1.1 Date

This Management's Discussion and Analysis ("MD&A") provides a review of the significant developments and issues that influenced the Company during the eleven month period ended December 31, 2011 and the annual period ended January 31, 2011. This MD&A should be read in conjunction with the audited consolidated financial statements of Maple Leaf Reforestation Inc. ("Maple Leaf" or the "Company") for the eleven month period ended December 31, 2011. On October 25, 2011, the Company announced that it changed its financial year-end from January 31st to December 31st. This change was made so that the Company's financial year-end would coincide with the financial year-end of its operating subsidiary in the People's Republic of China. As a result of this change, the period represented by this MD&A and the associated audited consolidated financial statements is for February 1, 2011 to December 31, 2011.

This MD&A contains information up to and including April 27, 2011. Unless otherwise indicated, in this MD&A all references to "dollar" or the use of the symbol "$" are to the Canadian dollar, all references to "RMB¥" are to the Renminbi, which is the legal currency in the People's Republic of China ("China" or "PRC").

Additional information relating to Maple Leaf is available on SEDAR at www.sedar.com and on Maple Leaf's website at www.mlreforestation.com.

Except for statements of historical fact relating to the Company, certain information contained herein constitutes forward-looking statements. This MD&A contains forward-looking statements which reflect management's expectations regarding Maple Leaf's future growth, results of operations, performance, business prospects and opportunities. Words such as "expects", "anticipates", "intends", "plans", "believes", "estimates", or similar expressions, are forward-looking statements within the meaning of securities laws. Forward-looking statements include, without limitation, the information concerning possible or assumed future results of operations of Maple Leaf. These statements are not historical facts but instead represent only Maple Leaf's expectations, estimates and projections regarding future events. These statements are not guarantees of future performance and involve assumptions and risks and uncertainties that are difficult to predict. Therefore, actual results may differ materially from what is expressed, implied or forecasted in such forward-looking statements. In addition to the factors that Maple Leaf currently believes to be material such as, but not limited to, its ability to obtain adequate working capital, its ability to secure purchase contracts relating to its various operations, the cyclical nature of the industry within which it operates and price fluctuations in the demand and supply of the products it produces, its reliance on joint venture partners, authorized intermediaries, key customers, suppliers and third party service providers, its ability to operate its production facilities on a profitable basis, changes in currency exchange rates and interest rates, evaluation of its provision for income and related taxes and the PRC economic, political and social conditions and government policy, as well as other factors, such as general, economic and business conditions and opportunities available to or pursued by Maple Leaf, which are not currently viewed as material but could cause actual results to differ materially from those described in the forward-looking statements. Although Maple Leaf has attempted to identify important risks and factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors and risks that cause actions, events or results not anticipated, estimated or intended. Accordingly, readers should not place any undue reliance on forward-looking statements as such information may not be appropriate for other purposes.

Maple Leaf maintains a forward-looking statement database which is reviewed by management on a regular basis to ensure that no material change has occurred with respect to such forecasts. The Company will publicly disclose such material changes to its forward-looking statements as soon as they are known to management.

1.2 Business Overview

Maple Leaf, a development stage company, is devoting substantially all of its efforts to establishing businesses to plant and sell young tree seedlings and Yellowhorn seeds and seedlings in China. Its planned principle operation has not reached its designed capacity and as a result, significant revenue has not been generated. The Company's projects and the underlying value and the recoverability of the amounts invested in these projects are entirely dependent upon the survival ability of the seedlings, the Company's ability to secure sales contracts for such seedlings and its ability to obtain financing to complete the necessary project development needed to achieve future profitable production of young trees.

1.2.1 Greenhouse Operation

The 110,000 square foot greenhouse was constructed in Inner Mongolia, China and is operated by the Company's 100% owned subsidiary, *Inner Mongolia Maple Leaf Reforestation Ltd*. The greenhouse's maximum growing capacity is 24 million seedlings per annum, but it produces 18 million seedlings under normal operating conditions. However, due to limited financial resources, the operation of the greenhouse is not able to achieve what would be its normal capacity, and as a result, the operation from the greenhouse is still in a loss position.

During the period ended December, 2011, sales from the greenhouse operation were $288,233 (fiscal period ended January 31, 2011 - $652,996) and a gross profit of $33,501 (fiscal period ended January 31, 2011 – gross loss of $52,615) was realized. A net loss of $311,748 (fiscal period ended January 31, 2011 - $317,420) was recorded from the greenhouse operation for the eleven month period ended December 31, 2011. A discussion of the comparative results for the period ended December 31, 2011 is set out in Section 1.3.

Maple Leaf is continuously undertaking efforts to grow its customer base with respect to seedling sales. Maple Leaf maintains sales personnel in Inner Mongolia, China who market the seedlings available from the greenhouse. Marketing efforts are primarily focused on government entities.

In February 2011, the Company was presented with a lease agreement from the Liang Cheng County Forestry Department, Inner Mongolia, China ("Liang Cheng") to lease a 110,000 square foot greenhouse, including 17 acres of adjacent useable land, for 10 years, for an annual lease payment of approximately $45,000 (RMB¥ 300,000) to double its greenhouse capacity and expand the greenhouse operation in Inner Mongolia, China. The lease agreement has still not been entered as Maple Leaf is reviewing its options with respect to accessing additional greenhouse space. Liang Cheng has also agreed to purchase 100 million seedlings over the next 5 years from the Company to commence when it begins operating additional greenhouse space and becomes capable of fulfilling the orders. A new agreement is being negotiated with the County to replace this one as the Company did not have the necessary funding to lease and operate a second greenhouse in 2011.

In November 2011, the Company announced that *Inner Mongolia Ordos City Zhungeer Chak Island Co., Ltd*. ("Zhungeer") agreed to purchase 3 million Scots Pine seedlings at 1 Rmb (approximately $0.16 Cdn) per seedling. Zhungeer paid a non-refundable deposit of 100,000 Rmb (approximately $16,500 Cdn) on December 1st, 2011. The first tranche of seedlings was delivered in April, 2012.

1.2.2 Yellowhorn Tree Farm Operation

The bio-diesel industry around the world has been flourishing and demand for feedstock oil has been increasing, however it has been lagging in China. The Company's knowledge and involvement in Yellowhorn trees has led to it being approached by North American entities that require Yellowhorn seedlings

During the eleven month period ended December 31, 2011, the Company's operation in yellowhorn tree farm was fairly inactive. Due to the financial difficulties of the Company and the political unrest in Xinjiang, the Company decided to reorganize its Yellowhorn operation and re-locate the project to Inner Mongolia China.

Maple Leaf continues to pursue operational opportunities relating to Yellowhorn trees and the bio-diesel industry, however at this time it does not have an active operation relating to Yellowhorn seedling or trees. See "Subsequent Events" for a further discussion of Maple Leaf's Yellowhorn project initiatives.

1.2.3 Subsequent Events

In January, 2012, Maple Leaf announced that it entered a Yellowhorn Project Collaboration Agreement for the exclusive distribution of Yellowhorn products in Europe and for the joint development of Yellowhorn planting projects in Europe (the "Agreement") with Vinomatos Espana, S.L. ("Vinomatos"), a Spain-based company that specializes in planting fruit trees, vineyards, olive trees and agro-energetic planting projects. Vinomatos utilizes a "Super High Intensive" technique for its planting which includes a semi-automatic GPS guided machine. Vinomatos has developed a program for applying its planting techniques to Yellowhorn production. The Agreement will be effective for 3 years and will be renewable by the agreement of both parties.

