FIRAN TECHNOLOGY GROUP CORPORATION

2013 AUDITED ANNUAL REPORT

CEO Message

In 2013, FTG saw some progress on key strategic initiatives and some challenges. Through it all, we ended the year a stronger company, well positioned for the future.

For the past number of years, we had a strategic goal of expanding our operations for both our businesses so we had a footprint in Canada, in the United States, and in Asia. By the end of 2013, we attained this objective. In our printed circuit board business we have FTG Circuits – Toronto, FTG Circuits – Chatsworth and FTG Printronics Circuit Ltd, our new joint venture in China. In our cockpit product business we have FTG Aerospace – Toronto, FTG Aerospace – Chatsworth and FTG Aerospace – Tianjin, all operational and producing products. With these facilities in place, we have completed some key strategic goals for FTG including expanding our presence in the large US aerospace and defense market, penetrating the rapidly growing Asian aerospace market, reduced our exposure to the ever changing value of the Canadian dollar, and becoming a more strategic supplier to many of our customers.

There were significant costs incurred in 2013 to complete start up activities and ramp production for our new Aerospace facilities in Tianjin and Chatsworth. As the year ended, the reported losses are diminishing as revenue at both facilities increase. We have seen strong interest from customers for each of the facilities and believe the revenues will continue to increase going forward.

The new facilities increased our Aerospace capacity in the important US and Asian markets. As a result of these new investments, and other initiatives, FTG's Aerospace business grew by 18% in the year. This brought FTG's Aerospace revenue to over 30% of our total, the highest ever achieved. This shows progress on another strategic objective of FTG, which is to achieve a more balanced revenue stream between our Circuits and Aerospace businesses.

During 2013, FTG invested $1.7M in capital expenditures and $3.0M in research and development. The investments included the completion of our Aerospace - Chatsworth facility, improved test equipment in our Aerospace business to address the demands of higher technology product, and key pieces of equipment for our Circuits business to improve our capabilities for high complexity designs necessary to be competitive on new technologies and new programs.

Through 2013 all FTG sites were subjected to numerous external quality audits by certifying organizations and customers. FTG has a robust quality system across the company and the results of the various audits demonstrated this. FTG has some of the broadest certifications of any similar organization. Most importantly FTG is focused on obtaining customer approvals for our new aerospace facilities in Tianjin and Chatsworth and our circuit board joint venture in Tianjin. By the end of 2013, the aerospace facility in Tianjin had been approved by 6 customers, and the Chatsworth facility by 8 customers, with both facilities having more approvals in progress.

A key element of FTG's strategy is our focus on Operational Excellence. We did experience some operating challenges in our Circuits – Toronto plant in 2013 but these are being addressed. The rest of the company performed well with an emphasis on quality, on-time delivery, and customer focus. These objectives will remain in our spotlight going forward. Finally, we continued to increase our technical skills in both businesses to support the demands from customers for more complex, challenging solutions on new programs and opportunities.

Sincerely,

Brad Bourne
President and CEO

January 30, 2014

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

(dollar amounts stated in Canadian dollars 000's unless otherwise specified)

This Management's Discussion and Analysis ("MD&A") for the year ended November 30, 2013 (fiscal 2013) is as of January 30, 2014 and provides information on the operating activities, performance and financial position of Firan Technology Group Corporation ("FTG" or the "Corporation") and should be read in conjunction with the audited consolidated financial statements of the Corporation for fiscal 2013 which have been prepared in accordance with International Financial Reporting Standards ("IFRS") and are reported in Canadian dollars. Additional information is contained in the Corporation's filings with Canadian securities regulators, including its Annual Information Form, found on SEDAR at www.sedar.com and on the Corporation's website at www.ftgcorp.com.

Caution Regarding Forward-Looking Statements

Certain statements in this MD&A other than statements of historical fact, are forward-looking statements based on certain assumptions and reflect the current expectations of FTG. These statements include without limitation, statements regarding the operations, business, financial condition, expected financial results, performance, prospects, opportunities, priorities, targets, goals, ongoing objectives, strategies and outlook of FTG, as well as the outlook for North American and international economies, for the current fiscal year and subsequent periods. Forward-looking statements include statements that are predictive in nature, depend upon or refer to future events or conditions, or include words such as "expects", "anticipates", "plans", "believes", "estimates", "seeks", "considers", "intends", "targets", "projects", "forecasts" or negative versions thereof and other similar expressions, or future or conditional verbs such as "may", "will", "should", "would" and "could". Forward-looking statements are provided for the purpose of conveying information about management's current expectations and plans relating to the future and readers are cautioned that such statements may not be appropriate for other purposes.

Forward-looking information is based upon certain material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection as reflected in the forward-looking statements, including FTG's perception of historical trends, current conditions and expected future developments as well as other factors FTG believes are appropriate in the circumstances.

By its nature, forward-looking information is subject to inherent risks and uncertainties that may be general or specific and which give rise to the possibility that expectations, forecasts, predictions, projections or conclusions will not prove to be accurate, that assumptions may not be correct and that objectives, strategic goals and priorities will not be achieved. A variety of material factors, many of which are beyond FTG's control, affect the operations, performance and results of FTG and its business, and could cause actual results to differ materially from current expectations of estimated or anticipated events or results. These factors include, but are not limited to: impact or unanticipated impact of general economic, political and market factors in North America and internationally; intense business competition and uncertain demand for products; technological change; customer concentration; foreign currency exchange rates; dependence on key personnel; ability to retain and develop sufficient labour and management resources; ability to complete strategic transactions, integrate acquisitions and implement other

growth strategies; litigation and product liability proceedings; increased demand from competitors with lower production costs; reliance on suppliers; credit risk of customers; compliance with environmental laws; possibility of damage to manufacturing facilities as a result of unforeseeable events, such as natural disasters or fires; fluctuations in operating results; possibility of intellectual property infringement claims; demand for the products of FTG's customers; ability to obtain continued debt and equity financing on acceptable terms; ability of a significant shareholder to influence matters requiring shareholder approval; historic volatility in the market price of the Corporation's common shares and risk of price decreases; production warranty and casualty claim losses; conducting business in foreign jurisdictions; income and other taxes; and government regulation and legislation and FTG's ability to successfully anticipate and manage the foregoing risks.

The reader is cautioned that the foregoing list of factors is not exhaustive of the factors that may affect any of FTG's forward-looking statements. The reader is also cautioned to consider these and other factors, uncertainties and potential events carefully and not to put undue reliance on forward-looking statements.

Other than as specifically required by law, FTG 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.

The MD&A presents certain non-IFRS financial measures to assist readers in understanding the Corporation's performance. Non-IFRS financial measures are measures that either exclude or include amounts that are not excluded or included in the most directly comparable measures calculated and presented in accordance with Generally Accepted Accounting Principles ("GAAP"). Throughout this discussion, reference is made to gross margin which represents net sales less cost of sales and expenses. Not included in the calculation of gross margin are administrative and general expenses, research and development costs and recoveries, foreign exchange, gains or losses on the sale of assets, interest and income taxes. Gross margin is not generally accepted earnings measures and should not be considered as an alternative to net earnings or cash flows as determined in accordance with IFRS. As there is no standardized method of calculating these measures, the Corporation's gross margin may not be directly comparable with similarly titled measures used by other companies.

The risks, uncertainties and other factors that could influence actual results are described in this MD&A based on information available as of January 30, 2014 and the Corporation's Annual Information Form (including documents incorporated by reference) dated January 30, 2014 which is available on SEDAR at www.sedar.com.

CORE BUSINESS AND STRATEGY

FTG is a leading global supplier of aerospace and defence electronic products and subsystems, with facilities in Canada, the United States and Tianjin, China. It is a publicly traded corporation on the Toronto Stock Exchange listed under the trading symbol "FTG".

FTG has two operating segments: FTG Aerospace and FTG Circuits.

FTG Aerospace designs and manufactures illuminated cockpit panels, keyboards, bezels and sub-assemblies and assemblies for original equipment manufacturers ("OEMs") of avionics products as well as for airframe manufacturers. FTG Aerospace has manufacturing operations in Toronto, Ontario, Canada, Chatsworth, California, U.S.A. and Tianjin, China. These products are interactive devices that display information and contain buttons and switches that can be used to input signals into an avionics box or aircraft.

FTG Circuits is a leading manufacturer of high technology/high reliability printed circuit boards within the Global marketplace. FTG Circuits has manufacturing operations in Toronto, Ontario and Chatsworth, California, U.S.A. and a joint venture and sourcing arrangements with operating facilities in Tianjin China. Its customers are technological and market leaders in the aviation, defence and other high technology industries.

Continuing into 2013, the Corporation remained committed to the progress and direction of the ***Operational Excellence*** strategic initiative, initiated during 2005. FTG continues to strive to maintain its market share by streamlining its operations, improving production efficiencies and yields, and attracting and retaining key employees while fostering new long-term relationships with some of the top aerospace and defence companies in North America and around the world.

The Corporation's goal is simple. By weaving ***Operational Excellence*** into its day-to-day operations, FTG is creating a corporate culture where quality products, on time delivery and customer service are the paramount forces driving the Corporation forward.

The FTG management team is focused and committed to running a healthy business, offering stability to its customers, suppliers and employees while delivering long-term value to all of its stakeholders.

OVERVIEW OF HISTORICAL QUARTERLY RESULTS
(thousands of dollars except per share amounts and exchange rates)

	Q1-12	Q2-12	Q3-12	Q4-12	Q1-13	Q2-13	Q3-13	**Q4-13**
	International Financial Reporting Standards							
Circuit Segment Sales	$9,765	$10,480	$10,067	$9,658	$8,884	$9,116	$8,775	**$10,953**
Aerospace Segment Sales	3,709	3,916	3,990	4,061	4,131	5,122	4,544	**4,473**
Total Net Sales	13,474	14,396	14,057	13,719	13,015	14,238	13,319	**15,426**
Net Earnings (Loss)	38	631	155	104	(691)	47	(551)	**197**
Net Earnings (Loss) per share - Basic	$0.00	$0.04	$0.01	$0.01	($0.04)	$0.00	($0.03)	**$0.01**
- Diluted	$0.00	$0.03	$0.01	$0.01	($0.04)	$0.00	($0.03)	**$0.01**
Quarterly Average U.S.$ Exchange Rates	$1.0115	$0.9993	$1.0105	$0.9871	$0.9962	$1.0211	$1.0375	**$1.0392**

The Corporation's net sales over the last eight quarters continue to be derived from major technological and market leaders in the aviation, defence and other high technology industries, each following their own cycles. The principal markets served over the last eight quarters continue to be the commercial aerospace and military markets primarily in Canada and the United States but with increasing activity in Europe and Asia.

The Corporation is exposed to foreign exchange fluctuations as the vast majority of sales are earned in U.S. dollars, while a significant amount of operating expenses are incurred in Canadian dollars. The Corporation regularly enters into forward exchange contracts to sell excess U.S. dollars generated from Canadian operations.

The Corporation was profitable during the last eight quarters with the exception of the first and third quarter of 2013 due to lower demand from the customers in the circuits segment. In addition, aerospace segment results for the year ended November 30, 2013 and November 30, 2012 include the operating losses of $1,562 and $1,062, respectively for two new aerospace facilities in Chatsworth, California and Tianjin, China which started operations in 2012.

Lower demand from U.S. based customers adversely impacted the Circuits segment sales and profitability during most of 2013. The Aerospace segment saw a robust growth in sales and profitability during most of 2013.

FTG has strived and will continue to try to balance its sales between commercial aerospace and defence customers. This should help maintain a stable revenue stream as each market goes through its normal cycles.

FTG remains clearly positioned as an aerospace and defence electronics company. We are now engaged with most of the top aerospace and defence prime contractors in North America and we are making significant progress penetrating markets beyond this continent. Our focus on this market is based on a belief that we can provide a unique solution to our customers and attain a sustainable competitive advantage.

RESULTS OF OPERATIONS FOR THE 2013 FISCAL YEAR
(thousands of dollars except per share amounts)

	2013	2012
Sales	**$55,998**	$55,646
Net (loss) earnings	**(998)**	928
Common and preferred shares, in aggregate (in thousands)	**19,578**	19,578
Net (loss) earnings per share – basic and diluted	**($0.06)**	$0.05
Total assets	**30,326**	28,597
Total debt, net of cash	**6,818**	4,800

Consolidated Net Sales

The following table compares net sales by reportable segment for 2013 and 2012.

	2013	2012
Circuits	**$ 37,728**	$ 40,239
Aerospace	**18,270**	15,407
Net sales	**$ 55,998**	$ 55,646

Net sales for 2013 were $55,998, an increase of $352 or 0.6% from last year. Net sales in the Circuits Segment reduced by $2,511 or 6.2% offset by growth in the Aerospace Segment of $2,863 or 18.6% during 2013 over last year.

The Corporation's consolidated net sales by location of its customers are as follows:

	2013	**%**	2012	%
Canada	**$ 11,557**	**20.6**	$ 10,060	18.1
United States	**36,913**	**65.9**	37,990	68.3
Asia	**4,350**	**7.8**	5,940	10.6
Europe	**3,162**	**5.6**	1,629	2.9
Other	**16**	**0.0**	27	0.0
Total	**$ 55,998**	**100.0**	$ 55,646	100.0

Net sales in Canada are up by $1,497 or 14.9% for 2013 as compared to last year as a result of increased production rates at a key customer in the Aerospace segment. Net sales in the United States are down by $1,077 or 2.8% for 2013 as compared to last year as a result of decreased activity for several key customers. Net sales to Asia decreased by $1,590 or 26.8% for 2013 as compared to last year. Net sales to Europe increased by $1,533 or 94.1% for 2013 as compared to last year.

The Corporation's top five customers represent 46.1% of net sales for 2013 verses 43.0% for 2012. The Corporation's two largest customers accounted for 13.9% (14.0% in 2012) and 10.8% (9.0% in 2012) of net sales, respectively.

The Corporation continues to believe that the long-term fundamental market demand for its products remains strong and will continue to focus its efforts in these niche military and aerospace markets. The Corporation is in a strong position to continue to serve its customer base and focus on the key opportunities.

Net Segment Sales

FTG Circuits Segment

Net sales for the FTG Circuits segment for 2013 were $37,728 which were lower by $2,511 or 6.2% over last year. Most of the decrease came from lower US and Asia sales.

Net sales to the top five customers represented 45.0% of the FTG Circuits net segment sales for 2013 verses 46.0% over 2012.

FTG Aerospace Segment

Net sales for the FTG Aerospace segment for 2013 were $18,270, an increase of $2,863 or 18.6% over last year. Most of the product categories increased with commercial panels, commercial keyboards, commercial assemblies and military assemblies being higher by $4,157 offset by lower military panels and keyboards of $1,294. Key strategic investments in our two new sites (Tianjin China and Chatsworth, California) increased our new sales stream by $952 to $1,681 or 131% over 2012 sales of $729.

Net sales to the top five customers represented 69.2% of net sales for 2013 verses 62.0% over 2012.

Consolidated Gross Margin

Gross margin on a consolidated basis decreased $1,232 or 9.8% for 2013 to $11,396 or 20.4% of net sales compared to $12,628 or 22.7% of net sales for 2012. The Circuits segment accounted for $2,438 of the gross margin decrease which was offset by gross margin increase of $1,206 in the Aerospace segment.

The Circuits segment is a high fixed-cost, volume driven business where the operational leverage materializes on higher volumes and throughput. The decreases in the underlying activity, coupled with poor yield issues in our Toronto facility during 2013 negatively impacted the gross margin for this segment.

On a yearly basis, the Aerospace segment was adversely impacted by the lower fixed-cost absorption of the two new operating facilities in Chatsworth California and Tianjin China. Activities in these two facilities are expected to ramp up during 2014.

The Corporation's focus and initiatives continue to revolve around controlling the Corporation's infrastructure, material and labour costs.

Selling, General and Administrative Expenses

Selling, general and administrative expenses ("SG&A") increased $488 or 5.9% during 2013 to $8,747 or 15.6% of net sales as compared to $8,259 or 14.8% of net sales for 2012. The major contributors to the increase include wages and salaries of $510, sales commissions of $82 offset by decreases in professional fees of $102. Other expenses varied by small amounts.

Research and Development Costs

Research and development ("R&D") costs include the cost of direct labour, materials and an allocation of overhead. Generally, these costs represent specific activities regarding the technical uncertainty of production processes and exotic materials.

R&D costs 2013 were $3,046 or 5.4% of net sales as compared to $2,823 or 5.1% of net sales for 2012. In addition, the Corporation capitalized $771 of product development costs related to the development of the C919 cockpit assemblies during 2013 (2012 - $469).

Recovery of Research and Development Costs

Recoveries of research and development costs for 2013 were $280 from the Ontario Innovation Tax Credit ("OITC") program as compared to $290 for 2012.

Depreciation of Plant and Equipment

Depreciation of plant and equipment for 2013 was $1,796 compared to $1,696 for 2012. Increase in depreciation in 2013 was mainly due to the effect of higher capital equipment additions during 2012 and impact of additions of two new aerospace facilities in Chatsworth, California and Tianjin, China which started operations in 2012.

Interest **Costs**

Interest costs for 2013 were $395 as compared to $348 for 2012. The increase in interest costs during 2013 was mainly due to the increase in the level of bank borrowings as compared to last year.

Non-cash interest costs charged to the consolidated statements of (loss) earnings were $293 for 2013 versus $251 for 2012. This is a non-cash amount recognized as a government grant received as a result of receiving a below market interest rated loan.

Severance and Restructuring **Costs**

Severance and restructuring costs for 2013 were $299 as compared to $54 for 2012 as the Corporation adjusted its levels of employment and centralized certain functions at its head office.

