FIRAN TECHNOLOGY GROUP CORPORATION

2014 AUDITED ANNUAL REPORT

CEO Message

In 2014, FTG saw positive results from many of the strategies and investments we have undertaken in previous years. We also benefitted from some external factors, such as the weakening of the Canadian dollar that increases our competitiveness against US and other suppliers. I believe we have 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. In 2014, we saw benefits from this strategy. In our printed circuit board business where we have FTG Circuits – Toronto, FTG Circuits – Chatsworth and FTG Printronics Circuit Ltd, our joint venture in China, many of our customers now look at FTG as an important part of their global sourcing plans and this has led to huge growth in the business. In our cockpit product business where we have FTG Aerospace – Toronto, FTG Aerospace – Chatsworth and FTG Aerospace – Tianjin, we have seen similar positive reactions from customers and again this is leading to increased opportunities. 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, reducing our exposure to the ever changing value of the Canadian dollar, and becoming a more strategic supplier to many of our customers. We are becoming a truly global company with revenues coming from all geographic regions of the world.

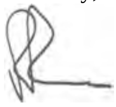
In 2014, as we ramped up activity in our new facilities, particularly in Aerospace Tianjin and Aerospace Chatsworth, the “start-up” costs for these facilities began to diminish and so did this drag on our earnings. In our fourth quarter, we had our first month ever where all six FTG sites were profitable. While this is not yet achievable every month, it is the objective we are striving towards.

During 2014, FTG invested $1.7M in capital expenditures, $1.0M in deferred development and $3.8M in research and development. The capital investments included advanced drilling and other equipment in our Circuits business and improved engineering tools and test equipment in our Aerospace business. The deferred development relates to our development effort for Control Panel Assemblies for the Chinese C919 program. The R&D is for both the Circuits and Aerospace business enabling FTG to offer solutions required by our customers for improved performance on new programs.

Again in 2014 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. 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 2014, the aerospace facility in Tianjin had shipped to 11 customers, and the Chatsworth facility to 27 customer sites, with both facilities having more approvals in progress. In our circuit board Joint Venture in China, we had shipped product to 9 customer sites by year end.

A key element of FTG’s strategy is our focus on Operational Excellence. We performed well across the company in 2014, with our biggest challenge being how to maintain our on time delivery performance in the face of rapidly growing demand. 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

February 2, 2015

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, 2014 (fiscal 2014) is as of February 2, 2015 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 2014 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 dated February 2, 2015, 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. Management believes the gross margin measure is important to many of the Corporation's shareholders, creditors and other stakeholders.

The risks, uncertainties and other factors that could influence actual results are described in this MD&A based on information available as of February 2, 2015 and the Corporation's Annual Information Form (including documents incorporated by reference) dated February 2, 2015 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 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, 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 2014, 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)

	Q1-13	Q2-13	Q3-13	Q4-13	Q1-14	Q2-14	Q3-14	**Q4-14**
	International Financial Reporting Standards							
Circuit Segment Sales	$8,884	$9,116	$8,775	$10,953	$10,453	$11,896	$10,634	**$12,072**
Aerospace Segment Sales	4,131	5,122	4,544	4,473	3,536	3,506	4,184	**4,418**
Total Net Sales	13,015	14,238	13,319	15,426	13,989	15,402	14,818	**16,490**
Net (Loss) Earnings	(691)	47	(551)	197	145	640	219	**1,189**
Net (Loss) Earnings per share - Basic	($0.04)	$0.00	($0.03)	$0.01	$0.01	$0.04	$0.01	**$0.06**
- Diluted	($0.04)	$0.00	($0.03)	$0.01	$0.01	$0.03	$0.01	**$0.06**
Quarterly Average U.S.$ Exchange Rates	$0.9962	$1.0211	$1.0375	$1.0392	$1.0861	$1.1002	$1.0819	**$1.1172**

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 its Canadian operations. The weakness in the Canadian dollar has positively impacted the operating results during the four quarters of fiscal 2014.

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 customers in the circuits segment.

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 2014 FISCAL YEAR
(thousands of dollars except per share amounts)

	2014	2013
Sales	**$ 60,699**	$ 55,998
Net earnings (loss)	**2,193**	(998)
Common and preferred shares, in aggregate (in thousands)	**19,578**	19,578
Net earnings (loss) per share – basic	**$0.12**	($0.06)
Net earnings (loss) per share –diluted	**$0.11**	($0.06)
Total assets	**33,107**	30,326
Total debt, net of cash	**$ 5,400**	$ 6,818

Consolidated Net Sales

The following table compares net sales by reportable segment for fiscal 2014 and fiscal 2013.

	Year-to-Date	
	2014	2013
Circuits	**$ 45,055**	$ 37,728
Aerospace	**15,644**	18,270
Net sales	**$ 60,699**	$ 55,998

Net sales for 2014 were $60,699, an increase of $4,701 or 8.4% from last year. The weakness in the Canadian dollar in combination with increase in product shipments contributed to the year over year increase in sales.

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

	2014	**%**	2013	%
Canada	**$ 8,956**	**14.8**	$ 11,557	20.6
United States	**40,839**	**67.3**	36,913	65.9
Asia	**6,431**	**10.6**	4,350	7.8
Europe	**4,467**	**7.3**	3,162	5.7
Other	**6**	**0.0**	16	0.0
Total	**$ 60,699**	**100.0**	$ 55,998	100.0

Net sales in Canada are down by $2,601 or 22.5% for 2014 as compared to last year as a result of decreased production rates at a key customer. Net sales in the United States are up by $3,926 or 10.6% for 2014 as compared to last year as a result of increased production rates at several key customers. Net sales to Asia increased by $2,081 or 47.8% for 2014 as compared to last year as a result of increased production rates at some key customers. Net sales to Europe increased by $1,305 or 41.3% for 2014 as compared to last year.

The Corporation's top five customers represent 49.9% of net sales for 2014 as compared to 46.1% for 2013. The Corporation's two largest customers accounted for 15.0% (13.9% in 2013) and 14.4% (10.8% in 2013) 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 2014 were $45,055, which were higher by $7,327 or 19.4% over last year. The increase came from the positive impact of the weakness in the Canadian dollar in combination with the increase in product shipments to several key customers.
Sales activity was higher, year over year in all three operating facilities within this segment during 2014.

Net sales to the top five customers represented 53.3% of the FTG Circuits net segment sales for 2014 verses 45.0% for 2013.

FTG Aerospace Segment

Net sales for the FTG Aerospace segment for 2014 were $15,644, a decrease of $2,626 or 14.4% over last year. The net sales decrease was as a result of decreases in commercial and military assemblies by $3,748 primarily due to the completion of a large military simulator program offset by increase in commercial panels and keyboards and other sales categories of $1,122. Sales activity in our two new aerospace sites (Tianjin, China and Chatsworth, California) for 2014 continues to exceed sales activity over the last year. FTG Aerospace Tianjin facility shipped over 15,000 cockpit products to several customers since its inception.

Net sales to the top five customers represented 65.3% of net sales for 2014 verses 69.2% for 2013.

Gross Margin

Gross margin on a consolidated basis increased by $3,790 or 33.3% for 2014 to $15,186 or 25.0% of net sales compared to $11,396 or 20.4% of net sales for 2013. The Circuits segment accounted for $4,763 of the gross margin increase which was offset by gross margin decrease of $973 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 increases in the underlying activity and the impact of the weakness in the Canadian dollar resulted in a higher gross margin for 2014.

The Aerospace segment gross margin decreased in 2014 as compared to 2013 mainly due to the completion of a large simulator program in our Toronto facility in 2013. This segment also benefited from the impact of the weakness in the Canadian dollar 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 by $683 or 7.8% for 2014 to $9,430 or 15.5% of net sales as compared to $8,747 or 15.6% of net sales for 2013. SG&A expenses increased mainly due to bonus expense accruals for 2014 as compared to the 2013 as a result of improved operational performance.

Research and Development Costs

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

R&D costs for 2014 were $3,777 or 6.2% of net sales as compared to $3,046 or 5.4% of net sales for 2013. In addition, the Corporation capitalized $967 of product development costs related to the development of the C919 cockpit assemblies during 2014 (2013 - $771).

Recovery of Research and Development Costs

Recoveries of research and development costs for 2014 were $418 (2013 – $280) which included $280 (2013 – $280) from the Ontario Innovation Tax Credit and the remaining $138 (2013 – $nil) as contributions from Industrial Research Assistance Program ("IRAP") for product development.

The IRAP participation supports the design and development of a new common controller for aircraft cockpit control panels. The Corporation entered into an agreement under IRAP in September, 2014 under which the Corporation is to receive contribution of up to $350 and required to complete the project by March, 2015. As at November 30, 2014, $138 was recoverable under the agreement which has been included in accounts receivable on the consolidated balance sheets and recoveries of research and development costs in the consolidated statement of earnings (loss).

Depreciation of Plant and Equipment

Depreciation of plant and equipment for 2014 was $1,766 compared to $1,796 for 2013.

Interest Costs

Interest costs for 2014 were $393 as compared to $395 for 2013.

Non-cash interest costs charged to the consolidated statements of earnings (loss) were $313 for 2014 versus $293 for 2013. 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 2014 were $nil as compared to $299 for 2013 as the Corporation adjusted its levels of employment and centralized certain functions at its Toronto sites during last year.

Foreign Exchange Gain

The foreign exchange gain for 2014 was $610 compared to $27 for 2013.

The foreign exchange gain of $610 for 2014 was mainly as a result of gain on the re-valuation of the U.S. dollar assets and liabilities on the respective balance sheets of $554 and net realized gain of $56 on foreign exchange forward contracts. The foreign exchange gain of $27 for 2013 was 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.

In addition, net realized loss of $763 on foreign exchange forward contracts designed as cash flow hedges was offset against sales during the year ended November 30, 2014 (2013 - $256).

