

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, 2022

Item 3. News Release

A press release dated July 28, 2022 was issued to the public and filed on SEDAR on July 27, 2022.

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, 2022, accompanying Management's Discussion and Analysis and related CEO and CFO Certifications of Annual 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, within 120 days of year-end, being July 29, 2022. The Company also announced the its request made to the Ontario Securities Commission (“OSC”) for a Management Cease Trade Order was denied and that the OSC will be issuing a failure-to-file cease trade order following July 29, 2022.

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, 2022 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, 2022

SCHEDULE A

Press Release Dated July 28, 2022

Arnprior, Ontario (July 28 2022) – Plaintree Systems Inc. (CSE: NPT)

PLAINTREE SYSTEMS INC. ANNOUNCES DELAY OF ANNUAL FILINGS

Plaintree Systems Inc. (“**Plaintree**” or “**Company**”) announces that its request for a Management Cease Trade Order (“**MCTO**”) was denied on July 27, 2022 by the Ontario Securities Commission (“**OSC**”).

Pursuant to National Policy 12-203 – Management Cease Trade Orders (“**NP 12-203**”), the Company notified the OSC on July 27, 2022 that it anticipated a delay in filing its financial statements for the year ended March 31, 2022, and the related management’s discussion and analysis (“**MD&A**”) and certifications (collectively, the “**Annual Filings**”) and requested a MCTO be issued. The Annual Filings are due to be filed on July 29, 2022. The OSC determined that the Company was not entitled to the MCTO as: (i) the request for the MCTO was not made in a timely fashion (ie. it was made less than two weeks before the filing deadline); and (ii) the Company’s shares did not meet the NP 12-203, section 6(d) requirement with respect to having an “active, liquid market for its securities in Canada”. The OSC has advised that staff of the OSC will be issuing a failure-to-file cease trade order (FFCTO) after July 29, 2022 for failure to file the Annual Statements by the required July 29, 2022 deadline. The FFCTO will remain in effect until the Annual Statements are filed. While the FFCTO is in effect, no shares of the Company will be traded.

The Company will work with its auditors to complete the audit of the Company’s consolidated financial statements and expects to file the Annual Filings by Friday August 5, 2022. Please see press release of July 27, 2022 for a detail of the reasons for the delay.

Until the Company completes its Annual Filings, the Company confirms that it intends to satisfy the provisions of the alternative information guidelines found at sections 9 and 10 of NP 12-203 respecting Management Cease Trade Orders, for so long as it remains in default because 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

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, foundations for unstable soil conditions and flood zones, for free form structures,

barrel vaults, space frames and industrial dome coverings, Elmira Stove Works Inc a manufacturer of high-end heritage and retro-styled kitchen appliances under the brand names “Northstar”, “Fireview” and “Antique”, and Spotton Corporation, a design and manufacturer of high end custom hydraulic and pneumatic valves and cylinders.

The Electronics Division includes the legacy Hypernetics and Summit Aerospace USA Inc. businesses. 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, 2020 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: Lynn Saunders, CFO (613) 623-3434 x2223