Maple Leaf and Vinomatos' parent-company, Gaia Group ("Gaia"), have also entered a Letter of Intent with *Horqin Youyi Qianqi County, Inner Mongolia* (the "County"), for the planting of Yellowhorn seedlings on approximately 82,000 acres of land in Inner Mongolia (the "LOI") over the next 2 years. The LOI allows for MPE and Gaia to sell up to 57 million Yellowhorn seedlings to the County over the next 2 years at a price of 1 RMB ($0.16 CDN) per seedling for planting, with the right to buy back certain amounts of the Yellowhorn seeds once mature for 10 RMB ($1.60 CDN) per kilogram, instead of the current market price in China of approximately 58 RMB ($9.28 CDN) per kg.

In addition, Maple Leaf terminated a Letter of Intent that it entered with KS Ecology (Canada) Inc., a Vancouver, B.C. based Yellowhorn plantation company with operations in China. Maple Leaf conducted significant due diligence on KS Ecology and its assets, and it was determined that proceeding with the transaction was not in the best interests of the Company.

On February 6, 2012, Maple Leaf announced that it entered a joint-venture with a Hong Kong based private company for the set up of a germinating pot production facility at the Company's Greenhouse location in Inner Mongolia (the "JV"). The JV is significant to Maple Leaf's Greenhouse operation because it will provide a versatile and reliable source of germinating pots, which are required for all of the Company's planting at its Greenhouse, will eliminate the need for the Company to purchase pots from third party vendors at substantially higher prices and will also provide access to a variety of germinating pots. The Company anticipates that the JV will reduce its pot cost by approximately 60% and will ensure a readily available and versatile source of pots.

The Company's Hong Kong JV partner will be funding all of the costs associated with setting up the production facility with machinery and for securing all required raw materials. The Company will have first access to all pots produced by the JV and will pay its JV partner 0.05 Rmb (approximately $0.01 Cdn) royalty per pot purchased and used by the Company during the first three years of production. After the three year period, the Company will have an option to purchase the manufacturing facility back from the JV at market price and thus cancel the royalty payment arrangement.

On February 6, 2012, the Company also announced that the disinterested directors of the Company approved the entering of an agreement for shares for past legal services (the "Agreement") provided by Brad R. Docherty Professional Corporation (wholly owned by Brad R. Docherty). The sole beneficial owner of this entity is both a director and officer of the Company and he abstained from voting on the approval of this matter by the Company's board. The Company issued an aggregate of 903,552 common shares in the capital of the Corporation having a deemed issuance price of $0.05 per common share (the "Share Issuance"). The Share Issuance represents full satisfaction of fees owed to Brad R. Docherty Professional Corporation for past legal services provided to the Company.

On February 6, 2012, the Company also announced that effective February 3, 2012, Brad Docherty resigned as Corporate Secretary and was replaced by Terence Lam. Mr. Lam has been Maple Leaf's Office Manager for approximately 1.5 years and works closely with Maple Leaf's President & CEO on a day-to-day basis.

On February 24, 2012, the Company announced it would seek to issue up to 6,000,000 units at a price of $0.05 per unit ("Unit"), for potential gross proceeds of $300,000. Each Unit would consist of one common share of the

Company and one common share purchase warrant. Each warrant would entitle the holder to purchase an additional common share at an exercise price of $0.10 for a period of 5 years from the date of closing of the private placement.

On February 24, 2012, the Company also announced that, subject to final approval by the TSXV, it had completed the first of a series of closings for the private placement. The first closing consisted of 2,600,000 Units for total gross proceeds of $130,000. In connection with the first closing, Maple Leaf paid finder's fees in the amount of $4,000 to arm's length parties.

On March 13, 2012, the Company announced that its board of directors had approved the entering of an agreement for shares for past services (the "Agreement") provided by Alex Cheung, Maple Leaf's former Chief Financial Officer. Pursuant to the Agreement the Company would issue an aggregate of 225,000 common shares in the capital of the Company having a deemed issuance price of $0.05 per common share (the "Share Issuance"). If completed the Share Issuance would represent full satisfaction of fees owed to Mr. Cheung for past services provided to the Company. As of the date of this MD&A, the Share Issuance has not occurred.

Effective March 30, 2012, Mr. Brad Docherty resigned from its board of directors for personal reasons. The vacancy created by Mr. Docherty's resignation was filled by Mr. Terence Lam, Maple Leaf's current Corporate Secretary.

1.3 Annual Financial Results

The following table set forth selected operational results for the three most recently completed financial years ended December 31, 2011, January 31, 2011 and January 31, 2010.

	11 months ended, December 31, 2011	Year ended January 31, 2011	2010
Total assets	$ 2,114,951	$ 2,189,853	$ 3,409,800
Shareholders' equity	1,391,507	1,648,153	2,401,451
Dividend declared		-	-
Sales	297,260	652,995	147,036
Gross profit	42,528	(52,615)	93,374
Expenses	(998,132)	(1,731,917)	(897,399)
Loss from continuing operations	(1,070,027)	(1,959,936)	(1,300,589)
Loss on discontinued operations	(6,136)	(253,660)	(862,846)
Net loss	(1,076,163)	(2,213,596)	(2,163,435)
Basic and diluted per share from continuing operations	$ (0.01)	$ (0.04)	$ (0.02)
Basic and diluted per share on discontinued operations	$ (0.01)	$ (0.03)	$ (0.01)
Basic and diluted loss per share	$ 0.00	$ 0.00	$ (0.03)

Net loss for the annual period ended December 2011 decreased by 51%, or $1,137,433, to $1,076,163 compared to the net loss of $2,213,596 during the annual period ended January 31, 2011. The decrease was mainly due to large write off of discontinued operations in prior year and reduction of promotional expenses in the eleven month period ended December 31, 2011. During the period ended December 31, 2011, the loss from operation was $1,070,027 (annual period ended January 31, 2011 - $1,959,936) and the loss on discontinued operation was $6,136 (annual period ended January 31, 2011 - $253,660).

Sales from continuing operations, the greenhouse operation, during the annual period ended December 31, 2011 was $297,260, a decrease of $355,735, compared to the sales of $652,995 during the annual period ended January 31, 2011. The decrease was mainly because the Company was short of funding to buy germinating pots on an advanced basis.

Cost of sales for continuing operations during the annual period ended December 31, 2011 was $298,309, a decrease of $300,814, compared to the cost of sales of $599,123 during the annual period ended January 31, 2011. The decrease of cost of sales was associated with decreased of sales.

Gross profit for the annual period ended December 31, 2011 was $42,528, an increase of $95,143, compared to gross loss of $52,615 during the annual period ended January 31, 2011, which was mainly due to changes in biological assets of $150,064 due to implementation of IFRS standards.