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 wrote off the goodwill balance of $1,039 by recording 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, 2014 for further details.

Income Tax Expense / (Recovery)

In 2014, the current income tax expense of $48 (2013 - $69) included withholding taxes of $40 (2013 - $56) related to source deductions on remittances from FTG Aerospace Tianjin Inc. to the Corporation and the remaining $8 (2013 - $13) related to taxes for a U.S. subsidiary during the year ended November 30, 2014.

In 2014, the Corporation recoded a deferred income tax expense of $240 related to the Corporation's tax expense for the year ended November 30, 2014 which was offset against the deferred tax asset. 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. 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.

The Corporation's tax expense is calculated by using the rates applicable in each of the tax jurisdictions that the Corporation operates in. The effective tax rate on Canadian earnings for the year ended November 30, 2014 was 25% (2013: 25%) which was based on projected annualized Manufacturing and Processing ("M &P") rates.

Net Earnings (Loss)

The net earnings for 2014 was $2,158 which included net earnings of $2,193 attributable to equity holders of FTG offset by net loss of $35 relating to non-controlling interests. The net earnings for 2014 attributable to equity holders of FTG translated into basic earnings per share of $0.12 and diluted earnings per share of $0.11.

The net loss for 2013 was ($1,038) which included a net loss of ($998) attributable to equity holders of FTG and the remaining net loss of ($40) relating to non-controlling interests. The net loss for 2013 attributable to equity holders of FTG translated into basic and diluted loss per share of ($0.06).

LIQUIDITY AND CAPITAL RESOURCES

As at November 30, 2014, the Corporation's primary sources of liquidity totalled $24,607 ($21,609 as at November 30, 2013), made up of cash, accounts receivable, taxes receivable and inventory but excluding U.S. $6,000 of availability remaining on its revolving line of credit and U.S. $4,671 of availability remaining on its revolving term loan with its senior lender. Working capital at November 30, 2014 was $12,958 as compared to $10,710 at November 30, 2013.

The Corporation utilized $nil of the Operating Facility as at November 30, 2014 (November 30, 2013 – US $1,000 or Cdn. $1,062). The lending facility is secured by a first charge on all assets of the Corporation.

Accounts receivable days outstanding were 77 as at November 30, 2014 compared to 78 as of November 30, 2013; inventory turns were 4.2 compared to 5.4, and accounts payable days outstanding were 87 compared to 72 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, 2014 and 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, 2014.

CONTRACTUAL OBLIGATIONS	PAYMENTS DUE IN $000'S					
	Total	First Year	Second Year	Third Year	Fourth Year	Beyond Fourth Year
Long term bank debt	1,520	278	1,242	-	-	-
Subordinated Loan and Government assistance	5,110	-	1,022	1,022	1,022	2,044
Accounts payable and accrued liabilities, and provisions	10,431	10,431	-	-	-	-
Customer deposits, net of deferred development	1,531	1,531	-	-	-	-
Operating Leases	4,205	1,111	1,057	981	590	466
Foreign exchange forward contracts	16,577	16,577	-	-	-	-
Gold forward contracts	449	449	-	-	-	-

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.

DERIVATIVE FINANCIAL INSTRUMENTS

The Corporation has adopted hedge accounting on its derivative financial instruments in 2013 – refer to Note 3.18 of the consolidated financial statements as at November 30, 2014 for further details. As a result of adopting hedge accounting, the Corporation designated certain derivative financial instruments as cash flow hedges. The fair value of these derivative financial instruments as at November 30, 2014 had an unrealized loss of $695 (which included $646 related to foreign exchange forward contracts and the remaining $49 related to gold forward contracts) which is included in other comprehensive income (loss). 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 income (loss). Refer to Note 17.2 of the consolidated financial statements as at November 30, 2014 for further details.

CAPITAL EXPENDITURES (PLANT AND EQUIPMENT)

For 2014, the Corporation invested $1,678 in capital expenditures compared to $1,711 for 2013.
Major additions for 2014 included CNC drilling machine, chiller, equipment, various upgrades to plant and equipment and leasehold improvements. Major additions for 2013 related to new engineering machines/tools such as a coordinate measuring machine, new inkjet automated legend printing machine, spectro camera and various upgrades to plant and equipment and leasehold improvements at other facilities including the build out of Aerospace facility in Chatsworth, California.

CASH FLOW

Operating Activities

Cash provided by operating activities in 2014 amounted to $3,390 as compared to cash used by operating activities of $33 in 2013. The changes from 2013 were primarily driven by net earnings during 2014.

Investing Activities

Investing activities in 2014 resulted in the net use of cash of $1,678 for capital expenditures compared to net use of cash of $1,644 in 2013 which included $1,711 for capital expenditures offset by $67 for proceeds from disposal of capital assets.

Financing Activities

Cash used by financing activities in 2014 resulted in a cash outflow of $1,847 which included decrease in bank indebtedness of $1,113 and long-term debt repayments of $734 as compared to 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.

RELATED PARTY TRANSACTIONS

There were no related party transactions during 2014 and 2013.

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 17 to the Consolidated Financial Statements as at November 30, 2014 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, 2014, 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 3.16 and Note 13.6 of the consolidated financial statements as at November 30, 2014 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 February 2, 2015 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 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 bankruptcy estate of Glendale International Corp., another former owner of the subject lands.

In February, 2014, the Corporation received the final release from the plaintiffs, the release amongst the defendants and the court dismissal order. The contribution of the Corporation to this settlement did not have a material effect on its financial situation and was fully paid in 2012 into a trust which was released in 2014.

FOURTH QUARTER

The following table provides the operating results for the fourth quarter of 2014 and 2013:

	Three months ended	
(in thousands of Canadian dollars, except per share amounts)	**November 30, 2014**	November 30, 2013
Sales	**$ 16,490**	$ 15,426
Cost of sales		
Cost of sales	**11,775**	11,121
Depreciation of plant and equipment	**371**	410
Total cost of sales	**12,146**	11,531
Gross margin	**4,344**	3,895
Expenses		
Selling, general and administrative	**2,428**	2,196
Research and development costs	**1,271**	1,102
Recovery of research and development costs	**(208)**	(70)
Depreciation/amortization of plant and equipment and intangible assets	**38**	41
Goodwill impairment	**-**	1,039
Interest expense on short-term debt	**8**	10
Interest expense on long-term debt	**88**	88
Severance and restructuring expenses	**-**	299
Foreign exchange gain	**(542)**	(16)
Total expenses	**3,083**	4,689
Earnings (loss) before income taxes	**1,261**	(794)
Deferred income tax recovery	**-**	(1,010)
Income tax expense	**70**	33
Net earnings	**1,191**	183
Attributable to:		
Non-controlling interest	**2**	(14)
Equity holders of FTG	**$ 1,189**	$ 197

Sales

Sales for the fourth quarter of 2014 were $16,490, an increase of $1,064 or 6.9% from the fourth quarter of 2013. Sales in Circuits Segment were higher by $1,095 which came from all three operating facilities led by Circuits Toronto facility which was $891 higher year over year and sales in the Aerospace Segment were lower by ($31) which included higher sales in two new facilities in Tianjin, China and Chatsworth, California, and lower sales in the established facility in Toronto.

Net Earnings

The Corporation earned $1,189 during the fourth quarter of 2014 which included foreign exchange gain of $542 due to the impact of the weakening in the Canadian dollar. The Corporation earned $197 in the fourth quarter of 2013 which included the impact of higher warranty provision of $329 and severance and restructuring expenses of $299.

Cash Flow

Operating Activities

Cash provided by operating activities during the fourth quarter of 2014 amounted to $954 compared to cash used of $548 for the fourth quarter of 2013. The change in 2014 was primarily driven by net earnings and working capital changes compared to the fourth quarter of 2013.

Investing Activities

Investing activities during the fourth quarter of 2014 resulted in the use of cash of $676 compared to $392 for the fourth quarter of 2013 mainly due to the higher additions of plant and equipment.

Financing Activities

Cash used by financing activities during the fourth quarter of 2014 amounted to $619 which included decrease in bank indebtedness of $550 and repayment of long term bank debt of $69. Cash used by financing activities during the fourth quarter of 2013 amounted to $1,655 which included decrease in bank indebtedness of $1,574 and repayment of long term bank debt of $81.

ADOPTION OF NEW AND AMENDED IFRS PRONOUNCEMENTS

Refer to Note 3.19 of the Consolidated Financial Statements as at November 30, 2014 for details of New and amended IFRS pronouncements adopted in fiscal 2014.

CRITICAL ACCOUNTING ESTIMATES

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.

Allowance for inventory obsolescence

Management is required to make an assessment of the net realizable value of inventory at each reporting period. Management incorporates estimates and judgments that take into account current market prices, current economic trends and past experience in the measurement of net realizable value.

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 17.

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 equity settled transactions.

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.

RECENT ACCOUNTING PRONOUNCEMENTS

Refer to Note 4 of the Consolidated Financial Statements as at November 30, 2014 for details of the accounting pronouncements issued by the IASB which were not effective for the Corporation as of November 30, 2014 and therefore have not been applied in preparing the 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.

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") in 1992.

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, 2014 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, 2014, 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, 2014, there have been no 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.

Order backlog at the large air transport manufacturers, Boeing and Airbus, remained at record levels for both companies through 2014. 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. Both companies are driving to increase their annual production volumes across the full range of product lines. There are also new entrants into this market for single aisle aircraft which creates 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 has seen production rates slowly recover since 2011, with the strongest growth in the high end segment of the market. 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 turbo-prop and regional jet markets while growing an already very strong position in business jets.

Within all commercial aircraft markets, the end customer, or airline, geographic distribution 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 is coming from airframe manufacturers in the west as well as new entrants from China and other Asian countries.

