1.1 Date

This Management's Discussion and Analysis ("MD&A") is intended to help the reader understand the consolidated financial statements of Maple Leaf Green World Inc., formerly Maple Leaf Reforestation Inc., together with its wholly owned subsidiary, Inner Mongolia Maple Leaf Forestry Co. Ltd., China referred to as "Maple Leaf" or the "Company". The information herein should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2012 and the eleven months ended December 31, 2011. The following discussion may contain management estimates of anticipated future trends, activities or results. These are not a guarantee of future performance, since actual results could change based on factors and variables beyond managements control.

This MD&A contains information up to and including May 21, 2013.

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").

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

On October 9, 2012, the Company changed its name to Maple Leaf Green World Inc. from Maple Leaf Reforestation Inc. Effective February 1, 2011, the Company changed its financial year end to December 31 and accordingly references to the comparative year for 2011 is for the eleven month period ended December 31, 2011.

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 Forestry Co. Ltd*. ("Inner Mongolia Forestry"). 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 results from the greenhouse operations are still in a loss position. At December 31, 2012, the Company has approximately 5.3 million seedlings.

During the year ended December 31, 2012, sales from the greenhouse operation were $365,643 (2011 - $297,260), and net loss of $878,126 (2011 - $311,748) was recorded. As at December 31, 2012, the Company determined the assets from the greenhouse operation were not fully recoverable and a total of $562,150 impairment charges were recorded against the assets used in the greenhouse operations.

Maple Leaf has been undertaking efforts to increase the production capacity of the greenhouse operation. In September 2012, the Company entered into a secured loan agreement with Huaye Taifu Capital Ltd ("Huaye Taifu"), a private fund company in Hong Kong to arrange a six year term loan up to RMB¥20 million (approximately $3.2 million). The loan is to be secured by all assets owned by the Company's subsidiary, Inner Mongolia Forestry. As required by China regulations, all collateral assets must be registered with specific local government agency to protect the interest of lenders. As Huaye Taifu is considered a foreign owned enterprise in China, the collateral registration encountered technical problems and as a result, the secured loan agreement was mutually terminated.

In November 2012, the Company entered into an agreement to build four automated modern greenhouses to cultivate produce and fruit seedlings (the "Agreement") with the Government of Taiping Town ("Taiping") of Songshan District of Chifeng City, Inner Mongolia, China. Pursuant to the terms of the Agreement and subject to financing, the first greenhouse is to begin construction by May 2013 for a cost of between approximately RMB¥ 2.5 million to 5.0 million (approximately between US$400,000 to $810,000) depending on the equipment to be incorporated, with an annual capacity of 50 million produce/fruit seedlings, and the remaining three greenhouses are to be constructed within five years from the date of the Agreement. Also, the Company is allowed to conduct a trial crop growth of minimum five milling produce seedling in Taiping to test the cultivation process of the produce seedling before the first greenhouse is built.

As such, Taiping arranged six greenhouses for Maple Leaf to rent to conduct a trial grow of approximately 12 million seedlings of vegetables of Taiping's choice. According to Taiping's estimate, the total cost to carryout the trial growth of the 12 million seedlings is $160,000 (RMB¥1 million) and Taiping also agreed to purchase the 12 million seedlings from Maple Leaf for $270,000 (RMB¥1.7 million). Maple Leaf and Taiping anticipate that the growing period for the 12 million vegetable seedlings will be approximately 60 days. Taiping will allow Maple Leaf to continue the trial growing process until 1 of the 4 greenhouses that Maple Leaf has agreed to jointly build becomes operational. As of the date of this report, the necessary funding has not yet been secured, and therefore the proposed trial run and construction of the greenhouse has not yet begun.

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.

Although Maple Leaf continues to pursue operating opportunities relating to Yellowhorn trees and the bio-diesel industry, due to the financial condition of the Company, at this time it does not have an active operation relating to Yellowhorn seedling or trees. The Distribution agreement with Unni is still in effect and they have been trying to apply for a U.S. government grant under the BCAP program for a couple of years without success. They will try again for 2013 and will also try to raise funding through the private sector as well. The Australian plantation was supposed to visit the Company's Yellowhorn base in Inner Mongolia before they will place the order, and they have advised the Company to postpone the visit until 2013. The JV agreement with Spanish Vinomatos to introduce Yellowhorn to Europe is still in effect, but the action plan has been postponed due to the economic situation in Europe.

