







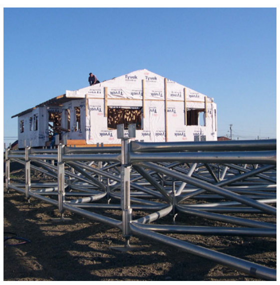


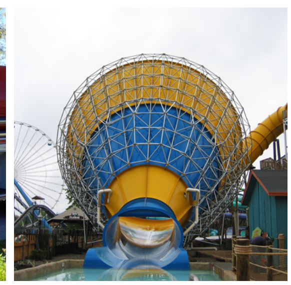

PLAINTREE SYSTEMS INC.

Q2-2016

For the three months ending

September 30, 2015

Unaudited

PLAINTREE SYSTEMS INC.

“Notice to Reader”

The accompanying unaudited condensed consolidated interim financial statements of Plaintree Systems Inc. for the three and six months ended September 30, 2015 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 25, 2015

“David Watson”

____

David Watson
CEO

Plaintree Systems Inc.

Consolidated statements of financial position
as of September 30, 2015 and March 31, 2015
(unaudited)

(in Canadian dollars)

	September 30, 2015	March 31, 2015
	$	$
Assets		
Current assets		
Cash	**-**	57,757
Trade receivables and other receivables	**3,295,781**	4,000,471
Unbilled revenue	**299,446**	580,374
Inventories (Note 4)	**2,482,643**	2,191,417
Prepaid expenses and other receivables	**161,929**	199,379
Note receivable (Note 5)	**-**	357,207
	6,239,799	7,386,605
Property, plant and equipment (Note 6)	**6,197,471**	6,280,844
Intangible assets (Note 7)	**856,417**	925,752
	13,293,687	14,593,201
Liabilities		
Current liabilities		
Cash deficit	**624,261**	-
Trade and other payables	**2,096,974**	2,286,597
Deferred revenue	**354,655**	308,146
Current portion of long-term debt - bank (Note 8)	**3,153,934**	3,517,984
Current portion of deferred government assistance (Note 9)	**19,769**	19,277
Current portion of obligations under lease capital (Note 10)	**48,024**	46,620
Current portion of government assistance (Note 9)	**60,749**	40,498
	6,358,366	6,219,122
Deferred government assistance (Note 9)	**136,689**	139,618
Obligations under lease capital (Note 10)	**134,931**	164,084
Repayable government assistance - other (Note 9)	**685,440**	685,921
Due to related parties (Note 11)	**5,716,551**	5,600,732
	13,031,977	12,809,477
Shareholders' equity		
Issued capital	**2**	2
Contributed surplus	**2,090,750**	2,090,750
Deficit	**(1,829,042)**	(307,028)
	261,710	1,783,724
	13,293,687	14,593,201

Approved by the Board

"David Watson"

"Girvan Patterson"

Plaintree Systems Inc.

Condensed consolidated interim statements of comprehensive (loss) income
for the three and six months ended September 30, 2015 and September 30, 2014
(unaudited)
(in Canadian dollars)

	Three Months Ended September 30, 2015	Three Months Ended September 30, 2014	**Six Months Ended September 30, 2015**	Six Months Ended September 30, 2014
	$	$	**$**	$
Revenue	**3,622,366**	6,769,576	**7,382,691**	11,438,187
Cost of sales	**3,864,229**	4,785,759	**6,851,608**	8,946,434
Gross margin	**(241,864)**	1,983,817	**531,082**	2,491,753
Operating expenses				
Research and development	**332,465**	306,684	**662,318**	656,995
Finance and administration	**315,798**	221,000	**574,188**	545,372
Sales and marketing	**254,532**	211,065	**509,474**	456,153
Interest expense	**100,686**	134,487	**199,744**	249,320
Gain on foreign exchange	**119,173**	70,209	**107,371**	69,752
	1,122,655	943,445	**2,053,096**	1,977,592
Net (loss) and comprehensive (loss)	**(1,364,519)**	1,040,372	**(1,522,014)**	514,161
Basic and diluted (loss) per common share (Note 12)	**(0.13)**	0.05	**(0.17)**	(0.02)
Weighted average common shares outstanding	**12,925,253**	12,925,253	**12,925,253**	12,925,253

Plaintree Systems Inc.

