

Form 51-102F3
MATERIAL CHANGE REPORT

Item 1. Name & Address of Company

Plaintree Systems Inc. (the “Company”)
10 Didak Drive
Arnprior, Ontario
K7S 0C3

Item 2. Date of Material Change

July 28, 2017

Item 3. News Release

A press release dated July 28, 2017 was issued to the public and filed on SEDAR on July 28, 2017.

Item 4. Summary of Material Change

The Company announced that it will be delayed in its filing of its annual financial statements for the year ended March 31, 2017 and interim financial statements for the quarter ended June 30, 2017, and that it has made a request to the Ontario Securities Commission for a Management Cease accompanying Management's Discussion and Analysis and related CEO and CFO Certifications of Annual and Interim Filings, within the period prescribed for the filing of such documents under Parts 4 and 5 of National Instrument 51-102 respecting Continuous Disclosure Obligations and pursuant to Regulation 52-109 respecting Certification of Disclosure in Issuers' Annual and Interim Filings, namely, with respect to the annual financial statements, within 120 days of year-end, being July 31, 2017; and with respect to the interim financial statements, within 60 days of quarter end, being August 29, 2017.

Item 5. Full Description of Material Change

Item 5.1 Full Description of Material Change

Please refer to the press release of the Company disseminated on July 28, 2017 attached hereto.

Item 5.2 Disclosure for Restructuring Transactions

Not applicable.

Item 6. Reliance on subsection 7.1(2) or (3) of National Instrument 51-102

Not applicable.

Item 7. Omitted Information

None.

Item 8. Executive Officer

The following executive officer of the Company is knowledgeable about the material change and this report:

Lynn Saunders, Chief Financial Officer
Phone: 613-623-3434 x2223
Email: lsaunders@plaintree.com

Item 9. Date of Report

July 28, 2017

SCHEDULE A

Press Release Dated July 28, 2017

Plaintree Systems Inc. announces delay in filing of Annual Financial Statements for the year ended March 31, 2017 and interim financial statements for the quarter ended June 30, 2017

Arnprior, Ontario – July 28, 2017. Plaintree Systems Inc. (“**Plaintree**” or “**Company**”) announces that it will not be able to file its annual financial statements for the year ended March 31, 2017 and interim financial statements for the quarter ended June 30, 2017, and accompanying Management's Discussion and Analysis and related CEO and CFO Certifications of Annual and Interim Filings, within the period prescribed for the filing of such documents under Parts 4 and 5 of National Instrument 51-102 respecting Continuous Disclosure Obligations and pursuant to Regulation 52-109 respecting Certification of Disclosure in Issuers' Annual and Interim Filings, namely, with respect to the annual financial statements, within 120 days of year-end, being July 31, 2017; and with respect to the interim financial statements, within 60 days of quarter end, being August 29, 2017 (collectively the annual financial statements and interim statements referred to above shall be referred to as the “**Financial Statements**”).

The Company is currently not in a position to timely file its Financial Statements primarily as a result of its inability to commence its audit due to limited resources due to a business slow down experienced in the last 2 quarters of fiscal 2017. This issue has now been rectified and the audit of the 2017 annual statements is expected to commence the audit of the 2017 annual statements on or about July 17, 2017 is expected to commence the audit of the 2017 annual statements on or about July 17, 2017.

The Company's Board of Directors and its management will be working expeditiously with the Company's auditors to meet the Company's obligations relating to the filing of the Financial Statements. The Company expects to file the Financial Statements on or before September 30, 2017.

As a result of the postponement in the filing of its Financial Statements, the Company has made an application to the Ontario Securities Commission (the "OSC") for a management cease trade order (the "MCTO"), which would restrict all trading in securities of the Company, whether direct or indirect, by the Chief Executive Officer and Chief Financial Officer of the Company. The MCTO would not affect the ability of shareholders who are not insiders of the Company to trade their securities. There is no certainty that the MCTO will be granted. If the MCTO is not issued by the OSC, the applicable Canadian securities regulatory authorities could issue a general cease trade order against the Company for failure to file the Financial Statements within the prescribed time period as early as July 31, 2017.

The Company confirms that it intends to satisfy the provisions of the alternative information guidelines found at sections 9 and 10 of Policy Statement 12-203 respecting Management Cease Trade Orders, for so long as it remains in default as a result of the late filing of the Financial Statements. During the period of default, Plaintree will issue bi-weekly default status reports in the form of further press releases, which will also be filed on SEDAR. The Company confirms that there are no insolvency proceedings against it as of the date of this press release.

The Company has not taken any steps towards any insolvency proceeding and the Company has no other material information concerning the affairs of the Company that has not been generally disclosed as of the date of this press release.

About Plaintree Systems Inc.

Plaintree has two diversified product lines consisting of Specialty Structures and Electronics. The Specialty Structures Division includes the former Triodetic Group with over 40 years of experience, 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, Spotton Corporation, a design and manufacturer of high end custom hydraulic and pneumatic valves and cylinders

and the recently acquired Madawaska Doors, a design and manufacturer of premium solid wood doors. The Electronics Division includes the legacy Hypernetics, Summit Aerospace USA Inc. and Plaintree free space optics (FSO) businesses. Plaintree's FSO systems transmit data at high speeds using beams of light instead of traditional radio frequency which can suffer from congestion. Hypernetics was established in 1972 and is a manufacturer of avionic components for various applications including aircraft antiskid braking, aircraft instrument indicators, solenoids, high purity valves and permanent magnet alternators. Summit Aerospace USA Inc. provides high precision machining to the aerospace and defense markets. Our facility includes 5 axis CNC precision machining of complex castings and large ring parts such as turbine and assembly shrouds as well as assembly & pressure seals. Summit will support requirements from concept, prototype and throughout production.

Plaintree's shares are traded under the symbol "NPT". Shareholders and Investors can access Company information on CSE's website and receive full Company disclosure monthly. For more information on Plaintree or to receive stock quotes, complete with trading summaries, bid size and ask price, brokerage house participation, insider reports, news releases, disclosure information, and CSE and SEDAR filings, visit the CSE website at www.cnsx.ca or the Company's website at www.plaintree.com.

Plaintree is publicly traded in Canada on the CSE (NPT) with 12,925,253 common shares and 18,325 class A preferred shares outstanding.

This press release may include statements that are forward-looking and based on current expectations. The actual results of the company may differ materially from current expectations. The business of the company is subject to many risks and uncertainties, including changes in markets for the company's products, delays in product development and introduction to manufacturing and intense competition. For a more detailed discussion of the risks and uncertainties related to the company's business, please refer to documents filed by the company with the Canadian regulatory authorities, including the annual report of the Company for the fiscal year ended March 31, 2016 and related management discussion and analysis. Canadian Securities Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of the content of this news release.

For further information: (613) 623-3434 x2261