Foreign Exchange (Gain) Loss

The foreign exchange gain for 2013 was $27 compared to a loss of $335 for 2012.

The foreign exchange gain for 2013 is mainly as a result of gain on the re-valuation of the U.S. dollar assets and liabilities on the respective balance sheets of $75 offset by the net realized loss of $48 on foreign exchange forward contracts. The foreign exchange loss for 2012 was mainly as a result of loss on the re-valuation of the U.S. dollar assets and liabilities on the respective balance sheets of $508 offset by the net realized and unrealized gain of $173 on foreign exchange forward contracts.

In addition, net realized loss of $256 on foreign exchange forward contracts designed as cash flow hedges was offset against sales during the year ended November 30, 2013 (2012 - $nil).

Impairment of goodwill

During the fourth quarter of 2013, the Corporation performed its annual impairment test of the goodwill. In conducting this test, it was determined that the carrying amount of the Toronto Circuits CGU exceeded the recoverable amount. Accordingly, the Corporation recorded an impairment of $1,039 for the year ended November 30, 2013. Refer to Note 8 of the consolidated financial statements as at November 30, 2013 for further details.

Income Tax (Recovery) / Expense

In 2013, the Corporation recorded a deferred income tax recovery of $1,010 which increased its deferred tax asset to $2,385 as at November 30, 2013 from $1,375 as at November 30, 2012. The recognition of additional deferred tax asset was based on additional positive evidence as envisioned by the accounting standard for deferred income taxes, including a recent history of positive earnings, long term carry-forward periods for the tax assets, and projections of future Canadian taxable income.

For 2013, the income tax expense of $69 includes $56 of the withholding taxes related to source deductions on remittances from the Chinese entity to the Canadian entity ($18 for 2012) and the remaining $13 relates to the minimum taxes payable for the U.S. subsidiary ($13 for 2012).

Net (Loss) Earnings

The net loss for 2013 was $1,038 which included a net loss of $998 attributable to equity holders of Firan Technology Group Corporation and the remaining net loss of $40 relating to non-controlling interests. The net loss for 2013 attributable to equity holders of Firan Technology Group Corporation translated into basic and diluted loss per share of ($0.06), as compared to net earnings of $928 or basic and diluted earnings per share of $0.05 in 2012.

LIQUIDITY AND CAPITAL RESOURCES

As at November 30, 2013, the Corporation’s primary sources of liquidity totalled $21,609 ($19,899 as at November 30, 2012), made up of cash, accounts receivable, taxes receivable and inventory but excluding approximately U.S. $5,000 of availability remaining on its revolving line of credit and approximately U.S. $4,000 of availability remaining on its revolving term loan with its senior lender. Working capital at November 30, 2013 was $10,710 as compared to $10,957 at November 30, 2012.

The Corporation utilized U.S. $1,000 or Cdn. $1,062 of the Operating Facility as at November 30, 2013 (November 30, 2012 – US $1,000 or Cdn. $994). The lending facility is secured by a first charge on all assets of the Corporation.

Accounts receivable days outstanding were 78 as at November 30, 2013 compared to 67 as of November 30, 2012; inventory turns were 5.4 compared to 5.4, and accounts payable days outstanding were 72 compared to 61 respectively.

All of the Corporation’s credit facilities with its primary lender are secured by a first charge on all of the Corporation’s assets. The AMIS loan is secured and is subordinated to the security provided to the Corporation’s primary lender.

The Corporation was in compliance with all of its financial loan covenants as at November 30, 2013.

Management believes the Corporation has sufficient liquidity and capital resources to meet its obligations for the foreseeable future.

The following table outlines the contractual obligations of the Corporation as at November 30, 2013.

	PAYMENTS DUE IN $000'S					
CONTRACTUAL OBLIGATIONS	**Total**	**First Year**	**Second Year**	**Third Year**	**Fourth Year**	**Beyond Fourth Year**
Long term bank debt	2,124	334	334	1,456	-	-
Subordinated Loan and Government assistance	4,692	510	-	836	836	2,510
Bank indebtedness	1,062	1,062	-	-	-	-
Operating Leases	2,445	1,038	547	470	390	-
Foreign exchange forward contracts	15,612	15,612	-	-	-	-
Gold forward contracts	478	478	-	-	-	-

The Corporation does not have any off-balance sheet arrangements that have or reasonably are likely to have a material effect on its financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources. As a result, the Corporation is not exposed materially to any financing, liquidity, market or credit risk that could arise if it had engaged in these arrangements.

CAPITAL EXPENDITURES

For 2013, the Corporation invested $1,711 in capital expenditures compared to $2,889 for 2012. Additions for 2013 related to new engineering tools such as a coordinate measuring machine, spectro camera and various upgrades to machinery and equipment and leasehold improvements at other facilities including the build out of Aerospace facility in Chatsworth, California. Major additions for 2012 included LDI machine at the Circuits Toronto facility and various machinery upgrades and leasehold improvements at Aerospace Toronto and Circuits Chatsworth facilities including build out of two Aerospace facilities, one in Chatsworth, California and another in Tianjin, China.

CASH FLOW

Operating Activities

Cash used by operating activities in 2013 amounted to $33 as compared to cash provided by operating activities of $995 in 2012. The changes from 2012 were primarily driven by net loss during 2013 and the changes in non-cash operating working capital.

Investing Activities

Investing activities in 2013 resulted in the net use of cash of $1,644 for capital expenditures compared to $2,974 in 2012.

Financing Activities

Cash provided by financing activities in 2013 resulted in a cash inflow of $1,505 which included proceeds of long-term bank debt of $1,746 and funding from non-controlling interests of $88 offset by decrease in bank indebtedness of $123 and long-term debt repayments of $206 as compared to cash inflow of $1,558 in 2012 which included increase in bank indebtedness of $994, proceeds of AMIS term loan of $1,490 and proceeds of long-term bank debt of $497 offset by long-term debt repayments of $1,423.

RELATED PARTY TRANSACTIONS

There were no related party transactions during 2013 and 2012.

FINANCIAL RISK MANAGEMENT

Disclosures regarding the nature and extent of the Corporation's exposure to risks arising from financial instruments, including credit risk, liquidity risk, foreign currency risk and interest rate risk and how the Corporation manages those risks can be found under the heading "Financial Instruments" in Note 18 to the Consolidated Financial Statements as at November 30, 2013 and are designed to meet the requirements of the set out by the IASB in IFRS 7 *Financial Instruments: Disclosures.*

OUTSTANDING SHARES

The authorized capital of the Corporation consists of an unlimited number of common shares ("Common Shares") and an unlimited number of preference shares issuable in series, of which are outstanding a series of convertible preference shares, Series 1 (the "Preferred Shares"). As at November 30, 2013, the Corporation had outstanding 17,803,201 Common Shares and 1,775,000 Preferred Shares. The Preferred Shares are convertible into Common Shares on a one-for-one basis. Each Common Share and Preferred Share carries the right to one vote. Holders of Preferred Shares are entitled to a preference over holders of Common Shares in respect of any distribution of assets in connection with the liquidation, dissolution or winding up of the Corporation and shall be entitled to receive an amount equal to $2.50 per Preferred Share before any amount is paid or any assets of the Corporation are distributed to the holders of Common Shares.

NEW SHARE UNIT PLAN

In April 2013, the shareholders of the Corporation approved the new Share Unit Plan – refer to Note 14.7 of the consolidated financial statements as at November 30, 2013 for further details of the new Share Unit Plan.

RISK FACTORS

FTG operates in a dynamic and rapidly changing environment and industry, which exposes the Corporation to numerous risk factors. Additional information about the Corporation, including risks and uncertainties about FTG's business, is provided in the Corporation's Annual Information Form dated January 30, 2014 which is available on SEDAR at www.sedar.com.

CONTINGENCIES

The Corporation is, from time to time, involved in litigation in the ordinary course of its business. The Corporation maintains liability insurance that it considers adequate to insure claims related to usual risks associated with its business.

During the second quarter of 2012, a settlement was agreed to between the Corporation and the two plaintiffs (Emmanuel Tannenbaum and June Realty Ltd.) who had commenced a legal claim against the Corporation in 2006, seeking damages for an alleged migration of chemicals onto their land from the Corporation's former Toronto factory. The settlement also included the current owner of the subject lands and the bankrupt estate of Glendale International Corp., another former owner of the subject lands. The contribution of the Corporation to this settlement will not have a material effect on its financial situation. Certain conditions of the settlement agreement are in the process of being completed at which time the claim is expected to be dismissed and the Corporation should receive a final release.

FOURTH QUARTER

The following table provides the operating results for the fourth quarter of 2013 and 2012:

	Three months ended	
	November 30, 2013	November 30, 2012
Sales	**$ 15,426**	$ 13,719
Cost of sales		
Cost of sales	**11,121**	10,501
Depreciation of plant and equipment	**410**	360
Total cost of sales	**11,531**	10,861
Gross margin	**3,895**	2,858
Expenses		
Selling, general and administrative	**2,196**	1,877
Research and development costs	**1,102**	655
Recovery of research and development costs	**(70)**	(66)
Depreciation/amortization of plant and equipment and intangible assets	**41**	41
Goodwill impairment	**1,039**	-
Interest expense on short-term debt	**10**	19
Interest expense on long-term debt	**88**	69
Severance and restructuring expenses	**299**	-
Foreign exchange (gain) loss	**(16)**	136
Total expenses	**4,689**	2,731
(Loss) earnings before income taxes	**(794)**	127
Deferred income tax recovery	**(1,010)**	-
Income tax expense	**33**	23
Net (loss) earnings	**$ 183**	$ 104
Attributable to:		
Non-controlling interests	**(14)**	-
Equity holders of FTG	**197**	104

Sales

Sales for the fourth quarter of 2013 were $15,426, an increase of $1,707 or 12.4% from the fourth quarter of 2012. Sales in Circuits Segment were higher by $1,295 and sales in the Aerospace Segment were higher by $412.

Net Earnings

The Corporation earned $197 during the fourth quarter of 2013 compared to earnings of $104 in the fourth quarter of 2012.

Cash Flow

Operating Activities

Cash used by operating activities during the fourth quarter of 2013 amounted to $548 compared to cash provided of $1,010 for the fourth quarter of 2012. The change from 2012 was primarily driven by the working capital changes compared to the fourth quarter of 2012.

Investing Activities

Investing activities during the fourth quarter of 2013 resulted in the use of cash of $392 compared to $903 for the fourth quarter of 2012 mainly due to the higher additions of plant and equipment.

Financing Activities

Cash used by financing activities during the fourth quarter of 2013 amounted to $1,655 which included decrease in bank indebtedness of $1,574, repayment of long term bank debt of $81. Cash provided by financing activities during the fourth quarter of 2012 amounted to $649 which included increase in bank indebtedness of $152 and proceeds from long-term bank debt of $497.

NEW ACCOUNTING POLICY ADOPTED BY THE CORPORATION

Derivative financial instruments

The Corporation utilizes forward foreign exchange contracts to manage its foreign currency exposure on anticipated sales. The Corporation also utilizes gold forward contracts to manage its exposure on anticipated cost of sales. Derivative financial instruments are initially recognized at fair value (forward value at transaction date) on the date on which a derivative contract is entered into and are subsequently re-measured at fair value (forward current value). Derivatives are carried as financial assets (prepaid expenses) when the fair value is positive and as financial liabilities (accounts payable and accrued liabilities) when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are recorded directly in the consolidated statements of (loss) earnings except for the effective portion of cash flow hedges, which are recognized in other comprehensive (loss) income.

The Corporation designates certain derivative financial instruments as cash flow hedges. The application of hedge accounting enables the recording of gains, losses, revenue and expenses from hedging items in the same period as those related to the hedged item. At the inception of a hedge relationship, the Corporation formally designates and documents the hedge relationship to which the Corporation wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess and measure the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine whether they have actually been highly effective throughout the financial reporting periods for which they were designated.

Hedges that meet the strict criteria for hedge accounting are accounted for as follows:

Amounts recognized as other comprehensive (loss) income are transferred to the consolidated statements of (loss) earnings when the hedged transaction affects net (loss) earnings.

If the forecasted transaction or firm commitment is no longer expected to occur, the cumulative gain or loss previously recognized in equity is transferred to the consolidated statements of (loss) earnings. Hedge accounting is discontinued prospectively when it is determined that the derivative is not effective as a hedge or the derivative is terminated or sold, or upon sale or early termination of the hedged item.

As a result of adopted hedge accounting on its derivative financial instruments in 2013, the Corporation designated certain derivative financial instruments as cash flow hedges. The fair value of these derivative financial instruments as at November 30, 2013 had an unrealized loss of $405 (which included $327 related to foreign exchange forward contracts and the remaining $78 related to gold forward contracts) which is included in other comprehensive (loss) income, and relates to derivatives designated as cash flow hedges. Refer to Note 18 of the consolidated financial statements as at November 30, 2013 for further details.

ADOPTION OF NEW AND AMENDED IFRS PRONOUNCEMENTS

The Corporation has early adopted the new and amended IFRS pronouncements - IFRS 10, *Consolidated Financial Statements* ("IFRS 10"), IFRS 11, *Joint Arrangements* ("IFRS 11") and IFRS 12, *Disclosure of Interests in Other Entities* ("IFRS 12") as at November 30, 2013 and effective from December 1, 2012, in accordance with the transitional provisions outlined in the respective standards. These IFRS pronouncements were effective for annual periods beginning on or after January 1, 2013 but have been adopted and applied to an earlier period. Refer to Note 3.18 of the consolidated financial statements as at November 30, 2013 for further details.

In May 2013, the Corporation entered into a joint venture agreement with Tianjin Printronics Circuit Corp., a Chinese printed circuit board manufacturing company, pursuant to which a joint venture entity, FTG Printronics Circuit Ltd. ("JV") was incorporated in the Province of Tianjin, the People's Republic of China. The Corporation holds a 60% equity interest in the JV.

The adoption of IFRS 10 had no impact on the consolidated financial statements for the prior periods presented as the adoption did not result in a change in the consolidation status of any of the Corporation's subsidiaries or the identification of its subsidiaries.

The adoption of IFRS 11 did not impact the financial position of the Corporation.

The Corporation's subsidiaries are all wholly owned (with the exception of the JV which is 60% owned) and as such the determination of whether to consolidate these entities or the identification of any subsidiaries did not involve any significant judgments or assumptions under IFRS 12. There are no significant restrictions on the ability of the Corporation to access or use the assets and settle the liabilities of the Corporation and its subsidiaries except for customary limitations in the Corporation's credit facility. There are no unconsolidated structured entities. In addition, the Corporation controls the JV and its results are consolidated in these consolidated financial statements for the year ended November 30, 2013.

The Corporation also adopted the new and amended IFRS pronouncement -IAS 1 Presentation of Items of Other Comprehensive Income – Amendments to IAS 1, which became effective for annual periods beginning on or after July 1, 2012, and therefore has been applied in the consolidated financial statements. The amendments to IAS 1 change the grouping of items presented in other comprehensive (loss) income. Items that could be reclassified (or 'recycled') to profit or loss at a future point in time would be presented separately from items that will never be reclassified. The amendment affects presentation only and has no impact on the Corporation's consolidated balance sheet or consolidated statement of (loss) earnings.

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Due to the inherent uncertainty involved in making such estimates and the current economic environment, actual results reported in the near term could differ from those estimates. Estimates and assumptions have been made in connection with the provisions for accounts receivable, inventory obsolescence, amortization based on useful life of plant and equipment, warranty, stock based compensation and valuation of investment tax credits, deferred tax assets, goodwill and intangibles.

Accounts Receivable

The Corporation provides customary credit terms to its customers and does not require collateral. Management performs ongoing credit evaluations of the financial condition of its customers and maintains an allowance for doubtful accounts based on historical collection experience and expected collectability of accounts. Actual bad debts may differ from management's estimates.

Inventory Obsolescence

Provisions are made to reduce excess and obsolete inventories to their estimated net realizable value. Inventory requirements may change based on the product characteristics of projected customer demand, changes due to market conditions, technological and product life cycle changes or longer or shorter than expected usage periods which could affect the valuation of inventory. An inventory obsolescence allowance is made based on current and historical experience and information.

Estimated Useful Lives of Plant and Equipment

The estimated useful life of plant and equipment is based on the Corporation's historical experience and industry standards.

Warranty Accrual Estimate

The Corporation provides its customers with a limited right of return for defective printed circuit boards, illuminated panels, keyboards and assemblies. A warranty accrual estimate is made at the time of sale based on historical experience and information.

Stock Based Compensation

The Corporation measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining and making assumptions about the most appropriate inputs to the valuation model including the expected life, volatility and dividend yield of the share option.

Investment Tax Credits / Deferred Tax Assets

Deferred income tax assets are reviewed each reporting period for recoverability and valuation allowances are provided, when necessary, to increase or decrease the deferred tax assets to the amounts expected to be realized. Should management's expectations of income change in future periods, it may be necessary to adjust the valuation allowance, which could affect the results in the period such a determination was made.

Goodwill

The Corporation uses an estimate of the future discounted net cash flows in measuring whether goodwill assets are recoverable. If the forecasts and assumptions used to support the realizability of the goodwill assets change in the future, impairment charges could result in adverse effect on the earnings of the Corporation.

During the fourth quarter of 2013, the Corporation performed its annual impairment test of the goodwill. In conducting this test, it was determined that the carrying amount of the Toronto Circuits CGU exceeded the recoverable amount. Accordingly, the Corporation recorded an impairment of $1,039 for the year ended November 30, 2013.