Consolidated statements of cash flows
for the six months ended September 30, 2015 and September 30, 2014
(in Canadian dollars)

	September 30, 2015	September 30, 2014
	$	$
Cash flows from operating activities		
Net (loss) earnings	**(1,522,014)**	514,161
Add (deduct) items not affecting cash:		
Depreciation of intangible assets	**69,335**	68,223
Depreciation of property, plant and equipment	**466,915**	427,459
Changes in non-cash operating working capital items		
Trade and other receivables	**704,690**	(1,803,280)
Unbilled revenue	**280,928**	(418,444)
Inventories	**(291,226)**	(630,783)
Prepaid expenses and other receivables	**37,450**	68,629
Notes receivable	**357,207**	22,326
Trade and other payables	**(189,623)**	1,056,361
Deferred revenue	**46,509**	(515,755)
Interest paid on related party debt	**86,052**	143,785
Cash provided by (used in) operations	**46,223**	(1,067,318)
Cash flows from investing activities		
Payments to acquire property, plant and equipment	**(383,542)**	(327,668)
Net cash (used) in investing activities	**(383,542)**	(327,668)
Cash flows (used in) from financing activities		
Borrowings to acquire financial assets	**-**	1,060,649
Government assistance	**-**	82,936
Repayment of long-term debt	**(374,465)**	(392,009)
Related party borrowings	**29,765**	352,416
Net (used in) cash from financing activities	**(344,699)**	1,103,992
Net increase (decrease) in cash and cash equivalents	**(682,018)**	(290,994)
Cash and cash equivalents, beginning of the period	**57,757**	(24,776)
Cash and cash equivalents (bank indebtedness), end of the peroid	**(624,261)**	(315,769)

PLAINTREE SYSTEMS INC.
Condensed consolidated Statement of changes in equity
for the six month period ending September 30, 2015 and 2014
(unaudited)

	Common Shares		Preferred Shares (1)				
	Number	Issued Capital	Number	Issued Capital	Contributed Surplus	Equity (Deficit)	Shareholders' Equity
		$		$	$	$	$
Balances at March 31, 2015	12,925,253	1	18,325	1	-	- 307,028	- 307,026
Forgiveness of debt					2,090,750		2,090,750
Net income and comprehensive income						(1,522,014)	(1,522,014)
Balances at September 30, 2015	12,925,253	1	18,325	1	2,090,750	(1,829,042)	261,710

	Common Shares		Preferred Shares (1)				
	Number	Issued Capital	Number	Issued Capital	Contributed Surplus	Equity (Deficit)	Shareholders' Equity
		$		$	$	$	$
Balances at March 31, 2014	12,925,253	1	18,325	1	-	94,323	94,323
Net income and comprehensive income						514,161	514,161
Balances at September 30, 2014	12,925,253	1	18,325	1	-	608,484	608,484

(1) Class A Shares have a 8% cumulative dividend, calculated on redemption amount, redeemable at the option of the Company at any time

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 CSE under "NPT". The Company operates an Electronics division (the Hypernetics business, the free space optics business and Summit Aerospace USA Inc business) and a Specialty Structures division (the Triodetic business, Arnprior Fire Trucks Corp., Spotton Corp. and 9366920 Canada Inc. (o/a Madawaska Doors). Plaintree is an exceptionally diversified company with proprietary technologies and manufacturing capabilities in structural design, aerospace and telecommunications. 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, aluminium and stainless steel specialty structures such as commercial domes, free form structures, barrel vaults, space frames and industrial dome coverings. On May 23, 2013 the Company completed the acquisition of a 16,300 sq. ft. manufacturing facility in Pocono Summit, PA, where they will continue the operation of Summit, a wholly-owned subsidiary of Plaintree which specializes in the high end machining of super-alloys for the aircraft and helicopter markets. On April 1, 2014 Plaintree acquired all the share capital of Spotton Corporation ("Spotton"). Spotton's business involves the design and manufacture of high end custom hydraulic and pneumatic valves and cylinders for the industrial and oil and gas markets. On July 20, 2015 the Company acquired the assets and businesses of Madawaska Doors Inc., through its wholly-owned subsidiary, 9366920 Canada Inc. The business of Madawaska Doors involves the manufacturing and selling of high quality 100% natural solid wood custom doors and related parts and materials. The address of the Company's registered office and principal place of business is 10 Didak Drive, Arnprior, Ontario.

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 25, 2015. The unaudited consolidated interim financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting* using the accounting polices 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, 2015.