1.2.3 Other Business Developments

a) Agreement with China Light

In February 2013, the Company entered into an exclusive contract (the "Contract") to test, with an option to purchase, the technologies of China Light Enrich Ltd. ("China Light"), a private Hong Kong company that specializes in the ecological agriculture and bio-fertilizer businesses and that has invented several new ecological technologies that are included in the Contract (the "Technologies").

Raising Pigs

China Light has developed a feed additive that is given to pigs that does not use any illicit drugs, steroids, antibiotics or hormones, just natural ingredients formulated into an additive mixed with regular pig feed (the "Pig Raising Technology"). The most important benefits of the process are that it can:

1. Enable pigs to reach full market weight 30 days shorter than using the traditional method, which in China normally takes 120 days;
2. Save a minimum of 25% of feedstock or combined feeding cost;
3. Eliminate the entire offending odor of the pig farm and achieve a zero emission effect; and
4. Make the pig healthier with a stronger immune system and the meat will have less fat and be more tasteful.

Managing Manure

China Light has developed a process to convert pig manure into fertile soil to cultivate earthworms (the type that are used in making heart disease medicine). After harvesting the earthworm, the soil can be converted into a high quality bio-fertilizer through another process.

Improving Egg Content

China Light has developed a new technology for raising egg-laying chickens so that the eggs contain more vital nutrients than normal eggs.

Raising Chickens and Cows

China Light is in the advanced stages of developing an additive that similarly reduces the feed and time required to grow chickens and cows to full market weight.

Terms of the Contract

The Contract provides that Maple Leaf can undertake a formal test of the Technologies at a pig farm and chicken farm in Hunan, China. This testing phase will take three months and China Light will bear the cost. If the results of this test are consistent with China Light's claim, China Light will prepare a formal scientific experiment report for Maple Leaf. Maple Leaf will then test the marketability of the Technologies within three months of receipt of the report. If Maple Leaf finds that the market potential is acceptable, then Maple Leaf will undertake to obtain regulatory approval to issue 32 million of its common shares to China Light as consideration for all rights to the Technologies. The share issuance transaction will be detailed in another agreement to be formulated by both parties upon Maple Leaf exercising its option to proceed with acquiring rights to the technologies.

The pig-raising testing began on May 1, 2013. Testing results are not yet available as of the date of this report.

b) Soil Enhancement Products

In March 2013, the Company announced that it entered into an one-year exclusive agency agreement with High Brix Manufacturing Inc of Alberta, Canada ("High Brix") and Soil Works LLC of South Dakota, U.S.A. ("Soil Works") to market their products in China.

High Brix is a privately owned company that was formed to blend and develop high quality phosphate products. The focus of the program and product line is to increase the nutrient density of food. With research and theories based in the Biological ionization of Dr. Carey Reams, the process consists of several important steps to flocculate soil, re-establish microbial life and function and ensure homogenized energy flow in the soil. Use of clean minerals, free from excess salts, heavy metals and unneeded fillers is a key component to product selection and development. All of High Brix's products have been formulated and blended to ensure the end product is efficient, biologically friendly and contain no unneeded minerals or additives.

Soil Works is a manufacturer of a superior Calcium product that meets and exceeds the average criteria, and it is a perfect match to HB's phosphate products in meeting the goals of soil flocculation, increased plant health and superior food quality. Soil Work's website is www.gsrcalcium.com. Unlike any product currently on the market, Genesis Soil Rite Calcium is designed to attack and correct the cause of the problem rather than reacting only to the symptoms. Throughout the world, Soil Works stands confident in knowing that the addition of calcium is the only solution to a wide source of soil problems, including fungi, weeds, insects, pH, drought and plant sugars in plants. The growth, health and productivity of all plants is determined by the balance and interaction of many nutrients. Calcium's role is to use its electrical power to assist other minerals for an overall healthy soil that produces quality food.

