MAPLE LEAF REFORESTATION INC.

Annual Information Form

for the year ended

January 31, 2011

Containing material information

up to and including

August 15, 2011

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FORWARD-LOOKING STATEMENTS

This Annual Information Form ("AIF") 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 Corporation will publicly disclose such material changes to its forward-looking statements as soon as they are known to management.

CERTAIN DEFINITIONS, CONVENTIONS & CURRENCY PRESENTATION

This AIF was prepared using a number of conventions, which a reader should consider when reading the information contained herein. When using the terms “we”, “us”, “our” and words of similar import or the term “Corporation” or “Maple Leaf”, it is referring to Maple Leaf Reforestation Inc. itself, or to Maple Leaf Reforestation Inc. and its subsidiary, as the context requires.

All references in this AIF to “Canadian Dollars” and “Cdn$” are to Canadian dollars. All references to “RMB¥” or “Renminbi” are to Renminbi, the official currency of the People’s Republic of China, or the PRC. Solely for convenience of the reader, this AIF contains translations of certain Renminbi into Canadian Dollars. Unless otherwise indicated, all dollar amounts in this AIF are expressed in Canadian Dollars.

Certain references to PRC laws, regulations and policies in this AIF include the corresponding Chinese translations.

A “Mu” is an area equal to 0.000667 km^2 or approximately 0.1647369 of an acre.

“Wholly Foreign Owned Enterprise” or WFOE means an enterprise established in China in accordance with the relevant PRC laws, with capital provided solely by foreign investors. Such enterprises do not include branches and offices established in China by foreign enterprises and other economic entities.

TOTALS PRESENTED IN THIS AIF MAY NOT TOTAL
CORRECTLY DUE TO ROUNDING OF NUMBERS

THE CORPORATION

Maple Leaf (or the "Corporation") was formed under the *Business Corporations Act* (Alberta) upon the amalgamation of Intercontinental Mining Corp. and Maple Leaf Reforestation Inc. pursuant to articles of amalgamation dated February 24, 2005. Maple Leaf's head office is located in Calgary, Alberta, Canada at 105, 3510 29th Street N.E., Calgary, Alberta, Canada. Maple Leaf's registered office is located at 500, 1414 8th St. S.W., Calgary, Alberta, Canada, T2R 1J6, the office of its legal counsel.

CORPORATE STRUCTURE

As at August 15, 2011, Maple Leaf owns 100% of *Inner Mongolia Maple Leaf Reforestation Ltd*., a Corporation incorporated pursuant to PRC laws, and this is its only subsidiary.

GENERAL DEVELOPMENT OF THE BUSINESS

Overview

Maple Leaf is a development stage company that is presently 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 Corporation'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 and the ability of the Corporation to obtain the necessary financing to complete the necessary project development and achieve future profitable production of young trees.

Three Year History

Maple Leaf started construction of an 110,000 square foot greenhouse nursery in Inner Mongolia, China in 2005 using a Dutch greenhouse technology. All of the greenhouse materials were shipped from Holland to Inner Mongolia, China and construction was completed and operations commenced in January 2007 (the "Greenhouse"). Maple Leaf has undertaken efforts in past years to diversify its operations and its revenue streams in a manner consistent with its eco-agriculture and renewable energy mandates. These efforts resulted in Maple Leaf operating three other business segments for periods of time: (i) a Yellowhorn plantation in Xinjiang province in 2007, which was discontinued in 2009 due to lack of funding and political unrest in Xinjiang province; (ii) an alfalfa feedstock supply business based in Shaanxi province started in 2009 and discontinued in 2010 due to lack of funding to grow its own alfalfa field; and (iii) an organic fertilizer plant based in Hunan province started in 2009 and discontinued in 2010 due to operational difficulties resulting from entering the organic fish fertilizer business prematurely without sufficient funding to provide complete technical support to customers. In addition, Maple Leaf has also ventured to distribute a patented flexi-pipeline product used by the oil & gas industry to the China market and to introduce a municipal solid waste power generation plant technology to some 2nd line cities in China, with minimal success or resources expended, and these ventures have be abandoned accordingly.

DESCRIPTION OF BUSINESS

Vision and Strategy

Maple Leaf began with a primary vison and mission to provide top quality, value added nursery seedlings and modern Canadian tree growing technologies to the China market to help combat against desertification. The Corporation is committed to continuing this vision and mission, and is pleased that it has earned respect and attention for its work, which has resulted in opportunities to diversify its business into related ventures.

Maple Leaf's current strategy aims to renew its focus by creating success within two operating arms of related environmentally beneficial industries:

1. **Eco-Agriculture/Forestry** - the Corporation's large-scale nursery business in Inner Mongolia, China grows and sells value-added tree seedlings and nursery products for reforestation, afforestation and to assist with mitigating desertification. The Corporation plans to expand operations to meet increasing demands for the its high quality seedlings.

2. **Renewable Energy** - a Yellowhorn seedling and tree operation which can provide valuable Yellowhorn seeds, and ultimately oil from such seeds, for the manufacture of bio-fuel and premium healthy cooking oil. The Corporation considers itself the frontrunner in developing the use of this species for bio-fuel and domestic consumption. The Corporation's objective is to be the major seed and seedling supplier of Yellowhorn for both Chinese and international projects.

With these objectives in mind, the Corporation expects to expand its revenue sources into North America and other parts of the world. The Corporation has received numerous inquiries from around the world regarding Yellowhorn products. A potentially lucrative distribution agreement for Yellowhorn products has already been secured with a U.S. based plantation consulting group. This diversification not only provides the Corporation with a new source of revenue, but with revenue from different countries, thus reducing any risk of the Corporation relying on revenue solely from China.