Expenses during the annual period ended December 31, 2011, which included stock based compensation of $85,127 (annual period ended January 31, 2011 - $598,758) were $998,132, a decrease of $773,786, compared to expenses of $1,731,917 during the annual period ended January 31, 2011, as a result of the decrease of non-cash stock based compensation expense of $513,631 and no bad debt in this year. Overall expenses of the Company have been reduced significantly due to a tighter budget being adopted by the Company.

Other items during the annual period ended December 31, 2011 there was a loss of $114,423 (annual period ended January 31, 2011 – loss of $175,403), which included a write down of biological assets of $114,423 at the Greenhouse due to old stock of Canadian species seedlings that were dying out (annual period ended January 31, 2011 – $175,403).

Loss on disposal of discontinued components during the annual period ended December 31, 2011 was $6136 (annual period ended January 31, 2011 - gain of $215,223), which resulted from the final disposal of assets & liabilities form discontinued operation from prior year.

1.4 Quarterly Financial Results

	2 month ended	Quarters ended		
	December 31, 2011	October 31, 2011	July 31, 2011	April 30, 2011
Sales	$ 65,260	$ 91,416	$ 99,064	$ 41,520
Cost of sales	(48,086)	(75,901)	(117,495)	(56,827)
Change in biological assets	43,577			
Gross profit	60,751	15,515	(18,431)	(15,307)
Expenses	(110,454)	(217,804)	(259,531)	(411,338)
Other income and expenses		43	952	
Write down of biological assets	23,834	(538)		(137,719)
Loss from continuing operations	(25,869)	(202,784)	(277,010)	(564,364)
Income (loss) on discontinued operations	(6,136)	-	-	0

Net loss	$	(32,005)	$	(202,784)	$	(277,010)	$	(564,364)
Loss per share	$	-0.01	$	-0.01	$	-0.01	$	-0.01

	Quarters ended							
		January 31, 2011		October 31, 2010		July 31, 2010		April 30, 2010
Sales	$	130,789	$	262,406	$	176,885	$	82,915
Cost of sales		(95,467)		(256,764)		(149,190)		(97,702)
Change in biological assets		(106,487)						
Gross profit		(71,165)		5,642		27,695		(14,787)
Expenses		(489,936)		(485,134)		(239,433)		(517,415)
Write down of biological assets		(196,522)		20,089		1,030		
Loss from continuing operations		(757,623)		(459,403)		(210,708)		(532,202)
Income (loss) on discontinued operations		191,628		(300,810)		(76,729)		(67,749)
Net loss	$	(565,995)	$	(760,213)	$	(287,437)	$	(599,951)
Loss per share	$	-0.01	$	-0.01	$	-0.01	$	-0.01

During the year ended December 2011, the low sales was caused by a lack of funding to purchase germinating pots. The Company has recently adopted a tight budget system to cut down all expenses, including relocating the head office to a much cheaper rental space and cutting down all promotional activities.

1.4.1 Fourth Quarter ended December 31, 2011 ("Q4 2011")

Net Loss in the two month period ended December 31, 2011 was $32,005 (Q4, January 31, 2011 - loss of $565,995), which is comprised of a loss from continuing operations of $25,869, and a loss on discontinued operations of $6,136 (Q4 January 31, 2011 - loss of $191,628). The net loss is a decrease of $533,990 as a result of a write-off on discontinued operations having occurred in 2010.

Sales in the two month period ended December 31, 2011 was $65,260, a decrease of $65,529, compared to the sales of $130,789 in the same quarter last year. The decrease was mainly due to a lack of funding being available to the Company to purchase germinating pots used to grow seedlings

Cost of sales in the two month period ended December 31, 2011 was $48,086, a decrease of $47,381, compared to the cost of sales of $95,467 in Q4 January 2011. The decrease of cost of sales was associated with the decrease in sales.

Gross profit in the two month period ended December 31, 2011 was $60,751 (Q4 January 2011 – gross loss of $71,165), an increase of $131,916, which was mainly due to the adjustments in the biological assets as a result of the IFRS transition.

Expenses in the two month period ended December 31, 2011were $110,454, a decrease of $379,482, compared to expenses of $489,953, as a result of lower sales and a tighter budget on expenses.

Other items in the two month period ended December 31, 2011 were a write-up of biological assets of $23,834 (Q4 January 2011 – loss of $195,522). The decrease is mainly due to no write down of inventory in Q4, 2011, instead of a write up of $23,834. In Q4 2011, no seedlings were written off compared to a total of $196,522 inventory written off in the same period last year.

Income (loss) on discontinued operations in the two month period ended December 31, 2011 was $6,136, which comprised of a loss on disposal of discontinued component of $6,136 (Q4 January 2011 - $215,233) offset by a loss from discontinued operation of $nil (Q4 January 2011 – loss of $23,605). This amount is mainly due to a clean-up of the prior year written off discontinued operations.

1.4.2 Overview of Operation Results for Other Quarters

The expenses incurred by the Company are typical of a development company that has not yet established its principle operation. The Company`s expenditures fluctuating from quarter to quarter is mainly related to its acitivities conducted in estabishing and developing its operations during the respective quarter. During the annual period ended December 31, 2011, the Company has adopted a tighter budget due to low sales, as such the overall expenses have been reduced.

For the quarter ended October 31, 2011, the Greenhouse Sales were low, but some cost savings were achieved by relocating the Head Office to a cheaper rental space to save costs and resulting in a net loss of $202,784.

For the quarter ended July 31, 2011, the Greenhouse was the only operation resulting in a net loss of $277,010.

During the quarter ended April 30, 2011, the Greenhouse was the only operation with only the month of April having sales as the Spring planting started in China, and a write down of old unsaleable Canadian species seedlings of $137,719 resulting in a net loss of $564,364.

1.5 Liquidity and Capital Resources

1.5.1 Working Capital

At December 31, 2011, the Company had working capital of $202,449 compared to working capital position of $357,203 at January 31, 2011. As at December 31, 2011, cash and cash equivalents decreased by $26,282 to $22,484 as a result of: cash used in operating activities of $641,955 and cash used in investing activities of $15,154 offset by cash of $630,827 provided by financing activities and a exchange rate effect of $1,008.

At present, the Company's ability to continue as a going concern is dependent upon its ability to sell tree seedlings and to obtain financing to cover operational costs and for expansion until such time as cash flows from its operations are sufficient to fund general costs and growth internally. If financing is sought by the Company it is most likely that it would occur by way of private placement for its common stock, however if market interest does not exist for such securities then the Company may obtain financing through other forms of security such as convertible debentures, or it may also seek to obtain debt from financial institution(s), which would be secured by the Company's Chinese assets. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. The timing and ability to fulfill this objective will depend on the liquidity of the financial markets as well as the willingness of investors to finance agricultural and renewable resource companies operating in the PRC.