High Brix and Soil Works products are currently being used in 44 U.S. States, 8 Provinces in Canada and in 15 different countries outside of North America.

In May 2013, the Company entered into a 5-year waste land reclamation contract with Ordos Lin Ze Bio-Tech Company Ltd. ("Lin Ze") of Inner Mongolia, China. The Contract involves 50,000 acres of wasteland that Lin Ze owns. Maple Leaf will conduct a test on Lin Ze's 1.5 acres of wasteland with its partners, Soil Works and High Brix. If it is proven successful that trees planted by Lin Zi survive on the 1.5 acres of land, Lin Ze has agreed to grant Maple Leaf a contract to for the whole 50,000 acres to conduct the soil reclamation at a price of US$50 per acre per year for 5 years. The total price will be US$2.5 million a year or US$12.5 million for 5 years. The price is fixed for the 1st year but may be adjusted for the next 4 years depending on the progress of the reclamation. Lin Ze also intends to grow fruit bearing corps on the 50,000 acres of land, and if it is successful, the financial benefits generated from it will be distributed amongst Lin Ze and Maple Leaf in a separate agreement. Both companies will bear their own cost for doing the test, but Lin Zi will provide full cooperation under Maple Leaf's guidance.

Lin Ze is a biotechnology company established in 2008 that specializes in growing special species of trees in semi desert wasteland. In addition to the 50,000 acres of wasteland that it owns, it also has a 6,700 sq metre high tech greenhouse that uses Israel's greenhouse technology. With the success of the soil reclamation project, Lin Ze intends to establish a long term relationship with Maple Leaf to jointly exploit all other wastelands totalling about 500,000 acres that Lin Ze has access to in Inner Mongolia. It is estimated there are approximately 73 million acres of wasteland in Inner Mongolia that are in the danger of turning into desert if no reclamation work is done to them in the near future. The new China government has emphasized again to increase their efforts and spending to counter such environmental disasters in all the northern regions including Inner Mongolia.

Assuming that the soil reclamation test is successful, Maple Leaf and its partners, Soil Works and High Brix, have agreed that Maple Leaf will earn 30% of the revenue for the 1st year, or US$750,000, without incurring any operating costs. The subsequent 4 years would be a minimum of 30% of the revenue for Maple Leaf, unless a new formula is agreed to among Maple Leaf, Soil Works and High Brix based on the progress of the project. Soil Works and High Brix are very confident that they can help reclaim Lin Ze's lands given that the technology has already been successfully applied in areas experiencing similar desertification problems, including but not limited to Southern California, Florida and Kazakhstan.

Besides Lin Ze, there are also other companies in Inner Mongolia that have been inquiring of Maple Leaf about the possibility of conducting the soil reclamation test on their lands. Personnel from both Maple Leaf and Soil Works expect to travel to Ordos to set up the test in June 2013, at which time they will also visit these companies to discuss the possibilities of conducting the test with them.

c) Peat Moss Project

The previously announced peat moss order from Shandong Yuan Ji Horiculture Garden has been delayed due to the sample that was shipped by Maple Leaf's supplier being the wrong type and a new sample having to be sent again, thus Yuan Ji's customers were not able to test the peat moss in time. As such, the Maple Leaf is now dealing directly with Yuan Ji's customers to ensure they are satisfied with the sample.

1.2.4 Financing and use of proceeds

In February 2012, the Company raised gross proceeds of $130,000 by issuing 2,600,000 units at a subscription price of $0.05 per unit. Each unit consists of one common share and one common share purchase warrant exercisable into one common share for five years from the date of closing at a price of $0.10.

In March 2013, the Company raised $50,000 by issuing convertible debentures to a thrid party. The debentures bear a coupon interest rate of 10% per annum and are convertible into common shares at a price of $0.10 per share before September 15, 2013.

In April 2013, the Company raised gross proceeds of $57,500 by issuing 2,300,000 units at a subscription price of $0.025 per unit. Each unit consists of one common share and one common share purchase warrant exercisable into one common share at a price of $0.05 for the first twelve months after the issuance and $0.10 thereafter for the remaining term.