Overview

As at August 15, 2011, Maple Leaf is solely operating in Inner Mongolia, an autonomous region of China. Inner Mongolia is located in the northern region of China and shares an international border with the countries of Mongolia and the Russian Federation. Inner Mongolia is the third-largest subdivision of China spanning approximately 1,200,000 km^2 or 12% of China's total land area. Despite its vast size, the following climactic characteristics apply throughout the province: four-season monsoon-influenced climate, with long, cold, very dry winters, quick and dry springtime and autumnal transitions, and very warm to hot summers.

Greenhouse Operation

Maple Leaf operates an 110,000 square foot greenhouse in Inner Mongolia, China, through its 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.

Maple Leaf has successfully introduced its technologies and products to the local governmental forestry agents and private nursery plantation operators in recent years. Maple Leaf's products have been very well received, thus in order to capitalize on the demand for its products without committing too much of the Corporation's resources, it has decided to joint venture with the local government forestry agent to construct a new greenhouse resulting in a doubling of the its current growing capacity. Maple Leaf has also been able to secure other land that can be utilized to establish another of its own nursery plantations when funding to do so becomes available.

Maple Leaf's customers are primarily local government entities and private nursery plantation operators in Inner Mongolia and Shanxi provinces. Maple Leaf intends to expand its customer base to the provinces of Shaanxi, Heinan and Heibei through targeted marketing initiatives. In the years ended January 31, 2011 and 2010, Maple Leaf's five largest customers accounted for approximately 63.23% and 74.78%, respectively, of its revenue from continuing operations. Its largest customer in each of these years accounted for approximately 27.87% and 22.49%, respectively of its revenue.

a) **Products**

The product distributed by Maple Leaf's greenhouse operation includes two categories of seedlings. One is the species from Canada, namely, Blue Spruce, Colorado Pine, Jack Pine and Scott Pine. The seeds are sent from Canada to China and then harvested in Maple Leaf's greenhouse. The other category is local species from China, which are custom ordered by local government forestry agents and private nursery plantation operators, namely, Chinese Pine, Chinese Spruce and White Balk Pine. These seeds are provided by the customers and then harvested in Maple Leaf's greenhouse.

b) **Principal Markets**

The principal distribution market for Maple Leaf's greenhouse products is North Central China, where most of the forests have been lost to over-cutting and land erosion.

c) **Distribution Methods**

Maple Leaf uses its own sales force to promote its products. One-to-one contact with key governmental officials and large plantation operators is established through open-houses at the greenhouse, test samples being given out and site visits being made by Maple Leaf's personnel. Reputation of product quality is built through customer referrals and government recommendations.

d) **Total Consolidated Revenues**

For each of the two most recently completed financial years, the revenues derived from Maple Leaf's greenhouse operation are as follows:

- For the year ended January 31, 2011 - $147,036
- For the year ended January 31, 2010 - $652,995

e) **Production**

An automated seeding machine is used to plant a seed to a pellet sitting on a tray row by row. The machine can plant 1,000 seeds an hour. The pellet is a special made compressed peat moss mixed with special nutrients that assist the seed to germinate. Both the machine and pellets are Canadian technologies imported from Canada. Depending on the type of seed, a different amount of sunlight and watering is provided during the germinating process. Once the seeds are germinated, they will be moved to different locations of the greenhouse for further handling, as at different stages of growing the seedlings require a different mix of sunlight, water level and fertilizer. After the seedlings are grown to about 10 cm and ready for sale, they will go through a climatization process, which involves moving them outside to expose them to the natural elements for a month or so before shipment to customers.

f) **Specialized Skill & Knowledge**

The Corporation's competitive edge rests on the Canadian pellet used and the process of germination. With the Canadian pellet, the root system is ensured to grow sideways and downward, so when they are transplanted outside, the root system can grip the soil more firmly ensuring a good foundation for the tree to grow. Additional knowledge that the Corporation has gained through experience and interaction with local forestry experts relates to the climatization process, especially for throughout the snowy winter. This process requires the seedlings to be buried beneath the soil to a certain depth, rather than covering the seedlings with plastics as commonly used in Canada. The plastic covers can sometimes get blown apart and expose the seedlings to the cold and result in death, so the survival rate is only approximately 50%, but by using the alternative method that Maple Leaf has developed, the survival rate is approximately 85%.

g) **Competitive Conditions**

Maple Leaf is the only foreign owned and operated greenhouse in China. The Canadian technology used by the Corporation for germination and root development is superior to the local Chinese greenhouses. The survival rate of seedlings cultivated by Maple Leaf is approximately 85%, while seedlings from the local greenhouses only have approximately a 50% survival rate. However, the cost of the Corporation's products is higher because of the transportation cost from Canada for the pellet and the exchange rate, thus putting the Corporation at a disadvantage from a cost perspective when penetrating the market. But with the Corporation's growing reputation for high quality seedlings with a superior survival rate, customers are becoming more receptive to the Corporation's higher prices. Also, the Corporation is planning to bring in all the necessary machinery to China to produce the pellets in China, thus reducing the production cost, and ultimately bringing its pricing to a more competitive level.

h) **Components**

The pellet is imported from Canada, thus the cost is affected by the exchange rate and transportation cost. By producing the Corporation's own pellet in China it will reduce the production cost of its products. The Canadian species of seeds also cost more for the same reason. However, because of the rarity of the Canadian trees in China, customers are willing to pay a higher price. In the long run, the Corporation is planning to harvest seeds from trees that are grown to maturity in China, thus eliminating risk associated with importing those seeds. In addition, the Corporation also previously imported repair parts for the greenhouse from Holland, but with more foreign companies opening offices in China, it is now able to buy those parts locally, thus reducing its operating costs substantially.

i) **Intangible Properties**

The germination methodology and application of the Canadian pellet used by Maple Leaf is unique and has come to have a 'trademark-like' status for the Corporation. The Corporation hopes to patent this technology in the near future.

j) **Cycles**

The planting season in China is from early May to mid October, thus the Corporation plans its activities and sales efforts around this planting season.