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 Inc., Plaintree Systems Corp. and Triodetic Inc. (U.S. companies) and Arnprior Fire Trucks Corp.,Triodetic Ltd., Spotton Corp. and 9366920 Canada Inc. (o/a Madawaska Doors), (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.

d) Going concern

These consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As at September 30, 2015, the Company had an accumulated deficit of $1,829,042 and, for the period then ended, the Company incurred a total comprehensive loss of $1,522,014. As at September 30, 2015, the Company had negative working capital of $118,567 and no cash on hand. The Company has in place a credit facility of up to $2M through its bank based on acceptable trade receivables and inventory (amount outstanding as at September 30, 2015, $1,581,996 which includes a letter of credit in the amount of $461,759). The Company's analysis of forecasted sales and expenses indicate improvement in both sales and cash flow after November 2015 as a result of contracts bid and or signed and their expected margins on these projects. As a result, the Company believes that it has sufficient cash resources to meet its obligations for at least until the end of its current fiscal year end. However, should (i) the Company's bank credit facility fail to be available or fail to have sufficient availability to meet the Company's cash requirements; (ii) forecasts fall short of expectations in one or more of the Company's divisions; and/or (iii) another unprofitable event occurs such as the installation overruns in Saskatoon contract that have negatively affected the Company for the past 18 months, which is unanticipated, this will impact the Company's ability to generate sufficient cash to meet its requirements and this will impact its ability to continue as a going concern.

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 2015 annual consolidated financial statements and have been applied to the periods presented in these condensed consolidated interim financial statements.

New and revised IFRS in issue but not yet effective

The following is a list of standards and amendments that have been issued but are not yet effective and have not yet been adopted by the Company:

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, *Financial Instruments: Recognition and Measurement*. 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. The standard is effective for annual period beginning on or after January 1, 2018. The Company is currently evaluating the impact of IFRS 9 on its consolidated financial statements.

IFRS 15 Revenue from Contracts with Customers ("IFRS 15")

IFRS 15 was issued by the IASB on May 28, 2014, and will replace IAS 18, Revenue, IAS 11, *Construction Contracts*, and related interpretations on revenue. IFRS 15 sets out the requirements for recognizing revenue that apply to all contracts with customers, except for contracts that are within the scope of the Standards on leases, insurance contracts and financial instruments. IFRS 15 uses a control based approach to recognized revenue which is a changed from the risk and reward approach under the current standard. Companies can elect to use either a full or modified retrospective approach when adopting this standard and it is effective for annual period beginning on or after January 1, 2018. The Company is currently evaluating the impact of IFRS 15 on its consolidated financial statements.

(In Canadian dollars)

4. Inventories

	September 30, 2015	March 31, 2015
	$	$
Raw materials	**1,558,513**	1,330,233
Work in process	**752,176**	697,297
Finished goods	**171,954**	163,887
	2,482,643	2,191,417

The cost of inventories recognized as an expense during the six month period was $6,848,393 (September 30, 2014 - $8,943,173). The total carrying value of inventory at September 30, 2015 was pledged as security through general security agreements under bank lines of credit and related party liabilities.

5. Note receivable

On March 28, 2012 the Company sold one of its two manufacturing buildings that were recorded as assets held-for-sale. The building sold for $470,000. The Company assumed a vendor take-back first mortgage of $446,509 for a three-year term. The note was paid in full in May 2015.

6. Property, plant and equipment

	Factory equipment	Computer equipment	Furniture	Vehicles	Lease improvements	Building	Land	Total
	$	$	$	$	$	$	$	$
Balance as of								
March 31, 2015	2,842,944	9,183	13,641	103,633	1,457,538	1,568,473	285,432	6,280,844
Additions	177,805	3,422	-	76,649	10,666	75,000	40,000	383,542
Depreciation	(282,104)	(3,564)	(2,280)	(21,863)	(102,639)	(54,465)	-	(466,915)
September 30, 2015	2,738,645	9,041	11,361	158,419	1,365,565	1,589,008	325,432	6,197,471

7. Intangibles

	Customer relationship	Non-competition agreement	Computer software	Total
	$	$	$	$
March 31, 2015	912,289	5,383	8,079	925,752
Depreciation	(65,164)	(769)	(3,402)	(69,335)
September 30, 2015	847,125	4,614	4,677	856,417

(In Canadian dollars)

8. Long-term debt

	September 30, 2015	March 31, 2015
	$	$
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.	**817,015**	806,050
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.	**286,208**	305,662
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.	**87,880**	91,305
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.	**67,388**	71,927
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.	**262,631**	281,437
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.	**157,982**	189,942
Demand non-revolving USD denominated loan payable in monthly blended installments of US$38,125, interest at LIBOR plus 3% per annum, maturing September 2017.	**1,134,325**	1,357,465
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.	**254,219**	320,645
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.	**76,286**	93,551
	3,153,934	3,517,984
Current Portion	**(3,153,934)**	(3,517,984)
Balance	**-**	-

(In Canadian dollars)

9. Repayable government assistance

The Company's Summit Aerospace USA Inc. division accepted a loan of US$720,000 (C$899,280) from the Pennsylvania Industrial Development Authority (PIDA) as partial financing towards the manufacturing facility in Pocono Summit, PA purchased in May 2013. Monthly repayments are amortized over fifteen years at a fixed rate of 1.5%. The loan facility is 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.