The proceeds raised in 2012 were used as planned.

1.3 Annual Financial Results

The following table set forth selected operational results for the three most recently completed financial years.

	Years ended		
	December 31, 2012	December 31, 2011*	January 31, 2011
Total assests	$ 990,546	$ 2,114,951	$ 2,189,853
Shareholders' equity	313,713	1,391,507	1,648,153
Dividend declared	-	-	-
Sales	365,643	297,260	652,995
Gross profit	42,617	(1,049)	53,872
Expenses	(1,454,178)	(1,068,978)	(2,013,808)
Loss from continuing operations	(1,411,561)	(1,070,027)	(1,959,936)
Loss on discountinued operations	-	(6,136)	(253,660)
Net loss	(1,411,561)	(1,076,163)	(2,213,596)
Basis and diluted loss per share from continuing operations	$ (0.02)	$ (0.01)	$ (0.04)
Basis and diluted loss per share loss on continued operations	$ -	$ -	$ -
Basic and diluted loss per share	$ (0.02)	$ (0.01)	$ (0.04)

* During the year ended December 31, 2011, the Company changed its financial year end from January 31 to December 31, and therefore, the operations results for the year ended December 31, 2011 only included the periods from February 1, 2011 to December 31, 2011.

1.4 Quarterly Financial Results

	Quarter ended			
	December 31, 2012	September 30, 2012	June 30, 2012	March 31, 2012
Revenue*	$ 22,788	$ 50,504	$ 263,166	$ 29,185
Cost of sales	(52,145)	(45,006)	(204,932)	(20,943)
Gross profit	(29,357)	5,498	58,234	8,242
Expenses and other	(999,791)	(150,894)	(221,274)	(82,219)
Loss from continuing operations	(1,029,148)	(145,396)	(163,040)	(73,977)
Income (loss) on discontinued operations	-	-	-	-
Net loss	$ (1,029,148)	$ (145,396)	$ (163,040)	$ (73,977)
Loss per share	(0.01)	(0.00)	(0.00)	(0.00)

	2 month ended	Quarter ended		
	December 31, 2011	October 31, 2011	July 31, 2011	April 30, 2011
Revenue	$ 65,260	$ 91,416	$ 99,064	$ 41,520
Cost of sales	(48,086)	(75,901)	(117,495)	(56,827)
Gross profit	17,174	15,515	(18,431)	(15,307)
Expenses and other	(43,043)	(218,299)	(258,579)	(549,057)
Loss from continuing operations	(25,869)	(202,784)	(277,010)	(564,364)
Income (loss) on discontinued operations	(6,136)	-	-	-
Net loss	$ (32,005)	$ (202,784)	$ (277,010)	$ (564,364)
Loss per share	(0.00)	(0.01)	(0.01)	(0.01)

**During the three months ended September 30, 2012, the Company reclassify rental income and interest earning from revenue to Expenses and other. During the three months ended December 31, 2012, the Company reclassified change in biological assets from the assessment of gross profit to expenses and other. Such reclassifications has no impact on the loss from continued operation and net loss..*

The expenses incurred by the Company are typical of a development company that has not yet established its principal operations or reached operating capabilities. The Company`s expenditures fluctuate from quarter to quarter is mainly related to its acitivities conducted in estabishing and developing its operations during the respective quarter**.** Commencing the annual period ended December 31, 2011, the Company adopted a tighter budget due to low sales, as such the overall expenses have been reduced. This results are also evident in the reduction of overall expenses for 2012, excluding the effect of the impairment of assets of the greenhouse operations.

The increase of net loss for the quarter ended December 31, 2012 was mainly due to a total of $562,150 impairment charges. For further details, please refer to item 1.5.2 below.

The net loss for the quarter ended April 30, 2011 included a write down of old unsalable Canadian species seedlings inventory of $241,557. .

1.5 Results of Operations

1.5.1 Operation results for the year ended December 31, 2012

Net loss in 2012 was $1,411,561, an increase of $335,398 or 31% compared to the loss of $1,076,163 in 2011, 2011. This change was mainly a result of $562,150 impairment charges against greenhouse operation assets and reductions in biological asset fair values of $285,838 offset by reductions of selling and administrative expenses in 2012.