In the military market, defence spending remains somewhat suppressed in Western economies. The U.S. appears we have reached the bottom of their defense spending trough and growth could restart in the next few years. In Canada, defence spending remains stable with a number of significant equipment acquisition programs 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 global footprint is proving to be a valuable asset and as we continue to drive to improve our technical capabilities and our performance we should be able to grow our market share.

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 about 72% of FTG's operations are located in Canada but we compete primarily in U.S. dollars. Strengthening of the Canadian dollar would hurt FTG's competitiveness whereas a weakening of the Canadian dollar, as we have seen in 2014, would enhance our competitiveness. FTG is striving to mitigate this exchange rate risk by pursuing sales outside of the United States, to have more facilities outside of Canada and to increase supply chain outside of Canada.

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 previously 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 Tianjin, 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 the basis of performance and technology.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

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 BDO Canada LLP in 2014 and Ernst & Young LLP in 2013 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

February 2, 2015

Joseph R. Ricci

Vice President, Chief Financial Officer and Secretary

February 2, 2015

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BDO Canada LLP
TD Bank Tower
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Independent Auditor's 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 sheet as at November 30, 2014, and the consolidated statements of earnings (loss), comprehensive income (loss), changes in equity and cash flows for the year ended November 30, 2014, 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.

Auditor's Responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit 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 auditor's 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 auditor considers 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 audit 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, 2014 and its financial performance and its cash flows for the year ended November 30, 2014 in accordance with International Financial Reporting Standards.

Other matter
The consolidated financial statements for Firan Technology Group Corporation for the year ended November 30, 2013 were audited by another auditor who expressed an unmodified opinion on those statements on January 30, 2014.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

February 2, 2015
Toronto, Ontario

Consolidated Balance Sheets

(in thousands of Canadian dollars) As at		**November 30, 2014**		November 30, 2013
ASSETS				
Current assets				
Cash	**$**	**641**	$	996
Accounts receivable		**13,289**		12,275
Taxes receivable		**251**		264
Inventories *(Note 6)*		**10,426**		8,074
Prepaid expenses		**564**		549
		25,171		22,158
Non-current assets				
Plant and equipment, net *(Note 7)*		**5,643**		5,587
Deferred income taxes *(Note 15.1)*		**2,145**		2,385
Intangible assets, net *(Note 9)*		**148**		196
Total assets	**$**	**33,107**	$	30,326
LIABILITIES AND EQUITY				
Current liabilities				
Bank indebtedness *(Note 11.1)*	**$**	**-**	$	1,062
Accounts payable and accrued liabilities		**10,021**		8,027
Provisions *(Note 12)*		**410**		612
Customer deposits, net of deferred development *(Note 10)*		**1,531**		930
Current portion of long-term bank debt *(Note 11.2)*		**251**		307
Current portion of subordinated loan *(Note 11.3)*		**-**		510
		12,213		11,448
Non-current liabilities				
Long-term bank debt *(Note 11.2)*		**1,232**		1,753
Subordinated loan *(Note 11.3)*		**4,219**		3,396
Government assistance *(Note 11.3)*		**339**		786
Total liabilities		**18,003**		17,383
Commitments and Contingencies *(Note 19)*				
Equity				
Deficit	**$**	**(7,909)**	$	(10,102)
Accumulated other comprehensive income (loss)		**(312)**		(249)
		(8,221)		(10,351)
Share capital				
Common shares *(Note 13.1)*		**12,681**		12,681
Preferred shares *(Note 13.2)*		**2,218**		2,218
Contributed surplus *(Note 13.4)*		**8,411**		8,347
Total equity attributable to FTG's shareholders		**15,089**		12,895
Non-controlling interest *(Note 22)*		**15**		48
Total equity		**15,104**		12,943
Total liabilities and equity	**$**	**33,107**	$	30,326

See accompanying notes.

Approved on behalf of the board:

Director

Director

Consolidated Statements of Earnings (Loss)

	Years ended			
(in thousands of Canadian dollars, except per share amounts)		**November 30, 2014**		November 30, 2013
Sales	**$**	**60,699**	$	55,998
Cost of sales				
Cost of sales *(Note 6, Note 11.3, Note 21)*		**43,867**		42,914
Depreciation of plant and equipment		**1,646**		1,688
Total cost of sales		**45,513**		44,602
Gross margin		**15,186**		11,396
Expenses				
Selling, general and administrative *(Note 21)*		**9,430**		8,747
Research and development costs *(Note 14)*		**3,777**		3,046
Recovery of research and development costs *(Note 14)*		**(418)**		(280)
Depreciation/amortization of plant and equipment and intangible assets		**168**		156
Goodwill impairment *(Note 8)*		**-**		1,039
Interest expense on short-term debt		**29**		67
Interest expense on long-term debt		**364**		328
Severance and restructuring expenses		**-**		299
Foreign exchange gain *(Note 17.2)*		**(610)**		(27)
Total expenses		**12,740**		13,375
Earnings (loss) before income taxes		**2,446**		(1,979)
Deferred income tax expense (recovery) *(Note 15.1 and Note 15.2)*		**240**		(1,010)
Current income tax expense *(Note 15.2)*		**48**		69
Net earnings (loss)	**$**	**2,158**	$	(1,038)
Attributable to:				
Non-controlling interest *(Note 22)*		**(35)**		(40)
Equity holders of FTG		**2,193**		(998)
Earnings (loss) per share, attributable to the equity holders of FTG				
Basic *(Note 13.5)*	**$**	**0.12**	$	(0.06)
Diluted *(Note 13.5)*	**$**	**0.11**	$	(0.06)

See accompanying notes.

Consolidated Statements of Comprehensive Income (Loss)

	Years ended			
(in thousands of Canadian dollars)		**November 30, 2014**		November 30, 2013
Net earnings (loss)	**$**	**2,158**	$	(1,038)
Other comprehensive income (loss) to be reclassified to net earnings (loss) in subsequent years:				
Foreign currency translation adjustments		**634**		241
Net unrealized loss on derivative financial instruments designated as cash flow hedges *(Note 17.2)*		**(695)**		(405)
		(61)		(164)
Total comprehensive income (loss)	**$**	**2,097**	$	(1,202)
Attributable to:				
Equity holders of FTG	**$**	**2,130**	$	(1,162)
Non-controlling interest *(Note 22)*	**$**	**(33)**	$	(40)

See accompanying notes.

Consolidated Statements of Changes in Shareholders' Equity

	Years ended November 30, 2014 and 2013							
	Attributed to the equity holders of FTG							
(in thousands of Canadian dollars)	**Common Shares**	**Preferred Shares**	**Deficit**	**Contributed Surplus**	**Accumulated Other Comprehensive (Loss) Income**	**Total**	**Non-controlling interest**	**Total equity**
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 13.6)*	-	-	-	42	-	42	-	42
Foreign currency translation adjustments	-	-	-	-	241	241	-	241
Net unrealized loss on derivative financial instruments designated as cash flow hedges *(Note 17.2)*	-	-	-	-	(405)	(405)	-	(405)
Contribution from non-controlling interests *(Note 22)*	-	-	-	-	-	-	88	88
Balance, November 30, 2013	**$ 12,681**	**$ 2,218**	**$ (10,102)**	**$ 8,347**	**$ (249)**	**$ 12,895**	**$ 48**	**$ 12,943**
Net earnings (loss)	**-**	**-**	**2,193**	**-**	**-**	**2,193**	**(35)**	**2,158**
Stock-based compensation *(Note 13.6)*	**-**	**-**	**-**	**64**	**-**	**64**	**-**	**64**
Foreign currency translation adjustments	**-**	**-**	**-**	**-**	**632**	**632**	**2**	**634**
Net unrealized loss on derivative financial instruments designated as cash flow hedges *(Note 17.2)*	**-**	**-**	**-**	**-**	**(695)**	**(695)**	**-**	**(695)**
Balance, November 30, 2014	**$ 12,681**	**$ 2,218**	**$ (7,909)**	**$ 8,411**	**$ (312)**	**$ 15,089**	**$ 15**	**$ 15,104**

See accompanying notes.

Consolidated Statements of Cash Flows

(in thousands of Canadian dollars)	Years ended **November 30, 2014**	November 30, 2013
Net inflow (outflow) of cash related to the following:		
Operating activities		
Net earnings (loss)	**$ 2,158**	$ (1,038)
Items not affecting cash:		
Non-controlling interest share of net loss *(Note 22)*	**35**	40
Stock-based compensation *(Note 13.6)*	**64**	42
Loss on disposal of plant and equipment	**8**	11
Effect of exchange rates on US dollar debt	**181**	192
Depreciation of plant and equipment	**1,766**	1,796
Amortization of intangible assets	**48**	48
Amortization of deferred financing costs *(Note 11.2)*	**27**	27
Goodwill impairment *(Note 8)*	**-**	1,039
Deferred income tax expense (recovery) *(Note 15.2)*	**240**	(1,010)
AMIS interest accretion *(Note 11.3)*	**313**	293
Amortization of government assistance *(Note 11.3)*	**(447)**	(448)
Net change in non-cash operating working capital *(Note 16)*	**(1,003)**	(1,025)
	3,390	(33)
Investing activities		
Additions to plant and equipment	**(1,678)**	(1,711)
Proceeds from disposal of plant and equipment	**-**	67
	(1,678)	(1,644)
Net cash flow (used in) from operating and investing activities	**1,712**	(1,677)
Financing activities		
Decrease in bank indebtedness	**(1,113)**	(123)
Proceeds from long-term bank debt	**-**	1,746
Repayments of long-term bank debt	**(734)**	(206)
Funding from non-controlling interests *(Note 22)*	**-**	88
	(1,847)	1,505
Effects of foreign exchange rate changes on cash flow	**(220)**	(278)
Net decrease in cash flow	**(355)**	(450)
Cash, beginning of the period	**996**	1,446
Cash, end of period	**641**	$ 996
Disclosure of cash payments		
Payment for interest	**$ 87**	$ 95
Payments for income taxes	**$ 25**	$ 52

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, FTG 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 FTG Aerospace 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. FTG Aerospace Inc. was incorporate in January, 2014.