	Loan present value	Deferred Government Assistance	Repayable government assistance
Opening Balance	726,419	158,895	885,314
Loan adjustment for exchange	38,942	8,518	47,460
Repayments	(30,126)		(30,126)
Accretion	10,955	(10,955)	-
September 30, 2015	746,189	156,458	902,648
Current Portion	60,749	19,769	80,518
Balance	685,440	136,689	822,130

10. Obligations under capital lease

	September 30, 2015	March 31, 2015
	$	$
Capital lease payable in monthly installments of $639, bearing interest at 2.49% per annum, maturing October 2019	**29,738**	33,176
Capital lease payable in monthly installments of $1,205, bearing interest at 5.094% per annum, maturing January 2020	**54,270**	62,778
Capital lease payable in monthly installments of $2,158, bearing interest at 5.094% per annum, maturing January 2020	**98,947**	114,750
	182,955	210,704
Current Portion	**48,024**	46,620
	134,931	164,084

(In Canadian dollars)

11. Due to related parties

	September 30, 2015		March 31, 2015
	$		$
Due to senior officers	4,266,628		4,044,280
Dividends payable	60,000		60,000
Due to Targa Group Inc., debenture interest	247,672		247,672
Due to Tidal Quality Management Inc.	261,086		279,094
Due to Targa Group Inc., line of credit	679,772		768,293
Due to Targa Group Inc., demand loan	66,581		66,581
Due to Targa Group Inc., demand loan 2003 interest	134,812		134,812
	5,716,551	-	5,600,732
Less: current portion	-		-
	5,716,551	-	5,600,732

As at September 30, 2015, a balance of $4,266,628 ($3,165,551 principal and $1,161,077 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 2016.

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, 2015 - $60,000) of the dividend remains outstanding as of September 30, 2015. The balance is classified as long-term as the related party has agreed not to demand payment before December 2016.

As at September 30, 2015, a balance of $247,672 (March 31, 2015 - $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 Targa. The balance is classified as long-term as the related party has agreed not to demand payment before December 2016.

Until March 31, 2003, the Company leased facilities from a company controlled by Targa. Lease arrears owing to this related party amounted to $174,974 (March 31, 2015 - $174,974). 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, 2015 a balance of $325,109 remained outstanding. 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 interest is at bank prime plus 2% and accrues on the principal balance for a balance of $181,007 as of September 30, 2015 (March 31, 2015 - $179,014). The party has agreed not to demand repayment of the total balance of $261,086 (March 31, 2015 - $279,094) before December 2016 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, 2015, $NIL, (March 31, 2015 - $NIL) remained outstanding on the demand loan with accumulated interest of $66,581 (March 31, 2015 - $66,581) for a balance of $66,581 (March 31, 2015 - $66,581). At September 30, 2015, $446,965 (March 31, 2015 - $546,965) of the principle remained outstanding on the line of credit with accumulated interest of $232,807 (March 31, 2015 - $221,328) for a balance of $679,772. Targa has agreed that it will not demand repayment before December 2016 and, accordingly, the amounts are classified as long-term.

Accumulated interest in the amount of $134,812 (March 31, 2015 - $134,812), on a loan from Targa (Targa Demand Loan 2003) remains outstanding as of September 30, 2015. The loan principle was paid in full April 2008 with interest remaining. The party has agreed not to demand repayment before December 2016 and, accordingly, the amount is classified as long-term.

(In Canadian dollars)

12. 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, 2015, the accrued and unpaid dividends on the Class A preferred shares were $10,195,000 (March 31, 2015 - $9,462,000).

	$
Issued	
Common shares	**12,925,253**
Class A Preferred shares	**18,325**

13. Basic and diluted earnings per common share

Net (loss) income attributable to common shares used in the numerator of basic and diluted earnings per share is calculated as follows:

	Three Months September 30, 2015	Three Months September 30, 2014
	$	$
Net Income (loss)	**(1,364,519)**	1,040,372
Cumulative dividends on preferred shares - three months	**(366,500)**	(366,500)
Net loss attributable to common shares (basic and diluted)	**(1,731,019)**	673,872
Basic and diluted weighted average shares outstanding	**12,925,253**	12,925,253
Basic and diluted (loss) per share	**(0.13)**	0.05

	Six Months September 30, 2015	Six Months September 30, 2014
	$	$
Net Income (loss)	**(1,522,014)**	514,161
Cumulative dividends on preferred shares - six months	**(733,000)**	(733,000)
Net loss attributable to common shares (basic and diluted)	**(2,255,014)**	(218,398)
Basic and diluted weighted average shares outstanding	**12,925,253**	12,925,253
Basic and diluted (loss) per share	**(0.17)**	(0.02)