Revenue in 2012 was $365,643, an increase of $68,383, or 23%, compared to the sales of $297,260 in 2011. The increase is mainly because the Company enhanced the sales effort to promote the greenhouse operations.

Cost of sales in 2012 was $323,026, a decrease of $24,717 or 8%, compared to the cost of sales of $298,309 in 2011. The increase of cost of sales was directly associated with higher sales.

Gross margin in 2012 was a profit of $42,617 (2011 –loss of $1,049) which was mainly due to a improvements in efficiencies at the greenhouse operations.

Operation expenses in 2012 were $$1,454,178, an increase of $385,200, compared to expenses of $1,068,978 in 2011. The increase was mainly due to a total of $562,150 impairment charges against the greenhouse operation assets and reductions in biological asset fair values of $285,838 offset by reductions of $398,078 for administration expenses.

1.5.2 Operation results for the fourth quarters ended December 31, 2012 (Q4 2012)

Net loss in Q4 2012 was $1,029,148, an increase of $997,143, compared to the loss of $32,005 for same period last year (2 month period in 2011). The increase was mainly due to an impairment loss of $562,150, reductions in biological asset fair values of $258,598 and negative gross margin of $29,357 recorded in the current period.

Revenue in Q4 2012 was $22,788, a decrease of $42,472 or 65%, compared to sales of $65,260 in the same period last year. The sales in Q4 2012 was affected by certain local seedlings cultivated by local farmers for half of the average market price in October 2012. Seedling operation is a seasonal business and sales in the winter season will be significantly less than the sales in the summer season.

Cost of sales in Q4 2012 was $52,145, an increase of $4,059 or 8%, compared to the cost of sales of $48,086 in the same period last year. The increase of cost was mainly because significant a portion of the costs are fixed cost and do not fluctuate with the level of sales.

Gross margin in Q4 2012 was a loss of $29,357 compared to $17,174 in the same period last year, mainly due to lower revenues achieved along with the absorption of the fixed costs of operating the greenhouse.

Operating expenses in Q4 2012 was $999,791, an increase of $956,748 compared to $43,043 operating expenses in the same period last year. The increase was mainly due to a $562,150 impairment charge against the greenhouse operations and reductions in biological asset fair values of $258,598 recorded in Q4 2012.

1.6 Liquidity and Capital Resources

1.6.1 Working Capital

As at December 31, 2012, the Company had a working capital deficiency $273,279 compared to a positive working capital position of $202,449 at December 31, 2011. As at December 31, 2012, cash and cash equivalents decreased by $10,258 to $12,226 as a result of: cash used in operating activities of $144,602 and in investing activities of $21,002 offset by cash provided by financing activities of $155,346. The funds generated by the greenhouse operation only amounted to $100,000 instead of $500,000 as expected in the press release announced at the beginning of 2012 due to the loss of sales to cheaper local seedlings flooding the market this year.

Management recognizes that the ability of the Company to continue as a going concern is dependent upon its ability to achieve profitable operation in greehouse operations 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 China.

The burn rate of the corporate office of the Company is currently on average approximately $34,000 per month, and has short-term loans due on demand of $104,339 and convertible debentures of $141,366 outstanding, which mature July 30, 2013. Management is presently reviewing opportunities 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 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 improving and required less funding by head office.

1.6.2 Cash flow

Operating activities in 2012 used cash of $144,602 (2011 – $641,955). Before change in non-cash working capital, which provided cash of $92,728 (2011 – $61,439), cash used in operations was $237,330 in 2012 (2011 - $703,385). The change of cash from operating activities was mainly due to higher sales with lower production cost recorded in current period while the Company also maintained lower inventory and reduced administration overhead cost compared to the same period last year.

Operating activities in Q4 2012 used cash of $7,069 (Q4 2011- $193,971). The decrease of cash used in operating activities was mainly due to more cash provided from the change of non-cash working capital.