k) **Economic Dependence**

With the Chinese Government's emphasis on reforestation to fight desertification, sand storms and extreme weather on a long term basis, millions of dollars is spent each year by all level of government on the types of products offered by the Corporation. Thus the demand for seedlings will seemingly continue and possibly increase, and the general economic situation in the country is unlikely to affect the Chinese Government's anti-desertification policies.

l) **Structure of Contracts**

For large sales orders a minimum 10% to 25% deposit is required upfront. If an order is for a special type of seedling, for which a re-sale market is not readily available, a 50% deposit is required upfront. In all instances the deposit will be forfeited if the contract is cancelled, thus providing protection to the Corporation from total loss.

m) **Insurance**

Insurance is maintained against the greenhouse property only, and no customer liabilities insurance is required given the nature of the Corporation's business.

n) **Environmental Matters**

The greenhouse was constructed using environmental friendly materials and designs. To improve in this area the Corporation is seeking is to replace the coal burning furnace with either a solar power or bio-mass heating system in the near future.

o) **Employees**

The greenhouse maintains approximately 20 regular staff with seasonal workers recruited from local farming communities to assist during the peak season between May and October. This arrangement is very welcomed by the local people as it provides subsidy for the local farmers.

p) **Foreign Operations**

As a Canadian-based company, Maple Leaf is presently completely dependent on its foreign-based operations in Inner Mongolia, China for cash flow. In reverse, Maple Leaf's greenhouse operation is dependent on the supply of the pellet from Canada and Canadian species of seeds being available. The Corporation is planning to purchase the machinery to produce pellets on site and harvest the seeds from Canadian specie trees grown in China, thus eliminating the dependency that its greenhouse operation has on Canadian products.

q) **Research and Development**

The Corporation has its own research and development laboratory at its greenhouse. With the assistance of the local university's forestry faculty, Maple Leaf continues to explore better ways to cultivate local Chinese species of seedlings and will always continue with such efforts.

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 Corporation's knowledge and involvement in Yellowhorn trees has led to it being approached by North American entities that require Yellowhorn seedings. Maple Leaf has secured 330 acres of land in Inner Mongolia, China upon which it hopes to grow approximately 500,000 Yellowhorn seedlings and 200,000 Yellowhorn trees.

Yellowhorn's scientific name is *Xanthoceras Sorbifolia Bunge*, and its Chinese name is 文冠果. The Yellowhorn is a local species in China that it is well known for its endurance to desert weather and can grow in non-cultivated semi-desert land. Its root can go very deep and grabs on the surrounding soil, so it is also good for stopping desertification. The Yellowhorn has a wide variety of uses. To name a few: the seed has high oil content which can be used for airplane lubricant, bio-diesel and high quality cooking oil which is superior in quality to olive oil; the meal can be used for high protein feedstock for livestock; the fruit shell contains Furfural, a chemical substance used in plastics and solvents; the bark can be used for curing arthritis; the leaf can be used for good slimming green tea. It usually takes three years for a Yellowhorn tree to reach maturity and five years to harvest the fruit. The technology for extracting oil from the fruit of Yellowhorn is quite mature and reliable and is not as complicated as other types of oil and bio-diesel plants.

- KS Ecology (Canada) Asset Acquisition - In July, 2011, Maple Leaf entered an Asset Acquisition Agreement with KS Ecology (Canada) Inc. ("KS"), a Vancouver, B.C., Canada based Yellowhorn plantation company with operations in China. Pursuant to the agreement Maple Leaf will acquire three Yellowhorn plantations and nurseries in China, with associated assets, two located in the city of JiaoZuo, Henan Province (80% interest) and one in the city of Beijing, China (100% interest) (the "Assets"). The additional 20% interest in the Henan assets is owned by the on-site operator of the Assets, who is party to a joint-venture arrangement with KS. The Agreement gives Maple Leaf the ability to re-negotiate the joint-venture agreement on the Henan assets or seek to buy-out the 20% partner.

  - **The Assets:**

Henan Assets	Beijing Assets
• 2 million 1-year old Yellowhorn trees • 600,000 2-year old Yellowhorn trees • 40,000 fully grown Yellowhorn trees • 6 million Pistacia Chinensis trees • approximately 875 acres (5,300 mu) of plantation lands • approximately 100 acres (600 mu) of nursery space • a Yellowhorn Forestry Research Institute • 2 office spaces	• 22,000 fully grown Yellowhorn trees • approximately 50 acres (310 mu) of plantation lands

  - **Agreement Terms:** The Assets are being purchased at a deemed value of Cdn $2,019,600 (RMB¥ 13,733,200) (the "Purchase Price"). The Purchase Price will be satisfied by Maple Leaf by issuing from its treasury 13,464,000 common shares at a deemed value of $0.15 per share (the

"Shares"). Maple Leaf will be required to issue 8,976,000 of the Shares upon closing and will withhold 4,488,000 of the Shares until the date that is one year from closing. Maple Leaf will only be required to issue the 4,488,000 Shares if it is satisfied with the performance of the Assets, however it will not be permitted to withhold the second tranche of the Shares based on commercially unreasonable expectations regarding the performance of the Assets.

- **Due Diligence Period:** The latest anticipated closing date for the Agreement is October 28, 2011 (the "Closing Date"). Prior to the Closing Date Maple Leaf will undertake extensive due diligence with respect to the Assets. The Agreement stipulates that as a result of Maple Leaf's due diligence the Purchase Price may be adjusted downward as necessary or that Maple Leaf may, at its sole discretion, void the Agreement entirely if a substantial discrepancy with respect to the Assets is discovered during its due diligence.

- **KS Personnel:** It is anticipated that KS's management and personnel will continue to be heavily involved with the operations and growth of the Assets upon successful closing of the Agreement. KS's team members will have a substantial vested interest in Maple Leaf following closing of the Agreement and their expertise and experience with operating the Assets will be invaluable to their successful development by Maple Leaf. A separate management agreement will be entered following the Closing Date.