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.
- FTG Aerospace 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 the JV. The joint venture agreement did not constitute a joint arrangement for accounting purposes.

The consolidated financial statements of the Corporation as at and for the years ended November 30, 2014 and 2013 comprise FTG, its subsidiaries and its JV.

These consolidated financial statements were approved for issuance by the Board of Directors on February 2, 2015.

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 earnings (loss) and other comprehensive income (loss). 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 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 year. 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 years. 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, 2014 and 2013. The Corporation controls the JV and its results were consolidated in the consolidated financial statements. 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 income (loss) 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 earnings 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 each month 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 income (loss) 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 earnings (loss) are included in determining the profit or loss on disposal of those operations recognized in earnings 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 Corporation; 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 customer deposits. 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 standard quoted warranty period is one year 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 earnings (loss) 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 year 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 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. Leasehold improvements are depreciated over the shorter of the term of the related lease or their remaining useful life on a straight-line basis.

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

Machinery and equipment	3 to 10 years
Furniture and fixtures	5 years
Leasehold improvements	Term of the lease

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 year 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 earnings (loss).

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, 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 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 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 earnings (loss).

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 earnings (loss).

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 income (loss). Upon sale or impairment, the accumulated fair value adjustments recognized in other comprehensive income (loss) are recorded in the consolidated statement of earnings (loss).

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

Receivables
Receivables are non-derivative financial assets that have fixed or determinable payments and are not quoted in an active market.

Accounts receivable are classified as 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 earnings (loss).

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 earnings (loss) 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 – common share options

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 earnings (loss) with a corresponding adjustment to equity.

3.16 Share based payments – 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 Option Plan will remain outstanding and effective under the terms of the 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”) 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.

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.

The cost recorded for equity-settled PSUs is based on the market value of the Corporation’s Common Shares at the time of grant. The cost recorded for PSUs that vest based on a non-market performance condition is based on an estimate of the outcome of such performance condition. The cost of these PSUs would be adjusted as new facts and circumstances arise; the timing of these adjustments is subject to judgment. The adjustments to the cost of PSUs would generally be recorded during the last year of the three-year term based on management's estimate of the achievement of the performance conditions. The cost of PSUs is amortized to the compensation expense in the consolidated statement of earnings (loss), with a corresponding charge to contributed surplus in the consolidated balance sheet, over the vesting period. These awards would be generally settled with issuing Common Shares from treasury.

3.17 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.

3.18 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 earnings (loss) except for the effective portion of cash flow hedges, which are recognized in other comprehensive income (loss).

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 income (loss) are transferred to the consolidated statements of earnings (loss) when the hedged transaction affects net earnings (loss).

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 earnings (loss). 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.

3.19 Adoption of new and amended IFRS pronouncements

New and amended IFRS pronouncements adopted in fiscal 2014
The Corporation has adopted the following new and amended IFRS pronouncements in fiscal 2014 effective from December 1, 2013.

Fair Value Measurement

In May 2011, the IASB published IFRS 13, *Fair Value Measurement* (“IFRS 13”), which is effective prospectively for annual periods beginning on or after January 1, 2013. IFRS 13 replaces the fair value measurement guidance contained in individual IFRSs with a single source of fair value measurement guidance. The standard also establishes a framework for measuring fair value and sets out additional disclosure requirements for fair value measurements. The standard did not have a material measurement impact on the consolidated financial statements. The annual disclosure requirements have been incorporated in the annual consolidated financial statements for the year ending November 30, 2014.

Employee Benefits (Revised)

The IASB has issued numerous amendments to IAS 19, *Employee Benefits*. 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 became effective for annual periods beginning on or after January 1, 2013 and did not have any impact on the disclosures of the Corporation.

Financial Assets and Liabilities

In December 2011, the IASB published amendments to IFRS 7, *Financial Instruments: Disclosures* ("IFRS 7") which require additional disclosure requirements for financial assets and liabilities that are offset in the statement of financial position or subject to master netting arrangements or similar arrangements. The new disclosures will require entities to disclose gross amounts subject to rights of set off, amounts set off, and the related net credit exposure. The disclosures are intended to help investors understand the effect or potential effect of offsetting arrangements on a company's financial position. The new disclosures are effective for annual periods beginning on or after January 1, 2013. As the Corporation is not offsetting financial instruments and does not have relevant offsetting arrangements, the retrospective adoption of these amendments to IFRS 7 did not have any impact on the disclosures of the Corporation.

Property Plant and Equipment

The improvement to IAS 16, *Property Plant and Equipment* 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 January 1, 2013 and did not have any impact on the disclosures of the Corporation.

Government Loans

IFRS 1 *Government Loans* – Amendments to IFRS 1 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 January 1, 2013 and did not have any impact on the disclosures of the Corporation.

Interim Financial Reporting

The amendment to IAS 34 *Interim Financial Reporting* 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 January 1, 2013 and did not have any impact on the disclosures of the Corporation.

4. RECENT ACCOUNTING PRONOUNCEMENTS

The following accounting pronouncements issued by the IASB were not effective for the Corporation as of November 30, 2014 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 Amendments to IAS 36 Impairment of Assets

In May 2013, the IASB issued the amendments to IAS 36, *Impairment of Assets*. The amendments align the disclosures required for the recoverable amount of an asset (or CGU) when this has been determined on the basis of fair value less costs of disposal with those required where the recoverable amount has been determined on the basis of value in use, and require an entity to disclose the recoverable amount of an asset (or CGU) only in periods in which impairment has been recorded or reversed in respect of that asset (or CGU); disclose the discount rate when an asset (or CGU) has been impaired (or impairment reversed) where the recoverable amount has been determined based on fair value less costs of disposal using a present value technique; and to expand and clarify the disclosure requirements when an assets (CGUs) recoverable amount has been determined on the basis of fair value less disposal to be consistent with IFRS 13, *Fair Value Measurement.* The amendments are effective for annual periods beginning on or after 1 January 2014.

4.2 IFRIC 21, Levies

IFRIC 21 *Levies* ("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.

4.3 Amendments to IAS 39 Financial instruments: recognition and measurement

In June 2013, the IASB issued the amendments to IAS 39, *Financial instruments: recognition and measurement*. The amendment allows the continuation of hedge accounting (subject to meeting certain criteria) in instances where a derivative is required by law or regulation to be novated to a central counterparty (CCP) or an entity acting in a similar capacity. The amendments are effective for annual periods beginning on or after 1 January 2014.

4.4 Amendments to IAS 24, Related Party Disclosures

In December 2013, the IASB issued the amendments to IAS 24, *Related Party Disclosures* ("IAS 24") that clarifies that an entity which provides key management personnel services ('management entity') to a reporting entity (or to the parent of the reporting entity), is a related party of the reporting entity, and would require separate disclosure of amounts recognized as an expense for key management personnel services provided by a separate management entity; and would not require disaggregated disclosures by the categories set out in IAS 24.17. The amendments are to be applied prospectively and effective for annual periods beginning on or after January 1, 2014.

4.5 Amendments to IAS 19, Employee Benefits

In November 2013, Defined Benefit Plans: Employee Contributions was issued to amend IAS 19, *Employee Benefits*. These narrow scope amendments simplify the accounting for contributions to defined benefit plans. These amendments are effective for annual periods beginning on or after July 1, 2014, with earlier application permitted.

4.6 Amendments to IFRS 2 Share-based payment

In December 2013, the IASB issued amendments to IFRS 2 *Share-based payment*. The amendment clarifies vesting conditions by separately defining a performance condition and a service condition, both of which were previously incorporated within the definition of a vesting condition. The amendments are effective for annual periods beginning on or after July 1, 2014 and interim periods within those annual periods.

4.7 Amendments to IFRS 8 Operating Segments

In December 2013, the IASB issued amendments to IFRS 2 *Operating Segments* which related to the aggregation of operating segments and the reconciliation of the total of a reportable segment's assets to the entity's assets. The amendments require additional disclosures regarding management's judgments when operating segments have been aggregated in determining reportable segments, including a description of the operating segments that have been aggregated; and the economic indicators considered in determining that the aggregated operating segments share similar economic characteristics. The amendment clarifies that a reconciliation of the total of reportable segments assets to the entity's assets is only required if a measure of segment assets is regularly provided to the chief operating decision maker. The amendments are effective for annual periods beginning on or after July 1, 2014, with earlier application permitted.

4.8 Amendments to IFRS 13 Fair Value Measurements

In December 2013, the IASB issued amendments to IFRS 13 *Fair Value Measurements*, which relate to the measurement of short-term receivables and the scope of paragraph 52 (portfolio exemption). Short-term receivables and payables with no stated interest rate can still be measured at the invoice amount without discounting, if the effect of discounting is immaterial. IFRS 13.52 defines the scope of the exception that permits an entity to measure the fair value of a group of financial assets and financial liabilities on a net basis. This is referred to as the portfolio exception. The amendment clarifies that the portfolio exception applies to all contracts within the scope of IAS 39 *Financial Instruments: Recognition and Measurement* (or IFRS 9 *Financial Instruments* if this has been adopted early), regardless of whether they meet the definition of financial assets or financial liabilities in IAS 32 *Financial Instruments: Presentation*. The amendments are effective for annual periods beginning on or after July 1, 2014, with earlier application permitted.