Intangible Assets

The Corporation uses an estimate of the future undiscounted net cash flows in measuring whether the Canadian and FTG Aerospace Tianjin Inc. intangible assets are recoverable. If the forecasts and assumptions used to support the realizability of the intangible assets change in the future, impairment charges could result in adverse effect on the earnings of the Corporation.

The following accounting pronouncements issued by the IASB were not effective as of November 30, 2013 and therefore have not been applied in preparing these consolidated financial statements. The Corporation intends to adopt these standards, if applicable, when they become effective. Management is currently evaluating the potential impact the adoption of these accounting pronouncements will have on the Corporation's consolidated financial statements.

RECENT ACCOUNTING PRONOUNCEMENTS

The following accounting pronouncements issued by the IASB were not effective as of November 30, 2013 and therefore have not been applied in preparing these consolidated financial statements. The Corporation intends to adopt these standards, if applicable, when they become effective. Management is currently evaluating the potential impact the adoption of these accounting pronouncements will have on the Corporation's consolidated financial statements.

IFRS 9 Financial Instruments, Classification and Measurement

IFRS 9, as issued, reflects the first phase of the IASB's work on the replacement of IAS 39 and applies to classification and measurement of financial assets and financial liabilities as defined in IAS 39. The standard was initially effective for annual periods beginning on or after 1 January 2013, but Amendments to IFRS 9 Mandatory Effective Date of IFRS 9 and Transition Disclosures, issued in December 2011, moved the mandatory effective date to 1 January 2015. In subsequent phases, the IASB will address hedge accounting and impairment of financial assets.

IFRS 13 Fair Value Measurement

In May 2011, the IASB issued IFRS 13, *Fair Value Measurement,* which is effective for annual periods beginning on or after January 1, 2013, with earlier adoption permitted. IFRS 13 establishes a single source of guidance for fair value measurements, when fair value is required or permitted by IFRS and provides for enhanced disclosures when fair value is applied.

IFRS 7 Disclosures — Offsetting Financial Assets and Financial Liabilities — Amendments to IFRS 7

These amendments require an entity to disclose information about rights to set-off and related arrangements (e.g., collateral agreements). The disclosures would provide users with information that is useful in evaluating the effect of netting arrangements on an entity's financial position. The new disclosures are required for all recognised financial instruments that are set off in accordance with IAS 32 Financial Instruments: Presentation. The disclosures also apply to recognised financial instruments that are subject to an enforceable master netting arrangement or similar agreement, irrespective of whether they are set off in accordance with IAS 32. These amendments will become effective for annual periods beginning on or after 1 January 2013.

IAS 32 Offsetting Financial Assets and Financial Liabilities - Amendments to IAS 32

These amendments clarify the meaning of "currently has a legally enforceable right to set-off" and the criteria for non-simultaneous settlement mechanisms of clearing houses to qualify for offsetting. The amendments are effective for annual periods beginning on or after 1 January 2014.

IAS 19 Employee Benefits (Revised)

The IASB has issued numerous amendments to IAS 19. These amendments range from fundamental changes such as removing the corridor mechanism and the concept of expected returns on plan assets to simple clarifications and re-wording. The amendment becomes effective for annual periods beginning on or after 1 January 2013.

IAS 16 Property Plant and Equipment

This improvement clarifies that major spare parts and servicing equipment that meet the definition of property, plant and equipment are not inventory. This improvement is effective for annual periods beginning on or after 1 January 2013.

IFRS 1 Government Loans – Amendments to IFRS 1

These amendments require first-time adopters to apply the requirements of IAS 20 Accounting for Government Grants and Disclosure of Government Assistance prospectively to government loans existing at the date of transition to IFRS. Entities may choose to apply the requirements of IFRS 9 (or IAS 39, as applicable) and IAS 20 to government loans retrospectively if the information needed to do so had been obtained at the time of initially accounting for that loan. The exception would give first-time adopters relief from retrospective measurement of government loans with a below-market rate of interest. The amendment is effective for annual periods on or after 1 January 2013.

IFRIC Interpretation 21 Levies (IFRIC 21)

IFRIC 21 clarifies that an entity recognises a liability for a levy when the activity that triggers payment, as identified by the relevant legislation, occurs. For a levy that is triggered upon reaching a minimum threshold, the interpretation clarifies that no liability should be anticipated before the specified minimum threshold is reached. IFRIC 21 is effective for annual periods beginning on or after 1 January 2014.

IAS 34 Interim Financial Reporting

The amendment aligns the disclosure requirements for total segment assets with total segment liabilities in interim financial statements. This clarification also ensures that interim disclosures are aligned with annual disclosures. This improvement is effective for annual periods beginning on or after 1 January 2013.

ETHICAL BUSINESS CONDUCT

The Corporation has a written code of conduct for Directors, Officers and employees (the "Policy of Business Conduct") and a "Whistle Blowing Policy", which are each available on www.sedar.com. The Board monitors compliance with the Policy of Business Conduct through an annual review and sign off procedure from all of its Directors, Officers and employees.

CONTROLS AND PROCEDURES

The Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO") are responsible for establishing and maintaining disclosure controls and procedures and internal controls over financial reporting for the Corporation. The control framework used in the design of disclosure controls and procedures and internal control over financial reporting is the internal control integrated framework issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO").

Disclosure controls and procedures

An evaluation of the design of and operating effectiveness of the Corporation's disclosure controls and procedures was conducted as of November 30, 2013 under the supervision of the CEO and CFO as required by CSA National Instrument 52-109 - Certification of Disclosure in Issuers' Annual and Interim Filings. The evaluation included documentation, review, enquiries and other procedures considered appropriate in the circumstances. Based on that evaluation, the CEO and the CFO have concluded that the Corporation's disclosure controls and procedures are effective to provide reasonable assurance that information relating to the Corporation and its consolidated subsidiaries that is required to be disclosed in reports filed under provincial and territorial securities legislation is recorded, processed, summarized and reported to senior management, including the CEO and the CFO, so that appropriate decisions can be made by them regarding required disclosure within the time periods specified in the provincial and territorial securities legislation.

Internal control over financial reporting

CSA National Instrument 52-109 requires the CEO and CFO to certify that they are responsible for establishing and maintaining internal control over financial reporting for the Corporation, that those internal controls have been designed and are effective in providing reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with IFRS.

Management, including the CEO and CFO, does not expect that the Corporation's disclosure controls or internal controls over financial reporting will prevent or detect all errors and all fraud or will be effective under all potential future conditions. A control system is subject to inherent limitations and, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control systems objectives will be met.

The CEO and CFO have, using the framework and criteria established by COSO, evaluated the design and operating effectiveness of the Corporation's internal controls over financial reporting and concluded that, as of November 30, 2013, internal controls over financial reporting were effective to provide reasonable assurance that information related to consolidated results and decisions to be made based on those results were appropriate.

During the year ended November 30, 2013, there have been no other changes in the Corporation's internal controls over financial reporting that have materially affected, or are reasonably likely to materially affect, the Corporation's internal controls over financial reporting.

OUTLOOK

The aerospace and defence market has a number of important segments, each of which can follow their own cycles.

New order demand at the large air transport suppliers, Boeing and Airbus, has increased steadily since 2010, and 2013 saw record shipments for both companies. This, combined with the new aircraft coming on line such as the Boeing 787 and the Airbus A350, as well as the updates and re-engineering of the Boeing 737 and Airbus A320 bodes well for this market in the coming years. There are also new entrants into this market for single aisle aircraft which could impact Boeing and Airbus in the long term and could create new supply opportunities for lower tier suppliers. These new entrants include Bombardier's C-Series and China's C-919 aircraft, both of which are important targets for FTG.

The general aviation and business jet industry segment was hardest hit during the last downturn with dramatic drops in production rates. This downturn impacted FTG's Canadian facilities the most as they have a higher percentage of business in the civil aviation market, particularly in the business and regional jet segments. Production rates began to recover in 2011. Market share for key OEMs has also changed over the past number of years with Bombardier, a key customer for FTG, losing share in the regional jet market while growing an already very strong position in business jets.

Within all commercial aircraft markets, the end customer base is shifting with a higher percentage of customers in Asia and lower percentages from North America and Europe. This is driving a demand for higher Far East content on each aircraft and this push is being seen through the whole supply chain. This has implications for FTG as the push for Far East content intensifies. This will come from airframe manufacturers in the west as well as new entrants from China and other Asian countries for programs such as the C919 single aisle aircraft.

In the military market, defence spending is under pressure in Western economies. In the U.S., the emphasis is on deficit reduction and defence spending is dropping. In Canada, defence spending remains stable with a number of significant equipment acquisition programs announced or underway. Canadian spending creates opportunities both directly and via procurement offset agreements with the equipment suppliers.

For each market segment, there are positive and negative factors that could drive FTG's results going forward. These include overall demand, sourcing in Asia, FTG's capabilities, FTG's performance and increased competition to name a few. Overall, our strategy is to leverage the positive factors while minimizing the negative ones.

There are other economic factors, outside the aerospace and defence market, that can also impact the outlook for FTG. The relative strength, or weakness, of the Canadian dollar could also be a factor as almost 75% of FTG's operations are located in Canada but we compete primarily in U.S. dollars. Further strengthening of the Canadian dollar would hurt FTG's competitiveness. FTG is striving to mitigate this exchange rate risk through its ongoing efforts to have facilities outside of Canada and by pursuing sales outside of the United States.

The Corporation continues to focus on technologies necessary for the new programs and platforms. The Corporation does have content on most key new civil aviation programs such as the Boeing 787, the Airbus A350, the Canadair C-Series and the Chinese C919.

The Corporation has a very wide product and technology offering in printed circuit boards. This enables the pursuit of more opportunities which is aligned with customers' goals of reducing their supply base and focusing spending on fewer suppliers. With the recently announced joint venture in China, FTG can offer Aerospace quality circuit boards from an Asian source.

In display products, FTG Aerospace has expanded into higher level assemblies, and this is opening up new opportunities as well. To address the demand for higher Far East content, FTG has established a wholly owned operation in China for cockpit products.

Finally, FTG will continue to drive towards *Operational Excellence* in all operations. Most customers are actively measuring supplier performance and reward good results with increased opportunities. FTG is focused on exceeding customer expectations and competing on performance and technology rather than price.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The accompanying consolidated financial statements of Firan Technology Group Corporation are the responsibility of management and have been reviewed by the Board of Directors of Firan Technology Group Corporation. The consolidated financial statements have been prepared by management in accordance with International Financial Reporting Standards and, where appropriate, reflect management's best estimates and judgments. Management has also prepared financial and all other information in the Annual Report and has ensured that this information is consistent with the consolidated financial statements.

The Corporation maintains appropriate systems of internal control, policies and procedures, which provide management with reasonable assurance that assets are safeguarded and the financial records are reliable and form a proper basis for preparation of consolidated financial statements.

The Board of Directors of Firan Technology Group Corporation ensure that management fulfills its responsibilities for financial reporting and internal control through an Audit Committee. This committee reviews the consolidated financial statements and reports to the Board of Directors. The committee meets with the auditors to discuss the results of the audit, the adequacy of internal accounting controls and financial reporting matters.

The consolidated financial statements have been independently audited by Ernst & Young LLP in accordance with Canadian generally accepted auditing standards. Their report which follows expresses their opinion on the consolidated financial statements of the Corporation.

Bradley C. Bourne

President and Chief Executive Officer

January 30, 2014

Joseph R. Ricci

Vice President, Chief Financial Officer and Secretary

January 30, 2014

INDEPENDENT AUDITORS' REPORT

To the shareholders of Firan Technology Group Corporation

We have audited the accompanying consolidated financial statements of Firan Technology Group Corporation, which comprise the consolidated balance sheets as at November 30, 2013 and 2012, and the consolidated statements of (loss) earnings, comprehensive (loss) income, changes in shareholder's equity and cash flows for the years ended November 30, 2013 and 2012, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

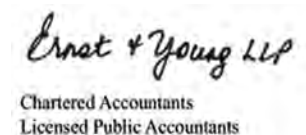
Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Firan Technology Group Corporation as at November 30, 2013 and 2012, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.



Toronto, Canada
January 30, 2014

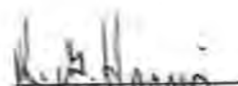
Consolidated Balance Sheets

(in thousands of Canadian dollars) As at		**November 30, 2013**		November 30, 2012
ASSETS				
Current assets				
Cash	**$**	**996**	$	1,446
Accounts receivable		**12,275**		10,276
Taxes receivable		**264**		250
Inventories *(Note 6)*		**8,074**		7,927
Prepaid expenses		**549**		432
		22,158		20,331
Non-current assets				
Plant and equipment, net *(Note 7)*		**5,587**		5,608
Goodwill *(Note 8)*		**-**		1,039
Deferred income taxes *(Note 16.1)*		**2,385**		1,375
Intangible assets *(Note 9)*		**196**		244
Total assets	**$**	**30,326**	$	28,597
LIABILITIES AND EQUITY				
Current liabilities				
Bank indebtedness *(Note 11.1)*	**$**	**1,062**	$	994
Accounts payable and accrued liabilities		**8,027**		7,249
Provisions *(Note 13)*		**612**		244
Customer deposits, net of deferred development *(Note 10)*		**930**		843
Current portion of long-term bank debt *(Note 11.2)*		**307**		44
Current portion of subordinated loan *(Note 12)*		**510**		-
		11,448		9,374
Non-current liabilities				
Long-term bank debt *(Note 11.2)*		**1,753**		361
Subordinated loan *(Note 12)*		**3,396**		3,613
Government assistance *(Note 12)*		**786**		1,234
Total liabilities		**17,383**		14,582
Commitments and contingencies *(Note 20)*				
Equity				
Deficit	**$**	**(10,102)**	$	(9,104)
Accumulated other comprehensive loss		**(249)**		(85)
		(10,351)		(9,189)
Share capital				
Common shares *(Note 14.1)*		**12,681**		12,681
Preferred shares *(Note 14.2)*		**2,218**		2,218
Contributed surplus *(Note 14.4)*		**8,347**		8,305
Total equity attributable to FTG's shareholders		**12,895**		14,015
Non-controlling interests *(Note 23)*		**48**		-
Total equity		**12,943**		14,015
Total liabilities and equity	**$**	**30,326**	$	28,597

See accompanying notes.

Approved on behalf of the board:

Director



Director

Consolidated Statements of (Loss) Earnings

	Years ended	
(in thousands of Canadian dollars, except per share amounts)	**November 30, 2013**	November 30, 2012
Sales	**$ 55,998**	$ 55,646
Cost of sales		
Cost of sales *(Note 6, Note 12 and Note 22)*	**42,914**	41,413
Depreciation of plant and equipment	**1,688**	1,605
Total cost of sales	**44,602**	43,018
Gross margin	**11,396**	12,628
Expenses		
Selling, general and administrative *(Note 22)*	**8,747**	8,259
Research and development costs *(Note 15)*	**3,046**	2,823
Recovery of research and development costs *(Note 15)*	**(280)**	(290)
Depreciation/amortization of plant and equipment and intangible assets	**156**	140
Goodwill impairment *(Note 8)*	**1,039**	-
Interest expense on short-term debt	**67**	75
Interest expense on long-term debt	**328**	273
Severance and restructuring expenses	**299**	54
Foreign exchange (gain) loss *(Note 18.2)*	**(27)**	335
Total expenses	**13,375**	11,669
(Loss) earnings before income taxes	**(1,979)**	959
Deferred income tax recovery *(Note 16.2)*	**(1,010)**	-
Income tax expense *(Note 16.2)*	**69**	31
Net (loss) earnings	**$ (1,038)**	$ 928
Attributable to:		
Non-controlling interests *(Note 23)*	**(40)**	-
Equity holders of FTG	**(998)**	928
(Loss) earnings per share, attributable to the equity holders of FTG		
Basic *(Note 14.5)*	**$ (0.06)**	$ 0.05
Diluted *(Note 14.5)*	**$ (0.06)**	$ 0.05

See accompanying notes.

Consolidated Statements of Comprehensive (Loss) Income

(in thousands of Canadian dollars)	Years ended **November 30, 2013**	November 30, 2012
Net (loss) earnings	**$ (1,038)**	$ 928
Other comprehensive income (loss) to be reclassified to net (loss) earnings in subsequent years:		
Foreign currency translation adjustments (net of income taxes of $nil)	**241**	(97)
Net unrealized loss on derivative financial instruments designated as cash flow hedges (net of income taxes of $nil) *(Note 18)*	**(405)**	-
	(164)	(97)
Total comprehensive (loss) income	**$ (1,202)**	$ 831
Attributable to:		
Equity holders of FTG	**$ (1,162)**	$ 831
Non-controlling interests *(Note 23)*	**$ (40)**	$ -

See accompanying notes.

Consolidated Statements of Changes in Shareholders' Equity

Years ended November 30, 2013 and 2012

(in thousands of Canadian dollars)	Common Shares	Preferred Shares	Deficit	Contributed Surplus	Accumulated Other Comprehensive (Loss)	Total	Non-controlling interests	Total equity
	Attributed to the equity holders of FTG							
Balance, November 30, 2011	$ 12,681	$ 2,218	$ (10,032)	$ 8,249	$ 12	$ 13,128	$ -	$ 13,128
Net earnings	-	-	928	-	-	928	-	$ 928
Stock-based compensation *(Note 14.6)*	-	-	-	56	-	56	-	$ 56
Foreign currency translation adjustments	-	-	-	-	(97)	(97)	-	(97)
Balance, November 30, 2012	$ 12,681	$ 2,218	$ (9,104)	$ 8,305	$ (85)	$ 14,015	$ -	$ 14,015
Net loss	-	-	(998)	-	-	(998)	(40)	(1,038)
Stock-based compensation *(Note 14.6)*	-	-	-	42	-	42	-	$ 42
Foreign currency translation adjustments	-	-	-	-	241	241	-	$ 241
Net unrealized loss on derivative financial instruments designated as cash flow hedges *(Note 18)*	-	-	-	-	(405)	(405)	-	(405)
Contribution from non-controlling interests *(Note 23)*	-	-	-	-	-	-	88	$ 88
Balance, November 30, 2013	**$ 12,681**	**$ 2,218**	**$ (10,102)**	**$ 8,347**	**$ (249)**	**$ 12,895**	**$ 48**	**$ 12,943**

See accompanying notes.

