for a period beginning on or after 1 January 2017

The impact of these standards and amendments has not yet been determined.

Summary of Outstanding Share Data

As at November 24, 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 March 31, 2014, of $247,672 in accrued interest only. Interest is convertible in cash only.

Options:*** None

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