Reorganizations

During the fiscal year ended January 31, 2011, Maple Leaf discontinued its alfalfa feedstock and its organic fertilizer operations, as well as the associated subsidiaries. The discontinuance of these operations and entities did not have a material impact on Maple Leaf's operations as they were unrelated to its core business, that being its Inner Mongolia greenhouse operation.

GOVERNMENT REGULATIONS

Nursery & Seedling Industry

As part of the Chinese government's on-going long term policy to combat desertification, sand storms and extreme weather, they are encouraging subsidization in this industry. As such, Maple Leaf does not have to pay many of the taxes that are levied on other industries in the region.

Yellowhorn & Bio-diesel Industries

With respect to planting Yellowhorn trees, as mentioned above, the Corporation can receive some subsidies and tax-free treatment from the government. With respect to using Yellowhorn oil for bio-diesel production, even though the government does encourage renewable energy production, they have not introduced any legislation to enforce inclusion of a certain percentage of bio-diesel into the fossil diesel usage yet, thus not offering any incentives to the renewable energy industry for the time being.

RISK FACTORS

Risks Related to Maple Leaf's Business

1. *Liquidity Risk*

   The liquidity risk is the risk that the Corporation will not be able to meet the obligations associated with its financial liabilities. The Corporation's financial liabilities mainly include accounts payable and accrued liabilities, interest payable and short term debt instruments. The Corporation has incurred recurring losses since inception and has not yet generated significant revenue from its operations. The

Corporation 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. The Corporation handles liquidity risk through the management of its capital structure.

The Corporation currently on average burns approximately $50,000 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 bear an annual interest rate of 15% and mature September 8, 2012. Management is regularly coordintating efforts to raise more operating capital by way of the issuance of common shares and/or the issuance of additional convertible debentures to allow development of its projects. Management plans to fund its ongoing operational costs by completing such financing efforts or by otherwise securing debt financing. The Corporation'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 Corporation. The Corporation'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. If the Corporation is not able to raise additional funds, there would be significant doubt that the Corporation would be able to continue as a going concern and the operation would be required to be curtailed. The Corporation 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. The Corporation's greenhouse operation has been consistently improving and requiring less and less funding by head office. As a result, recently the greenhouse has not been requiring as much capital infusion from head office as it has historically.

2. *Cyclical Nature of Industry and Product Price Fluctuations*

Maple Leaf's results are, and will continue to be, affected by the cyclical nature of the nursery and seedling industries. Market prices and demand for seedlings have been, and in the future are expected to be, subject to cyclical fluctuations, which have a significant effect on the Corporation's business, results of operations and financial condition. The Corporation is also exposed to fluctuations in the prices of the products that it purchases. The Corporation must purchase various products at prevailing Chinese market prices and in turn use 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 Corporation must purchase to produce the products that it sells can have a significant effect on the Corporation's business, results of operations, financial condition and cash flows.

3. *Exchange Risk*

The Corporation undertakes transactions denominated in foreign currencies and as such is exposed to risks due to fluctuations in foreign exchange rates. The Corporation conducts all of its operations in China and thereby the Corporation's assets, liabilities, revenues and expenses are denominated in Renminbi, 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. Renminbi devaluation may adversely affect Maple Leaf's results of operations and financial condition and may result in foreign exchange losses. In addition, it may not be able to increase the Renminbi prices of its domestic products to offset fully any depriciation of the Renminbi due to political, competitive or social factors. To the extent the Renminbi appreciates against the Canadian Dollar, it will make it more expensive for Maple Leaf to finance the expansion of its operations in the PRC through equity or non-Renminbi borrowings.

The Corporation currently does not hedge its foreign currency risk, and the exposure of the Corporation's financial assets and financial liabilities to foreign exchange risk as at January 31, 2011 is summarized as follows:

The amounts are expressed in Canadian dollars equivalents		January 31, 2011		January 31, 2010 (Restated)
Canadian dollars	**$**	**4,437**	$	166,226
Chinese yuan		**64,466**		120,968
Total financial assets	**$**	**68,903**	$	287,194
Canadian dollars	**$**	**459,207**	$	552,945
Chinese yuan		**82,493**		455,404
Total financial liabilities	**$**	**541,700**	$	1,008,349

4. *Expansion and Operational Scale Risks*

Expanding its operations requires intensive capital investment or the entering of partnership arrangements whereby Maple Leaf is able to access substantial additional greenhouse space in conjunction with securing large-scale purchase and supply agreements. Ultimately Maple Leaf needs to at least double its current greenhouse capacity and its current sales in order to achieve a scale of operation that results in reduced over-heads and better profit margins. There is no guarantee that Maple Leaf will be able to secure the capital or partnerships to allow for the operational expansion required to achieve profitability at its greenhouse operation.

5. *Loss of Key Personnel*

Maple Leaf is heavily dependent upon its senior management in relation to their expertise in the nursery industry and the relationships cultivated by them with customers and others. Maple Leaf has no long-term contracts with any of its senior management. It also does not have key-person life insurance policies out on any of its personnel. The departure, or otherwise loss of service, of any of its senior management could materially and adversely affect its business, financial condition and results of operations.

6. *Weather & Climate Changes Risk*

Maple Leaf's business, financial condition and results of operations depend to a significant extent on the survival rate of its seedlings and its ability to successfully harvest such seedlings year-over-year. The survival of Maple Leaf's seedlings and its harvesting ability are generally dependent on its operational methods, facilities and care of such products, however it may also be impacted by factors outside of its control, such as:

- unfavorable local weather conditions, such as prolonged drought, flooding, hailstorms, windstorms, frost and winter freezing; and

- the occurrence of natural disasters, such as damage by fire, insect infestation, crop pests and earthquakes.

7. *Management Systems and Internal Controls*

If Maple Leaf is able to expand its operations successfully, it will have to hire additional management employees, strengthen its management processes and develop additional systems in order to effectively manage its greenhouse operations. There is no assurance that it will be able to recruit qualified management employees, strengthen its management processes or develop the required systems in a timely fashion, or at all. The Corporation also believes that upon expanding it will be necessary to strengthen its internal controls and corporate goverence practices. Should it fail to take the measures described in this paragraph, it may not be able to implement its expansion strategy effectively or to manage the growth effectively and thus its business, financial condition and results of operations could be materially and adversely affected.