The Company currently on average burns approximately $83,178 per month, including both head office expenses and costs relating to its operations in China, and also currently has convertible debentures of $102,500 outstanding, which mature September 8, 2012. Management is presently reviewing opportunities to to raise more operating capital by way of the issuance of common shares and/or the issuance of additional convertible debentures. Management plans to fund its ongoing operational costs by completing such financing efforts or by otherwise securing debt financing. The Company's greenhouse operation is also receiving funds from sales and deposits for future sales on a periodic basis, which supports the ongoing operational costs of the Company. The

Company's ability to carry-out its planned business obligations and to successfully expand and grow its operations depends on its ability to raise adequate financing in the near term and achieving profitable operations in the future. Although the Company's projected revenues for the current fiscal year are projected to assist with its head office and operational costs, it is possible for the situation to arise that if the Company is not able to raise additional funds, there would be significant doubt that the Company would be able to continue as a going concern and the operation would be required to be curtailed. The Company has historically been successful in raising capital by way of the issuance of common shares or convertible securities, and is confident that it will be able to do so going forward in order to fund its ongoing head office expenses should funds from its operation not be available to pay for head office expenses. The Company's greenhouse operation has been consistently improving and requiring less and less funding by head office. As a result, the greenhouse has not been requiring as much capital infusion from head office as it has been historically.

1.5.2 Cash flow

Operating activities during the eleven month period ended December 31, 2011 used cash of $641,955 (annual period ended January 31, 2011 – used $745,151). Prior to changes in non-cash working capital items, which used cash of $641,955 (annual period ended January 31, 2011 – $732,894), cash flow used in operating activities after adjusting for non-cash items during the 11 month period ended December 31, 2011 was $703,385 (annual period ended January 31, 2011 – $889,628). The decrease of cash used in operating activities was mainly due to a tighter budget and cut down of expenses.

In Q4 2011, cash used in operating activities was $193,971 (Q4 January 2011 – $152,866). Due to the unprofitable operation, the Company was not able to generate positive operating cash flow in Q4 2011.

Investing activities in the eleven month period ended December 31, 2011 used cash of $15,154 (annual period ended January 31, 2011 – used $42,049). The cash flow in investing activities included cash used in continuing operations to purchase property, plant and equipment of $12,911 (annual period ended January 2011 - $27,035), acquire land lease of $2,243 (annual period ended January 31, 2011 - $16,720). The decreased cash used in investing activities is mainly due to tighter budget and cut down of expenses and purchase of assets.

In Q4 2011, a total of $8,807 cash used in the investing activities compared to $59,019 cash used in the same period last year. The decrease of cash used in investing activities was mainly due to a tighter budget and cut down of expenses and purchase of assets.

Financing activities in the eleven month period ended December 31, 2011 generated cash of $630,827 through equity financing while a total of $756,300 cash was generated through debt and equity financings in the same period last year.

In Q4 2011, the Company raised $72,432 through equity financing while a total of $85,750 was raised in the same period last year.

1.5.3 General Contractual Commitments

Commitments are as follows:

a) The Company has entered into a land lease agreement in Inner Mongolia for a term of 50 years ending December 31, 2056. The Company is required to pay an aggregate of $144,115 (RMB¥950,000) for the whole lease term. The payment is to be made over the first 10 years and a summary of remaining payments are due as follows:

Year		Annual Payments
2012	$	12,928
2013		12,928
2014		12,928
2015		3,232
Total	$	42,016

b) The Company has a lease with Giamel Inc. with respect to its Calgary head office location. The lease is for a term of three years, from November 1, 2011 to October 31, 2014, and the remaining lease payment of $93,168 over the next three years are as follows:

Year		Annual Payments
2012	$	31,056
2013		31,056
2014		31,056
Total	$	93,168

The Company has currently sub-leased some office space to offset the costs of the lease. Revenue from the sub-leases is estimated to be $20,571.

c) The Company has a lease with Dundee Canada (GP) Inc. with respect to its head office location. The lease is for a term of five years, from October 2, 2008 to September 30, 2013, and the remaining lease payment of $237,996 over the next three years is as follows:

Year		Annual Payments
2012	$	22,688
2013		92,554
2014		54,691
Total	$	169,933

The Company is subleasing the office space to various parties to reduce its monthly operating cost.

d) The Company is committed to pay a management fee to its current President & C.E.O. in the amount of $90,000 annually. If terminated, the President & C.E.O. would be entitled to a termination fee equivalent to one year's full salary.

e) Maple Leaf engages the services of various consultants on an 'as needed' basis. Such consultants provide services to the Company including, but not limited to, accounting, marketing, administrative, translation and general advising regarding operational matters of the Company. It is management's belief that the services of such consultants are required to achieve timely and efficient operational execution. Also, the breadth of skills provided by such consultants is needed in light of management's experience and expertise, and to pursue certain operational opportunities.

1.5.4 Available Sources of Funding

Historically the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements to accredited investors and institutions. The Company has issued common share capital in many of the past few years, pursuant to private placement financings and the exercise of warrants and options. The Company is also considering other forms of security financing, such as convertible debentures, or debt financing secured with the Company's assets in China. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that the terms of such financing will be favourable.

In March 2010, the Company closed a private placement with the family of the CEO of the Company to raise gross proceeds of $150,000. The private placement comprised of 1,000,000 units and each unit comprised of one common share and one share purchase warrants which enable the holder to exercise the warrants at $0.25 per share before March 25, 2012.

In August and September 2010, the Company completed a series of non-brokered private placements (the "Placements") to raise a net of finder's fees amount of $520,550. The Placements consisted of $102,500 worth of convertible debentures and 4,537,500 units. Each unit consists of one common share and one common share purchase warrant. Each warrant will entitle the holder to purchase one common share at an exercise price of $0.20 for a period of two years from the date of issuance. The convertible debentures are bearing interest at a rate of 15% per annum and will be payable on maturity, being two years from the closing of the debenture. The debenture will be convertible at the option of the holder into common shares of the Company at a price of $0.125 per share during the initial twelve months following the closing of the debenture offering at a price of $0.175 per share during the second twelve months.

In February 2011, the Company completed a private placement to raise gross proceeds of $649,875 by issuing 7,645,588 Units at a subscription price of $0.085 per Unit, and each Unit consists of one common share and one common share purchase warrant exercisable for two years from the date of closing at a price of $0.125. In connection with this private placement, the Company paid finder's fee in the amount of $54,179 and issued 684,458 options (the "agent's option) to arm's length parties. The agent's options will be exercisable into common shares of the Corporation for two years from the date of closing at a strike price of $0.085 per share.

The Company is continuously seeking and considering financing options and reviews available opportunities to raise additional funds through private placements and it is also pursuing some loan opportunities. The Company anticipates that its funds from operations will be sufficient to meet its operational needs for the next twelve months, however it may seek to raise additional working capital to ensure such funds are readily available.

1.6 Transactions with Related Parties

Related party transactions are as follows:

Transactions with related parties	**11 months ended December 31, 2011**	Year ended January 31, 2011

Management fee to a director and officer (a)	$	82,500	$	90,000
Legal fee to a director and officer (b)	$	55,250	$	60,000
Consulting fee to a director and officer (c)	$	27,500	$	12,500

The transactions with related parties during the period were measured at exchange amount, which is the amount of consideration established and agreed by the parties.