Consolidated Statements of Cash Flows

(in thousands of Canadian dollars)	Years ended **November 30, 2013**	November 30, 2012
Net inflow (outflow) of cash related to the following:		
Operating activities		
Net (loss) earnings	**$ (1,038)**	$ 928
Items not affecting cash:		
Non-controlling interest share of loss *(Note 23)*	**40**	-
Stock-based compensation *(Note 14.6)*	**42**	56
Loss on disposal of plant and equipment	**11**	12
Effect of exchange rates on US dollar debt	**192**	(15)
Depreciation of plant and equipment	**1,796**	1,696
Amortization of intangible assets	**48**	49
Amortization of deferred financing costs	**27**	50
Impairment of goodwill *(Note 8)*	**1,039**	-
Deferred income tax recovery *(Note 16.2)*	**(1,010)**	-
AMIS interest accretion *(Note 12)*	**293**	251
Amortization of government assistance *(Note 12)*	**(448)**	(403)
Changes in non-cash operating working capital *(Note 17)*	**(1,025)**	(1,629)
	(33)	995
Investing activities		
Additions to plant and equipment	**(1,711)**	(2,889)
Proceeds from disposal of plant and equipment	**67**	23
Additions to deferred financing costs	**-**	(108)
	(1,644)	(2,974)
Net cash flow from operating and investing activities	**(1,677)**	(1,979)
Financing activities		
(Decrease) increase in bank indebtedness	**(123)**	994
Proceeds from subordinated loan and government assistance	**-**	1,490
Proceeds from long-term bank debt	**1,746**	497
Repayments of long-term bank debt	**(206)**	(1,423)
Funding from non-controlling interests *(Note 23)*	**88**	-
	1,505	1,558
Effects of foreign exchange rate changes on cash flow	**(278)**	(77)
Net cash flow	**(450)**	(498)
Cash, beginning of year	**1,446**	1,944
Cash, end of year	**996**	$ 1,446
Disclosure of cash payments		
Payment for interest	**$ 95**	$ 95
Payments for income taxes	**$ 52**	$ 31

See accompanying notes.

1. NATURE OF OPERATIONS

Firan Technology Group Corporation ("FTG") was formed as a result of the amalgamation between Circuit World Corporation and Firan Technology Group Inc. on August 30, 2003 pursuant to articles of amalgamation under the *Canada Business Corporations Act*. Prior to this date, the Corporation was established as Helix Circuits Inc. on April 18, 1983 by articles of amalgamation pursuant to the provisions of the Canada Business Corporations Act. FTG and its subsidiaries (together referred to as the "Corporation" or the "Group") are primarily suppliers of aerospace and defence electronic products and sub-systems.

The address of the Corporation's registered office is 250 Finchdene Square, Toronto, Ontario, M1X 1A5.

The Corporation has two wholly owned subsidiaries: Firan Technology Group (USA) Corporation, which in turn owns 100% of the voting securities of FTG Circuits Inc., and Firan Technology Group (Barbados) 1 Corporation, which in turn owns 100% of the voting securities of Firan Technology Group (Barbados) 2 Corporation, which in turn owns 100% of the voting securities of FTG Aerospace Tianjin Inc.

The subsidiaries were incorporated as follows:

- Firan Technology Group (USA) Corporation was incorporated in the State of California.
- FTG Circuits Inc. was incorporated in the State of California.
- Firan Technology Group (Barbados) 1 Corporation was incorporated in Barbados.
- Firan Technology Group (Barbados) 2 Corporation was incorporated in Barbados.
- FTG Aerospace Tianjin Inc. was incorporated in the Province of Tianjin.

In May 2013, the Corporation entered into a joint venture agreement with Tianjin Printronics Circuit Corp. ("TPC"), a Chinese printed circuit board manufacturing company, pursuant to which a joint venture entity, FTG Printronics Circuit Ltd ("JV"), was incorporated in the Province of Tianjin, the People's Republic of China. The Corporation holds a 60% equity interest in JV.

The consolidated financial statements of the Corporation as at and for the years ended November 30, 2013 and 2012 comprise FTG, its subsidiaries and its JV.

These consolidated financial statements were approved for issuance by the Board of Directors on January 30, 2014.

2. BASIS OF PRESENTATION

2.1 Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB").

2.2 Basis of measurement

These consolidated financial statements have been prepared on the historical cost basis except for derivative financial instruments, which are measured at their fair value through net (loss) earnings and other comprehensive (loss) income. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

2.3 Functional and presentation currency

These consolidated financial statements are presented in Canadian dollars, which is the Corporation's functional currency. Each of the Corporation's wholly owned subsidiaries determines its own functional currency and translates into the Corporation's presentation currency in accordance with the Corporation's foreign currency translation policy.

- Firan Technology Group (USA) Corporation's functional currency is the United States dollar.
- FTG Aerospace Tianjin Inc.'s functional currency is the Canadian dollar.

All financial information is presented in Canadian dollars and has been rounded to the nearest thousands except where noted and per share and share amounts.

2.4 Use of estimates, judgements and assumptions

The preparation of consolidated financial statements in accordance with IFRS requires the use of certain critical accounting estimates, judgements and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, and the disclosure of contingent assets and liabilities at the end of the reporting period. It also requires management to exercise judgement in applying the Corporation's accounting policies. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods. Estimates and judgements are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

The Corporation based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Corporation.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below are applied consistently to the years presented in these consolidated financial statements and have been applied consistently by the Group.

3.1 Basis of consolidation

The consolidated financial statements comprise the financial statements of FTG, its subsidiaries and its JV as at November 30, 2013 and 2012. Control is achieved when the Corporation is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Corporation controls an investee if and only if the Corporation has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

When the Corporation has less than a majority of the voting or similar rights of an investee, the Corporation considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Corporation's voting rights and potential voting rights

The Corporation re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Corporation obtains control over the subsidiary and ceases when the Corporation loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of comprehensive (loss) income from the date the Corporation gains control until the date the Corporation ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Corporation and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Corporation's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Corporation are eliminated in full on consolidation.

A change in the ownership interest in a subsidiary, without a loss of control, is accounted for as an equity transaction.

3.2 Foreign currency translation

Transactions denominated in foreign currencies are translated into the appropriate functional currency at exchange rates prevailing at the transaction dates. Monetary assets and liabilities are translated at the exchange rates at the balance sheet date. Exchange gains and losses on translation or settlement are recognized in profit or loss for the current year.

The financial results of the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency. The presentation currency of the Corporation is Canadian dollars. Income and expenditure transactions of foreign operations are translated at the average rate of exchange for the year except for significant individual transactions, which are translated at the rate of exchange in effect at the transaction dates. All assets and liabilities, including fair value adjustments and goodwill arising on acquisition, are translated at the rate of exchange prevalent at the reporting dates. Differences arising on translation of transactions are recognized as other comprehensive (loss) income and are included in the foreign currency translation adjustments ("FCTA").

On disposal of part or all of the foreign operations, the proportionate share of the related cumulative gains and losses previously recognized in the FCTA through the consolidated statement of (loss) earnings are included in determining the profit or loss on disposal of those operations recognized in profit or loss.

3.3 Revenue recognition

The Corporation derives its revenue from the sale of manufactured printed circuit boards, illuminated cockpit display panels and keyboards, and research and development related engineering services to customers.

For manufacturing, the Corporation uses customer supplied engineering, specifications and design plans, whereas for engineering services, the Corporation develops engineering and design plans to customers' specification. The sales cycle can vary between a few days to a few months. Sales are recognized and revenues recorded when:

- the Corporation has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Corporation retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

In the Aerospace segment, revenue for engineering services associated with the design and development of electronic equipment, which is deliverable over a longer period of time is recognized on the percentage-of-completion accounting method. Under this method, revenue is recognized based on the extent of progress towards completion of the contract. The Corporation uses the cost-to-cost measure of progress based on the ratio of costs incurred-to-date to the estimated costs at completion of the contract. Revenues, including estimated earned profit, are recorded as costs are incurred. When estimates of total costs to be incurred on a contract exceed total estimates of revenue to be earned, a provision for the entire loss on the contract is recorded in the period the loss is determined. Advances received from customers in excess of estimated costs are recognized as unearned revenue. Unbilled receivables, if any, represent revenue that has been recognized in the consolidated financial statements in advance of contractual invoicing to the customer.

The Corporation enters into transactions that represent multiple-element arrangements. These multiple-element arrangements are assessed to determine whether they can be separated into more than one unit of accounting or element for the purpose of revenue recognition. When the appropriate criteria for separating revenue into more than one unit of accounting is met and there is vendor-specific objective evidence of fair value for all units of accounting or elements in an arrangement, the arrangement consideration is allocated to the separate units of accounting or elements based on each unit's relative fair value. This vendor-specific evidence of fair value is established through prices charged for each revenue element when that element is sold separately. The revenue recognition policies described above are then applied to each unit of accounting.

The Corporation provides its customers with limited right of return for defective products and the returns must be authorized by the Corporation prior to their acceptance at its facilities. The normal warranty period is one to two years from the date of shipment and the Corporation accrues warranty provisions at the time of sale based on historical information.

3.4 Government assistance/grant

Government assistance is recorded as either a reduction of the cost of the applicable assets or credited in the consolidated statement of (loss) earnings as determined by the terms and conditions of the agreement under which the assistance is provided.

Government grants are recognized at their fair value in the period when there is reasonable assurance that the conditions attached to the grant will be met and that the grant will be received. Grants are recognized as income over the year necessary to match them with the related costs that they are intended to compensate. Grants related to expenditure on plant and equipment and on intangible assets are deducted from the carrying amount of the asset. The grant is therefore recognized as income over the life of the depreciable asset. Repayable grants are treated as a source of financing and are recognized as borrowings on the consolidated balance sheet.

3.5 Inventories

Inventories, including spare parts, are measured at the lower of cost and net realizable value ("NRV"). Cost is determined on the first-in, first-out basis. Direct labour and an allocation of fixed and variable overheads are included in the determination of work-in-progress and finished goods amounts. NRV is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs to make the sale. Inventories are written down to NRV at the time carrying value exceeds the NRV. Reversals of previous write-downs to NRV are recognized when there is a subsequent increase in the value of inventories.

3.6 Plant and equipment

Plant and equipment are stated at historical cost less accumulated depreciation and impairment losses, net of related government grants, where applicable. All assets having limited useful lives are depreciated using the straight-line method over their estimated useful lives. Assets are depreciated from the date that assets are available for use as intended by management.

The useful lives applicable to each class of asset during the current and comparative year are as follows:

Machinery and equipment	3 to 7 years
Furniture and fixtures	5 years
Leasehold improvements	Term of the lease plus term of first renewal option

The residual value, useful life and depreciation method applied to each class of assets are reassessed at each reporting year date. The Corporation assesses, at each reporting period date, whether there is an indication that plant and equipment may be impaired. If any indication of impairment exists, the Corporation performs an impairment test to determine whether an impairment loss is required to be recognized. The impairment tests are performed in accordance with the steps discussed in the accounting policy note below entitled “Impairment of long-lived assets”.

3.7 Goodwill

Goodwill is initially measured as the excess of the price paid for the acquisition of a consolidated entity over the fair value of the net identifiable tangible and intangible assets acquired. Goodwill is allocated to the cash-generating units (“CGUs”) or groups of CGUs that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Each unit to which the goodwill has been allocated represents the lowest level within the Corporation at which the goodwill is monitored for internal management purposes and is not larger than an operating segment.

Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is evaluated for impairment annually or more often if events or circumstances indicate there may be impairment. Impairment is determined for goodwill by assessing whether the carrying amount of a CGU, including the allocated goodwill, exceeds its recoverable amount. The recoverable amount is determined as the greater of the estimated fair value less costs to sell or the value in use. Impairment losses recognized in respect of a CGU are first allocated to the carrying amount of goodwill and any excess is allocated pro rata to the carrying amount of other assets in the CGU, on the basis of the carrying amount of each asset in the unit. Any goodwill impairment is charged to income in the period in which the impairment is identified. Impairment losses on goodwill are not subsequently reversed.

3.8 Intangible assets

An intangible asset is recognized only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to the asset will flow to the Corporation. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses.

The Corporation's intangible assets comprise strategic customer relationships acquired in business combinations and the cost of registering trademarks. These relationships and trademarks are considered to have finite useful lives and are amortized on a straight-line basis over their useful life of 10 years. The amortization period and the amortization method are reviewed at least annually. Changes in the expected useful life are accounted for by changing the amortization period, as appropriate, and treated as changes in accounting estimates. Amortization expense is included in other operating expenses in the consolidated statement of (loss) earnings.

The Corporation assesses, at each reporting period date, whether there is an indication that an intangible asset may be impaired. If any indication of impairment exists, the Corporation performs an impairment test to determine whether an impairment loss is required to be recognized. The impairment tests are performed in accordance with the steps discussed in the accounting policy note below titled, "Impairment of long-lived assets".

3.9 Impairment of long-lived assets

The Corporation assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Corporation estimates the asset's recoverable amount. If it is not possible to determine the recoverable amount of the individual asset, the Corporation determines the recoverable amount of the CGU to which the asset belongs. The recoverable amount of an asset or a CGU is the higher of its fair value less costs to sell and its value in use, where value in use is the present value of the future cash flows expected to be derived from the asset or the CGU. Where the carrying amount of the asset or the CGU exceeds its recoverable amount, the asset is considered impaired and written down to its recoverable amount. The Corporation evaluates impairment losses for potential reversals when events or changes in circumstances warrant such consideration.

3.10 Income taxes

Taxation charge for the year comprises of current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that they relate to a business combination, or items recognized directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year using tax rates enacted or substantively enacted at the reporting date and any adjustment to tax payable in respect of previous years.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets and liabilities are calculated at tax rates that are expected to apply to their respective period of realization, provided they are enacted or substantially enacted by the end of the reporting period. Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that they will be able to be utilized against future taxable income. Deferred tax assets are reviewed at each balance sheet date and adjusted to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Corporation has both the right and the intention to settle its assets and liabilities on a net or simultaneous basis.

Deferred tax on temporary differences related to investments in subsidiaries is not provided if reversal of these temporary differences can be controlled by the Corporation and it is probable that reversal will not occur in the foreseeable future.

3.11 Research and development

All research costs are recognized in profit and loss as they are incurred. Development costs are expensed as incurred unless they meet the criteria to be recognized as internally generated intangible assets in accordance with the guidance in IAS 38, *Intangible Assets*. Development expenditures, on an individual project, are recognized as an intangible asset only when the following conditions are demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the Corporation's intention to complete and its ability to use or sell the asset;
- how the asset will generate future economic benefits;
- the availability of resources to complete the asset; and
- the ability to measure reliably the expenditure during development.

Following initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. The asset is amortized over the period of expected future benefit. Amortization is recorded in cost of sales. In the event that a product program for which costs have been deferred is modified or cancelled, the Corporation will assess the recoverability of the deferred costs and, if considered unrecoverable, will expense the costs in the period the assessment is made.

3.12 Financial instruments

The Corporation recognizes financial assets and financial liabilities (including derivatives) when the Corporation becomes a party to a contract. Financial assets and financial liabilities, with the exception of financial assets or liabilities classified or designated as fair value through profit or loss ("FVTPL"), are measured at fair value plus transaction costs on initial recognition. Financial assets or liabilities classified as FVTPL are measured at fair value on initial recognition and transaction costs are expensed when incurred. Measurement in subsequent years depends on the classification of the financial instrument.

The Corporation assesses impairment of all its financial assets except those classified as FVTPL. Management considers whether the issuer is having significant financial difficulty, whether there has been a breach in contract, such as a default or delinquency in interest or principal payments, and other applicable criteria in determining whether objective evidence of impairment exists. Impairment is

measured as the difference between the asset's carrying value and its fair value. Any impairment, which is not considered temporary, is included in current year (loss) earnings.

The Corporation reverses impairment losses on debt instruments classified as available-for-sale when an increase in fair value can be objectively related to an event occurring after the impairment loss was recognized. In addition, the Corporation reverses impairment losses on financial assets carried at amortized cost when the decrease in impairment can be objectively related to an event occurring after the impairment loss was recognized.

Financial assets

Financial assets are classified as FVTPL when acquired principally for the purpose of trading, if so designated by management (fair value option), or if they are derivative assets that are not part of an effective and designated hedging relationship. Financial assets classified as FVTPL are measured at fair value, with changes recognized in the consolidated statement of (loss) earnings.

Financial assets classified as FVTPL include cash and derivative instruments that are not part of an effective and designated hedging relationship.

Available-for-sale financial assets
Available-for-sale financial assets are non-derivative financial assets that are either designated as such by management or not classified in any of the other categories. Available-for-sale financial assets are measured at fair value with changes recognized in other comprehensive (loss) income. Upon sale or impairment, the accumulated fair value adjustments recognized in other comprehensive (loss) income are recorded in the consolidated statement of (loss) earnings.

The Corporation currently holds no available-for-sale financial assets.