Investing activities in 2012 used cash of $21,002 (2011 - $15,154), which was the land annual lease payment related the greenhouse operation in China.

Investing activities in Q4 2012 was $nil as there was no investing activities in Q4 2012 due to the financial condition of the Company while a total of $8,807 cash used in Q4 2011 to purchase property, plant and equipment.

Financing activities in 2012 provided cash of $155,346 (2011 - $630,827), which comprised of $126,000 (2011 - $633,425) through a private placement equity financing, $186,862 (2011 - $nil) from short-term loans offset by a repayment of $157,516 (2011 - $2,598) to short-term loans.

Financing activities in Q4 2012 provided cash $8,172 (Q4 2011 - $72,432).

1.6.3 General Contractual Commitments and Contingency

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 $153,520 (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*
2013	$12,928
2014	12,928
2015	3,232
Total	$29,088

The annual lease expense is $3,070, which is based on the aggregate value amortized over the 50 year period. The remaining lease obligation over the remaining lease life is $29,088.

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 $80,300 over the next three years are as follows:

Year	*Annual Payments*
2013	$43,800
2014	36,500
Total	$80,300

The Company has currently sub-leased some office space to offset the costs of the lease. Annual revenue from the sub-leases is estimated to be $10,410.

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 $21,519 over the remaining period in 2013.

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 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.

Contingency is as follows:

The Company was in dispute with a former joint venture partner with respect to a previously planned joint project. The former joint venture partner claimed that the Company had breached its obligations pursuant to their previously entered joint venture agreement, and indicated that it would like to have the matter heard by an arbitrator. The former joint venture partner is seeking compensation of roughly $75,000. Management of the Company is of the opinion that the former joint venture partner's claim has no merit and has not recorded any provision.

1.6.4 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 February 2012, the Company completed a private placement to raise gross proceeds of $130,000 by issuing 2,600,000 units at a subscription price of $0.05 per unit. Each unit consists of one common share and one common share purchase warrant exercisable for five years from the date of closing at a price of $0.10. In connection with this private placement, the Company paid finder's fee in the amount of $4,000.

In March 2013, the Company raised $50,000 by issuing convertible debenutures to a third party. The debentures bear a coupon interest rate of 10% per annuam and are convertible into common shares at a price of $0.10 per share before September 15, 2013.

In April 2013, the Company raised gross proceeds of $57,500 by issuing 2,300,000 units at a subscription price of $0.025 per unit. Each unit consists of one common share and on common share purchase warrant. exercisable into one common share at a price of $0.05 for the first twelve months after the issuance and $0.10 thereafter for the remaining term.

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.

1.7 Transactions with Related Parties

Related party transactions are in the normal course of operations and are measured at the amount of consideration established and agreed by the related parties.

The Company has identified its directors and executive staff as key management personnel. Compensation to key management, including fees paid to companies controlled by directors and officers for their services provided, is follows:

	Year ended	
	December 31, 2012	December 31, 2011
Management fee, consulting fee, and wages	**$ 163,312**	$ 176,150
Share-based payments	**5,091**	85,127
Total	**$ 168,403**	$ 261,277

As of December 31, 2012, a total of $63,000 (December 31, 2011 - $nil) payable to key management remained outstanding and included in accounts payable and accrued liabilities on the consolidated statement of financial position. The Company did not pay any long term or termination benefits to its key management personnel during the year ended December 31, 2012 and period ended December 31, 2011. The Company's employment agreement with an officer would entitle that officer to $90,000 upon termination.

As of December 31, 2012, a total of $104,339 (December 31, 2011 - $69,553) outstanding principal of short terms loans and accrued interest was due, directly or indirectly, to certain officers and directors of the Company. These short term loan bears a coupon interest rate of 10.75% per annum and are payable upon demand.

1.8 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.