8. *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 Corporation's cash equivalents primarily include highly liquid investments that earn interests at market rates that are fixed to maturity. The Corporation 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 values of the financial instruments as of January 31, 2011. The Corporation also has outstanding a two-year convertible debenture, which is expiring on September 8, 2012 bearing a fixed interest rate of 15% per annum.

9. *Credit Risk*

The Corporation 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 Corporation has been undertaking credit evaluations on customers as necessary and has been monitoring processes intended to mitigate credit risks.

The aging of accounts receivable are less than 90 days, and, as a result, the credit risk associated with accounts receivable at January 31, 2011 is considered to be immaterial.

Risks Related to the PRC

1. *PRC Economic, Political, Social Conditions & Government Policies*

Maple Leaf's greenhouse operation is solely located in the PRC. The PRC economy differs from the economics of most developed countries in many respects, including structure, government involvement, level of development, economic growth rate, government control of foreign exchange, allocation of resources and balance of payment position.

The PRC economy has been transitioning from a planned economy to a more market-oriented economy. For the past two decades the PRC government has implemented economic reform measures emphasizing utilization of market forces in the development of the PRC economy. Some of these measures will benefit the overall PRC economy, but may have a negative effect on Maple Leaf.

Maple Leaf's business, financial condition and results of operations may be adversely affected by:

- changes in PRC political, economic and social conditions;
- changes in policies of the PRC government, including changes in policies affecting the reforestation and nursery industries;
- changes in laws and regulations or the interpretation of laws and regulations;
- measures which may be introduced to control inflation or deflation;
- changes in the rate or method of taxation in the PRC;
- changes in the interpretation of tax laws and regulations by provincial or regional tax authorities

in the PRC; and

- imposition of additional restrictions on currency conversion and remittances abroad.

2. *Lack of Development with Respect to PRC Regulations*

   WFOE's are subject to PRC laws and regulations applicable to foreign investment companies, and other applicable laws and regulations in the PRC. These laws and regulations may not afford investors the same legal protections available to them in Canada, and may be less developed than those applicable to companies incorporated in Canada.

DESCRIPTION OF CAPITAL STRUCTURE

Maple Leaf's authorized share capital consists of an unlimited number of common shares and an unlimited number of preferred shares issuable in series. Each holder of common shares is entitled to one vote at meetings of the Corporation's shareholders other than meetings of the holders of another class of shares. Each holder of common shares is also entitled to receive dividends if, as and when declared by Maple Leaf's board of directors. Holders of common shares are entitled to participate in any distribution of Maple Leaf's net assets upon liquidation, dissolution or winding-up on an equal basis per share. There are no pre-emptive, redemption, retraction, purchase or conversion rights attaching to the common shares.

Debt Securities

As at August 15, 2011, Maple Leaf has outstanding convertible debentures in the amount of $102,500 (the "Debentures"). The Debentures carry an interest rate of 15% per annum and are convertible into common shares at a price of $0.125 per share until the close of business on July 30, 2011 and $0.175 per share until the close of business on July 30, 2012.

MARKET FOR SECURITIES

Trading Price and Volume

Maple Leaf's common shares are listed on the TSX Venture Exchange and trade under the stock symbol "MPE". The following table sets forth, for the periods indicated, the reported high and low prices and the trading volume of Maple Leaf's common shares on the TSXV:

Calendar Period	High (Cdn$)	Low (Cdn$)	Trading Volume
February 2010	0.18	0.145	1,359,160
March 2010	0.23	0.145	7,214,121
April 2010	0.22	0.18	1,598,274
May 2010	0.19	0.125	1,449,691
June 2010	0.16	0.12	1,418,413
July 2010	0.14	0.10	1,158,966
August 2010	0.115	0.09	1,017,177
September 2010	0.16	0.105	4,310,849
October 2010	0.15	0.11	1,839,816
November 2010	0.14	0.105	1,646,338

December 2010	0.14	0.10	1,889,769
January 2011	0.13	0.10	7,339,035

Prior Sales

During the fiscal year ended January 31, 2011, Maple Leaf made the following issuances of securities:

1. On March 25, 2010, Maple Leaf closed a private placement of 1,000,000 units at a purchase price of $0.15 per unit for gross proceeds of $150,000. Each unit contained one common share and one warrant to purchase a common share at a price of $0.25 for a period of 2 years.

2. On August 9, 2010, Maple Leaf closed two private placements. A private placement of 2,187,500 units at a purchase price of $0.10 per unit was completed for gross proceeds of $218,750. Each unit contained one common share and one warrant to purchase a common share at a price of $0.20 for 2 years. In addition, Maple Leaf closed a private placement of 8 convertible debentures totaling $102,500. The convertible debentures bear an interest rate of 15% per annum for a term of 2 years and are convertible into common shares during the initial 12 months at $0.125 per share and during the second 12 months at $0.175 per share.

3. On September 7, 2010, Maple Leaf closed a private placement of 2,350,000 units at a purchase price of $0.10 per unit for gross proceeds of $235,000. Each unit contained one common share and one warrant to purchase a common share at a price of $0.20 for a period of 2 years.

