

## FORM 7

### MONTHLY PROGRESS REPORT

Name of CNSX Issuer: Plaintree Systems Inc (the "Issuer").

Trading Symbol: NPT

Number of Outstanding Listed Securities: 12,925,253

Date: August 5, 2010

This Monthly Progress Report must be posted before the opening of trading on the fifth trading day of each month. This report is not intended to replace the Issuer's obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by the CNSX Policies. If material information became known and was reported during the preceding month to which this report relates, this report should refer to the material information, the news release date and the posting date on the CNSX.ca website.

This report is intended to keep investors and the market informed of the Issuer's ongoing business and management activities that occurred during the preceding month. Do not discuss goals or future plans unless they have crystallized to the point that they are "material information" as defined in the CNSX Policies. The discussion in this report must be factual, balanced and non-promotional.

#### **General Instructions**

- (a) Prepare this Monthly Progress Report using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the items must be in narrative form. State when the answer to any item is negative or not applicable to the Issuer. The title to each item must precede the answer.
- (b) The term "Issuer" includes the Issuer and any of its subsidiaries.
- (c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

#### **Report on Business**

1. Provide a general overview and discussion of the development of the Issuer's business and operations over the previous month. Where the Issuer was inactive disclose this fact.

*During the month of July 2010, Plaintree continued its efforts growing the business of its two business divisions: specialty structures and electronics.*

2. Provide a general overview and discussion of the activities of management.  
*Plaintree's management teams focused on continued business development, marketing activities and engineering development.*
3. Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law.  
*Not applicable.*
4. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.  
*Not applicable.*
5. Describe any new business relationships entered into between the Issuer, the Issuer's affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.  
*The Electronics division of the Issuer continued to deal with its long standing customers who are now starting to resume normal sales volumes. The Speciality Structures division sell products into the mining industry and is seeing a growth in business.*
6. Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer's affiliates or third parties or cancellation of any financing arrangements that have been previously announced.  
*None.*
7. Describe any acquisitions by the Issuer or dispositions of the Issuer's assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from or the disposition was to a Related Person of the Issuer and provide details of the relationship.  
*No material changes during the month.*
8. Describe the acquisition of new customers or loss of customers.  
*In the month of July 2010, the Issuer's Specialty Structures division continued to receive orders from numerous parties for its varied products. Almost every purchase order the Issuer receives through for its Specialty Structures division is with a new customer with few repeat orders received to date.*
9. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trade-marks.

None.

10. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.

*The Company hired one permanent staff member during the month of July 2010.*

Report on any labour disputes and resolutions of those disputes if applicable.

None.

11. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.

None.

12. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.

*No material changes to indebtedness occurred during the month.*

14. Provide details of any securities issued and options or warrants granted.

Security	Number Issued	Details of Issuance	Use of Proceeds <sup>(1)</sup>

(1) State aggregate proceeds and intended allocation of proceeds.

None.

15. Provide details of any loans to or by Related Persons.

*No new loans to or from any Related Persons were completed during the month of July 2010. The Issuer has existing revolving loan facilities with a Related Party that it borrows and repays from time to time.*

16. Provide details of any changes in directors, officers or committee members.

None.

17. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.

*The Issuer experienced declining revenues during the first nine months of fiscal 2010. However, during the later part of fiscal 2010 and into fiscal 2011, both the Electronics division and the Specialty Structures division started to experience a growth in revenues with the largest growth occurring in the Specialty Structures division, driven by increased construction activities world wide and in particular the mining industry which has always been a big market for this division.*

*For further information please refer the Management's Discussion and Analysis of Financial Condition and Results of Operations March 31, 2010.*

## Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. As of the date hereof there were is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to CNSX that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all CNSX Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated 2010-08-05

s/”David Watson”  
David Watson  
President/CEO

<b>Issuer Details</b> Name of Issuer: Plaintree Systems Inc	For Month End July 2010	Date of Report 2010-08-05
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