4.9 Amendments to IAS 16, Property, Plant and Equipment and IAS 38, Intangible Assets

In December 2013, the IASB issued amendments to IAS 16, *Property, Plant and Equipment* ("IAS 16") and IAS 38, *Intangible Assets* ("IAS 38"). The amendment clarifies the computation of accumulated depreciation when items of property, plant and equipment or intangible assets are subsequently measured using the revaluation model. The net carrying amount of the asset is adjusted to the revalued amount, and either: (i) the gross carrying amount is adjusted in a manner consistent with the net carrying amount (e.g. proportionately to the change in the [net] carrying value, or with reference to observable market data). Accumulated depreciation is then adjusted to equal the difference between the gross and net carrying amounts; and (ii) accumulated depreciation is eliminated against the gross carrying amount. The amendments are effective for annual periods beginning on or after July 1, 2014, with earlier application permitted.

4.10 Amendments to IFRS 7 Financial instruments: disclosures

This amendment aligns with the deferral of the effective date of IFRS 9 *Financial Instruments* ("IFRS 9"). Instead of requiring restatement of comparative financial statements, entities are either permitted or required to provide modified disclosures on transition from IAS 39 *Financial instruments: recognition and measurement* to IFRS 9 on the basis of the entity's date of adoption and if the entity chooses to restate prior periods. The amendments are effective for annual periods beginning on or after 1 January 2015.

4.11 Amendments to IFRS 11, Joint Arrangements

In May 2014, the IASB issued amendments to IFRS 11, *Joint Arrangements* ("IFRS 11") to address the accounting for acquisitions of interests in joint operations. The amendments address how a joint operator should account for the acquisition of an interest in a joint operation in which the activity of the joint operation constitutes a business. IFRS 11, as amended, now requires that such transactions shall be accounted for using the principles related to business combinations accounting as outlined in IFRS 3, *Business Combinations*. The amendments are to be applied prospectively and are effective for annual periods beginning on or after January 1, 2016, with earlier application permitted.

4.12 Amendments to IAS 16, Property, Plant and Equipment and IAS 38, Intangible Assets

In May 2014, the IASB issued amendments to IAS 16, and IAS 38 to clarify acceptable methods of depreciation and amortization. The amended IAS 16 eliminates the use of a revenue-based depreciation method for items of property, plant and equipment. Similarly, amendments to IAS 38 eliminate the use of a revenue-based amortization model for intangible assets except in certain specific circumstances. The amendments are to be applied prospectively and are effective for annual periods beginning on or after January 1, 2016, with earlier application permitted.

4.13 Amendments to IAS 27, Separate Financial Statements

In August 2014, the IASB issued amendments to IAS 27, *Separate Financial Statements* ("IAS 27"). The amendments allow an entity to account for investments in subsidiaries, joint ventures and associates in its separate financial statements at cost, in accordance with IFRS 9 *Financial Instruments* ("IFRS 9") (or IAS 39 *Financial Instruments: Recognition and Measurement* for entities that have not yet adopted IFRS 9), or using the equity method as described in IAS 28 *Investments in Associates and Joint Ventures*. The amendments are effective for annual periods beginning on or after January 1, 2016.

4.14 Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures

In September 2014, the IASB issued amendments to IFRS 10 *Consolidated Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures*. The amendments clarifies that gains or losses on the sale of a subsidiary to an associate or joint venture are recognized in profit or loss only to the extent of the unrelated investors' interests in the associate or joint venture. The amendments are effective for annual periods beginning on or after January 1, 2016.

4.15 IFRS 15, Revenue from Contracts with Customers

In May 2014, the IASB issued IFRS 15, *Revenue from Contracts with Customers* ("IFRS 15"), which supersedes IAS 18, *Revenue*, IAS 11, *Construction Contracts* and other interpretive guidance associated with revenue recognition. IFRS 15 provides a single, principle based five-step model to be applied to all contracts with customers, except insurance contracts, financial instruments and lease contracts, which fall in the scope of other IFRSs. In addition to the five-step model, the standard specifies how to account for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. The incremental costs of obtaining a contract must be recognized as an asset if the entity expects to recover these costs. The standard's requirements will also apply to the recognition and measurement of gains and losses on the sale of some nonfinancial assets that are not an output of the entity's ordinary activities. IFRS 15 is to be applied on either a full or modified retrospective approach and is effective for annual periods beginning on or after January 1, 2017, with earlier application permitted.

4.16 Amendments to IFRS 9, Financial Instruments

In July 2014, the IASB issued the final amendments to IFRS 9, *Financial Instruments* ("IFRS 9") which provides guidance on the classification and measurement of financial assets and liabilities, impairment of financial assets, and general hedge accounting. The classification and measurement portion of the standard determines how financial assets and financial liabilities are accounted for in financial statements and, in particular, how they are measured on an ongoing basis. The amended IFRS 9 introduced a new, expected-loss impairment model that will require more timely recognition of expected credit losses. In addition, the amended IFRS 9 includes a substantially-reformed model for hedge accounting, with enhanced disclosures about risk management activity. The new standard is effective for annual periods beginning on or after January 1, 2018, with earlier adoption permitted.

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.

Allowance for inventory obsolescence

Management is required to make an assessment of the net realizable value of inventory at each reporting period. Management incorporates estimates and judgments that take into account current market prices, current economic trends and past experience in the measurement of net realizable value.

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 17.

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. 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 equity settled transactions.

(in thousands of Canadian dollars except where noted and per share amounts)

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, 2014 $	November 30, 2013 $
Raw materials and spare parts	**3,063**	2,825
Work-in-progress	**3,444**	2,454
Finished goods	**3,919**	2,795
	10,426	8,074

The cost of inventories recognized as an expense during the year ended November 30, 2014 was $44,314 which includes cost of sales of $43,867 and deemed Government assistance netted against cost of sales of $447 (2013 - $43,362 which includes cost of sales of $42,914 and deemed Government assistance netted against cost of sales of $448). This amount also included $1,073 during the year ended November 30, 2014 (2013 – $1,310) as cost of inventories written down due to obsolescence.

As at November 30, 2014, total inventory value of $10,426 (November 30, 2013 – $8,074) was pledged as security for the bank facility.

(in thousands of Canadian dollars except where noted and per share amounts)

7. PLANT AND EQUIPMENT

	Machinery and equipment $	Furniture and fixtures $	Leasehold improvements $	Total $
Cost				
November 30, 2013	**33,642**	**139**	**3,224**	**37,005**
Additions	**1,356**	**11**	**311**	**1,678**
Disposals	**(16)**	**-**	**-**	**(16)**
Write-offs	**(3,606)**	**-**	**(816)**	**(4,422)**
Foreign exchange impact, other	**573**	**106**	**(61)**	**618**
November 30, 2014	**31,949**	**256**	**2,658**	**34,863**
Accumulated depreciation				
November 30, 2013	**29,392**	**74**	**1,952**	**31,418**
Depreciation during the year	**1,544**	**19**	**203**	**1,766**
Disposals during the year	**(8)**	**-**	**-**	**(8)**
Write-offs	**(3,606)**	**-**	**(816)**	**(4,422)**
Foreign exchange impact, other	**312**	**108**	**46**	**466**
November 30, 2014	**27,634**	**201**	**1,385**	**29,220**
Net book value				
November 30, 2013	**4,250**	**65**	**1,272**	**5,587**
November 30, 2014	**4,315**	**55**	**1,273**	**5,643**

	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

(in thousands of Canadian dollars except where noted and per share amounts)

Included in leasehold improvements as at November 30, 2014 are $nil (November 30, 2013 – $54) and included in machinery and equipment as at November 30, 2014 are $22 (November 30, 2013 – $245) 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 $4,422 which were fully amortized as at November 30, 2014 (2013 - $11,363) relating to assets not physically present and were no longer contributing 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, 2014 $	November 30, 2013 $
Opening balance	-	1,039
Impairment written-off	-	(1,039)
Closing balance	-	-

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.

(in thousands of Canadian dollars except where noted and per share amounts)

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, 2013	**479**	**5**	**484**
Additions	**-**	**-**	**-**
November 30, 2014	**479**	**5**	**484**
Accumulated amortization			
November 30, 2013	**287**	**1**	**288**
Charge during the year	**48**	**1**	**49**
Foreign exchange impact	**-**	**(1)**	**(1)**
November 30, 2014	**335**	**1**	**336**
Net book value			
November 30, 2013	**192**	**4**	**196**
November 30, 2014	**144**	**4**	**148**

	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 intangible assets have an unamortized remaining period of approximately three years as at November 30, 2014 (approximately four years as at November 30, 2013).

(in thousands of Canadian dollars except where noted and per share amounts)

10. CUSTOMER DEPOSITS, NET OF DEFERRED DEVELOPMENT

As described in the tables below, the customer deposits net of deferred development as at November 30, 2014 included $1,013 received by the Corporation from a customer to be utilized towards deferred development in future periods (November 30, 2013 – $708), and $518 received by the Corporation from customers for orders not yet delivered (November 30, 2013 - $222).

Customer Deposits:	**November 30, 2014 $**	November 30, 2013 $
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. $1,467 advance received from a customer in August 2013 towards additional funding for the program	**1,467**	1,443
US $1,100 or Cdn. $1,248 advance received from a customer in March 2014 towards additional funding for the program	**1,248**	-
Total	**3,220**	1,948
Offset with deferred development (see table below)	**(2,207)**	(1,240)
Customer deposits, net of deferred development	**1,013**	708
Deposits from customers for orders not delivered	**518**	222
	1,531	930

Deferred development:	**November 30, 2014 $**	November 30, 2013 $
Opening balance	**1,240**	469
Deferred development during the year	**967**	771
Total deferred development, closing balance	**2,207**	1,240
Offset with customer advance	**(2,207)**	(1,240)
Net balance	**-**	-

11. BANK INDEBTEDNESS, LONG-TERM BANK DEBT AND SUBORDINATED LOAN AND GOVERNMENT ASSISTANCE

The Corporation had entered into a commercial lending facility with a 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 by April 2016.

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 $37 as at November 30, 2014 (November 30, 2013 - $64) have been offset against long-term bank debt in the consolidated balance sheet.