As at December 31, 2011, the balances with related parties, which are unsecured, non-interest bearing, and due on demand, are as follows:

Amount due to a related party	December 31, 2011	January 31, 2011
A director and officer (b)	Nil	$ 69,317

(a) During the eleven months ended December 31, 2011, the Company paid $82,500 (annual period ended January 31 2011 - $90,000) to a director and officer of the Company for his management services. As President, Chief Executive Officer and Chairman of the Company, this director and senior officer is responsible for managing the Company's operations from head office, including coordinating and liaising with project managers in China, and is generally responsible for all of the day-to-day tasks associated with the Company's business. As well, this individual organizes the Board of Directors of the Company and coordinates all meetings of the Board of Directors. Finally, this individual assists with the preparation of the Company's continuous disclosure documentation, as required by securities laws, including interim and annual financial statements and management discussion & analysis.

(b) During the eleven months ended December 31, 2011, the Company incurred legal fees of $55,250 (year ended January 31, 2011 - $60,000) payable to Brad R Docherty Professional Corporation, a law firm which a director and officer during the financial period period being reported was a member. As at December 31, 2011, a total of $42,000 remained outstanding with no set terms of repayment nor guarantees.

(c) During the 11-month periods ended December 31, 2011, the Company incurred a consulting fee of $27,500 (year ended January 31, 2011 - nil) payable to CLW Partners, a private company controlled by an individual who was a director and officer of the Company during the financial period being reported, which for consulting services provided.

(d) During the 11-month period ended December 31, 2011, the Company incurred a consulting fee of $10,900 (year ended January 31, 2011 - $2,800) payable to Decapital Inc., a private company controlled by a director and officer of the Company for consulting services provided.

The transactions with related parties are measured at the exchange amount, which is the amount of consideration established and agreed by the parties. The balances with related parties are unsecured, non-interest bearing, and due on demand.

1.7 Proposed Transactions

With the exception of the information provided above, the Company is not a party to any proposed transaction that may have an effect on its financial condition, results of operations or cash flows which the management believes would require the intervention or approval of the Board of Directors of the Company.

1.8 Critical Accounting Policies and Estimates

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements, and the reported amount of sales and expenditures during the reporting period. Management has identified (i) Future income tax provision, (ii) Impairment of long live assets, and (iii) Stock base compensation as the main estimates for the following discussion. Please refer to Note 2 of the Company's consolidated financial statements for a description of all of the significant accounting policies.

i) Income taxes

Management uses judgment and estimates in determining the appropriate rates and amounts in recording deferred taxes, giving consideration to timing and probability. Actual taxes could vary significantly from these estimates as a result of future events, including changes in income tax law or the outcome of reviews by tax authorities and related appeals. The resolution of these uncertainties and the associated final taxes may result in adjustment to the Company's tax assets and tax liabilities. The recognition of deferred income tax assets is subject to judgement and estimation over whether these amounts can be realized.

ii) Impairment of long live assets

Long lived assets are reviewed for impairment charges whenever events of changes in circumstances indicate that the carrying amount may not be recoverable from the future undiscounted net cash flows expected to be generated by the asset. If the asset is not recoverable, an impairment charge would be recognized in that period for the difference between the carrying value of the asset and its estimated fair value based on the discounted net future cash flow or quoted market price.

iii) Stock based compensation

The Company accounts for stock options using the fair value method. Under this method, compensation expense for stock options granted to employees, officers, and directors is measured at fair value at the date of the grant using the Black-Scholes pricing model and is expensed in the consolidated statements of operations over the vesting period of the options granted. The fair value of stock options granted to consultants is measured at the performance commitment date or the date that the service is delivered using the Black-Scholes pricing method.

Upon the exercise of the stock options, consideration received and the related amount transferred from contributed surplus are recorded as share capital.

1.9 Future Accounting Changes

Changes in Accounting Policies

Future Accounting Changes

Unless otherwise noted, the following new or revised standards and amendments as adopted by the IASB are effective for annual periods beginning on or after January 1, 2013, with earlier application permitted. Maple Leaf Reforestation Inc. has completed an initial review of the potential impact of these new standards on the Company, and is currently considering whether or not to adopt any of these in advance of the mandatory date.

Consolidation and interests in other entities

In May 2011, as part of its consolidation project, the IASB issued the following new suite of consolidation and related standards. The suite is intended to cover all aspects of interests in other entities from determination of how to account for interests in other entities to required disclosure of the interest in those entities. Early adoption is permitted provided that the entire suite of consolidation standards is adopted at the same time.

IFRS 10, Consolidated Financial Statements, introduces a new single control model and single consolidation model built on a revised definition of control and criteria for assessment of consolidation. The new Standard requires an entity to consolidate an investee when it has power over the investee, is exposed, or has rights, to variable returns from its involvements with the investee and has the ability to affect those returns through its power over the investee. Under existing IFRS, consolidation is required when an entity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. IFRS 10 replaces SIC-12, Consolidation – Special Purpose Entities, and parts of IAS 27, Consolidated and Separate Financial Statements. IFRS 10 is not expected to have a material impact on amounts recorded in the financial statements of the Company.

IFRS 11, Joint Arrangements, redefines joint operations and joint ventures with a focus on the rights and obligations of an arrangement, rather than its legal form. The new Standard requires a venturer to classify its interest in a joint arrangement as a joint venture or joint operation. Joint ventures will be accounted for using the equity method of accounting, whereas for a joint operation the venturer will recognize its share of the assets, liabilities, revenue and expenses of the joint operation. Under existing IFRS, entities have the choice to proportionately consolidate or equity account for interest in joint ventures. IFRS 11 supersedes IAS 31, Interests in Joint Ventures, and SIC-13, Jointly Controlled Entities – Non-monetary Contributions by Venturers. IFRS 11 is not expected to have a material impact on amounts recorded in the financial statements of the Company.

IFRS 12, Disclosure of Interests in Other Entities, establishes disclosure requirements for interests in other entities, such as subsidiaries, joint arrangements, associates, and unconsolidated structured entities. The Standard carries forward existing disclosures and also introduces significant additional disclosures that address the nature of, and risks associated with, an entity's interests in other entities. IFRS 12 is not expected to have a material impact on amounts recorded in the financial statements of the Company; the principal impact will be in the form of additional disclosures. There have been amendments to existing standards, including IAS 27 (2011), Separate Financial Statements, and IAS 28 (2011), Investments in Associates and Joint Ventures. IAS 27 (2011) addresses accounting for subsidiaries, jointly controlled entities and associates in non-consolidated financial statements. IAS 28 (2011) sets out the equity accounting for joint ventures, as well as associates, once the assessment of the arrangement has been made under IFRS 11. The amendments to IAS 27 are not expected to have a material impact on amounts recorded in the financial statements of the Company. The Company is in the process of assessing the full impact of the amendments to IAS 28, which is dependent upon the assessment of the Company's joint arrangements under IFRS 11.

Employee benefits

IAS 19, Employee Benefits, has been amended to make changes to the recognition and measurement of defined benefit pension expense and termination benefits and to enhance the disclosure of all employee benefits. Pension benefit cost will be split between (i) the cost of benefits accrued in the current period (service cost) and benefit changes (past-service costs (including plan amendments, settlements and curtailments)); and (ii) finance expense or income. Interest cost and expected return on plan assets, which currently reflect different rates, will be replaced with a net interest amount that is calculated by applying one discount rate to the net defined benefit liability (asset).