Loans and receivables
Loans and receivables are non-derivative financial assets that have fixed or determinable payments and are not quoted in an active market. Subsequent to initial recognition, loans and receivables are carried at amortized cost using the effective interest method.

Accounts receivable are classified as loans and receivables.

Financial liabilities

Financial liabilities are classified as FVTPL if they are designated as such by management, or they are derivative liabilities that are not part of an effective and designated hedging relationship. Financial liabilities classified as FVTPL are measured at fair value, with changes recognized in the consolidated statement of (loss) earnings.

Financial liabilities that are not classified as FVTPL include bank indebtedness, long-term bank debt, subordinated loan, government assistance, accounts payable and accrued liabilities. Subsequent to initial recognition, these financial liabilities that are not subject to hedge accounting are measured at amortized cost using the effective interest rate method. Material transaction costs related to these financial liabilities are recorded as a reduction in the carrying value of the debt and included in the amortized cost measurement. After initial recognition, these financial liabilities are carried at amortized cost with any difference between the proceeds (net of transaction costs) and the redemption value recognized in the

consolidated statement of (loss) earnings over the period of these financial liabilities using the effective interest method.

3.13 Leases

The economic ownership of a leased asset is transferred to the lessee if the lessee bears substantially all of the risks and rewards related to the ownership of the leased asset. The related asset is then recognized at the inception of the lease at the fair value of the leased asset or, if lower, the present value of the lease payments plus incidental payments, if any. A corresponding amount is recognized as a finance leasing liability, irrespective of whether some of these lease payments are payable up-front at the date of inception of the lease. Leases of land and building are classified separately and the minimum lease payments are allocated between the land and building elements in proportion to the relative fair values of the leasehold interests at the inception of the lease.

All existing leases are accounted for as operating leases. Associated costs, such as maintenance and insurance, are expensed as incurred.

3.14 Provisions

A provision is recognized if, as a result of a past event, the Corporation has a legal or constructive obligation that can be estimated reliably and it is probable that a future outflow of economic benefits will be required to settle the obligation. The timing or amount of the outflow may still be uncertain.

Provisions are measured by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and specific risks of the obligation, where appropriate. Where there are a number of obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. All provisions are reviewed at each reporting date and adjusted accordingly to reflect the current best estimate.

3.15 Share based payments

The Corporation accounts for share-based payments as equity settled transactions where the fair value of options granted is charged to expense over the option vesting period, with the offsetting amount recognized in contributed surplus. For awards with graded vesting, each tranche of an award is considered a separate grant with a different vesting date and fair value. The fair value of each tranche is recognized over its respective vesting period. The fair value of each tranche is estimated at the date of grant using the Black-Scholes option pricing model incorporating assumptions regarding risk-free interest rates, dividend yield, expected volatility of the Corporation's stock, and a weighted average expected life of options. For each reporting period, the Corporation reassesses its estimates of the number of awards that are expected to vest and recognizes the impact of any revision in the consolidated statement of (loss) earnings with a corresponding adjustment to equity.

3.16 Earnings per share ("EPS")

The Corporation presents basic and diluted earnings per share data for its common shares. Basic EPS is calculated by dividing the profit or loss attributable to common shareholders of the Corporation by the weighted average number of common shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all dilutive potential common shares.

3.17 New policy adopted by the Corporation

Derivative financial instruments

The Corporation utilizes forward foreign exchange contracts to manage its foreign currency exposure on anticipated sales. The Corporation also utilizes gold forward contracts to manage its exposure on anticipated cost of sales. Derivative financial instruments are initially recognized at fair value (forward value at transaction date) on the date on which a derivative contract is entered into and are subsequently re-measured at fair value (forward current value). Derivatives are carried as financial assets (prepaid expenses) when the fair value is positive and as financial liabilities (accounts payable and accrued liabilities) when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are recorded directly in the consolidated statements of (loss) earnings except for the effective portion of cash flow hedges, which are recognized in other comprehensive (loss) income.

The Corporation designates certain derivative financial instruments as cash flow hedges. The application of hedge accounting enables the recording of gains, losses, revenue and expenses from hedging items in the same period as those related to the hedged item. At the inception of a hedge relationship, the Corporation formally designates and documents the hedge relationship to which the Corporation wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess and measure the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine whether they have actually been highly effective throughout the financial reporting periods for which they were designated.

Hedges that meet the strict criteria for hedge accounting are accounted for as follows:

Amounts recognized as other comprehensive (loss) income are transferred to the consolidated statements of (loss) earnings when the hedged transaction affects net (loss) earnings.

If the forecasted transaction or firm commitment is no longer expected to occur, the cumulative gain or loss previously recognized in equity is transferred to the consolidated statements of (loss) earnings. Hedge accounting is discontinued prospectively when it is determined that the derivative is not effective as a hedge or the derivative is terminated or sold, or upon sale or early termination of the hedged item.

3.18 Adoption of new and amended IFRS pronouncements

The Corporation has adopted the new and amended IFRS pronouncement per (a) below as at November 30, 2013 and effective for annual periods beginning on or after July 1, 2012, in accordance with the transitional provisions outlined in the respective standards.

a) IAS 1 Presentation of Items of Other Comprehensive Income – Amendments to IAS 1
The amendments to IAS 1 change the grouping of items presented in other comprehensive (loss) income. Items that could be reclassified (or 'recycled') to profit or loss at a future point in time would be presented separately from items that will never be reclassified. The amendment affects presentation only and has no impact on the Corporation's consolidated balance sheet or consolidated statement of (loss) earnings. The amendment became effective for annual periods beginning on or after July 1, 2012, and therefore has been applied in these consolidated financial statements.

The Corporation has early adopted the new and amended IFRS pronouncements per (b), (c) and (d) below as at November 30, 2013 and effective from December 1, 2012, in accordance with the transitional provisions outlined in the respective standards. These IFRS pronouncements were effective for annual periods beginning on or after January 1, 2013 but have been adopted and applied to an earlier period.

b) Consolidated Financial Statements

IFRS 10, Consolidated Financial Statements ("IFRS 10") replaced portions of IAS 27, Consolidated and Separate Financial Statements, that addressed consolidation, and superseded SIC-12, Consolidation – Special Purpose Entities ("SPE"), in its entirety. IFRS 10 provides a single model to be applied in the analysis of control of all investees, including entities that currently are SPEs in the scope of SIC-12. An investor must possess the following three elements to conclude if it controls an investee: power over the investee's financial and operating decisions, exposure or rights to variable returns from involvement with the investee and the ability to use power over the investee and its exposure or rights to variable returns.

The adoption of IFRS 10 had no impact on the consolidated financial statements for the prior years presented as the adoption did not result in a change in the consolidation status of any of the Corporation's subsidiaries or the identification of its subsidiaries.

c) Joint Arrangements

IFRS 11, Joint Arrangements ("IFRS 11") supersedes IAS 31, Interest in Joint Ventures and SIC-13, Jointly Controlled Entities – Non-Monetary Contributions. Through an assessment of the rights and obligations in an arrangement, IFRS 11 establishes principles to determine the type of joint arrangement, which are classified as either joint operations or joint ventures, and provides guidance for financial reporting activities required by the entities that have an interest in arrangements that are controlled jointly.

In a joint operation, the parties to the joint arrangement have rights to the assets and obligations for the liabilities of the arrangement and recognize their share of the assets, liabilities, revenues and expenses in accordance with applicable IFRS. In a joint venture, the parties to the arrangement have rights to the net assets of the arrangement and account for their interest using the equity method of accounting under IAS 28, Investments in Associates and Joint Ventures ("IAS 28"). IAS 28 prescribes the accounting for investments in associates and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures.

The adoption of this new standard did not impact the financial position of the Corporation.

d) Disclosure of Interests in Other Entities

IFRS 12, Disclosure of Interests in Other Entities ("IFRS 12"), contains disclosure requirements for interests in other entities such as subsidiaries, joint arrangements, associates, special purpose vehicles and off-balance-sheet vehicles. The standard carries forward existing disclosures and also introduces significant additional disclosure requirements that address the nature of, and risks associated with, an entity's interests in other entities. The requirements of IFRS 12 relate to disclosures only and are applicable for the first annual period after adoption, and, accordingly, the additional disclosures about interests in other entities have been included in the annual consolidated financial statements for the year ended November 30, 2013.

The Corporation's subsidiaries are all wholly owned (with the exception of the JV which is 60% owned) and as such the determination of whether to consolidate these entities or the identification of any subsidiaries did not involve any significant judgments or assumptions. There are no significant restrictions on the ability of the Corporation to access or use the assets and settle the liabilities of the Corporation and its subsidiaries except for customary limitations in the Corporation's credit facility. There are no unconsolidated structured entities. In addition, the Corporation controls the JV and its results are consolidated in these consolidated financial statements for the year ended November 30, 2013.

4. RECENT ACCOUNTING PRONOUNCEMENTS

The following accounting pronouncements issued by the IASB were not effective as of November 30, 2013 and therefore have not been applied in preparing these consolidated financial statements. The Corporation intends to adopt these standards, if applicable, when they become effective. Management is currently evaluating the potential impact the adoption of these accounting pronouncements will have on the Corporation's consolidated financial statements.

4.1 IFRS 9 Financial Instruments, Classification and Measurement

IFRS 9, as issued, reflects the first phase of the IASB's work on the replacement of IAS 39 and applies to classification and measurement of financial assets and financial liabilities as defined in IAS 39. The standard was initially effective for annual periods beginning on or after 1 January 2013, but Amendments to IFRS 9 Mandatory Effective Date of IFRS 9 and Transition Disclosures, issued in December 2011, moved the mandatory effective date to 1 January 2015. In subsequent phases, the IASB will address hedge accounting and impairment of financial assets.

4.2 IFRS 13 Fair Value Measurement

In May 2011, the IASB issued IFRS 13, *Fair Value Measurement,* which is effective for annual periods beginning on or after January 1, 2013, with earlier adoption permitted. IFRS 13 establishes a single source of guidance for fair value measurements, when fair value is required or permitted by IFRS and provides for enhanced disclosures when fair value is applied.

4.3 IFRS 7 Disclosures — Offsetting Financial Assets and Financial Liabilities — Amendments to IFRS 7

These amendments require an entity to disclose information about rights to set-off and related arrangements (e.g., collateral agreements). The disclosures would provide users with information that is useful in evaluating the effect of netting arrangements on an entity's financial position. The new disclosures are required for all recognised financial instruments that are set off in accordance with IAS 32 Financial Instruments: Presentation. The disclosures also apply to recognised financial instruments that are subject to an enforceable master netting arrangement or similar agreement, irrespective of whether they are set off in accordance with IAS 32. These amendments will become effective for annual periods beginning on or after 1 January 2013.

4.4 IAS 32 Offsetting Financial Assets and Financial Liabilities - Amendments to IAS 32

These amendments clarify the meaning of "currently has a legally enforceable right to set-off" and the criteria for non-simultaneous settlement mechanisms of clearing houses to qualify for offsetting. The amendments are effective for annual periods beginning on or after 1 January 2014.

4.5 IAS 19 Employee Benefits (Revised)

The IASB has issued numerous amendments to IAS 19. These amendments range from fundamental changes such as removing the corridor mechanism and the concept of expected returns on plan assets to simple clarifications and re-wording. The amendment becomes effective for annual periods beginning on or after 1 January 2013.

4.6 IAS 16 Property Plant and Equipment

This improvement clarifies that major spare parts and servicing equipment that meet the definition of property, plant and equipment are not inventory. This improvement is effective for annual periods beginning on or after 1 January 2013.

4.7 IFRS 1 Government Loans – Amendments to IFRS 1

These amendments require first-time adopters to apply the requirements of IAS 20 Accounting for Government Grants and Disclosure of Government Assistance prospectively to government loans existing at the date of transition to IFRS. Entities may choose to apply the requirements of IFRS 9 (or IAS 39, as applicable) and IAS 20 to government loans retrospectively if the information needed to do so had been obtained at the time of initially accounting for that loan. The exception would give first-time adopters relief from retrospective measurement of government loans with a below-market rate of interest. The amendment is effective for annual periods on or after 1 January 2013.

4.8 IFRIC Interpretation 21 Levies (IFRIC 21)

IFRIC 21 clarifies that an entity recognises a liability for a levy when the activity that triggers payment, as identified by the relevant legislation, occurs. For a levy that is triggered upon reaching a minimum threshold, the interpretation clarifies that no liability should be anticipated before the specified minimum threshold is reached. IFRIC 21 is effective for annual periods beginning on or after 1 January 2014.

4.9 IAS 34 Interim Financial Reporting

The amendment aligns the disclosure requirements for total segment assets with total segment liabilities in interim financial statements. This clarification also ensures that interim disclosures are aligned with annual disclosures. This improvement is effective for annual periods beginning on or after 1 January 2013.

5. USE OF SIGNIFICANT ESTIMATES AND JUDGEMENTS

Allowance for doubtful accounts

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. In particular, management estimates the amount and timing of the cash flows the Corporation expects to receive.

Valuation of financial instruments

The Corporation determines the fair value of financial instruments for which there is no observable market price using a variety of valuation techniques. The inputs to these models are derived from observable market data where possible, but where observable market data is not available, estimates are required to establish fair values. The estimates include consideration of liquidity and other risks affecting the specific instrument. Details of the basis on which fair value is estimated are provided in Note 18.

Taxes and deferred taxes

Provisions for taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Corporation reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxation authorities. Where the final outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made.

Income taxes are determined based on estimates of the Corporation's current income taxes and estimates of deferred income taxes resulting from temporary differences. Deferred tax assets are assessed to determine the likelihood that they will be realized from future taxable income before they expire.

Useful lives of plant and equipment

The Corporation estimates the useful lives of plant and equipment based on the period over which the assets are expected to be available for use. The estimated useful lives of plant and equipment are reviewed at each reporting date and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the relevant assets. In addition, the estimation of the useful lives of plant and equipment are based on internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in the estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of the plant and equipment would increase the recorded expenses and decrease the non-current assets. An increase in the estimated useful lives of the plant and equipment would decrease the recorded expenses and increase the non-current assets.

Share-based payment transactions

The Corporation measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining and making assumptions about the most appropriate inputs to the valuation model including the expected life, volatility and dividend yield of the share option.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or CGU exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. If there is no binding sale agreement or active market for an asset, fair value less costs to sell is based on the best information available to reflect the amount that an entity could obtain, at the end of the reporting period, from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Corporation is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes.

6. INVENTORIES

	November 30, 2013 $	November 30, 2012 $
Raw materials and spare parts	**2,825**	2,724
Work-in-progress	**2,454**	2,627
Finished goods	**2,795**	2,576
	8,074	7,927

The cost of inventories recognized as an expense during the year ended November 30, 2013 was $43,362 (2012 - $41,816). This amount included $1,310 during the year ended November 30, 2013 (2012 – $931) as cost of inventories written down due to obsolescence.

As at November 30, 2013, total inventory value of $8,074 (November 30, 2012 – $7,927) was pledged as security for the bank facility.

7. PLANT AND EQUIPMENT

	Machinery and equipment	Furniture and fixtures	Leasehold improvements	Total
	$	**$**	**$**	**$**
Cost				
November 30, 2012	**39,242**	**1,211**	**5,811**	**46,264**
Additions	**1,181**	**25**	**505**	**1,711**
Disposals	**(161)**	**-**	**-**	**(161)**
Write-offs	**(7,065)**	**(1,110)**	**(3,188)**	**(11,363)**
Foreign exchange impact	**445**	**13**	**96**	**554**
November 30, 2013	**33,642**	**139**	**3,224**	**37,005**
Accumulated depreciation				
November 30, 2012	**34,690**	**1,158**	**4,808**	**40,656**
Depreciation during the year	**1,504**	**15**	**277**	**1,796**
Disposals during the year	**(75)**	**-**	**-**	**(75)**
Write-offs	**(7,065)**	**(1,110)**	**(3,188)**	**(11,363)**
Foreign exchange impact	**338**	**11**	**55**	**404**
November 30, 2013	**29,392**	**74**	**1,952**	**31,418**
Net book value				
November 30, 2012	**4,552**	**53**	**1,003**	**5,608**
November 30, 2013	**4,250**	**65**	**1,272**	**5,587**

	Machinery and equipment	Furniture and fixtures	Leasehold improvements	Total
	$	$	$	$
Cost				
November 30, 2011	37,777	1,155	5,184	44,116
Additions	2,201	59	629	2,889
Disposals	(556)	-	(6)	(562)
Foreign exchange impact	(180)	(3)	4	(179)
November 30, 2012	39,242	1,211	5,811	46,264
Accumulated depreciation				
November 30, 2011	33,857	1,152	4,633	39,642
Depreciation during the year	1,484	10	202	1,696
Disposals during the year	(522)	-	(6)	(528)
Foreign exchange impact	(129)	(4)	(21)	(154)
November 30, 2012	34,690	1,158	4,808	40,656
Net book value				
November 30, 2011	3,920	3	551	4,474
November 30, 2012	4,552	53	1,003	5,608

Included in leasehold improvements as at November 30, 2013 are $54 (net of government grant of $75) (November 30, 2012 – $299 (net of government grant of $nil)) and included in machinery and equipment as at November 30, 2013 are $245 (November 30, 2012 – $176) of assets under construction which are not yet available for use. Accordingly, these assets are not being depreciated.

The corporation wrote-off gross assets of $11,363 which were fully amortized as at November 30, 2013 (2012 - $nil) relating to assets not physically present and no longer contributed to the cash flows. All of the Corporation's credit facilities with its primary lender are secured by a first charge on all of the Corporation's assets. The AMIS loan is secured and is subordinated to the security provided to the Corporation's primary lender.