1.9 Critical Accounting Policies and Estimates

Preparing the Company's consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. These estimates and judgments have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Management continually evaluates these judgments, estimates and assumptions based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results could differ from these estimates. Please refer to Note 4 of the Company's consolidated financial statements for a description of all of the significant accounting policies. Critical accounting estimates and judgments include:

Estimated useful lives of property, plant and equipment

Management estimates the useful lives of property, plant and equipment based on the period during which the assets are expected to be available for use. The amounts and timing of recorded expenses for depreciation of property, plant and equipment for any period are affected by these estimated useful lives. The estimates are reviewed at least annually and are updated if expectations change as a result of physical wear and tear, technical or commercial obsolescence and legal or other limits to use. It is possible that changes in these factors may cause significant changes in the estimated useful lives of the Company's property, plant and equipment in the future.

Income taxes

Management uses judgment and estimates in determining the appropriate rates and amounts in recording deferred income tax assets or liabilities, 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 judgment and estimation over whether these amounts can be realized.

Going concern

The assessment of the Company's ability to continue as a going concern involves judgment regarding future funding available for its product development and working capital requirements.

Biological assets

The fair value of biological assets is derived using the future estimated selling prices. Management uses estimates for the expected sales price of seedlings and costs to sell and complete; which are determined by considering historical actual costs incurred on a per seedling basis. The estimated selling price and costs are subject to fluctuations based on the timing of prevailing growing conditions and market conditions.

Stock options, warrants and convertible debentures

The Company's stock options, warrants and convertible debentures are derived from estimates based on available market data at that time which include volatility, interest free rates and share prices.

Significant area requiring the use of management estimates relate to the determination of potential impairment of property, plant and equipment, determination of fair values of stock options, warrants, and financial instruments, determination of the fair value of biological assets, net realizable value of inventory as well as valuation of deferred income taxes. Actual results could differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

1.10 Future Accounting Standards

As of January 1, 2013, the Company will be required to adopt amendments to IAS 1 "Presentation of Financial Statements" which will require companies to group together items within Other Comprehensive Income that may be reclassified to the net earnings section of the statement of loss and comprehensive loss. The Company does not expect a material impact as a result of the amendment.

Each of the additional new standards outlined below is effective for annual periods beginning on or after January 1, 2013 with early adoption permitted, except for IFRS 9 "Financial Instruments" which is effective for annual periods beginning on or after January 1, 2015. The Company has not yet assessed the impact, if any, that the new amended standards will have on its financial statements or whether to early adopt any of the new requirements.

IFRS 9 "Financial Instruments"

The result of the first phase of the IASB's project to replace IAS 39, "Financial Instruments: Recognition and Measurement". The new standard replaces the current multiple classification and measurement models for financial assets and liabilities with a single model that has only two classification categories: amortized cost and fair value.

IFRS 10 "Consolidated Financial Statements"

Replaces Standing Interpretations Committee 12, "Consolidation – Special Purpose Entities" and the consolidation requirements of IAS 27 "Consolidated and Separate Financial Statements". The new standard replaces the existing risk and a reward based approaches and establishes control as the determining factor when determining whether an interest in another entity should be included in the consolidated financial statements.

IFRS 11 "Joint Arrangements"

Replaces IAS 31 "Interests in Joint Ventures". The new standard focuses on the rights and obligations of an arrangement, rather than its legal form. The standard redefines joint operations and joint ventures and requires joint operations to be proportionately consolidated and joint ventures to be equity accounted.

IFRS 12 "Disclosure of Interests in Other Entities"

Provides comprehensive disclosure requirements on interests in other entities, including joint arrangements, associates, and special purpose vehicles. The new disclosures require information that will assist financial statement users in evaluating the nature, risks and financial effects of an entity's interest in subsidiaries and joint arrangements.

IFRS 13 "Fair value measurement"

Clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants, at the measurement date. It also establishes disclosures about fair value measurement. Under existing IFRS, guidance on measuring and disclosing fair value is dispersed among specific standards requiring fair value measurements and in many cases does not reflect measurement basis or consistent disclosures.

Amendments to other standards

In addition to the above, there have been amendments to existing standards, including IAS27 "Separate Financial statements" and IAS 28 "Investments in Associates and Joint Ventures. IAS 27 addresses accounting for subsidiaries, associates and joint controlled entities in non-consolidated financial statements. IAS 28 has been amended to include joint ventures in ist scope and to address the changes in IFRS 10 -13 (see above).