11.1 Bank indebtedness

The Corporation utilized $nil of the Operating Facility as at November 30, 2014 (November 30, 2013 – US $1,000 or Cdn. $1,062 of the Operating Facility was utilized by way of London Interbank Offered Rate loans). The lending facility is secured by a first charge on all assets of the Corporation.

(in thousands of Canadian dollars except where noted and per share amounts)

11.2 Long-term bank debt

Long-term bank debt consists of the following:	**November 30, 2014 $**	November 30, 2013 $
3.5 year US $500 Term Loan, amortized over 7 years, repayable in equal monthly principal payments of US $6 plus interest at banker's acceptances ("BA") rate plus 250 basis points and the balance fully repayable in April 2016. In August 2014, the outstanding principal of US $375 or Cdn. $408 (November 30, 2013 – US $429 or Cdn. $455) was repaid. The Term Loan was secured by a first charge over all of the property and assets of the Corporation.	**-**	455
3.2 year US $700 Term Loan, amortized over 7 years, repayable in equal monthly principal payments of US $8 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, 2014 was US $525 or Cdn. $601 (November 30, 2013 – US $625 or Cdn. $664).	**601**	664
2.9 year US $500 Term Loan, amortized over 7 years, repayable in equal monthly principal 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, 2014 was US $393 or Cdn. $449 (November 30, 2013 – US $464 or Cdn. $493).	**449**	493
2.6 year US $500 Term Loan, amortized over 7 years, repayable in equal monthly principal 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, 2014 was US $411 or Cdn. $470 (November 30, 2013 – US $482 or Cdn. $512).	**470**	512
	1,520	2,124
Less: deferred financing charges	**(37)**	(64)
	1,483	2,060
Less: current portion (amounts due within one year)	**251**	307
	1,232	1,753

The Corporation's credit facilities as described above are subject to certain covenants with which it was in full compliance as at November 30, 2014.

11.3 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 thousands of Canadian dollars except where noted and per share amounts)

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.

During the period ended February 28, 2014, the Corporation had finalized an amended agreement with the Government of Ontario, Ministry of Economic Development and Trade under the AMIS program for an extension of one year for meeting its agreed expenditure target which was increased from $17,029 per the original agreement to $17,700 under the amended agreement. As a result of the extension, the Corporation was not required to repay $510 which had become payable as at November 30, 2013. As at November 30, 2014, the Corporation met the amended expenditure target.

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 had been discounted to their estimated fair value upon receipt of proceeds, with the discount shown as government assistance. 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, 2014 $**	November 30, 2013 $
Subordinated loan, opening balance	**3,906**	3,613
Accretion of interest	**313**	293
	4,219	3,906
Less: current portion (amounts due within one year)	**-**	510
Subordinated loan, ending balance	**4,219**	3,396

Government assistance:	**November 30, 2014 $**	November 30, 2013 $
Government assistance, opening balance	**786**	1,234
Deemed Government assistance credited against cost of sales	**(447)**	(448)
Government assistance, ending balance	**339**	786

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.

(in thousands of Canadian dollars except where noted and per share amounts)

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, 2014, the Corporation was in compliance with this covenant.

12. PROVISIONS

	Years ended	
	November 30, 2014	November 30, 2013
	$	$
Opening balance (product warranties)	**612**	244
Arising during the year	**218**	488
Utilized during the year	**(420)**	(120)
Closing balance (product warranties)	**410**	612

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.

13. SHARE CAPITAL

13.1 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, 2014 (November 30, 2013 – 17,803,201).

13.2 Preferred shares issued and outstanding

The Corporation has 1,775,000 voting convertible Series 1 Preferred Shares outstanding as at November 30, 2014 (November 30, 2013 – 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.

(in thousands of Canadian dollars except where noted and per share amounts)

13.3 Common share options

The Corporation cancelled the Option Plan in 2013 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 Option Plan will remain outstanding and effective under the terms of the Option Plan. Stock options granted by the Corporation during the year ended November 30, 2014 were nil (2013 - 70,000). 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, 2014						
Number of share options	**Exercise price per share option $**	**Vesting**	**Expiry date**	**Weighted-average remaining contractual life**	**Weighted-average exercise price per share option $**	**Number exercisable**
300,000	**0.42**	**Vested**	**2015**	**0.7 years**	**0.42**	**300,000**
558,000	**0.34**	**Vested**	**2017**	**2.3 years**	**0.34**	**558,000**
300,000	**0.47**	**2/3 vested, 1/3 2015**	**2018**	**3.3 years**	**0.47**	**200,000**
10,000	**0.55**	**2/3 vested, 1/3 2015**	**2018**	**3.3 years**	**0.57**	**6,667**
40,000	**0.62**	**2/3 vested, 1/3 2015**	**2018**	**3.8 years**	**0.62**	**26,667**
70,000	**0.53**	**1/3 vested, 2/3 2015 to 2016**	**2019**	**4.2 years**	**0.53**	**23,333**
1,278,000						**1,114,667**

November 30, 2013						
Number of share options	Exercise price per share option $	Vesting	Expiry date	Weighted-average remaining contractual life	Weighted-average exercise price per share option $	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	2019	5.2 years	0.53	-
1,514,000						1,024,666

13.4 Contributed surplus

	Years ended	
	November 30, 2014 $	November 30, 2013 $
Balance, beginning of the year	**8,347**	8,305
Stock-based compensation	**64**	42
Balance, end of the year	**8,411**	8,347

(in thousands of Canadian dollars except where noted and per share amounts)

13.5 Earnings (loss) per share

		November 30, 2014		November 30, 2013
Numerator				
Net earnings (loss)	**$**	**2,158**	$	(1,038)
Net loss attributable to non-controlling interests		**(35)**		(40)
Net earnings (loss) attributable to equity holders of FTG	**$**	**2,193**	$	(998)
Numerator for basic earnings (loss) per share - net earnings (loss) applicable to Common Shares	**$**	**2,193**	$	(998)
Numerator for diluted earnings (loss) per share - net earnings (loss) applicable to Common Shares	**$**	**2,193**	$	(998)
Denominator				
Denominator for basic earnings (loss) per share - weighted average number of Common Shares outstanding		**17,803,201**		17,803,201
Effect of dilutive securities				
Number of Preferred Shares		**1,775,000**		-
Number of Stock options		**372,089**		-
Denominator for diluted earnings per share - weighted average number of Common Shares outstanding and assumed conversions		**19,950,290**		17,803,201
Earnings (loss) per share data attributable to the equity holders of FTG				
Basic earnings (loss) per share	**$**	**0.12**	$	(0.06)
Diluted earnings (loss) per share	**$**	**0.11**	$	(0.06)

The Corporation has 1,775,000 voting convertible Series 1 Preferred Shares outstanding. These convertible Series 1 Preferred Shares were included in calculating diluted earnings per share for the year ended November 30, 2014 as the Corporation had net earnings but were not included in calculating diluted earnings loss share for the year ended November 30, 2013 as the Corporation had a net loss.

The Corporation has options outstanding in 2014 and 2013. These options were included in the diluted earnings per share calculations as they were dilutive for the year ended November 30, 2014. These options were not included in the diluted loss per share calculation as they were anti-dilutive for the year ended November 30, 2013.

13.6 Stock-based compensation to employees

The Corporation recognized stock-based compensation expense in the consolidated statement of earnings (loss) of $64 during the year ended November 30, 2014 (2013 – $42). Of this amount, $nil relates to options granted during the year ended November 30, 2014 (2013 – $8) and $47 relates to PSU’s granted during the year ended November 30, 2014 (2013 – $nil).

(in thousands of Canadian dollars except where noted and per share amounts)

Common stock options

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 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.

No stock options were granted during the year ended November 30, 2014. The weighted-average fair value per stock option granted during the year ended November 30, 2013 was $0.27. The following assumptions were used to determine the fair value of each of the following option grants on the date of grant:

	November 30, 2014		November 30, 2013
Fair value of options granted	-	$	0.27
Share price	-	$	0.53
Exercise price	-	$	0.53
Expected share price volatility	-		55%
Option life in years	-		6
Expected period until exercise in years	-		3
Forfeiture rate	-		14%
Expected dividend yield	-		0%
Risk-free rate of return	-		1.25%

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

Share units – PSUs

The following table outlines the PSU transactions. As at November 30, 2014, none of the outstanding PSUs had vested.

	PSUs
Outstanding as at November 30, 2013	-
Granted during the year	200,000
Outstanding as at November 30, 2014	200,000

(in thousands of Canadian dollars except where noted and per share amounts)

During 2014, the Corporation granted 200,000 PSUs, of which 100% vest based on the achievement of a non-market performance condition. PSUs vest at the end of their respective terms, generally three years, to the extent that the applicable performance conditions have been met. The fair value of the non-market performance based PSUs is determined by the market value of the Corporation’s Common Shares at the time of grant and may be adjusted in subsequent years to reflect the estimated level of achievement related to the applicable performance condition. We expect to settle these awards with Common Shares issued from the treasury.

The weighted average grant date fair value of PSUs awarded in 2014 was $0.70 per unit (2013 — $nil).

13.7 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 bank debt, subordinated loan and Government assistance and total equity attributable to FTG’s shareholders. 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 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, 2014 and November 30, 2013, are as follows:

	November 30, 2014 $	November 30, 2013 $
Long-term bank debt	**1,483**	2,060
Subordinated loan and Government assistance	**4,558**	4,692
Bank indebtedness	**-**	1,062
Less: cash	**(641)**	(996)
Net debt	**5,400**	6,818
Net debt	**5,400**	6,818
Total equity attributable to FTG’s shareholders	**15,089**	12,895
Total capital employed	**20,489**	19,713
Net debt to total capital employed	**0.26:1**	0.35:1

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, 2014 and 2013.

(in thousands of Canadian dollars except where noted and per share amounts)

14. 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 development, product upgrading, waste reduction programs and energy reduction programs. The Corporation recorded $3,777 of research and development costs for the year ended November 30, 2014 (2013 – $3,046).