(In Canadian dollars)

14. Business segment 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.

Revenues by division

	For the three months ended		For the six months ended	
	September 30, 2015	September 30, 2014	**September 30, 2015**	September 30, 2014
	$	$	**$**	$
Electronics	**1,432,473**	1,680,982	**3,134,345**	3,076,445
Specialty structures	**2,190,893**	5,088,594	**4,248,346**	8,361,742
	3,623,366	6,769,576	**7,382,691**	11,438,187

Net (loss) income before taxes by division

	For the three months ended		For the six months ended	
	September 30, 2015	September 30, 2014	**September 30, 2015**	September 30, 2014
	$	$	**$**	$
Electronics	**(314,919)**	295,565	**(78,359)**	138,157
Specialty structures	**(1,049,600)**	744,806	**(1,443,655)**	376,004
	(1,364,519)	1,040,372	**(1,522,014)**	514,161

Revenues by geographical location

	For the three months ended		For the six months ended	
	September 30, 2015	September 30, 2014	**September 30, 2015**	September 30, 2014
	$	$	**$**	$
Canada	**1,923,216**	3,788,155	**3,694,375**	6,396,601
United states	**1,569,223**	1,861,953	**3,486,552**	3,430,433
Peru	**57,901**	1,068,866	**85,292**	1,503,954
Other	**72,026**	50,602	**116,472**	107,199
	3,622,366	6,769,576	**7,382,691**	11,438,187

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

	September 30 ,2015	September 30, 2014	**September 30 ,2015**	September 30, 2014
	$	$	**$**	$
Number of customers	**2**	2	**2**	2
% of total revenue	**15%, 17%**	15%, 16%	**10%, 17%**	10%, 19%

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

PLAINTREE SYSTEMS INC.

For the six and three months ended September 30, 2015 and 2014

Date – November 25, 2015

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, 2015 and 2014. 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 25, 2015 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 annual 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 and annual filings and other reports provided under securities legislation.

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 CSE under "NPT". The Company operates an Electronics division (the Hypernetics business, the free space optics business and Summit Aerospace USA Inc business) and a Specialty Structures division (the Triodetic business, Arnprior Fire Trucks Corp., Spotton Corp. and the Madawaska Doors 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 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. Summit, a wholly-owned subsidiary of Plaintree, specializes in the high end machining of super-alloys for the aircraft and helicopter markets. The business of Spotton, a wholly-owned subsidiary of Plaintree, involves the design and manufacture of high end custom hydraulic and pneumatic valves and cylinders for the industrial and oil and gas markets. Madawaska Doors, owned by 9366920 Canada Inc., a wholly-owned subsidiary of Plaintree, is a manufacturer of truly solid wood custom handcrafted doors made from finest woods from around the world. The address of the Company's registered office and principal place of business is 10 Didak Drive, Arnprior, Ontario.

Recent Developments

On July 20, 2015, the Corporation, through 9366920 Canada Inc., a wholly-owned subsidiary, acquired the assets and businesses of Madawaska Doors Inc., including a building located in Barry's Bay, Ontario, for a total purchase price of $280,000. The business of Madawaska Doors Inc. involves the manufacturing and selling of high quality, 100% natural solid wood custom doors and related parts and material. The Corporation intends to carry on the business of Madawaska Doors Inc. through its wholly-owned subsidiary.

On December 31, 2014 Targa forgave loans to Plaintree in the amount of $2,099,825 and accumulated interest of $88,903 for a total of $2,188,728. This was recorded during the fiscal 2015 year as other income in the amount of $97,600 and contributed surplus in the amount of $2,090,750.

The Company's common shares are quoted on the CSE 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.

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

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 Company's condensed consolidated interim financial statements:

($000s, except per share amounts)

	September 30, 2015	March 31, 2015
	$	**$**
Total assets	**13,294**	**14,593**
Total liabilities	**13,032**	**12,809**
Long-term liabilities	**6,674**	**6,590**
Cash dividends declared per share	**nil**	**nil**

($000s, except per share amounts)

	For the three months ended		For the six months ended	
	September 30, 2015	**September 30, 2014**	**September 30, 2015**	**September 30, 2014**
	$	$	$	$
Revenue	**3,622**	6,770	**7,383**	11,438
Net (loss) income and total comprehensive (loss) income	**(1,365)**	1,040	**(1,522)**	514
Net loss attributed to common shareholders	**(1,732)**	(674)	**(2,255)**	(218)
Basic and diluted loss per share	**(0.13)**	0.05	**(0.17)**	(0.02)

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

Results of Operations

Plaintree Systems Inc.

