

## **MAPLE LEAF REFORESTATION INC. (TSX-V: MPE)**

---

For Immediate Release

**Last Close:** January 27, 2011 - \$0.125  
**Shares Issued:** 72,458,502

### **Maple Leaf Provides Corporate Update**

Maple Leaf Reforestation Inc (TSX-V-MPE) (the "Company" or "Maple Leaf") would like to provide the following updates on its various proposed projects and potential financing arrangements:

#### **Municipal Solid Waste Joint Venture**

Maple Leaf and its joint venture partner C.F. Lacey & Associates ("Lacey") are in negotiations with three technology providers to operate the MSW project. It is anticipated that a final technology service agreement will be entered in the near term. In addition, Lacey is in the final stages of securing the initial \$300,000 required to complete the preliminary work for the MSW project. Finally, Maple Leaf's and Lacey's personnel will be visiting Inner Mongolia, China early in March to negotiate all the necessary contracts and permits with the government and to conduct a preliminary lab test of the chosen MSW technology.

#### **Yellowhorn Seed & Seedling Orders**

Maple Leaf's Yellowhorn Distribution Agent in the U.S., Unni Larsgaard Trust ("Unni") has reported to the Company that it has submitted six Yellowhorn subsidy applications pursuant to the Biomass Crop Assistance Program ("BCAP"). Unni is hopeful that one application in particular will be approved shortly which was for approximately 1 million Yellowhorn seedlings. Based on current market prices, each Yellowhorn seedling would be sold by Maple Leaf to Unni for approximately US\$1.60 and Yellowhorn seeds would be sold for approximately US\$65 per kilogram.

#### **MOU with Biodis**

Maple Leaf has voluntarily allowed its Memorandum of Understanding with Biodis Engineering Ireland Limited ("Biodis") to expire as of December 31, 2010. However, Biodis continues to be in discussions with the Company regarding various bio-fuel related project opportunities including Yellowhorn seedling and seed purchases.

#### **Project Development Financing**

Maple Leaf continues to diligently pursue various financing arrangements so as to be able to undertake operational expansion and diversification. Specifically, Maple Leaf has received an extension of its previous conditional offer for a \$20 million loan from APEC Logic Investments Pty Limited until February 28, 2011. Maple Leaf continues to assess its ability to meet the conditions of the loan offer.

In addition, the Winnipeg-based financing group that visited Maple Leaf's greenhouse operation in November continues to be in discussions with various potential lenders and has indicated that it should have a better sense of these lenders' level of interest by the end of January.

Furthermore, Maple Leaf has also engaged several other groups to assist the Company with obtaining financing and some of the groups' clients have expressed interest and are in the process of conducting a more thorough due diligence review on the Company.

## **Strategic Equity Financing**

Maple Leaf's Board of Directors has approved a private placement with a strategic group of investors (the "Placement"). The Placement will consist of up to 7,647,059 units at a price of \$0.085 per unit (the "Units") for gross proceeds of approximately \$650,000. Each Unit will be comprised of one common share and one common share purchase warrant exercisable into one common share at a price of \$0.125 for a period of two years from the date of closing of the Placement.

While the Placement is non-brokered, Maple Leaf may pay finder's fees to individuals who obtain subscriptions for the offerings. Maple Leaf intends to use the proceeds from the Placement to expand capacity at its Inner Mongolia Greenhouse operation, permitting it to enter pending supply contracts with the Inner Mongolia government, and for general working capital.

The Placement is subject to approval of the TSX Venture Exchange. Common shares and warrants issued pursuant to the Placement will be subject to a four month hold period commencing from the date of closing of the Placement.

Raymond Lai, Maple Leaf's President & CEO comments, "We are very excited about having this group of investors become shareholders of Maple Leaf. We have been in discussions with this group for over a year now and are pleased that they have decided to support Maple Leaf, at what I believe is the beginning of an exciting period of Maple Leaf's history. We are also pleased about the interest that has been expressed by various lenders and we will continue to diligently work with these potential lenders and hopefully be able to finalize a financing arrangement in the near term so that we can move forward with our project diversification and expansion strategies."

## **Issuance of Incentive Stock Options**

Maple Leaf also announces that, pursuant to its "rolling" stock option plan and subject to TSX Venture approval, the Company has granted 450,000 incentive stock options to an employee (200,000) and a consultant (250,000) to purchase common shares in the capital stock of the Company.

Such options are for a term of three years, with an exercise price of \$0.125 per common share. The options shall vest partially upon grant and then in tranches during the 6 months following the date of grant. The options and any stock resulting from the exercise thereof are subject to a four-month hold period from the date of grant.

## **About Maple Leaf Reforestation Inc.**

Maple Leaf is a Canadian company operating various projects in China. Maple Leaf is a wholly-owned foreign enterprise which allows the Company to control 100% of the direction and operations of the company in China while permitting the cash generated from operations in China to flow back to Canada.

For further information regarding Maple Leaf Reforestation Inc., visit [www.mlreforestation.com](http://www.mlreforestation.com) or contact:

### **Maple Leaf Reforestation Inc.**

Raymond Lai, Chairman, President & CEO

Tel: +1 (403) 668-7560

Fax: +1 (403) 250-2534

E-mail: [rlai@mlreforestation.com](mailto:rlai@mlreforestation.com)

**The TSX Venture Exchange does not accept responsibility for the adequacy or accuracy of this release.**

*Certain statements in this news release including (i) statements that may contain words such as "anticipate", "could", "expect", "seek", "may", "intend", "will", "believe", "should", "project", "forecast", "plan" and similar*

*expressions, including the negatives thereof, (ii) statements that are based on current expectations and estimates about the markets in which Maple Leaf operates and (iii) statements of belief, intentions and expectations about developments, results and events that will or may occur in the future, constitute "forward-looking statements" and are based on certain assumptions and analysis made by Maple Leaf. Forward-looking statements in this news release include, but are not limited to, statements with respect to future capital expenditures, including the amount, nature and timing thereof; other development trends within the China's seedling industry; business strategy; expansion and growth of Maple Leaf's business and operations and other such matters. Such forward-looking statements are subject to important risks and uncertainties, which are difficult to predict and that may affect Maple Leaf's operations, including, but are not limited to: the impact of general economic conditions; industry conditions; government and regulatory developments; seedling product supply and demand; competition; and Maple Leaf's ability to attract and retain qualified personnel. Maple Leaf's actual results, performance or achievements could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do transpire or occur, what benefits Maple Leaf will derive there from.*

*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.*