Recoveries of research and development costs for the year ended November 30, 2014 were $418 (2013 – $280) which included $280 (2013 – $280) from the Ontario Innovation Tax Credit and the remaining $138 (2013 – $nil) as contributions from Industrial Research Assistance Program ("IRAP") for product development.

The IRAP participation supports the design and development of a new common controller for aircraft cockpit control panels. The Corporation entered into an agreement under IRAP in September, 2014 under which the Corporation is to receive contribution of up to $350 and required to complete the project by March, 2015. As at November 30, 2014, $138 was recoverable under the agreement which has been included in accounts receivable on the consolidated balance sheets and recoveries of research and development costs in the consolidated statement of earnings (loss).

15. INCOME TAX EXPENSE

15.1 Deferred Income Taxes

The consolidated rate reconciliation is as follows:	**November 30, 2014**	November 30, 2013
Accounting income before tax	**2,435**	(1,979)
Statutory tax rate	**25%**	25%
	609	(495)
Change in benefits not recognized	**(642)**	(1,393)
Permanent differences and differences between Canadian and foreign tax rates	**273**	878
Withholding tax	**40**	56
State income taxes	**8**	13
Tax provision (recovery)	**288**	(941)

The gross movement on the deferred income tax account is as follows:	**$**	$
Opening balance	**2,385**	1,375
(Debited) credited to earnings during the year	**(240)**	1,010
Closing balance	**2,145**	2,385

(in thousands of Canadian dollars except where noted and per share amounts)

The movement in deferred income tax assets during the year ended November 30, 2014 is as follows:

	Balance as at December 1, 2013 $	**(Charged) credited to Earnings $**	**Balance as at November 30, 2014 $**
Deferred tax assets:			
Tax losses carried forward	**1,378**	**124**	**1,502**
SR&ED deductible expenditures	**4,662**	**(1,191)**	**3,471**
Tax attributes - R&D Credits	**244**	**35**	**279**
Other temporary differences	**506**	**281**	**787**
Excess of unamortized intangibles for tax purposes over net book value	**30**	**2**	**32**
Excess of undepreciated capital cost for tax purposes over net book value of capital assets	**683**	**(133)**	**550**
Deferred tax assets not recognized	**(5,118)**	**642**	**(4,476)**
Deferred tax assets	**2,385**	**(240)**	**2,145**

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	372	4,662
Tax attributes - R&D Credits	480	(236)	244
Other temporary differences	164	342	506
Ontario Harmonization Credit	39	(39)	-
Excess of unamortized intangibles for tax purposes over net book value	306	(276)	30
Excess of undepreciated capital cost for tax purposes over net book value of capital assets	1,031	(348)	683
Deferred tax assets not recognized	(6,512)	1,394	(5,118)
Deferred tax assets	1,375	1,010	2,385

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.

(in thousands of Canadian dollars except where noted and per share amounts)

The Corporation has, as at November 30, 2014, Canadian gross non-capital loss carry-forwards of $nil (November 30, 2013 - $nil).

The Corporation has, as at November 30, 2014, U.S. gross tax loss carry-forwards of approximately $2,808 (November 30, 2013 - $2,590), which are due to expire between 2029 and 2034. No deferred tax asset has been recorded in respect of these losses.

In addition, the Corporation has, as at November 30, 2014, China gross tax loss carry-forwards of approximately $1,595 (November 30, 2013 - $790), which are due to expire between 2015 and 2019. No deferred tax asset has been recorded in respect of these losses.

The Corporation has, as at November 30, 2014, SR&ED deductible expenditures of $13,883 (November 30, 2013 - $18,650), which do not expire.

The Corporation has, as at November 30, 2014, $5,966 (November 30, 2013 - $5,243) of Canadian investment tax credits which are due to expire between 2022 and 2034. The tax benefit of these investment tax credits has not been recognized.

The Corporation has, as at November 30, 2014, capital loss carry-forwards of approximately $14,145 (November 30, 2013 - $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.

15.2 Income tax expense/(recovery)

	Years ended	
	November 30, 2014	November 30, 2013
	$	$
Income tax expense/(recovery):		
Current	**48**	69
Deferred	**240**	(1,010)
	288	(941)

Current income tax expense includes withholding taxes of $40 (2013 - $56) related to source deductions on remittances from FTG Aerospace Tianjin Inc. to the Corporation and the remaining $8 (2013 - $13) related to taxes for a U.S. subsidiary during the year ended November 30, 2014.

Deferred income tax expense of $240 was recognised during the year ended November 30, 2014 which was offset against the deferred tax asset. Deferred income tax (recovery) of ($1,010) was recognised during the year ended November 30, 2013.

The Corporation’s tax expense is calculated by using the rates applicable in each of the tax jurisdictions that the Corporation operates in. The effective tax rate on Canadian earnings for the year ended November 30, 2014 was 25% (2013: 25%) which was based on projected annualized M&P rates.

(in thousands of Canadian dollars except where noted and per share amounts)

16. NET CHANGE IN NON-CASH OPERATING WORKING CAPITAL

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

	Years ended	
	November 30, 2014	November 31, 2013
	$	$
Accounts receivable	**(1,058)**	(1,939)
Taxes receivable	**7**	(11)
Inventories	**(2,313)**	(127)
Prepaid expenses	**(14)**	(144)
Customer deposits	**578**	87
Accounts payable and accrued liabilities, and provisions	**1,797**	1,109
	(1,003)	(1,025)

17. FINANCIAL INSTRUMENTS

17.1 Fair value

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, 2014 and November 30, 2013.

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 long-term bank debt, subordinated loan and Government assistance, foreign exchange forward contracts and gold 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, 2014 and November 30, 2013.

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 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 sheets 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 rate charges fluctuate with changes in the bank's 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 17.2) 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, 2014. The forward current value (fair value) of these financial instruments as at November 30, 2014 had an unrealized loss of $695 (foreign exchange forward contracts - $646, and gold forward contracts - $49) included in other comprehensive income (loss), and relates to derivatives designated as cash flow hedges. 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 income (loss), and related to derivatives designated as cash flow hedges.

17.2 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 year ended November 30, 2014, an assumed 50 basis points increase in interest rates during such year would have decreased earnings before income taxes by $13 (year ended November 30, 2013 – decrease of $15), 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 for the reporting years is set out in the table below:

	Years ended	
	November 30, 2014 $	November 30, 2013 $
Realized gain relating to financial assets and liabilities, excluding foreign exchange forward contracts	**(554)**	(75)
Realized (gain) loss relating to forward exchange foreign contracts	**(56)**	48
Foreign exchange gain	**(610)**	(27)

The foreign exchange exposure for the reporting years, 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, 2014			November 30, 2013
(In thousands of US dollars)	**Canadian and other operations $**	**US operations $**	**Consolidated financial statements $**	Consolidated financial statements $
Cash	**683**	**48**	**731**	876
Accounts receivable	**7,539**	**2,721**	**10,260**	9,916
Accounts payable and accrued liabilities	**(1,711)**	**(1,819)**	**(3,530)**	(2,739)
Total bank borrowings	**(1,329)**	**-**	**(1,329)**	(3,000)
Balance sheet exposure, excluding financial derivatives	**5,182**	**950**	**6,132**	5,053
Reporting date US$:Cdn.$ exchange rate			**1.1440**	1.0620

	Years ended			
	November 30, 2014			November 30, 2013
	Canadian and other operations $	**US operations $**	**Total $**	Total $
Net sales	**36,059**	**14,265**	**50,324**	46,846
Operating expenses	**(10,865)**	**(14,229)**	**(25,094)**	(25,493)
Net exposure	**25,194**	**36**	**25,230**	21,353

With all variables remaining constant, assuming a 5% strengthening of the Canadian dollar versus the US dollar, net earnings before tax for the year ended November 30, 2014 would decrease and net loss before tax for the year ended November 30, 2013 would increase as follows in the tables below. An assumed 5% weakening of the Canadian dollar versus the US dollar would have had an equal but opposite effect on the amounts shown below.

(in thousands of Canadian dollars except where noted and per share amounts)

	Years ended			
	November 30, 2014			November 30, 2013
Source of net earnings/loss variability from changes in foreign exchange rates	**Canadian and other operations $**	**US operations $**	**Total $**	Total $
Balance sheet exposure, excluding financial derivatives	**(259)**	**(48)**	**(307)**	**(253)**
Net sales and operating expenses (net exposure)	**(1,260)**	**(1)**	**(1,261)**	**(1,068)**
Net exposure	**(1,519)**	**(49)**	**(1,568)**	**(1,321)**

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 balance sheet exposure as at November 30, 2014 was RMB 606,201 or Cdn. $113 (November 30, 2013 – RMB 918,444 or Cdn. $160).

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, 2014 and November 30, 2013:

Currency sold	**Currency bought**	**Notional value**	**Forward value at transaction date**	**Forward current value**	**Unrealized loss**
November 30, 2014					
US dollars	**Canadian dollars**	**$15,000**	**$16,577**	**$17,223**	**($646)**
November 30, 2013					
US dollars	Canadian dollars	$14,950	$15,612	$15,939	($327)

As at November 30, 2014, the foreign exchange forward contracts (contracts to sell foreign currency) are designated as cash flow hedges and have an unrealized loss of $646 (forward current value (fair value) of $17,223 as compared to the forward value at transaction date of $16,577), all of which was recognized in other comprehensive income (loss) and accounts payable and accrued liabilities. This unrealized loss in other comprehensive income (loss) is expected to be reclassified to the consolidated statements of earnings (loss) over the next twelve months when the sales are recorded.

As at November 30, 2013, the foreign exchange forward contracts (contracts to sell foreign currency) were designated as cash flow hedges and had 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 was recognized in other comprehensive income (loss) and accounts payable and accrued liabilities.