8. GOODWILL

Goodwill is allocated to the Toronto Circuits CGU for the purpose of impairment testing, being the lowest business level at which goodwill is monitored for internal management purposes.

	November 30, 2013	November 30, 2012
	$	$
Opening balance	**1,039**	1,039
Impairment written-off	**(1,039)**	-
Closing balance	**-**	1,039

During the fourth quarter of 2013, the Corporation performed its annual impairment test of the goodwill. In conducting this test, it was determined that the carrying amount of the Toronto Circuits CGU exceeded the recoverable amount. Accordingly, the Corporation recorded an impairment of $1,039 for the year ended November 30, 2013.

The recoverable amount of the Toronto Ciruits CGU was determined on the basis of its value in use. The value of the unit was determined using a discounted cash flow methodology where estimated cash flows were projected to five years and assuming a terminal growth rate of 2.5% thereafter as at November 30, 2013 (November 30, 2012 – 4%).The projected cash flow has been updated to reflect a steady demand of products. The revenue growth rate of 2.5% as at November 30, 2013 (November 30, 2012 – 4%) was assumed over the period of projections with a stable gross margin percentage. Operating expenses considered necessary to support the expected growth were included and increased over the period of projections at an expected inflationary rate. Planned capital expenditures, also necessary to support expected growth, were incorporated.

A pre-tax discount rate in the range of 24.0% to 28.7% as at November 30, 2013 (November 30, 2012 – 24.0% to 28.7%) was used, which comprised a risk-free rate, equity risk premium, size premium and Corporation-specific risk premium. The risk-free rate, equity risk premium and size premium were based on data from external sources whereas the Corporation-specific risk premium was based on factors considered by management to be specific to the unit.

9. INTANGIBLE ASSETS

Intangible assets relate to the strategic customer relationships acquired and the cost of registering trademarks.

	Customer relationships	**Trademarks**	**Total**
	$	**$**	**$**
Cost			
November 30, 2012	**479**	**5**	**484**
Additions	**-**	**-**	**-**
November 30, 2013	**479**	**5**	**484**
Accumulated amortization			
November 30, 2012	**239**	**1**	**240**
Charge during the year	**48**	**-**	**48**
November 30, 2013	**287**	**1**	**288**
Net book value			
November 30, 2012	**240**	**4**	**244**
November 30, 2013	**192**	**4**	**196**

	Customer relationships	Trademarks	Total
	$	$	$
Cost			
November 30, 2011	479	5	484
Additions	-	-	-
November 30, 2012	479	5	484
Accumulated amortization			
November 30, 2011	191	-	191
Charge during the year	48	1	49
November 30, 2012	239	1	240
Net book value			
November 30, 2011	288	5	293
November 30, 2012	240	4	244

Customer relationships intangible assets have an unamortized remaining period of approximately four years as at November 30, 2013 (approximately five years as at November 30, 2012).

10. CUSTOMER DEPOSITS, NET OF DEFERRED DEVELOPMENT

As described in the tables below, the customer deposits net of deferred development as at November 30, 2013 included $708 received by the Corporation from a customer to be utilized towards deferred development in future periods (November 30, 2012 – $36), and $222 received by the Corporation from customers for orders not delivered (November 30, 2012 - $807).

Customer Deposits:	**November 30, 2013 $**	November 30, 2012 $
US $500 or Cdn. $505 advance received from a customer in May 2012 that represented a portion of the initial funding from the customer towards the design and development of control panel assemblies	**505**	505
US $1,376 or Cdn. $1,443 advance received from a customer in August 2013 towards additional funding for the program	**1,443**	-
Total	**1,948**	505
Offset with deferred development (see table below)	**(1,240)**	(469)
Customer deposits, net of deferred development	**708**	36
Deposits from customers for orders not delivered	**222**	807
	930	843

Deferred development:	**November 30, 2013 $**	November 30, 2012 $
Opening balance	**469**	-
Deferred development during the year	**771**	469
Total deferred development, closing balance	**1,240**	469
Offset with customer advance	**(1,240)**	(469)
Net balance	**-**	-

11. BANK INDEBTEDNESS AND LONG-TERM BANK DEBT

The Corporation entered into a new commercial lending facility with another financial institution in April 2012 which included the following terms:

- US $6,000 four-year committed operating facility ("Operating Facility") by way of a combination of current account overdraft, operating loan or BA subject to an overall maximum of US $6,000 or the Canadian dollar equivalent. *(Note 11.1)*
- US $6,000 four-year revolving loan ("Term Loan") to refinance existing plant and equipment up to US $6,000 and to finance capital expenditures on future equipment purchases up to 90% of the invoice cost. *(Note 11.2)*
- US $12,000 foreign exchange forward contracts for the purchase of contracts with a maximum aggregate face value of US $12,000 or the equivalent in major currencies with a maximum contract term of 12 months, available to hedge foreign currency exposure. The US $12,000 limit was increased to US $15,000 in 2013.
- US $1,000 precious metal forward contracts for the purchase of contracts with a maximum aggregate face value of US $1,000 or the equivalent in major currencies with a maximum contract term of 12 months, available to hedge risk on raw materials.
- $200 MasterCard limit to issue corporate business cards for employees.
- US $6,000 swap line for the utilization of interest rate swaps with a maximum aggregate face value of US $6,000, with a maximum term equal to the remaining term on the Term Loan.

The Operating Facility and the Term Loan are made available by way of prime rate / US Base Rate ("USBR") loans, BA rate loans or London Interbank Offered Rate ("LIBOR") loans plus an applicable margin. Applicable margins under the terms of the facility for prime rate / USBR loans are plus 125 to 150 basis points, BA rate loans are plus 250 to 275 basis points and LIBOR loans are plus 250 to 275 basis points.
BAs, foreign exchange forward contracts, precious metal forward contracts, and interest rate swaps shall be repayable at their respective maturity dates. In any event, all the advances under the lending facility still outstanding at the end of the four years from the closing date of April 2012, shall be repayable in full four years from the closing date of April 2012.
The financing charges for the new lending facility were $108, which consisted of commitment fees of $45 and legal fees of $63, and are being amortized over the term of the new facility of four years. The unamortized deferred financing charges of $64 as at November 30, 2013 (November 30, 2012 - $92) have been offset against long-term bank debt in the consolidated balance sheet.

11.1 Bank indebtedness

The Corporation utilized US $1,000 or Cdn. $1,062 of the Operating Facility as at November 30, 2013 (November 30, 2012 – US $1,000 or Cdn. $994). The lending facility is secured by a first charge on all assets of the Corporation.

The Corporation was in compliance with all of its loan covenants (Note 14.8) as at November 30, 2013.

11.2 Long term bank debt

Long-term bank debt consists of the following:	**November 31, 2013 $**	November 30, 2012 $
3.5 year US $500 Term Loan, amortized over 7 years, repayable in equal monthly payments of US $6 plus interest at banker's acceptances ("BA") rate plus 250 basis points and the balance fully repayable in April 2016. The Term Loan is secured by a first charge over all of the property and assets of the Corporation. Principal as at November 30, 2013 was US $429 or Cdn. $455 (November 30, 2012 – US $500 or Cdn. $497).	**455**	497
3.2 year US $700 Term Loan, amortized over 7 years, repayable in equal monthly payments of US $8 plus interest BA rate plus 250 basis points and the balance fully repayable in April 2016. The Term Loan is secured by a first charge over all of the property and assets of the Corporation. Principal as at November 30, 2013 was US $625 or Cdn. $664 (November 30, 2012 – nil).	**664**	-
2.9 year US $500 Term Loan, amortized over 7 years, repayable in equal monthly payments of US $6 plus interest at BA rate plus 250 basis points and the balance fully repayable in April 2016. The Term Loan is secured by a first charge over all of the property and assets of the Corporation. Principal as at November 30, 2013 was US $464 or Cdn. $493 (November 30, 2012 – nil).	**493**	**-**
2.6 year US $500 Term Loan, amortized over 7 years, repayable in equal monthly payments of US $6 plus interest at BA rate plus 250 basis points and the balance fully repayable in April 2016. The Term Loan is secured by a first charge over all of the property and assets of the Corporation. Principal as at November 30, 2013 was US $482 or Cdn. $512 (November 30, 2012 – nil).	**512**	-
	2,124	497
Less: deferred financing charges	**64**	92
	2,060	405
Less: current portion (amounts due within one year)	**307**	44
	1,753	361

The Corporation is subject to certain covenants (Note 14.8) with which it was in full compliance as at November 30, 2013 and November 30, 2012.

12. SUBORDINATED LOAN AND GOVERNMENT ASSISTANCE

The Corporation has entered into a non-revolving term loan agreement with the Government of Ontario, Ministry of Economic Development and Trade under the Advanced Manufacturing Investment Strategy ("AMIS") program. This agreement offers a term loan of up to $5,110 to assist the Corporation to undertake a range of projects that focus on upgrading its products, processes, waste reduction, energy conservation and job creation at its Toronto Circuits facility. These projects called for an agreed expenditure of up to $17,029 by the Corporation by November 30, 2013.

In the event that the actual expenditure is less than the amended agreed commitment as at the project completion date, the Corporation shall repay that part of the loan advanced based on the percentage of actual shortfall over the agreed commitment. As at November 30, 2013, there was a shortfall of $1,700 in the actual expenditure as compared to the agreed expenditure, as a result $510 had become payable of the loan advanced based on the percentage of actual shortfall over the agreed commitment, which has been classified as current portion of the subordinated loan on the consolidated balance sheet as at November 30, 2013. Subsequent to year end, the Corporation had received an extension of one year for meeting its agreed expenditure target and a draft amended agreement which is being finalized. Once finalized, the Corporation would not be required to repay the shortfall of the loan.

Interest on the outstanding loan principal amount shall accrue at the rate of 4.22% per annum starting on the first day following the five-year interest-free period, which ends August 31, 2015. To reflect the benefit of the interest-free period, the funds received during the year ended November 30, 2012 had been discounted to their estimated fair value upon receipt of proceeds using a discount rate of 8%, with the discount shown as government assistance. No funds were received during the year ended November 30, 2013. The discount is being amortized over the interest-free portion of the term of the loan using the effective interest rate method, with the amount credited to cost of sales.

Subordinated loan:	**November 30, 2013 $**	November 30, 2012 $
Subordinated loan, opening balance	**3,613**	2,444
Government assistance loans received	**-**	1,490
Less: interest-free discount accrued on proceeds received	**-**	(572)
Accretion of interest	**293**	251
	3,906	3,613
Less: current portion (amounts due within one year)	**510**	-
Subordinated loan, ending balance	**3,396**	3,613

Government assistance:	**November 30, 2013 $**	November 30, 2012 $
Government assistance, opening balance	**1,234**	1,065
Interest-free discount accrued on proceeds received	**-**	572
Deemed government assistance netted against cost of sales	**(448)**	(403)
Government assistance, ending balance	**786**	1,234

The Corporation has received the full amount under the loan agreement. The loan repayment shall commence in September 2016 in five equal annual instalments plus accrued interest; each instalment shall be based on the total loan extended during the incentive period, which ends on August 31, 2015.

Provided there is no event of default under this agreement, accrued interest due and payable within the incentive period could be fully or partially forgiven depending on the Corporation achieving the cumulative job creation target.

The loan is secured and is subordinated to the security provided to the Corporation's commercial bank. The Corporation has a financial covenant to maintain certain levels of accounts receivable, inventories and plant and equipment, at any time before the full repayment of the loan, to be no less than the outstanding portion of the loan. As at November 30, 2013, the Corporation was in compliance with this covenant.

13. PROVISIONS

	Years ended	
	November 30, 2013	November 30, 2012
	$	$
Opening balance (product warranties)	**244**	235
Arising during the year	**488**	168
Utilized during the year	**(120)**	(159)
Closing balance (product warranties)	**612**	244

Product warranties
A provision is recognised for expected warranty claims on products sold during the last two years, based on past experience of the level of repairs and returns. It is expected that most of these costs will be incurred in the next financial year and all will have been incurred within two years after the reporting date. Assumptions used to calculate the provision for warranties were based on current sales levels and current information available about returns based on the one to two year warranty period for all products sold.

14. SHARE CAPITAL

14.1 Authorized

Authorized share capital consists of an unlimited number of Common Shares with no par value and an unlimited number of Preferred Shares, issuable in series, with the attributes of each series to be fixed by the Board of Directors. Each Common and Preferred Share carries the right to one vote.

The Corporation has issued 17,803,201 Common Shares as at November 30, 2013 (November 30, 2012 – 17,803,201).

14.2 Preferred shares issued and outstanding

The Corporation has 1,775,000 voting convertible Series 1 Preferred Shares outstanding as at November 30, 2013 (November 30, 2012 – 1,775,000). These Series 1 Preferred Shares are convertible into Common Shares on a one-for-one basis at the option of the preferred shareholder. Holders of Series 1 Preferred Shares are entitled to a preference over holders of Common Shares in respect of any distribution of assets in connection with the liquidation, dissolution or winding up of the Corporation and shall be entitled to receive an amount equal to $2.50 per Series 1 Preferred Share before any amount is paid or any assets of the Corporation are distributed to the holders of Common Shares.

14.3 Common share options

The Corporation operates a stock option plan to encourage the ownership of Common Shares of the Corporation by certain directors, senior officers and employees and non-employees of the Corporation. Stock options granted by the Corporation during the year ended November 30, 2013 were 70,000 (2012 - 395,000). The number of shares reserved for issuance shall not exceed 1,780,320. Options are granted at the current market price and have a contractual term of six years.

November 30, 2013						
Number of shares	**Exercise price $**	**Vesting**	**Expiry date**	**Weighted-average remaining contractual life**	**Weighted-average exercise price $**	**Number exercisable**
236,000	**1.00**	**Vested**	**2014**	**0.3 years**	**1.00**	**236,000**
300,000	**0.42**	**Vested**	**2015**	**1.7 years**	**0.42**	**300,000**
558,000	**0.34**	**2/3 vested, 1/3 2014**	**2017**	**3.3 years**	**0.34**	**372,000**
300,000	**0.47**	**1/3 vested, 2/3 2014 to 2015**	**2018**	**4.3 years**	**0.47**	**100,000**
10,000	**0.55**	**1/3 vested, 2/3 2014 to 2015**	**2018**	**4.3 years**	**0.57**	**3,333**
40,000	**0.62**	**1/3 vested, 2/3 2014 to 2015**	**2018**	**4.8 years**	**0.62**	**13,333**
70,000	**0.53**	**2014 to 2016**	**2018**	**5.2 years**	**0.53**	**-**
1,514,000						**1,024,666**

November 30, 2012						
Number of shares	Exercise price $	Vesting	Expiry date	Weighted-average remaining contractual life	Weighted-average exercise price $	Number exercisable
105,000	1.35	Vested	2012-2013	0.2 years	1.35	105,000
236,000	1.00	Vested	2014	1.3 years	1.00	236,000
305,000	0.42	2/3 vested, 1/3 2012	2015	2.7 years	0.42	305,000
20,000	0.32	1/3 vested, 2/3 2012 to 2013	2016	3.9 years	0.32	13,334
573,000	0.34	1/3 vested, 2/3 2013 to 2014	2017	4.3 years	0.34	191,000
325,000	0.47	2013 to 2015	2018	5.3 years	0.47	-
10,000	0.59	2013 to 2015	2018	5.3 years	0.57	-
10,000	0.55	2013 to 2015	2018	5.3 years	0.57	-
40,000	0.62	2013 to 2015	2018	5.8 years	0.62	-
1,624,000						850,334

14.4 Contributed surplus

	Years ended	
	November 30, 2013 $	November 30, 2012 $
Balance, beginning of the year	**8,305**	8,249
Stock-based compensation	**42**	56
Balance, end of the year	**8,347**	8,305

14.5 (Loss) earnings per share

	Years ended	
	November 30, 2013	November 30, 2012
Numerator		
Net (loss) earnings	**$ (1,038)**	$ 928
Net (loss) attributable to non-controlling interests	**(40)**	-
Net (loss) earnings attributable to equity holders of FTG	**$ (998)**	$ 928
Numerator for basic (loss) earnings per share - net (loss) earnings applicable to Common Shares	**$ (998)**	$ 928
Numerator for diluted (loss) earnings per share - net (loss) earnings applicable to Common Shares	**$ (998)**	$ 928
Denominator		
Denominator for basic (loss) earnings per share - weighted average number of Common Shares outstanding	**17,803,201**	17,803,201
Effect of dilutive securities		
Preferred Shares	**-**	1,775,000
Stock options	**-**	242,378
Denominator for diluted earnings per share - weighted average number of Common Shares outstanding and assumed conversions	**17,803,201**	19,820,579
(Loss) earnings per share data attributable to the equity holders of FTG		
Basic (loss) earnings per share	**$ (0.06)**	$ 0.05
Diluted (loss) earnings per share	**$ (0.06)**	$ 0.05

The Corporation has 1,775,000 voting convertible Series 1 Preferred Shares outstanding. These convertible Series 1 Preferred Shares were not included in calculating diluted (loss) per share for the year ended November 30, 2013 as the Corporation had net loss but were included in calculating diluted earnings per share for the year ended November 30, 2012 as the Corporation had net earnings.

The Corporation has options outstanding in 2013 and 2012. These options were not included in the diluted loss per share calculations as they were anti-dilutive for the year ended November 30, 2013. These options were included in the diluted earnings per share calculation as they were not anti-dilutive for the year ended November 30, 2012.