In addition, under the amended standard, the impact of plan amendments related to past service will no longer be recognized over a vesting period but instead will be recognized immediately in the period of a plan amendment. A number of other amendments have been made to recognition, measurement and classification including redefining short-term and other long-term benefits, guidance on the treatment of taxes related to benefit plans, guidance on risk/cost sharing features, and expanded disclosures. Changes to IAS 19 is not expected to have an impact on amounts recorded in the Company's financial statements and related disclosures.

Other standards and amendments
IFRS 7, Financial Instruments: Disclosures, has been amended to include additional disclosure requirements in the reporting of transfer transactions and risk exposures relating to transfers of financial assets and the effect of those risks on an entity's financial position, particularly those involving securitization of financial assets. The amendment is applicable for annual periods beginning on or after July 1, 2011, with earlier application permitted. Changes to IAS 7 is not expected to have an impact on amounts recorded in the financial statements and related disclosures.

IFRS 9, Financial Instruments, addresses classification and measurement of financial assets and financial liabilities, and is effective January 1, 2015, with earlier adoption permitted. The Standard replaces the multiple category and measurement models in IAS 39, Financial Instruments – Recognition and Measurement. The new Standard limits the number of categories for classification of financial assets to two: amortized cost and fair value through profit or loss. The requirements for financial liabilities are largely in line with IAS 39. IFRS 9 also replaces the models for measuring equity instruments. Equity instruments are either recognized at fair value through profit or loss or at fair value through other comprehensive income. The ability to recognize unquoted equity instruments at cost under IAS 39 is eliminated. IFRS 9 is not expected to have a material impact on amounts recorded in the financial statements of the Company.

IFRS 13, Fair Value Measurement, is a comprehensive standard for fair value measurement and disclosure for use across all IFRS standards. The new standard clarifies that fair value is the price that would be received on sale of an asset, or paid to transfer a liability in an orderly transaction between market participants, at the measurement date. Under existing IFRS, guidance on measuring and disclosing fair value is dispersed among the specific standards requiring fair value measurements and does not always reflect a clear measurement basis or consistent disclosures. IFRS 13 is not expected to have a material impact on amounts recorded in the financial statements of the Company.

IAS 1, Presentation of Financial Statements, has been amended to require entities to separate items presented in other comprehensive income ("OCI") into two groups, based on whether or not items may be recycled to net income in the future. Entities that choose to present OCI items before tax will be required to show the amount of tax related to the two groups separately. The amendment is effective for annual periods beginning on or after July 1, 2012, with earlier application permitted. IAS 1 is not expected to have a material impact on amounts recorded in the financial statements of the Company.

Transition to IFRS

In 2010, the CICA Handbook was revised to incorporate International Financial Reporting Standards ("IFRS"), and require publicly accountable enterprises to apply such standards effective for years beginning on or after January 1, 2011. Accordingly, the Company has commenced reporting on this basis. The effect of the Company's transition to IFRS is summarized as follows:

Currency translation differences – Retrospective application of IFRS would require the Company to determine cumulative currency translation differences in accordance with IAS 21, The Effects of Changes in Foreign Exchange Rates ("IAS 21"), from the date a subsidiary or equity method investee was formed or acquired. IFRS 1 permits cumulative translation gains and losses to be reset to zero at the Transition Date. The Company elected to reset all cumulative translation gains and losses to zero.

Business combinations – IFRS 1 provides the option to apply IFRS 3, Business Combinations ("IFRS 3"), retrospectively or prospectively from the Transition Date. The retrospective basis would require restatement of all business combinations that occurred prior to the Transition Date. The Company elected not to retrospectively apply IFRS 3 to business combinations that occurred prior to its Transition Date. As a result of this election, the classification and accounting treatment of business combinations prior to the Transition Date have not been restated.

Fair value as deemed cost – The Company has elected not to measure any item of property, plant and equipment at its fair value at the Transition Date; property, plant and equipment have been measured at cost in accordance with IFRS which approximates costs in accordance with Canadian GAAP.

The Company has elected to apply the exemption in IFRS 1 to share-based payments prior to the Transition Date. There is no material effect on the retained earnings at the Transition Date or on the income statement for the year ended January 31, 2011.

The Company has elected to apply the exemption in IFRS 1 to borrowing costs prior to the Transition Date. There is no material effect on property, plant and equipment or other qualifying assets on the Transition Date.

Reconciliation of the statements of financial position, income and comprehensive income as previously reported under Canadian GAAP to IFRS:

Reconciliation of equity

	February 1, 2010					January 31, 2011		
	Canadian GAAP			IFRS reclassifications	IFRS	Canadian GAAP	IFRS reclassifications	IFRS
	Previously Filed Balance	Restatement	Restated Balance					
	$			$	$	$	$	$
Current assets								
Cash and cash equivalent	79,666	-	79,666	-	79,666	48,766	-	48,766
Receivable and prepaids	199,000	-	199,000	-	199,000	106,063	-	106,063
Inventories	755,527	-	755,527	(594,356)	161,171	524,075	(317,959)	206,116
Prepaid landlease, current portion	-	-	-	2,964	2,964	-	2,776	2,776
Due from a related party	109,205	-	109,205	-	109,205	-	-	-
Biological assets	-	-	-	823,341	823,341	-	440,456	440,456
	1,143,398	-	1,143,398	231,949	1,375,347	678,904	125,273	804,177
Non-current assets								
Property, plant and equipment	1,746,625	-	1,746,625	-	1,746,625	1,310,326	-	1,310,326
Non-current prepaids	-	-	-	63,180	63,180	-	75,350	75,350
Deferred charges and other assets	247,230	43,562	290,792	(66,144)	224,648	78,126	(78,126)	-
	1,993,855	43,562	2,037,417	(2,964)	2,034,453	1,388,452	(2,776)	1,385,676
Total assets	3,137,253	43,562	3,180,815	228,985	3,409,800	2,067,356	122,497	2,189,853

Reconciliation of equity (continued)

	February 1, 2010					January 31, 2011		
	Canadian GAAP			IFRS reclassifications	IFRS	Canadian GAAP	IFRS reclassifications	IFRS
	Previously Filed Balance	Restatement	Restated Balance					
	$			$	$	$	$	$
Current liabilities								
Accounts payable and accrued liabilities	535,787	3,850	539,637	-	539,637	298,135	-	298,135
Interest payable	-	29,359	29,359	-	29,359	7,371	-	7,371
Short term loan	-	-	-	-	-	72,151	-	72,151
Convertible debentures	448,331	(9,978)	438,353	-	438,353	-	-	-
Due to a related party	1,000	-	1,000	-	1,000	69,317	-	69,317
	985,118	23,231	1,008,349	-	1,008,349	446,974	-	446,974
Non-current liabilities								
Convertible debentures	-	-	-	-	-	94,726	-	94,726
	-	-	-	-	-	94,726	-	94,726
Total liabilities	985,118	23,231	1,008,349	-	1,008,349	541,700	-	541,700
Shareholders' equity								
Share capital	6,845,867	14,695	6,860,562	-	6,860,562	7,700,711	-	7,700,711
Contributed surplus	3,639,278	(26,633)	3,612,645	-	3,612,645	4,424,761	-	4,424,761
Share subscription received	-	-	-	-	-	10,000	-	10,000
Accumulated other comprehensive income	662,072	(6,439)	655,633	(655,633)	-	453,666	(655,633)	(201,967)
Deficit	(8,995,082)	38,708	(8,956,374)	884,618	(8,071,756)	(11,063,482)	778,130	(10,285,352)
Equity attributable to equity holders of parent	2,152,135	20,331	2,172,466	228,985	2,401,451	1,525,656	122,497	1,648,153
Total shareholders' equity	2,152,135	20,331	2,172,466	228,985	2,401,451	1,525,656	122,497	1,648,153
Total liabilities and equity	3,137,253	43,562	3,180,815	228,985	3,409,800	2,067,356	122,497	2,189,853