	($000s, except per share and % amounts) **for the three months ended**		**Change from**
	September 30, 2015	**September 30, 2014**	**2014 to 2015**
	$	$	$
Revenue	**3,622**	6,770	(3,148)
Cost of sales	**3,864**	4,786	(922)
Gross margin	**(242)**	1,984	(2,226)
	(6)%	29%	
Operating expenses:			
Research and development	**332**	307	25
Finance and administration	**316**	221	95
Sales and marketing	**255**	211	44
Interest expense	**101**	135	(34)
Loss on foreign exchange	**119**	70	49
	1,123	944	179
Net (loss) and comprehensive (loss)	**(1,365)**	1,040	(2,405)

Plaintree Systems Inc.

	($000s, except per share and % amounts) **for the six months ended**		**Change from**
	September 30, 2015	**September 30, 2014**	**2014 to 2015**
	$	$	$
Revenue	**7,383**	11,438	(4,055)
Cost of sales	**6,852**	8,946	(2,094)
Gross margin	**531**	2,492	(1,961)
	20%	11%	
Operating expenses:			
Research and development	**662**	657	5
Finance and administration	**574**	546	29
Sales and marketing	**510**	456	53
Interest expense	**200**	249	(49)
Loss on foreign exchange	**107**	70	37
	2,053	1,978	75
Net (loss) and comprehensive (loss)	**(1,522)**	514	(2,036)

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.

Revenues by division

	For the three months ended		For the six months ended	
	September 30, 2015	September 30, 2014	**September 30, 2015**	September 30, 2014
	$	$	**$**	$
Electronics	**1,432,473**	1,680,982	**3,134,345**	3,076,445
Specialty structures	**2,190,893**	5,088,594	**4,248,346**	8,361,742
	3,623,366	6,769,576	**7,382,691**	11,438,187

Net (loss) income before taxes by division

	For the three months ended		For the six months ended	
	September 30, 2015	September 30, 2014	**September 30, 2015**	September 30, 2014
	$	$	**$**	$
Electronics	**(314,919)**	295,565	**(78,359)**	138,157
Specialty structures	**(1,049,600)**	744,806	**(1,443,655)**	376,004
	(1,364,519)	1,040,372	**(1,522,014)**	514,161

Revenues by geographical location

	For the three months ended		For the six months ended	
	September 30, 2015	September 30, 2014	**September 30, 2015**	September 30, 2014
	$	$	**$**	$
Canada	**1,923,216**	3,788,155	**3,694,375**	6,396,601
United states	**1,569,223**	1,861,953	**3,486,552**	3,430,433
Peru	**57,901**	1,068,866	**85,292**	1,503,954
Other	**72,026**	50,602	**116,472**	107,199
	3,622,366	6,769,576	**7,382,691**	11,438,187

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

	September 30 ,2015	September 30, 2014	**September 30 ,2015**	September 30, 2014
	$	$	**$**	$
Number of customers	**2**	2	**2**	2
% of total revenue	**15%, 17%**	15%, 16%	**10%, 17%**	10%, 19%

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

Revenues

Revenue

Total product revenue for the three and six months ended September 30, 2015 was $3,622,366 $7,382,691 compared to $6,769,576 and $11,438,187 respective periods ending September 30, 2014.

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

Plaintree's Electronics Division revenue of $1,432,473 and $3,134,345 in the three and six months ended September 30, 2015 remained consistent with revenues of $1,680,982 and $3,076,445 for the three and six months ended September 30, 2014.

Plaintree's Specialty Structures Division revenue decreased to $2,190,893 and $4,248,346 in the three and six months ended September 30, 2015 from $5,088,594 and $8,361,742 for the three and six months ended September 30, 2014. Revenues in fiscal 2015 include three large domes which were substantially complete and billed by March 31, 2015.

Gross Margin

Total gross margin decreased in the first six months of fiscal 2016 to 7% from 22% for the first six months of fiscal 2015. Extra costs incurred after substantial completion of a project in the specialty structures division is the primary reason for the reduction in gross margin.

Operating Expenses

Research and development expenses

Research and development expenses were $332,465 and $662,318 for the three and six months ending September 30, 2015 and $306,684 and $656,995 for the three and six months ending September 30, 2014. Research and development expenditures consist primarily of development engineering and personnel expenses.

Research and development expenses are expected to remain at comparable levels throughout fiscal 2016.

Finance and administration expenses

Finance and administration expenses were $315,465 and $662,318 for the three and six months ending September 30, 2015 and $221,000 and $545,372 for the three and six months ending September 30, 2014. 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.

Finance and administration expenses are expected to remain at comparable levels throughout fiscal 2016.