As at November 30, 2014, in addition to the above, the Corporation also had outstanding commitments to buy 300 ounces of gold (November 30, 2013: 300 ounces of gold) under gold forward contracts at a contract price of approximately $1.5 per ounce with 150 ounces expiring quarterly from December 2014. 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:

(in thousands of Canadian dollars except where noted and per share amounts)

Year ended	Nature of contract	Quantity	Forward value at transaction date	Forward current value	Unrealized loss
November 30, 2014	**Gold forward contracts**	**300 ounces**	**$449**	**$400**	**($49)**
November 30, 2013	Gold forward contracts	300 ounces	$478	$400	($78)

As at November 30, 2014, the gold forward contracts are designated as cash flow hedges and have an unrealized loss of $49 (forward current value (fair value) of $400 as compared to the forward value at transaction date of $449), all of which was recognized in other comprehensive income (loss) and accounts payable and accrued liabilities. This unrealized loss in other comprehensive income (loss) is expected to be reclassified to the consolidated statements of earnings (loss) over the next twelve months when the cost of sales are recorded.

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 was recognized in other comprehensive income (loss) and accounts payable and accrued liabilities.

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 income (loss) as at November 30, 2014 are expected to mature and affect the consolidated statement of earnings (loss) in 2015.

Credit risk

For the year ended November 30, 2014, the Corporation released bad debts provision of $20 by recording a credit to the bad debts expense account (year ended November 30, 2013 - the corporation recorded bad debts expense of $138) against trade receivable in selling, general and administrative expenses in the consolidated statements of earnings (loss).

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 approximately 15% and 14% of sales (2013 - 14% and 11%), respectively during year ended November 30, 2014. 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.

(in thousands of Canadian dollars except where noted and per share amounts)

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, 2014 and November 30, 2013 was as follows:

	November 30, 2014 $	November 30, 2013 $
By geographical area:		
Canada	**1,807**	2,462
United States	**8,950**	8,400
Asia	**1,678**	894
Europe	**471**	411
Trade receivables	**12,906**	12,167
Allowance for doubtful accounts ("AFDA")	**(133)**	(217)
Trade receivables, net of AFDA	**12,773**	11,950
Aging by due dates:		
Not past due	**10,069**	10,137
Past due 1 to 30 days	**2,065**	1,326
Past due 31 to 120 days	**707**	652
Past due 121 to 180 days	**37**	4
Past due over 181 days	**28**	48
Trade receivables	**12,906**	12,167
AFDA	**(133)**	(217)
Trade receivables, net of AFDA	**12,773**	11,950

The movements in the AFDA were as follows:

	November 30, 2014 $	November 30, 2013 $
Opening balance	**217**	195
Provision (released) expensed during the year	**(20)**	138
Doubtful accounts written off during the year	**(64)**	(116)
Closing balance	**133**	217

Accounts receivable of $13,289 as at November 30, 2014 include trade receivables of $12,773 and other receivables of $516. Accounts receivable of $12,275 as at November 30, 2013 include trade receivables of $11,950 and other receivables of $325.

(in thousands of Canadian dollars except where noted and per share amounts)

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 13.7. 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, 2014 and November 30, 2013:

					November 30, 2014	November 30, 2013
	Less than 1 year $	**1 to 2 years $**	**2 to 5 years $**	**More than 5 years $**	**Amount $**	Amount $
Long-term bank debt *(Note 11.2)*	**278**	**1,242**	**-**	**-**	**1,520**	2,124
Subordinated loan and Government assistance (Note 11.3)	**-**	**1,022**	**3,066**	**1,022**	**5,110**	5,110
Bank indebtedness *(Note 11.1)*	**-**	**-**	**-**	**-**	**-**	1,062
Accounts payable and accrued liabilities, and provisions	**10,431**	**-**	**-**	**-**	**10,431**	8,639
Customer deposits, net of deferred development *(Note 10)*	**1,531**	**-**	**-**	**-**	**1,531**	930
Foreign exchange forward contracts cash settlement *(Note 17.2)*	**16,577**	**-**	**-**	**-**	**16,577**	15,612
Gold forward contracts cash settlement *(Note 17.2)*	**449**	**-**	**-**	**-**	**449**	478
Operating leases	**1,111**	**1,056**	**2,018**	**20**	**4,205**	2,445
	30,377	**3,320**	**5,084**	**1,042**	**39,823**	36,400

Financial liabilities and obligations for future interest payments relating to long-term bank debt are $32 for less than 1 year, $12 for 1 to 2 years, $nil for 2 to 5 years and $nil for more than 5 years.

Financial liabilities and obligations for future interest payments related to subordinated loan and Government assistance are $nil for less than 1 year, $217 for 1 to 2 years, $395 for 2 to 5 years and $46 for more than 5 years.

(in thousands of Canadian dollars except where noted and per share amounts)

18. RELATED PARTY TRANSACTIONS

18.1 Advances due to/from related parties

There were no related party transactions during the years ended November 30, 2014 and 2013.

18.2 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, 2014	November 30, 2013
	$	$
Short-term remuneration benefits	**1,806**	1,264
Stock-based payment benefits	**51**	27
	1,857	1,291

18.3 Key management personnel and director shareholdings

Key management and directors of the Corporation control 15.5% (2013 – 6.4%) of the voting shares of the Corporation.

19. COMMITMENTS AND CONTINGENCIES

19.1 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
	$
2015	**1,111**
2016	**1,056**
2017	**981**
2018	**591**
2019	**446**
Thereafter	**20**
	4,205

Lease payments recognized as an expense in the consolidated statements of earnings for the years ended November 30, 2014 and November 30, 2013 amounted to $1,170 and $1,122, respectively.

19.2 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 bankruptcy estate of Glendale International Corp., another former owner of the subject lands.

In February, 2014, the Corporation received the final release from the plaintiffs, the release amongst the defendants and the court dismissal order. The contribution of the Corporation to this settlement did not have a material effect on its financial situation and was fully paid in 2012 into a trust which was released in 2014.

20. 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 earnings (loss) 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 is a manufacturer of 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:

(in thousands of Canadian dollars except where noted and per share amounts)

	Year ended November 30, 2014			
	Circuits	**Aerospace**	**Corporate Office**	**Total**
	$	**$**	**$**	**$**
Sales	**47,233**	**18,828**	**-**	**66,061**
Inter-company sales	**(2,178)**	**(3,184)**	**-**	**(5,362)**
Net sales	**45,055**	**15,644**	**-**	**60,699**
Cost of sales and selling, general and administrative expenses	**35,979**	**14,749**	**2,569**	**53,297**
Research and development costs	**2,911**	**866**	**-**	**3,777**
Recovery of research and development costs	**(92)**	**(326)**	**-**	**(418)**
Depreciation of plant and equipment	**1,307**	**459**	**-**	**1,766**
Amortization of intangible assets	**48**	**-**	**-**	**48**
Foreign exchange gain on conversion of balance sheet assets and liabilities	**(358)**	**(157)**	**(95)**	**(610)**
Earnings (loss) before interest and income taxes	**5,260**	**53**	**(2,474)**	**2,839**
Interest expense on long-term and short-term debt	**-**	**-**	**393**	**393**
Income tax expense	**-**	**-**	**288**	**288**
Net earnings (loss)	**5,260**	**53**	**(3,155)**	**2,158**

	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)

(in thousands of Canadian dollars except where noted and per share amounts)

The following table details the total assets, intangible assets, additions to plant and equipment and total liabilities of the Corporation by operating segments:

	As at November 30, 2014			As at November 30, 2013		
	Circuits	**Aerospace**	**Total**	Circuits	Aerospace	Total
	$	**$**	**$**	$	$	$
Segment assets	**23,622**	**9,485**	**33,107**	21,325	9,001	30,326
Intangible assets	**144**	**4**	**148**	192	4	196
Additions to plant and equipment	**1,420**	**258**	**1,678**	817	894	1,711
Total liabilities	**14,344**	**3,659**	**18,003**	14,053	3,330	17,383

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

	Canada	**United States**	**Asia**	**Europe**	**Other**	**Total**
	$	**$**	**$**	**$**	**$**	**$**
Year ended November 30, 2014:						
Net sales (by location of customer)	**8,956**	**40,839**	**6,431**	**4,467**	**6**	**60,699**
Year ended November 30, 2013:						
Net sales (by location of customer)	**11,557**	**36,913**	**4,350**	**3,162**	**16**	**55,998**

	November 30, 2014					
	Canada	**United States**	**Asia**	**Europe**	**Other**	**Total**
	$	**$**	**$**	**$**	**$**	**$**
Intangible assets (by location of division)	**144**	**-**	**4**	**-**	**-**	**148**
Plant and equipment (by location of division)	**3,477**	**1,660**	**506**	**-**	**-**	**5,643**

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

In 2014, there was one customer in the United States that accounted for $9,110 of net sales (of which 63% was in Circuits and the remaining 37% in the Aerospace segment) or approximately 15% of the total net sales during the year ended November 30, 2014. 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 during the year ended November 30, 2013.

(in thousands of Canadian dollars except where noted and per share amounts)

21. EMPLOYEE COMPENSATION

Employee compensation expenses are included in cost of sales and selling, general and administrative expenses in the consolidated statements of earnings. Wages, salaries and related benefits were $26,312 (2013 – $24,495) for the year ended November 30, 2014.

22. NON-CONTROLLING INTEREST

Non-controlling interest represents Tianjin Printronics Circuit Corp.'s ("TPC") share in the joint venture between the Corporation and TPC.

	November 30, 2014 $	November 30, 2013 $
Opening balance	**48**	-
Contribution	**-**	88
Share of net loss for the year	**(35)**	(40)
Currency translation adjustment	**2**	-
Closing balance	**15**	48

CORPORATE DIRECTORY

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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
RBC Wealth Management

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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 22, 2015, 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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