14.6 Stock-based compensation to employees

The Corporation recognized stock-based compensation expense in the consolidated statement of (loss) earnings of $42 during the year ended November 30, 2013 (2012 – $56). Of this amount, $8 relates to options granted during the year ended November 30, 2013 (2012 – $35).

The Corporation determines the fair value of stock options on their grant date and records this amount as compensation expense over the period that the stock options vest, with a corresponding increase to contributed surplus. When these stock options are exercised, the Corporation records the amount of proceeds, together with the amount recorded in contributed surplus, in share capital.

The fair value of options granted is calculated using the Black-Scholes option pricing model. The weighted-average fair value per stock option granted during the year ended November 30, 2013 was $0.27 (2012 – $0.22).

The Black-Scholes option pricing model was developed for use in estimating the fair value of traded options which were fully transferable with no vesting restrictions. This option valuation model requires the input of highly subjective assumptions including the expected stock price volatility, expected lives of the options, expected dividends to be paid by the Corporation and risk-free interest rates. Because changes in the input assumptions can materially affect the fair value estimate, such value is subject to measurement uncertainty.

The Corporation determines the fair value of options granted using the Black-Scholes option pricing model. The weighted average fair value of the options granted during the year ended November 30, 2013 was $0.27 (2012 – $0.22). The following assumptions were used to determine the fair value of each of the following option grants on the date of grant:

	November 30, 2013	November 30, 2012
Fair value of options granted	**$ 0.27**	$ 0.22
Share price	**$ 0.53**	$ 0.49
Exercise price	**$ 0.53**	$ 0.49
Expected share price volatility	**55%**	55%
Option life in years	**6**	6
Expected period until exercise in years	**3**	3
Forfeiture rate	**14%**	14%
Expected dividend yield	**0%**	0%
Risk-free rate of return	**1.25%**	1.29%

The above assumption for expected volatility was determined purely on the basis of historical volatility.

14.7 New share unit plan adopted by the Corporation

In April 2013, the shareholders of the Corporation approved the new Share Unit Plan (the "Share Unit Plan").

The Corporation's current stock option plan (the "Option Plan") was last amended by shareholders of the Corporation in 2003. The Corporation cancelled the Option Plan and adopted the Share Unit Plan in order to modernize the Corporation's long-term incentive compensation structure. Notwithstanding the cancellation of the Option Plan, all outstanding options granted under the Stock Option Plan will remain outstanding and effective under the terms of the Stock Option Plan.

The Share Unit Plan provides that the Corporate Governance / Compensation Committee may, in its sole and absolute discretion, award grants of performance share units ("PSUs") and restricted share units ("RSUs" and referred together with PSUs, as "Share Units") to any individual employed by the Corporation or any of the Corporation's subsidiaries, partnerships, trusts or other controlled entities, (which individuals may include officers, employees and consultants of the Corporation) (the "Participants").

A PSU is a right granted to a Participant in accordance with the Share Unit Plan to receive a Common Share that generally becomes vested subject to the attainment of certain performance conditions (including financial, personal, operational or transaction based performance criteria as may be determined by the Corporate Governance / Compensation Committee) ("Performance Conditions") and satisfaction of such other conditions to vesting, if any, as may be determined by the Corporate Governance / Compensation Committee. An RSU is a right granted to a Participant in accordance with the Share Unit Plan to receive a Common Share that generally becomes vested following a period of continuous employment of the Participant with the Corporation.

The vesting period of any grant shall be not later than December 15 of the third year following the year in which the Participant performed the services to which the grant relates, unless otherwise determined by the Corporate Governance / Compensation Committee.

The maximum number of Common Shares that may be issued pursuant to the Share Unit Plan is 1,780,320. No one Participant may receive any grant which, together with all grants then held by such Participant, would permit such Participant to be issued a number of Common Shares that is greater than 5% of the total outstanding Common Shares. The number of Common Shares issued to insiders of the Corporation within any one year period, under all security based compensation arrangements of the Corporation, shall not exceed 10% of the total outstanding Common Shares.

No awards were granted during the year ended November 30, 2013.

14.8 Management of capital

The Corporation's objective in managing capital is to ensure sufficient liquidity to pursue its organic growth strategy and undertake selective acquisitions, while at the same time taking a conservative approach towards financial leverage and management of financial risk.

For the purpose of the Corporation's capital management, capital includes long term debt and shareholder's equity. The Corporation's primary uses of capital are to finance increases in non-cash working capital, capital expenditures and acquisitions. The Corporation currently funds these requirements from internally generated cash flows, cash, bank indebtedness and non-current liabilities. The Corporation's objectives when managing capital are to ensure that it will continue to have enough liquidity so it can provide services to the customers and returns to the shareholders.

The primary measure used by the Corporation to monitor its financial leverage is its ratio of net debt to total capital employed which it aims to maintain at a maximum of 0.3:1. Net debt and total capital employed, computed as at November 30, 2013 and November 30, 2012, are as follows:

	November 30, 2013 **$**	November 30, 2012 $
Long-term bank debt	**2,060**	405
Subordinated loan and Government assistance	**4,692**	4,847
Bank indebtedness	**1,062**	994
Less: cash	**(996)**	(1,446)
Net debt	**6,818**	4,800
Net debt	**6,818**	4,800
Total equity attributable to FTG's shareholders	**12,943**	14,015
Total capital employed	**19,761**	18,815
Net debt to total capital employed	**0.34:1**	0.26:1

The ratio of net debt to total capital employed increased to 0.34:1 mainly due to the operating losses for the year ended November 30, 2013.

The Corporation does not currently pay a dividend.

The Corporation's credit facilities as described in Note 11 are subject to certain covenants which it was in full compliance as at November 30, 2013 and November 30, 2012.

The Corporation's non-revolving term loan with the Government of Ontario, Ministry of Economic Development and Trade under the Advanced Manufacturing Investment Strategy program ("AMIS") is subject to a financial covenant to maintain certain levels of accounts receivable, inventories and plant and equipment, at any time before the full repayment of the loan, to be no less than the outstanding portion of the loan. As at November 30, 2013, the Corporation was in compliance with this covenant.

15. RESEARCH AND DEVELOPMENT COSTS AND RECOVERIES

Research and development costs include the cost of direct labour, materials and an allocation of overheads specifically incurred in activities regarding technical uncertainties in production processes, product upgrading and waste and energy reduction programs. The Corporation recorded $3,046 of research and development costs for the year ended November 30, 2013 (2012 – $2,823).

Recoveries of research and development costs for the year ended November 30, 2013 of $280 (2012 – $290) were from the Ontario Innovation Tax Credit.

16. INCOME TAXES

16.1 Deferred Income Taxes

The consolidated rate reconciliation is as follows:	**November 30, 2013**	November 30, 2012
Accounting income before tax	**(1,979)**	959
Statutory tax rate	**26.50%**	26.50%
	(524)	254
Change in benefits not recognized	**(1,055)**	154
Use of losses previously unrecognized	**-**	(421)
Permanent differences and differences between Canadian and foreign tax rates	**569**	13
Withholding tax	**56**	18
State income taxes	**13**	13
Tax (recovery) provision	**(941)**	31

The gross movement on the deferred income tax account is as follows:	**$**	$
Opening balance	**1,375**	1,375
Credited to earnings during the year	**1,010**	-
Closing balance	**2,385**	1,375

The movement in deferred income tax assets during the year ended November 30, 2013 is as follows:

	Balance as at December 1, 2012	**(Charged) credited to Earnings**	**Balance as at November 30, 2013**
	$	**$**	**$**
Deferred tax assets:			
Tax losses carried forward	**1,577**	**(199)**	**1,378**
SR&ED deductible expenditures	**4,290**	**652**	**4,942**
Tax attributes - R&D Credits	**480**	**(236)**	**244**
Other temporary differences	**164**	**351**	**515**
Ontario Harmonization Credit	**39**	**(39)**	**-**
Excess of unamortized intangibles for tax purposes over net book value	**306**	**(274)**	**32**
Excess of undepreciated capital cost for tax purposes over net book value of capital assets	**1,031**	**(300)**	**731**
Deferred tax assets not recognized	**(6,512)**	**1,055**	**(5,457)**
	1,375	**1,010**	**2,385**

The movement in deferred income tax assets during the year ended November 30, 2012 is as follows:

	Balance as at November 30, 2011	(Charged) credited to Earnings	Balance as at November 30, 2012
	$	$	$
Deferred tax assets:			
Tax losses carried forward	1,336	241	1,577
SR&ED deductible expenditures	3,633	657	4,290
Tax attributes - R&D Credits	489	(9)	480
Other temporary differences	447	(283)	164
Ontario Harmonization Credit	36	3	39
Excess of unamortized intangibles for tax purposes over net book value	111	195	306
Excess of undepreciated capital cost for tax purposes over net book value of plant and equipment	1,492	(461)	1,031
Deferred tax assets not recognized	(6,169)	(343)	(6,512)
	1,375	-	1,375

Deferred income tax assets are recognized for tax loss carry-forwards to the extent that the realization of the related tax benefit through future taxable profits is probable based on future estimated profits.

The deferred tax asset recognized in the accounts of $2,385 as at November 30, 2013 consists of non-capital losses of $1,654 and $731 related to the excess of undepreciated capital cost for tax purposes over net book value of plant and equipment. (The deferred tax asset recognized in the accounts of $1,375 as at November 30, 2012 comprised of non-capital losses of $1,336 and $39 related to the excess of undepreciated capital cost for tax purposes over net book value of plant and equipment.)

The Corporation has, as at November 30, 2013, Canadian gross non-capital loss carry-forwards of $nil (November 30, 2012 - $2,840).

The Corporation has, as at November 30, 2013, U.S. gross tax loss carry-forwards of approximately $2,919 (November 30, 2012 - $1,939, which are due to expire between 2029 and 2033. No deferred tax asset has been recorded in respect of these losses.

In addition, the Corporation has, as at November 30, 2013, SR&ED deductible expenditures of $18,650 (November 30, 2012 - $16,190), which do not expire.

The Corporation has, as at November 30, 2013, $5,243 (November 30, 2011 - $4,465) of Canadian investment tax credits which are due to expire between 2022 and 2033. The tax benefit of these investment tax credits has not been recognized.

The Corporation has, as at November 30, 2013, capital loss carry-forwards of approximately $14,145 (November 30, 2012 - $14,145), which do not expire. The capital losses can only be used to shelter income from capital gains. No deferred tax asset has been recorded in respect of these losses.

16.2 Income tax expense/(recovery)

	Years ended	
	November 30, 2013	November 30, 2012
	$	$
Income tax expense/(recovery):		
Current	**69**	31
Deferred	**(1,010)**	-
	(941)	31

Current income tax expense represents taxes paid by a U.S. subsidiary of $13 during the year ended November 30, 2013 (2012 - $13) and the remaining $56 (2012 - $18) are withholding taxes related to source deductions on remittances from FTG Aerospace Tianjin Inc. to the Corporation.

Deferred income tax recovery of $1,010 was recognised during the year ended November 30, 2013 (2012 - $nil).

17. CHANGES IN NON-CASH OPERATING WORKING CAPITAL

Changes in non-cash operating working capital comprise of the following:

	Years ended	
	November 30, 2013	November 31, 2012
	$	$
Accounts receivable	**(1,939)**	(684)
Taxes receivable	**(11)**	128
Inventories	**(127)**	46
Prepaid expenses	**(144)**	(133)
Customer deposits / unearned revenue	**87**	129
Accounts payable and accrued liabilities, and provisions	**1,109**	(1,115)
	(1,025)	(1,629)

18. FINANCIAL INSTRUMENTS

18.1 Fair value

The Corporation follows the requirements set out by the IASB in IFRS 7, *Financial Instruments: Disclosures*. The amounts set out in the following table represent the fair value of the Corporation's financial instruments. The valuation methods and assumptions are described below.

The estimated fair value amounts approximate the amounts at which financial instruments could be exchanged in a current transaction between willing parties who are under no compulsion to act. For financial instruments that lack an available trading market, the Corporation applies present value and valuation techniques that use observable or unobservable market inputs. Because of the estimation process and the need to use judgement, the aggregate fair value amounts should not be interpreted as being necessarily realizable in an immediate settlement of the instruments.

The Corporation uses the following hierarchy for determining and disclosing the fair value of financial instruments carried at fair value:

Level 1: Quoted (Unadjusted) Prices in Active Markets for Identical Assets or Liabilities: This level includes equity securities traded on the Toronto Stock Exchange and quoted corporate and government backed debt instruments. The Corporation did not have any Level 1 financial instruments carried at fair value as at November 30, 2013 and November 30, 2012.

Level 2: Valuation Techniques with Observable Parameters: This level includes loans, commitments, interest rate swaps and bond forwards and certain corporate debt instruments. The financial instruments held by the Corporation in this level included foreign exchange forward contracts.

Level 3: Valuation Techniques with Significant Unobservable Parameters: Instruments classified in this category have a parameter input or inputs that are unobservable and have more than insignificant impact on either the fair value of the instrument or the profit or loss of the instrument. The Corporation did not have any Level 3 financial instruments carried at fair value as at November 30, 2013 and November 30, 2012.

The methods and assumptions used to estimate the fair value of financial instruments are described as follows:

Cash, accounts receivable, taxes receivable, bank indebtedness, accounts payable and accrued liabilities, and customer deposits:

The Corporation determined that the fair value of its short-term financial assets and liabilities approximates their respective carrying value as at the consolidated balance sheet dates because of the short-term maturity of those instruments.

Long-term bank debt:

The fair value of the long-term bank debt bearing interest at variable rates approximates its carrying value as interest charges fluctuate with changes in the prime rate.

Subordinated loan and Government assistance:

The fair value of the Corporation's subordinated loan and Government assistance, calculated by discounting the expected future cash flows based on the current rates for debt with similar terms and maturities approximates its carrying value.

Foreign exchange forward contracts and gold forward contracts:

The fair value of the Corporation's foreign exchange / gold forward contracts (per details in Note 18.2) is based on the current market values of similar contracts with similar remaining durations as if the contract had been entered into on November 30, 2013. The forward current value (fair value) of these financial instruments as at November 30, 2013 had an unrealized loss of $405 (foreign exchange forward contracts - $327, and gold forward contracts - $78) included in other comprehensive (loss) income, and relates to derivatives designated as cash flow hedges.

18.2 Financial risks

Interest rate risk

Interest rate risk arises because of the fluctuation in interest rates. The Corporation's revolving credit facilities and the term loan are subject to rates varying with the lending institution's prime rates and are subject to cash flow risks.

The Corporation's interest rate and cash flow risks are primarily related to the Corporation's revolving credit facilities, for which amounts drawn are subject to varying rates at the time of borrowing. The interest rates on amounts currently drawn on the revolving facility and on any future borrowings will vary and are unpredictable. The Corporation monitors its exposure to interest rates and has not entered into any derivative contracts to mitigate this risk.

Based on the value of interest bearing financial instruments for the years ended November 30, 2013 and 2012, an assumed 50 basis points increase in interest rates during such period would have decreased earnings before income taxes by $60 and $26, respectively, with an equal but opposite effect for an assumed 50 basis points decrease in interest rates.

Currency risk

Currency risk arises because of fluctuations in exchange rates. The Corporation conducts a significant portion of its business activities in foreign currencies, primarily in U.S. dollars. The assets, liabilities, revenue and expenses that are denominated in foreign currencies will be affected by changes in the exchange rate between the Canadian dollar and these foreign currencies. A portion of the Corporation's long-term debt and most of the manufacturing materials are sourced in U.S. dollars, providing a natural economic hedge for a portion of the Corporation's currency exposure. The foreign exchange (gain) loss for the reporting years is set out in the table below:

	Years ended	
	November 30, 2013	November 30, 2012
	$	$
Realized (gain) loss relating to financial assets and liabilities, excluding foreign exchange forward contracts	**(75)**	508
Realized loss (gain) relating to forward exchange foreign contracts	**48**	(154)
Unrealized (gain) relating to foreign exchange forward contracts not designated as cash flow hedges, including changes in fair value of open positions	**-**	(19)
Foreign exchange (gain) loss	**(27)**	335

The foreign exchange exposure for the reporting periods, covering the year-end balances of financial assets during the years presented that were denominated in US dollars, is set out in the table below:

			November 30, 2013	November 30, 2012
	Canadian and other operations	**US operations**	**Consolidated financial statements**	Consolidated financial statements
(In thousands of US dollars)	**$**	**$**	**$**	$
Cash	**665**	**211**	**876**	925
Accounts receivable	**6,277**	**3,639**	**9,916**	9,420
Accounts payable and accrued liabilities	**(1,404)**	**(1,335)**	**(2,739)**	(3,345)
Total bank borrowings	**(3,000)**	**-**	**(3,000)**	(1,500)
Balance sheet exposure, excluding financial derivatives	**2,538**	**2,515**	**5,053**	5,500
Reporting date US$:Cdn.$ exchange rate			**1.0620**	0.9936

	Years ended			
	November 30, 2013			November 30, 2012
	Canadian and other operations	**US operations**	**Total**	Total
	$	**$**	**$**	$
Net sales	**33,185**	**13,661**	**46,846**	48,236
Operating expenses	**(10,730)**	**(14,763)**	**(25,493)**	(23,108)
Net exposure	**22,455**	**(1,102)**	**21,353**	25,128

With all variables remaining constant, assuming a 5% strengthening of the Canadian dollar versus the U.S. dollar, net loss before tax for the year ended November 30, 2013 and November 30, 2012 would increase as follows in the tables below. An assumed 5% weakening of the Canadian dollar versus the U.S. dollar would have had an equal but opposite effect on the amounts shown below.