Sales and marketing expenses

Sales and marketing expenses were $254,532 and $509,474 for the three and six months ending September 30, 2015 and $211,065 and $456,153 for the three and six months ending September 30, 2014. 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.

Sales and marketing expenses are expected to remain at comparable levels of to fiscal 2015 throughout fiscal 2016.

Interest expense

Interest expense consists of interest incurred on bank and related party debt. Interest expenses were $ 100,686 and $199,744 for the three and six months ending September 30, 2015 and $134,487 and $249,320 for the three and six months ending September 30, 2014. Interest expense decreased due to the forgiveness of loan with a related party in the third quarter of fiscal 2015. 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 loss on foreign exchange of $119,173 and $107,371 for the three and six months ending September 30, 2015 and $70,209 and $69,752 in the three and six months of ending September 30, 2014. 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 loss and comprehensive loss for the first half of fiscals 2016 and 2015 was $(2,255,014) and $(218,398) respectively. Net income attributed to common shareholders is calculated by reducing net income by the $1,466,000 (QTD = $366,500, YTD = $733,000) cumulative 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 September 30, 2015, the accrued and unpaid dividends on the Class A preferred shares were $10,195,000 (March 31, 2015 - $9,462,000).

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

Quarterly Results

The following table sets out selected unaudited consolidated financial information for each of the past eight (8) quarters:

Quarters ended

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

	Sept 30 2015	Jun 30 2015	Mar 31 2015	Dec 31 2014	Sept 30 2014	June 30 2014	Mar 31 2014	Dec 31 2013
	$	$	$	$	$	$	$	$
Revenue	3,622	3,760	3,910	3,970	6,770	4,669	5,189	6,144
Net (loss) profit and total comprehensive (loss) income	(1,365)	(157)	(795)	(120)	1,040	(526)	(2,300)	(351)
Net (loss) profit attributed to common shareholders	(1,731)	(524)	(1,161)	(606)	674	(893)	(2,667)	(717)
Basic and diluted (loss) earnings per share	(0.13)	(0.04)	(0.09)	(0.03)	0.05	(0.07)	(0.12)	(0.04)

Liquidity and Capital Resources

($000s)

	September 30, 2015	**September 30, 2014**	Change
	$	**$**	$
Cash	**(624)**	**(316)**	(308)
Working Capital	**(119)**	**4,216**	(4,335)

	September 30,2015	September 30,2014	Change
Net cash (used in) provided by:			
	$	$	**$**
Operating activities	**46**	(1,067)	**1,113**
Investing activities	**(384)**	(328)	**(56)**
Financing activities	**(345)**	1,104	**(1,449)**

Cash

As at September 30, 2015, the Company had a cash deficit of $(624,261) covered by available bank facilities, a decrease of $682,018 from March 31, 2015.

Working Capital

Working capital represents current assets less current liabilities. As at September 30, 2015, the Company had small negative working capital of $(118,567) compared to working capital of $1,167,483 at March 31, 2015 after long term 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 and debt service ratios). At September 30, 2015 the Company was in breach of their covenants and as such the bank debt has been reclassified as current. At March 31, 2015 the Company was in breach of the current asset to current liabilities ratio to which the bank has provided forbearance until April 1, 2016. The bank expects the Company to be back in covenant by March 31, 2016. 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 $2,005,111 and $3,638,319 for the periods September 30, 2015 and March 31, 2015 respectively.

Cash from provided (used in) by Operating activities

Cash from operating activities for the six months ended September 30, 2015 was $46,223 representing an increase of $1,113,541 from cash used of $(1,067,318) during the six months ended September 30, 2014. Cash from operating activities during the first half of fiscal 2016 is primarily due to decreases in trade receivables and payment of note receivable.

Cash (used) in Investing activities

Cash used in investing activities for the six months ended September 30, 2015 was $(383,542) representing an increase of $55,874 from cash used in investing activities of $(327,668) for the six months ended September 30, 2014.

Cash (used in) provided by financing activities

Cash used in financing activities for the six months ended September 30, 2015 was $(344,699) representing a decrease of $1,554,702 from cash provided of $1,103,992 during the six months ended September 30, 2014. Cash provided in financing ativities in the first half of fiscal 2016 relates primarily to the repayment of long-term debt. Cash provided by financing activities in the first six months of fiscal 2015 included the reduction in related party loans receivable at the acquisition of the Spotton business.