DIRECTORS AND EXECUTIVE OFFICERS

The following table provides the names of Maple Leaf's current directors, executive officers and operations managers, the positions held by each of them and the date of their first appointment, as at August 15, 2011:

Name and Place of Residence	Position(s) Held	Principal Occupation	Director Since[(1)]
Raymond Lai Calgary, Alberta	President, Chief Executive Officer & Director Chairman	Officer of the Corporation	April, 2007 January, 2008
Alex Cheung[(2)] Calgary, Alberta	Chief Financial Officer Director	Accountant	May, 2011 June, 2011
Brad Docherty Calgary, Alberta	Corporate Secretary Director	Lawyer	December, 2007 December, 2008
Perry Lee Burnaby, B.C.	V.P Bio-fuels & Waste Oil Project Development Director	Project Manager: Bio-diesel Production Facility	July, 2010 March, 2011
Joe Wong[(2)] Telkwa, B.C.	Director	Nursery Manager	July, 2010

Darryl Scase[2] Calgary, Alberta	Director	Accountant	June, 2011
Ken Zhao Inner Mongolia, China	V.P. China Operations	Businessman	March, 2008
Yan Chang Sheng Inner Mongolia, China	General Manager of Inner Mongolia Operations	Manager of Corporation's Greenhouse Operation	July, 2008

Notes:

(1) All directors serve until the next annual meeting of shareholders or until such director resigns.
(2) Member of the Corporation's Audit Committee.

The following provides a description of the business experience and present positions of each director and executive officer of the Corporation:

Name and Municipality of Residence	Principal Occupation
Raymond Lai Calgary, Alberta	Mr. Lai holds a Bachelor of Commerce degree received from the University of Calgary in 1975, and has been a registered member of the Certified Management Accountant Society (CMA) for over 25 years. Mr. Lai has been a successful key executive for public companies in the manufacturing and mining industries for over 10 years, and has been instrumental in securing public and private corporate financing both domestic and international.
Alex Cheung Calgary, Alberta	Mr. Cheung has 27 years of accounting, tax and audit experience and is a Certified General Accountant in Canada and a Certified Public Accountant in Hong Kong. Mr. Cheung is currently the Managing Partner of the accounting firm CLW Partners LLP in Calgary, Alberta, and is a director of the Hong Kong Canada Business Association, Calgary Chapter. Mr. Cheung has previously held roles in the accounting industry as Senior Auditor with Shell Hong Kong and Shell Canada, Staff Accountant with Arthur Andersen & Co, and Partner with another Calgary-based accounting firm.
Brad Docherty Calgary, Alberta	Mr. Docherty is a Securities Lawyer who focuses on working with TSX Venture Exchange listed issuers and private issuers seeking a public listing. From 2007 to 2009 Mr. Docherty practised at Gowling Lafleur Henderson LLP and since 2009 he has been practising independently, including working as a legal consultant to Smart Technologies Inc. in connection with its initial public offering on the TSX and Nasdaq stock exchanges. Mr. Docherty is also a principal of Capitalize Consulting Corp., a business-advisory Corporation that works with TSX Venture Exchange issuers on corporate, financing and marketing strategy. Mr. Docherty is President, C.E.O, C.F.O and a director of Exito Energy Inc., a Capital Pool Corporation listed on the TSX Venture Exchange. Mr. Docherty is also a director of and Corporate Secretary for Gateway Petroleum Inc., a private oil and gas issuer with producing assets in Alberta. Mr. Docherty received his Bachelor of Laws degree from the University of Victoria in 2007.
Perry Lee Maple Ridge, B.C.	Mr. Lee was the Plant Manager at a Canadian bio-fuel facility from January 2008 to October 2009, and has since fulfilled the role of Vice-President of Production at this facility. Mr. Lee is also the Program Leader of the Biodiesel initiative the Corporation's Advanced Chemical Technology Centre. Mr. Lee was a Ph.D. Candidate in the Chemical and Biological Engineering department at the University of British Columbia prior to taking on his current roles and Mr. Lee continues to work towards completing his Ph.D.
Joe Wong Telkwa, B.C.	Mr. Wong has spent the last 30 years improving reforestation nursery production systems and greenhouse systems and growing quality reforestation seedlings in the field as bare-root and in containers outdoor. Mr. Wong began his reforestation nursery career with the B.C. Ministry of Forests in 1978 with the Nursery Development Section where he was involved in research trials that were aimed at developing nursery sites, new growing systems, fertilization treatments and

Name and Municipality of Residence	Principal Occupation
	growing regimes. From 1980 to 1984, he worked as the Quality Assurance Supervisor at the Ministry of Forest, Red Rock Nursery in Prince George, B.C. where he managed the quality control and the practical research department. In 1985, Mr. Wong started his own reforestation nursery, Woodmere Nursery, during which he managed the design and construction of a greenhouse facility. Initial crop production at this nursery was 2.5 million containerized seedlings. Today this facility has an area of 6 acres under protected cultivation and grows 12 million seedlings annually. Mr. Wong is not only the manager but also the principal horticulturist and researcher for the Corporation.
Darryl Scase Calgary, Alberta	Mr. Scase holds a Bachelor of Commerce degree received from the University of Guelph in 1973 and has been a registered member of the Certified General Accountants Association (CGA) for 28 years. Mr. Scase's career in public accounting practice during the past 25 years has included extensive experience in the audit sector of private enterprises and government bodies. Mr. Scase has participated as a director on a number of boards of private enterprises providing input to the governance mandate and direction.

As at August 15, 2011, Maple Leaf's directors and executive officers as a group beneficially own, or control, directly or indirectly, 2,257,785 common shares of Maple Leaf, representing approximately 2.80% of the Corporation's issued and outstanding common shares.

Other than as disclosed below, no proposed director:

(a) is, as at the date of this AIF, or has been, within 10 years before the date of this AIF, a director, chief executive officer or chief financial officer of any Corporation (including the Corporation in respect of which this AIF is being prepared) that,

(i) was subject to an order that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or

(ii) was subject to an order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as a director, chief executive officer or chief financial officer,

(b) is, as at the date of this AIF, or has been, within 10 years before the date of this AIF, a director or executive officer of any Corporation (including the Corporation in respect of which this AIF is being prepared) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets;

(i) Raymond Lai, President & C.E.O. of the Corporation, was previously the President & C.E.O. of Surge Technologies Inc. ("Surge"), which was a reporting issuer in the U.S. Surge failed to maintain its reporting issuer status in the U.S. and subsequently dissolved. Mr. Lai then started a new private corporation named Nice Technologies Inc. ("Nice") in an effort to re-brand and maintain Surge's business. Mr. Lai was also the President & C.E.O. of Nice. The re-branding efforts were unsuccessful and Nice has also stopped operating and has been dissolved.