Reconciliation of Comprehensive Income

Reconciliation from Canadian GAAP to IFRS

	January 31, 2011		
	Canadian GAAP	IFRS reclassifications	IFRS
	$	$	$
Revenue	652,995		652,995
Cost of sales	(599,123)	-	(599,123)
Change in biological assets	-	(106,487)	(106,487)
	53,872	(106,487)	(52,615)
Selling and administrative expenses	(1,731,918)		(1,731,918)
Write down of biological assets	(175,403)		(175,403)
Operating loss	(1,853,449)	(106,487)	(1,959,936)
Loss on discontinued operations	(253,660)		(253,660)
Loss for the period	(2,107,109)	(106,487)	(2,213,596)
Unrealized exchange differences on translation of foreign operations	(201,967)	-	(201,967)
Other comprehensive income (loss) for the period, net of tax	(201,967)	-	(201,967)
Total comprehensive loss for the period, net of tax	(2,309,076)	(106,487)	(2,415,563)

The combined effect of the conversion from Canadian GAAP to IFRS has no effect on the income statements for the year ended January 31, 2011. There is no material changes to the Company's comprehensive income for the eleven months ended December 31, 2011 and January 31, 2011 and therefore the reconciliation is not necessary.

Notes to reconciliations:

Prepaid Lease For Land-use Rights:
Under Canadian GAAP, the prepaid land lease was classified other assets. Under IFRS, the prepaid land lease is classified as prepaid lease payment, broken into a current portion in prepayment and a non-current portion in non-current assets. The effect is an increase in the non-current portion of prepaid lease payments of $77,595 (January 31, 2011 – $75,350, February 1, 2010 - 63,180), an increase in prepayment of $2,816 (January 31, 2011 – $2,776, February 1, 2010 - $2,964) included in current assets, and a decrease of $80,411 (January 31, 2011 – $78,126, February 1, 2010 - $66,144).

Foreign currency translation reserve:
The Company had applied the exemption in IFRS 1 to reset the foreign currency translation reserve at the Transition Date. The effect is a decrease in foreign currency translation reserve and a decrease in deficit of $655,633.

The combined effect of the differences described above has no effect on the income statements for the year ended January 31, 2011.

Statement of cash flows:
Under Canadian GAAP, interest paid and received were classified as operating cash flows. Under IFRS, interest payments and receipts are allocated to investing and financing activities where they can be identified with transactions within those categories. There are no other material adjustments to the cash flow statement except for changes resulting from the items described above. The components of cash and cash equivalents under Canadian GAAP are similar to those presented under IFRS.

Inventory and biological asset:
In applying IAS 41, Agriculture, the Company recognizes a biological asset arising from the seedlings as of the reporting date. The seedling is measured as the fair value of the expected sales price less costs to sell and complete. Actual cost incurred related to the biological asset is reclassified from inventory to biological asset and any incremental increase to fair value is recorded in change to biological asset in the statement of income and comprehensive income.

Share-based payment:
IFRS: Each tranche of an award with different vesting dates is considered as a separate grant for the calculation of fair value, and the resulting fair value is amortized over the vesting period of the respective tranches. Forfeiture estimates are recognized in the period they are estimated, and are revised for actual forfeitures in subsequent periods.

Canadian GAAP: The fair value of stock option awards with graded vesting are calculated as one grant and the resulting fair value is recognized on a straight-line basis over the vesting period. Forfeitures of awards are recognized as they occur.

1.10 Financial Instruments and Related Risks

The Company manages its exposure to financial risks, including liquidity risk, foreign exchange rate risk, interest rate risk, and credit risk in accordance with its risk management framework. The Company's Board of

Directors has overall responsibility for the establishment and oversight of the Company's risk management framework and reviews the Company's policies on an ongoing basis.

(a) Fair value

The fair value of financial instruments represents the amounts that would have been received from or paid to counterparties to settle these instruments. The carrying amount of all financial instruments (except convertible debentures) as at December 31, 2011 approximates their fair value because of the short maturities and normal trade term of these instruments.

The following table sets forth the Company's financial assets and liabilities that are measured at fair value on a recurring basis by level within the fair value hierarchy. Those financial assets and liabilities are classified in their entirety based on the level of input that is significant to the fair value measurement.

	Fair value as at December 31, 2011			
	Level 1	Level 2	Level 3	Total
Financial assets				
Cash and cash equivalents	$ 22,484	$ -	$ -	$ 19,354

	Fair value as at January 31, 2011			
	Level 1	Level 2	Level 3	Total
Financial assets				
Cash and cash equivalents	$ 48,766	$ -	$ -	$ 48,766

(b) Liquidity risk

The liquidity risk is the risk that the Company will not be able to meet the obligations associated with its financial liabilities. The Company's financial liabilities mainly include accounts payable and accrued liabilities, interest payable, short term loan and due to related parties and are current in nature. The Company has incurred recurring loss since inception and not yet generated significant revenue from its projects. As at December 31, 2011, the Company has limited funds to meet its short term financial liabilities and additional financing is required. The Company handles liquidity risk through the management of its capital structure.

(c) Exchange risk

The Company undertakes transactions denominated in foreign currencies and as such is exposed to risks due to fluctuations in foreign exchange rates.

The Company conducts certain of its operations in China and thereby a portion of the Company's assets, liabilities, revenues and expenses are denominated in Chinese Renminbi ("RMB"), which was tied to the U.S. Dollar until July 2005 and is now tied to a basket of currencies of China's largest trading partners. The Chinese Renminbi is not a freely convertible currency.

The Company currently does not hedge its foreign currency risk, and the exposure of the Company's financial assets and financial liabilities to foreign exchange risk is summarized as follows:

The amounts are expressed in Canadian dollars equivalents	December 31, 2011	January 31, 2011
Canadian dollars	$ 19,355	$ 4,437
Chinese yuan	58,744	86,876
Total financial assets	$ 78,099	$ 91,313
Canadian dollars	$ 295,621	$ 295,164
Chinese yuan	253,388	35,943
Total financial liabilities	$ 549,009	$ 331,107

As at December 31, 2011, with other variables unchanged, a 1% fuctuation of the Chinese Renminbe against the Canadian dollar would affect comprehensive income by approximately $1,813 (annual period ended January 31, 2011 - $2,105).

(d) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company's cash equivalents primarily include highly liquid investments that earn interests at market rates that are fixed to maturity. The Company also holds a portion of cash and cash equivalents in bank accounts that earn variable interest rates. Because of the short-term nature of these financial instruments, fluctuations in market rates do not have significant impact on the fair value of the financial instruments as of December 31, 2011. The Company also holds a two-year convertible debenture, which is expiring on September 8, 2012 bearing a fixed interest rate of 15%.