Outlook – Going Concern

These consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As at September 30, 2015, the Company had an accumulated deficit of $1,829,042 and, for the period then ended, the Company incurred a total comprehensive loss of $1,522,014. As at September 30, 2015, the Company had negative working capital of $118,567 and no cash on hand. The Company has in place a credit facility of up to $2M through its bank based on acceptable trade receivables and inventory (amount outstanding as at September 30, 2015, $1,581,996 which includes a letter of credit in the amount of $461,759). The Company's analysis of forecasted sales and expenses indicate improvement in both sales and cash flow after November 2015 as a result of contracts bid and or signed and their expected margins. As a result, the Company believes that it has sufficient cash resources to meet its obligations for at least until the end of its current fiscal year end. However, should (i) the Company's bank credit facility fail to be available or fail to have sufficient availability to meet the Company's cash requirements; (ii) forecasts fall short of expectations in one or more of the Company's divisions; and/or (iii) another unprofitable event occurs such as the installation overruns in Saskatoon contract that have negatively affected the Company for the past 18 months, which is unanticipated, this will impact the Company's ability to generate sufficient cash to meet its requirements and this will impact its ability to continue as a going concern.

Related Party Transactions

Due to related parties

	September 30, 2015		March 31, 2015
	$		$
Due to senior officers	**4,266,628**		4,044,280
Dividends payable	**60,000**		60,000
Due to Targa Group Inc., debenture interest	**247,672**		247,672
Due to Tidal Quality Management Inc.	**261,086**		279,094
Due to Targa Group Inc., line of credit	**679,772**		768,293
Due to Targa Group Inc., demand loan	**66,581**		66,581
Due to Targa Group Inc., demand loan interest	**134,812**		134,812
	5,716,551	-	5,600,732
Less: current portion	**-**		-
	5,716,551	-	5,600,732

As at September 30, 2015, a balance of $4,266,628 ($3,165,551 principal and $1,161,077 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 2016.

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, 2015 - $60,000) of the dividend remains outstanding as of September 30, 2015. The balance is classified as long-term as the related party has agreed not to demand payment before December 2016.

As at September 30, 2015, a balance of $247,672 (March 31, 2015 - $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 Targa. The balance is classified as long-term as the related party has agreed not to demand payment before December 2016.

Until March 31, 2003, the Company leased facilities from a company controlled by Targa. Lease arrears owing to this related party amounted to $174,974 (March 31, 2015 - $174,974). 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, 2015 a balance of $325,109 remained outstanding. 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 interest is at bank prime plus 2% and accrues on the principal balance for a balance of $181,007 as of September 30, 2015 (March 31, 2015 - $179,014). The party has agreed not to demand repayment of the total balance of $261,086 (March 31, 2015 - $279,094) before December 2016 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, 2015, $NIL, (March 31, 2015 - $NIL) remained outstanding on the demand loan with accumulated interest of $66,581 (March 31, 2015 - $66,581) for a balance of $66,581 (March 31, 2015 - $66,581). At September 30, 2015, $446,965 (March

31, 2015 - $546,965) of the principle remained outstanding on the line of credit with accumulated interest of $232,807 (March 31, 2015 - $221,328) for a balance of $679,772. Targa has agreed that it will not demand repayment before December 2016 and, accordingly, the amounts are classified as long-term.

Accumulated interest in the amount of $134,812 (March 31, 2015 - $134,812), on a loan from Targa (Targa Demand Loan 2003) remains outstanding as of September 30, 2015. The loan principle was paid in full April 2008 with interest remaining. The party has agreed not to demand repayment before December 2016 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.

The Company through a wholly-owned US subsidiary owns a 16,300 sq. ft. manufacturing facility in Pocono Summit, PA.

On August 21, 2015 the Company, through a wholly-owned subsidiary completed the acquisition of a 33,000 sq. ft. manufacturing facility in Barry's Bay, ON for the manufacturing of its Madawaska Door business.

New and revised IFRS in issue but not yet effective

The following is a list of standards and amendments that have been issued but are not yet effective and have not yet been adopted by the Company:

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, *Financial Instruments: Recognition and Measurement*. 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. The standard is effective for annual period beginning on or after January 1, 2018. The Company is currently evaluating the impact of IFRS 9 on its consolidated financial statements.

IFRS 15 Revenue from Contracts with Customers ("IFRS 15")

IFRS 15 was issued by the IASB on May 28, 2014, and will replace IAS 18, Revenue, IAS 11, *Construction Contracts*, and related interpretations on revenue. IFRS 15 sets out the requirements for recognizing revenue that apply to all contracts with customers, except for contracts that are within the scope of the Standards on leases, insurance contracts and financial instruments. IFRS 15 uses a control based approach to recognized revenue which is a changed from the risk and reward approach under the current standard. Companies can elect to use either a full or modified retrospective approach when adopting this standard and it is effective for annual period beginning on or after January 1, 2018. The Company is currently evaluating the impact of IFRS 15 on its consolidated financial statements.

Summary of Outstanding Share Data

As at November 25, 2015, 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 September 30, 2015, 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.