(c) has, within 10 years before the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director; or

has, at the date of this AIF, been subject to: (i) any penalties or sanctions imposed by a court or securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director.

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar for the Corporation's common shares is Valiant Trust Corporation at its Calgary, Alberta office.

MATERIAL CONTRACTS

The following are the contracts that are material to the Corporation that were entered into either (i) during the year ended January 31, 2011; or (ii) prior to February 1, 2010 that are still in effect, other than contracts that were entered into in the ordinary course of business and which relate to the day-to-day operating of the Corporation's business:

1. **Executive Employment Agreement** – Maple Leaf is party to an Executive Employment Agreement with its President & C.E.O., Mr. Raymond Lai, which is valid until June 30, 2012, at which time the Corporation's board of directors will review the suitability of the terms of the agreement in light of the Corporation's financial position and stage of operational development. Pursuant to his employment agreement, Mr. Lai is entitled to a $90,000 annual salary, 4-weeks of paid vacation time and an annual issuance of incentive stock options in an amount and at an exercise price determined by the board of directors. If Mr. Lai's employment agreement is terminated by the Corporation he is entitled to a pay-out equal to one year of his annual salary.

2. **Sales Contract** – In February, 2011, Maple Leaf received a 5-year, 100 million seedling purchase contract from the Liang Cheng County Forestry Department. Commencement of this purchase agreement is conditional on Maple Leaf successfully implementing an expansion of its greenhouse facility in order to achieve capacity increase necessary to handle this contract. The annual shipment details, including quantity and type of seedlings, and pricing of the seedlings, with respect to this agreement, will be negotiated and agreed upon by the parties once the agreement formally commences and subsequently at the beginning of each calendar year.

AUDIT COMMITTEE

Audit Committee Charter

The charter of Maple Leaf's Audit Committee (the "Charter") is attached to this AIF as Exhibit "A".

Composition of Audit Committee

As at August 15, 2011, the Audit Committee is comprised of Mr. Alex Cheung, Mr. Joe Wong and Mr. Darryl Scase. Mr. Cheung is the Chief Financial Officer of the Corporation. Mr. Wong and Mr. Scase are both "independent" as this term is defined in National Instrument 52-110 – Audit Committees ("NI 52-110"). Each member of the Audit Committee is "financially literate" as this term is defined in NI 51-110.

Relevant Education and Experience

In addition to the general business experience of each member of the Audit Committee, the relevant education and experience of each member is as follows:

- Mr. Cheung holds a Bachelor of Commerce degree with a focus on accounting and has been a practicing accountant for 27 years in both Canada and China. Mr. Cheung's accounting practice has included general accounting, tax and audit experience of both private and publically listed companies. Mr. Cheung has held senior accounting positions within major international companies and has been the managing partner of an accounting firm for 3 years.

- Mr. Scase holds a Bachelor of Commerce degree with a focus on accounting and has been a practicing accountant for 28 years. Mr. Scase's accounting practice has included extensive experience in the audit sector of private enterprises and government bodies. Mr. Scase has run his own accounting firm for 25 years.

- Mr. Wong has operated his own business since 1985. As manager of this operation for more than 25 years, Mr. Wong has gained extensive experience in all aspects of general business accounting and reporting.

Reliance on Certain Exemptions

At no time since the commencement of its most recently completed financial year did Maple Leaf rely on any exemption described in items 4, 5 and 6 of Form 52-110F1 under NI 52-110.

Audit Committee Oversight

At no time since the commencement date of its most recently completed financial year did Maple Leaf have any recommendations of its Audit Committee respecting the appointment and/or compensation of its external auditor that did not get adopted by its board of directors.

Pre-Approval Policies and Procedures

The terms of the Charter state that all non-audit services to be provided by Maple Leaf's external auditor to it or any of its subsidiaries must be pre-approved by the Audit Committee.

External Auditor Service Fees (By Category)

The fees paid by the Corporation to its auditors in the last two fiscal years, by category, are as follows:

Fiscal Period Ended	Audit Fees	Audit Related Fees	Tax Fees	All Other Fees
January 31, 2011	$114,357.70 (1)	-	-	-
January 31, 2010	$92,495.00 (2)	-	-	-

(1) Billed by Chang Lee LLP, including GST; however the Corporation disagrees with portions of the billings and its management is in discussions with Chang Lee LLP regarding having this amount revised.

(2) Paid to Lo Porter Hetu, including GST.

ADDITIONAL INFORMATION

Additional information relating to the Corporation may be found on SEDAR at www.sedar.com.

Additional information relating to the Corporation, including directors' and officers' remuneration and indebtedness, principal holders of its securities and securities authorized for issuance under equity compensation plans, if applicable, is contained in Maple Leaf's management information circular for its most recent annual meeting of shareholders.

Additional financial information relating to the Corporation is provided in its consolidated financial statements and MD&A for its most recently completed year ended January 31, 2011.

Exhibit "A"

AUDIT COMMITTEE TERMS OF REFERENCE

(Adopted by the Board of Directors on May 25, 2006)

A. PURPOSE

The overall purpose of the Audit Committee (the "Committee") is to ensure that the management of Maple Leaf Reforestation Inc. (the "Corporation") has designed and implemented an effective system of internal financial controls, to review and report on the integrity of the consolidated financial statements of the Corporation and to review the Corporation's compliance with regulatory and statutory requirements as they relate to financial statements, taxation matters and disclosure of material facts. In particular, the Committee must ensure compliance with National Instrument 52-110 - *Audit Committees* ("NI 52-110").