1.11 Financial Instruments and Related Risks

Financial instruments are agreements between two parties that result in promises to pay or receive cash or equity instruments. The Company classifies its financial instruments as follows: cash is classified as a financial asset at FVTPL, and trade payables are classified as other financial liabilities, which are measured at amortized cost. The carrying value of these instruments approximates their fair values due to their short term to maturity.

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk.

a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Cash is placed with a major financial institutions and the Company's concentration of credit risk for cash and maximum exposure thereto is $12,226 (December 31, 2011 - $22,484).

b) Liquidity risk

Liquidity risk is the risk that the Company will be unable to meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will have sufficient liquid funds to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. At December 31, 2012, the Company has $12,226 (December 31, 2011 - $22,484) of cash to settle current liabilities with the following due dates: trade payables of $419,982 (December 31, 2011 - $479,458) are due within three months; convertible debentures of $141,366 (2011 - $26,152) are due within six months; short term loans of $104,339 (December 31, 2011 - $69,553) and deposits of $11,146 (2011 - $9,576) are due on demand.

c) Market risk

The significant market risks to which the Company is exposed are interest rate risk and currency risk.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in market interest rates. The Company's cash consists of cash held in bank accounts that earn interest at variable rates. Due to the short-term nature of this financial instrument, fluctuations in market rates of interest do not have a significant impact on the estimated fair value or future cash flows.

(ii)Currency risk

The Company is exposed to currency risk to the extent expenditures incurred or funds received and balances maintained by the Company are denominated in Canadian dollars ("CAD"). The Company does not manage currency risk through hedging or other currency management tools.

The Company conducts certain of its operations in China and thereby a portion of the Company's assets, liabilities, revenue and expenses are denominated in Chinese Reminbi ("RMB¥").

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		**December 31, 2012**		December 31, 2011
Canadian dollars	**$**	**4,094**	$	19,355
Chinese RMB		**8,132**		58,744
Total financial assets	**$**	**12,226**	$	78,099
Canadian dollars	**$**	**567,090**	$	295,621
Chinese RMB		**93,177**		253,388
Total financial liabilities	**$**	**660,267**	$	549,009

As at December 31, 2012, with other variables unchanged, a 1% fluctuation of the Chinese currency against the Canadian dollar would affect comprehensive income by approximately $850 (December 31, 2011 - $1,946).

(iii) Other price risk

Other price risk is the risk that the future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk or currency risk. The Company is not exposed to other price risk.

1.12 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.

1.13 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 year ended December 31, 2012

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.

1.14 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;

Not applicable.

(d) general and adminstration expenses;

This required disclosure is presented on the consolidated statements of loss and comprehensive loss for the year ended December 31, 2012 and eleven month period ended December 31, 2011.

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

None

1.15 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 – 86,486,427 common shares outstanding

Shares subject to escrow – Nil.

(b) Options

The outstanding options as at the date of this report are summarized as follows:

Exercisable prices	Number of options outstanding	Expiry dates	Remaining constractual life	Number of exercisable at reporting date
$ 0.140	600,000	August 31, 2013	(112.83)	600,000
$ 0.125	450,000	January 18, 2014	(112.83)	450,000
$ 0.125	100,000	July 29, 2014	(112.83)	100,000
$ 0.125	400,000	December 22, 2014	(112.83)	400,000
$0.125 - 0.14	**1,550,000**			**1,550,000**

(c) Warrants

As at the date of this report, a total of 4,900,000 warrants remain outstanding and the exercise price ranges from $0.05 to $0.10 per share with expiry dates up to April 8, 2018.

MAPLE LEAF REFORESTATION INC.

CORPORATE DATA

LISTING:
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Symbol: **MPE**

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DIRECTORS AND OFFICERS

- Raymond Lai: President, CEO & Chairman
- Daniel Chu: CFO, Director & Audit Committee Member
- Terence Lam: Corporate Secretary & Director
- Joe Wong: Independent Director & Audit Committee Member
- Bok Wong: Independent Director & Audit Committee Member

REGISTAR AND TRANSFER AGENT

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