	Years ended			
	November 30, 2013			November 30, 2012
Source of net loss variability from changes in foreign exchange rates	**Canadian and other operations**	**US operations**	**Total**	Total
	$	**$**	**$**	$
Balance sheet exposure, excluding financial derivatives	**(127)**	**(126)**	**(253)**	(282)
Net sales and operating expenses (net exposure)	**(1,123)**	**55**	**(1,068)**	(1,256)
Increase in net loss before tax	**(1,250)**	**(71)**	**(1,321)**	(1,538)

The Corporation had some exposure to the Chinese Renminbi ("RMB") arising from its Circuits and Aerospace facilities in the People's Republic of China. Total exposure as at November 30, 2013 was RMB 918,444 or Cdn. $160 (November 30, 2012 – RMB 402,676 or Cdn. $64).

Derivative Financial Instruments and Hedge Accounting

Foreign exchange forward contracts are transacted with a financial institution to hedge part of a foreign currency denominated anticipated sale of products. The following table summarizes the Corporation's outstanding commitments to buy and sell foreign currency under foreign exchange forward contracts, all of which have a maturity date of less than one year as at November 30, 2013 and November 30, 2012:

Currency sold	Currency bought	Notional value	Forward value at transaction date	Forward current value	Unrealised (loss) gain
November 30, 2013					
US dollars	**Canadian dollars**	**$14,950**	**$15,612**	**$15,939**	**($327)**
November 30, 2012					
US dollars	Canadian dollars	$5,900	$5,891	$5,872	$19

As at November 30, 2013, the foreign exchange forward contracts (contracts to sell foreign currency) are designated as cash flow hedges and have an unrealized loss of $327 (forward current value (fair value) of $15,939 as compared to the forward value at transaction date of $15,612), all of which is recognized in other comprehensive (loss) income and accounts payable and accrued liabilities. This unrealized loss in other comprehensive (loss) income is expected to be reclassified to the consolidated statements of (loss) earnings over the next twelve months when the sales are recorded.

During the period ended November 30, 2012, the Corporation did not apply hedge accounting to any of the foreign exchange forward contracts. As at November 30, 2012, the unrealized gain of $19, (forward current value (fair value) of $5,872 as compared to the forward value at transaction date of $5,891) was recorded in the consolidated statements of (loss) earnings and prepaids.

As at November 30, 2013, in addition to the above, the Corporation also had outstanding commitments to buy 300 ounces of gold under gold forward contracts at a contract price of approximately $1.5 per ounce with 100 ounces expiring bi-monthly from December 2013 (November 30, 2012 – nil). These gold forward contracts qualify for hedge accounting. The table below summarizes the outstanding commitments under these gold forward contracts, all of which have a maturity date of less than one year:

Period ended	Nature of contract	Quantity	Forward value at transaction date	Forward current value	Unrealised (loss)
November 30, 2013	**Gold forward contracts**	**300 ounces**	**$478**	**$400**	**($78)**
November 30, 2012	Gold forward contracts	-	-	-	

As at November 30, 2013, the gold forward contracts are designated as cash flow hedges and have an unrealized loss of $78 (forward current value (fair value) of $400 as compared to the forward value at transaction date of $478), all of which is recognized in other comprehensive (loss) income and accounts payable and accrued liabilities. This unrealized loss in other comprehensive (loss) income is expected to be reclassified to the consolidated statements of (loss) earnings over the next twelve months when the costs of sales are recorded.

The terms of the foreign currency and gold forward contracts match the terms of the expected highly probable forecast transactions. As a result, no hedge ineffectiveness arises requiring recognition through earnings or loss. The amounts retained in other comprehensive (loss) income at November 30, 2013 are expected to mature and affect the consolidated statement of earnings or loss in 2014.

Credit risk

For the year ended November 30, 2013, the Corporation recorded bad debts expense of $138 (year ended November 30, 2012 – $8) against trade receivable in selling, general and administrative expenses in the consolidated statements of (loss) earnings.

Credit risk arises from the potential that the counterparty will fail to fulfil its obligations. The Corporation is exposed to credit risk from its customers. However, the Corporation has a significant number of customers, which minimizes concentration of credit risk, and the majority of the Corporation's customers are large, multi-national, stable organizations. The Corporation's largest and second largest customer accounted for 14% and 11% of sales (2012 – 14% and 9%), respectively, during the year ended November 30, 2013. The Corporation may also have credit risk relating to cash and foreign exchange forward contracts, which it manages by dealing with its current bank, a major financial institution that the Corporation anticipates will satisfy its obligations under the contracts.

Historically, losses under trade receivables have been insignificant. To minimize the risk of loss from trade receivables, extension of credit terms to customers requires review and approval by senior management even though the customers have generally been dealing with the Corporation for several years, and the losses have been historically minimal.

Although the Corporation's credit control processes have been effective in mitigating credit risk, these controls cannot eliminate credit risk and there can be no assurance that these controls will continue to be effective or that the Corporation's low credit loss experience will continue. Most sales are invoiced with payment terms in the range of 30 to 90 days in accordance with industry practice. Customers do not provide collateral in exchange for credit. The Corporation reviews its trade receivable accounts regularly and writes these accounts down to their expected realizable values by making an allowance for doubtful accounts, as soon as the account is determined not to be fully collectible. The allowance is charged against earnings. Shortfalls in collections are applied against this provision. Estimates for allowance for doubtful accounts are determined by a customer-by-customer evaluation of collectability at each consolidated balance sheet reporting date, taking into account the amounts that are past due and any available relevant information on the customers' liquidity and going concern problems.

The Corporation's exposure to credit risk for trade receivables as at November 30, 2013 and November 30, 2012 was as follows:

	November 30, 2013 $	November 30, 2012 $
By geographical area:		
Canada	**2,462**	1,703
United States	**8,400**	7,363
Asia	**894**	1,073
Europe	**411**	133
Trade receivables	**12,167**	10,272
Allowance for doubtful accounts ("AFDA")	**(217)**	(195)
Trade receivables, net of AFDA	**11,950**	10,077
Aging by due dates:		
Not past due	**10,137**	7,710
Past due 1 to 30 days	**1,326**	1,434
Past due 31 to 120 days	**652**	734
Past due 121 to 180 days	**4**	245
Past due over 181 days	**48**	149
Trade receivables	**12,167**	10,272
AFDA	**(217)**	(195)
Trade receivables, net of AFDA	**11,950**	10,077

The movements in the AFDA were as follows:

	November 30, 2013 $	November 30, 2012 $
Opening balance	**195**	407
Provision expensed during the period	**138**	8
Doubtful accounts written off	**(116)**	(220)
Closing balance	**217**	195

Accounts receivable of $12,275 as at November 30, 2013 include trade receivables of $11,950 and other receivable of $325. Accounts receivable of $10,276 as at November 30, 2012 include trade receivables of $10,077 and other receivable of $199.

Liquidity risk

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they come due. The Corporation manages liquidity risk through the management of its capital structure and financial leverage, as outlined in Note 14.8. It also manages liquidity risk by continuously monitoring actual and projected cash flows, taking into account sales, receipts, expenditures and matching the maturity profile of financial assets and liabilities. The Board of Directors review and approve the Corporation's operating and capital budgets, as well as any material transactions out of the ordinary course of business, including proposals on mergers, acquisitions or other major investments or divestitures. The Corporation currently finances its operations through internally generated cash flows and the use of its credit facility.

The following is the summary of contractual maturities of financial liabilities and obligations, excluding future interest payments but including interest, accrued to November 30, 2013 and November 30, 2012:

					November 30, 2013	November 30, 2012
	Less than 1 year $	**1 to 2 years $**	**2 to 5 years $**	**More than 5 years $**	**Carrying amount $**	Carrying amount $
Long-term bank debt *(Note 11.2)*	**334**	**334**	**1,456**	**-**	**2,124**	497
Subordinated loan and Government assistance *(Note 12)*	**510**	**-**	**2,509**	**1,673**	**4,692**	4,847
Bank indebtedness *(Note 11.1)*	**1,062**	**-**	**-**	**-**	**1,062**	994
Accounts payable and accrued liabilities, and provisions	**8,639**	**-**	**-**	**-**	**8,639**	7,493
Customer deposits, net of deferred development *(Note 10)*	**930**	**-**	**-**	**-**	**930**	843
Foreign exchange forward contracts cash settlement *(Note 18)*	**15,612**	**-**	**-**	**-**	**15,612**	5,891
Gold forward contracts cash settlement *(Note 18)*	**478**	**-**	**-**	**-**	**478**	-
Operating leases *(Note 20.1)*	**1,038**	**547**	**860**	**-**	**2,445**	3,323
	28,603	**881**	**4,825**	**1,673**	**35,982**	23,888

Financial liabilities and obligations relating to future interest payments for less than 1 year, 1 to 2 years, 2 to 5 years and more than 5 years related to long-term bank debt are $49, $41, $12 and nil, respectively and related to subordinated loan and Government assistance are nil, nil, $524 and $134, respectively.

19. RELATED PARTY TRANSACTIONS

19.1 Advances due to/from related parties

There were no related party transactions during the years ended November 30, 2013 and 2012.

19.2 Compensation of directors and key management personnel

The remuneration of directors and other members of key management personnel (which include the Chief Executive Officer, Chief Financial Officer and the Corporation's other three most highly compensated Executive Officers) were as follows:

	Years ended	
	November 30, 2013	November 30, 2012
	$	$
Short-term remuneration benefits	**1,264**	1,295
Stock-based payment benefits	**27**	32
	1,291	1,327

19.3 Key management personnel and director shareholdings

Key management and directors of the Corporation control 6.4% (2012 – 6.3%) of the voting shares of the Corporation.

20. COMMITMENTS AND CONTINGENCIES

20.1 Lease commitments

The Corporation has entered into commercial leases for plant, office premises, leased automobiles and office and maintenance equipment. Future minimum lease payments under non-cancellable operating leases are as follows:

	Amount
	$
2014	**1,038**
2015	**547**
2016	**470**
2017	**390**
Thereafter	**-**
	2,445

Lease payments recognized as an expense in the consolidated statements of earnings for the years ended November 30, 2013 and November 30, 2012 amounted to $1,122 and $1,056, respectively.

20.2 Contingencies

During the second quarter of 2012, a settlement was agreed to between the Corporation and two plaintiffs (Emmanuel Tannenbaum and June Realty Ltd.) who had commenced a legal claim against the Corporation in 2006, seeking damages for an alleged migration of chemicals onto their land from the Corporation's former Toronto factory. The settlement also included the current owner of the subject lands and the bankrupt estate of Glendale International Corp., another former owner of the subject lands. The contribution of the Corporation to this settlement will not have a material effect on its financial situation. Certain conditions of the settlement agreement are in the process of being completed at which time the claim is expected to be dismissed and the Corporation should receive a final release.

21. SEGMENTED INFORMATION

Management has determined the operating segments based on the information regularly reviewed for the purposes of decision making, allocating resources and assessing performance by the Corporation's chief operating decision makers. The Corporation evaluates the financial performance of its operating segments primarily based on (loss) earnings before interest and income taxes.

The Corporation operates in two operating segments which operate within the Global marketplace, FTG Circuits ("Circuits") and FTG Aerospace ("Aerospace"). Circuits is a leading manufacturer of high technology/high reliability printed circuit boards. Aerospace designs and manufactures illuminated cockpit panels, keyboard, bezels and sub-assemblies for original equipment manufacturers of avionic products and airframe manufacturers. Circuits and Aerospace financial information is shown below:

	Year ended November 30, 2013			
	Circuits	**Aerospace**	**Corporate Office**	**Total**
	$	**$**	**$**	**$**
Sales	**40,329**	**20,370**	**-**	**60,699**
Inter-company sales	**(2,601)**	**(2,100)**	**-**	**(4,701)**
Net sales	**37,728**	**18,270**	**-**	**55,998**
Cost of sales and selling, general and administrative expenses	**32,621**	**16,271**	**2,769**	**51,661**
Research and development costs	**2,532**	**514**	**-**	**3,046**
Recovery of research and development costs	**(185)**	**(95)**	**-**	**(280)**
Depreciation of plant and equipment	**1,350**	**446**	**-**	**1,796**
Amortization of intangible assets	**48**	**-**	**-**	**48**
Impairment of goodwill	**1,039**	**-**	**-**	**1,039**
Severance and restructuring expenses	**124**	**175**	**-**	**299**
Foreign exchange loss (gain) on conversion of balance sheet assets and liabilities	**24**	**(51)**	**-**	**(27)**
Earnings (loss) before interest and income taxes	**175**	**1,010**	**(2,769)**	**(1,584)**
Interest expense on long-term and short-term debt	**-**	**-**	**395**	**395**
Deferred income tax recovery	**-**	**-**	**(1,010)**	**(1,010)**
Income tax expense	**-**	**-**	**69**	**69**
Net earnings (loss)	**175**	**1,010**	**(2,223)**	**(1,038)**

	Year ended November 30, 2012			
	Circuits	Aerospace	Corporate Office	Total
	$	$	$	$
Sales	41,424	16,504	-	57,928
Inter-intercompany sales	(1,185)	(1,097)	-	(2,282)
Net sales	40,239	15,407	-	55,646
Cost of sales and selling, general and administrative expenses	32,863	14,357	2,452	49,672
Research and development costs	2,356	467	-	2,823
Recovery of research and development costs	(271)	(19)	-	(290)
Depreciation of plant and equipment	1,472	224	-	1,696
Amortization of intangible assets	49	-	-	49
Severance expenses	20	34	-	54
Foreign exchange loss (gain) on conversion of balance sheet assets and liabilities	361	(26)	-	335
Earnings (loss) before interest and income taxes	3,389	370	(2,452)	1,307
Interest expense on long-term and short-term debt	-	-	348	348
Income tax expense	-	-	31	31
Net earnings (loss)	3,389	370	(2,831)	928

Aerospace segment results for the year ended November 30, 2013 and November 30, 2012 include the operating losses of $1,562 and $1,062, respectively for two new aerospace facilities in Chatsworth, California and Tianjin, China which started operations in 2012.

	November 30, 2013			November 30, 2012		
	Circuits	**Aerospace**	**Total**	Circuits	Aerospace	Total
	$	**$**	**$**	$	$	$
Segment assets	**21,325**	**9,001**	**30,326**	21,145	7,452	28,597
Goodwill	**-**	**-**	**-**	1,039	-	1,039
Intangible assets	**192**	**4**	**196**	240	4	244
Additions to plant and equipment	**817**	**894**	**1,711**	1,686	1,203	2,889
Total liabilities	**14,053**	**3,330**	**17,383**	12,114	2,468	14,582

The following tables detail the financial information of the Corporation by geographic location:

	Canada	**United States**	**Asia**	**Europe**	**Other**	**Total**
	$	**$**	**$**	**$**	**$**	**$**
Year ended November 30, 2013:						
Net sales (by location of customer)	**11,557**	**36,913**	**4,350**	**3,162**	**16**	**55,998**
Year ended November 30, 2012:						
Net sales (by location of customer)	10,060	37,990	5,940	1,629	27	55,646

	November 30, 2013					
	Canada	**United States**	**Asia**	**Europe**	**Other**	**Total**
	$	**$**	**$**	**$**	**$**	**$**
Goodwill (by location of division)	**-**	**-**	**-**	**-**	**-**	**-**
Intangible assets (by location of division)	**192**	**-**	**4**	**-**	**-**	**196**
Plant and equipment (by location of division)	**3,470**	**1,539**	**578**	**-**	**-**	**5,587**

	November 30, 2012					
	Canada	United States	Asia	Europe	Other	Total
	$	$	$	$	$	$
Goodwill (by location of division)	1,039	-	-	-	-	1,039
Intangible assets (by location of division)	240	-	4	-	-	244
Plant and equipment (by location of division)	3,872	1,304	432	-	-	5,608

In 2013, there was one customer in the United States that accounted for $7,769 of net sales (of which 59% was in Circuits and the remaining 41% in the Aerospace segment) or approximately 14% of the total net sales. In 2012, there was one customer in the United States that accounted for $7,530 of net sales (of which 53% was in Circuits and the remaining 47% in the Aerospace segment) or approximately 12% of the total net sales during the year ended November 30, 2012.

22. Employee compensation

Employee compensation expenses are included in cost of sales and selling, general and administrative expenses in the consolidated statements of earnings:

	Years ended	
	November 30, 2013 $	November 30, 2012 $
Wages, salaries and related benefits	**24,495**	23,157
	24,495	23,157

23. NON-CONTROLLING INTERESTS

	Total $
At December 1, 2012	**-**
Cash contributed	**88**
Share of loss	**(40)**
At November 30, 2013	**48**

CORPORATE DIRECTORY

DIRECTORS

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Executive Officer
Oakwest Corporation Limited

Bradley C. Bourne
President and Chief Executive Officer
Firan Technology Group Corporation

Edward C. Hanna
Corporate Director

Ray G. Harris
Chairman, Firan Technology Group Corporation and Corporate Consultant

David F. Masotti
Corporate Director and Business Consultant

David J. McLeish
Investment Advisor
PI Financial Corp.

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Bradley C. Bourne
President and Chief Executive Officer
Firan Technology Group Corporation

Joseph R. Ricci
Vice-President, Chief Financial Officer and Secretary
Firan Technology Group Corporation

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STOCK LISTING

The Corporation's shares are traded on the Toronto Stock Exchange under the symbol FTG

ANNUAL GENERAL MEETING

All shareholders and other interested parties are cordially invited to attend the Annual General Meeting of Shareholders on:

April 23, 2014, 10:30am (Toronto Time)
at the Toronto Board of Trade
77 Adelaide St. W., First Canadian Place, 3rd Floor
Ketchum / Osgoode Room
Toronto, Ontario

Partners in Performance

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