(e) Credit risk

The Company is exposed to credit risk primarily associated to accounts receivable from customers, and cash and cash equivalents. The carrying amount of assets included on the balance sheet represents the maximum credit exposure, and the Company has been undertaking credit evaluations on customers as necessary and has monitoring processes intended to mitigate credit risks.

The aging of accounts receivable are usually less than 90 days. Overdue amounts are followed up by management. Management has determiend that the credit risk associated with accounts receivable at December 31, 2011 is considered to be immaterial.

1.11 Other Risks and Uncertainties

(a) Operating Environment of the Company

The PRC economy continues to display some characteristics of emerging markets. These characteristics include, but are not limited to, the existence of currencies that are not freely convertible in most countries outside of the PRC. The tax currency and customs legislation within the PRC are subject to varying interpretations, and changes, which can occur frequently. While there have been improvements in the economic trends, the future economic direction of the PRC is largely dependent upon the effectiveness of economic, financial and monetary measures undertaken by the Government together with tax, legal and political developments.

(b) Commodity Price Risk

The Company is exposed to fluctuations in the prices of the products that it purchases and sells. The Company must purchase various products at prevailing Chinese market prices and in turn uses these products to produce the products that it sells in China at prevailing local market prices.

Any fluctuations in the prices of the products that the Company must purchase to produce the products that it sells can have a significant effect on the Company's business, results of operations, financial condition and cash flows.

The Company's future profitability and overall performance is strongly affected by the prices of the products that it must purchase to produce the products that it sells, prices which are set in the PRC market and are subject to significant fluctuations.

(c) General Operating Risks

The Company's principal activity is the cultivation and sale of tree seedlings in Inner Mongolia, China. The Company's future success is dependent upon its ability to produce and sell high quality seedlings to individuals and the government in China. The Company has recently diversified and expanded the scope of its operations which will result in exposure to new and varied risks and operational uncertainties. The Company is subject to many and varied kinds of risks, including but not limited to, environmental, political, legal and economic.

The Company has not yet generated significant operating cash flow and has limited revenues from operations. The Company has limited financial resources and there is no assurance that additional funding will be available to it to maintain its current operations, meet its current contractual obligations or to finance expansion.

1.12 Internal Control over Financial Reporting Procedures

The management of the Company is responsible for establishing and maintaining appropriate information systems, procedures and controls to ensure that information used internally and disclosed externally is complete, reliable and timely. Management is also responsible for establishing adequate internal controls over financial reporting to provide sufficient knowledge to support the representations made in this MD&A and the consolidated financial statements for the eleven month period ended December 31, 2011.

The management of the Company has filed the Venture Issuer Basic Certificate with the Annual Filings on SEDAR at www.sedar.com.

In contrast to the certificate required under Multilateral Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings ("MI 52-109"), the venture issuer certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in MI52-109. In particular, the certifying officers filing certificates for venture issuers are not making any representations relating to the establishment and maintenance of:

(i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation, and

(ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's generally accepted accounting principles.

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in their certificates(s).

Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in MI 52-109 may result in additional risks to the quality, reliability, transparency, and timeliness of interim and annual filings and other reports provided under securities legislation.

1.13 Additional Disclosure for Venture Issuers without Significant Revenue

(a) capitalized or expensed exploration and development costs;

Not applicable.

(b) expense research and development costs;

Not applicable.

(c) deferred development costs;

No longer applicable

(d) general and adminstration expenses;

	11 months ended December 31, 2011	Year ended January 31, 2011
Travel and promotion	**$ 152,322**	$ 164,025
Salaries and wages	**114,532**	173,803
Stock based compensation	**85,127**	598,758
Rental	**87,368**	38,002
Consulting fees	**67,300**	60,500
Filing and transfer agent	**24,142**	38,305
Shareholder information and promotion	**11,332**	51,528
Professional fees	**129,512**	203,741
Amortization	**157,406**	4,151
Management salaries	**82,500**	90,000
Office	**51,441**	36,947
Interest and bank charges	**19,268**	77,684
Meals and entertainment	**9,217**	9,775
Telephone	**6,830**	6,085
Bad debt	**-**	173,194
Foreign exchange loss	**(164)**	5,420
Total	**$ 998,132**	$ 1,731,918

(e) any material costs, whether capitalized, deferred or expensed, not referred to in (a) through (d);

None.

1.14 Disclosure of Outstanding Share Data

As at the date of this MD&A, the following securities were outstanding:

(a) Share Capital

Authorized – unlimited number of common shares without par value; unlimited number of preferred shares (issuable in series).

Issued and outstanding – 80,169,715 common shares outstanding

Shares subject to escrow – Nil.

(b) Options

The outstanding options as at the date of this MD&A are summarized as follows:

Exercisable prices	Number of options outstanding		Expiry dates	Remaining contractual life (years)	Numbers of Exercisable at December 31, 2011
$ 0.200	500,000		April 27, 2012	0.32	500,000
$ 0.125	1,850,000		February 4, 2013	1.10	1,850,000
$ 0.135	935,000		March 12, 2013	1.20	935,000
$ 0.200	100,000		June 30, 2013	1.67	100,000
$ 0.350	100,000		June 30, 2013	1.67	100,000
$ 0.140	600,000		August 31, 2013	1.67	600,000
$ 0.130	450,000		October 1, 2013	1.75	450,000
$ 0.125	450,000		January 18, 2014	2.05	450,000
$ 0.125	350,000		February 2, 2014	2.09	350,000
$ 0.175	350,000		February 2, 2014	2.09	0
$ 0.125	300,000		June 1, 2014	2.42	300,000
$ 0.125	200,000		June 13, 2014	2.45	200,000
$ 0.125	100,000		January 26, 2012	0.07	100,000
$ 0.125	100,000		July 29, 2014	2.58	100,000
$ 0.125	400,000		December 22, 2014	2.98	200,000
$0.125 - 0.35	**6,785,000**				**6,235,000**

Warrants

The outstanding warrants as at date of this MD&A are summarized as follows:

Number of warrants outstanding as at January 31, 2011	Issued during the period	Number of warrants unexercised during the period	Number of warrants outstanding as at December 31, 2011	Exercise price per warrant	Expiry date
10,613,000	-	(5,075,500)	5,537,500	(see above)	(see above)
	7,645,588		7,645,588	$ 0.125	February 14, 2013
-	684,458	-	684,458	$ 0.085	February 14, 2013
10,613,000	**8,330,046**	**(5,075,500)**	**13,867,546**		

MAPLE LEAF REFORESTATION INC.

CORPORATE DATA

LISTING:
TSX Venture Exchange
Symbol: **MPE**

HEAD OFFICE

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DIRECTORS AND OFFICERS

- Raymond Lai: President, CEO & Chairman
- Jeff Kong: CFO & Director
- Terence Lam: Corp Secretary & Director
- Perry Lee: V.P. Bio-fuel and Waste Oil Project Development
- Joe Wong: Director
- Charles Liu: Director

REGISTAR AND TRANSFER AGENT

Valiant Trust Company
310, 606 – 4th Street SW
Calgary, AB T2P 1T1