B. COMPOSITION, PROCEDURES AND ORGANIZATION

1. Unless exempt from the requirements of Part 3 of NI 52-110, the Committee shall consist of at least three members of the Board of Directors (the "Board"), all of whom shall be "independent", as that term is defined in NI 52-110.

2. Unless exempt from the requirements of Part 3 of NI 52-110, all members of the Committee shall be "financially literate", as that term is defined in NI 52-110.

3. The Board, at its organizational meeting held in conjunction with each annual general meeting of the shareholders, shall appoint the members of the Committee for the ensuing year. The Board may at any time remove or replace any member of the Committee and may fill any vacancy in the Committee.

4. Unless the Board shall have appointed a chair of the Committee, the members of the Committee shall elect a chair from among their number.

5. Unless exempt from the requirements of Part 3 of NI 52-110, the secretary of the Committee shall be selected by the Committee, and shall be "financially literate" unless otherwise determined by the Committee.

6. The quorum for meetings shall be a majority of the members of the Committee, present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak and to hear each other.

7. The Committee shall have access to such officers and employees of the Corporation and to the Corporation's internal and external auditors, and to such information respecting the Corporation, as it considers necessary or advisable in order to perform its duties and responsibilities.

8. The Committee shall be entitled to engage independent counsel and other advisors as it considers necessary to carry out its duties and to set and pay the compensation for any such advisors.

9. Meetings of the Committee shall be conducted as follows:

    (a) the Committee shall meet at least four times annually at such times and at such locations as may be requested by the chair of the Committee. The external auditors or any member of the Committee may request a meeting of the Committee;

(b) the external auditors shall receive notice of and have the right to attend all meetings of the Committee;

(c) the following management representatives shall be invited to attend all meetings, except executive sessions and private sessions with the external auditors:

- Chief Financial Officer;

(d) other management representatives shall be invited to attend as necessary.

10. The internal auditors and the external auditors shall have a direct line of communication to the Committee through its chair and may bypass management if deemed necessary. The Committee, through its chair, may contact directly any employee in the Corporation as it deems necessary, and any employee may bring before the Committee any matter involving questionable, illegal or improper financial practices or transactions.

C. DUTIES AND RESPONSIBILITIES

1. The overall duties and responsibilities of the Committee shall be as follows:

(a) to assist the Board in the discharge of its responsibilities relating to the Corporation's accounting principles, reporting practices and internal controls and its approval of the Corporation's annual and quarterly consolidated financial statements;

(b) to establish and maintain a direct line of communication with the Corporation's internal and external auditors and assess their performance;

(c) to ensure that the management of the Corporation has designed, implemented and is maintaining an effective system of internal financial controls; and

(d) to report regularly to the Board on the fulfilment of its duties and responsibilities.

2. The duties and responsibilities of the Committee as they relate to the external auditors shall be as follows:

(a) to recommend to the Board a firm of external auditors to be nominated for the purpose of preparing or issuing an auditors’ report or performing other audit, review or attest services for the Corporation and to verify the independence of such external auditors;

(b) to review and recommend to the Board the scope and timing of the audit and other related services rendered by the external auditors and the compensation therefor;

(c) review the audit plan of the external auditors prior to the commencement of the audit;

(d) to directly oversee the work of the external auditor, including the resolution of disagreements between management and the external auditor regarding financial reporting;

(e) to review with the external auditors, upon completion of their audit:

(i) contents of their report;

(ii) scope and quality of the audit work performed;

(iii) adequacy of the Corporation's financial and auditing personnel;

(iv) co-operation received from the Corporation's personnel during the audit;

(v) internal resources used;

(vi) significant transactions outside of the normal business of the Corporation;

(vii) significant proposed adjustments and recommendations for improving internal accounting controls, accounting principles or management systems; and

(viii) the non-audit services provided by the external auditors;

(f) to discuss with the external auditors the quality and not just the acceptability of the Corporation's accounting principles;

(g) to pre-approve all non-audit services to be provided to the Corporation by the external auditors unless otherwise provided for in NI 52-110;

(h) to implement structures and procedures to ensure that the Committee meets the external auditors on a regular basis in the absence of management;

(i) to review the Corporation's financial statements, MD&A and press releases announcing annual and interim earnings before the Corporation publicly discloses the information;

(j) to ensure that procedures are in place for the review of the Corporation's disclosure of financial information extracted or derived from the Corporation's financial statements, other than the public disclosure referred to in subsection (i) above, and periodically assess the adequacy of the procedures;

(k) to implement procedures for:

(i) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters;

(ii) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.

(iii) to review and approve the Corporation's hiring policies regarding partners, employees or former partners and employees of the present and former external auditors of the Corporation.

3. The duties and responsibilities of the Committee as they relate to the internal control procedures of the Corporation are to:

(a) review the appropriateness and effectiveness of the Corporation's policies and business practices which impact on the financial integrity of the Corporation, including those relating to internal auditing, insurance, accounting, information services and systems and financial controls, management reporting and risk management;

(b) review any unresolved issues between management and the external auditors that could affect the financial reporting or internal controls of the Corporation; and

(c) periodically review the Corporation's financial and auditing procedures and the extent to which recommendations made by the internal audit staff or by the external auditors have been implemented.

4. The Committee is also charged with the responsibility to review the Corporation's quarterly statements of earnings, including the impact of unusual items and changes in accounting principles and estimates and report to the Board with respect thereto and to:

(a) review and approve the financial sections of:

(i) annual reports to shareholders;

(ii) annual information forms (if adopted);

(iii) prospectuses; and

(iv) other public reports requiring approval by the Board,

and report to the Board with respect thereto;

(b) review regulatory filings and decisions as they relate to the Corporation's consolidated financial statements;

(c) review the appropriateness of the policies and procedures used in the preparation of the Corporation's consolidated financial statements and other required disclosure documents, and consider recommendations for any material change to such policies;

(d) review and report on the integrity of the Corporation’s consolidated financial statements;

(e) review the minutes of any audit committee meeting of subsidiary companies;

(f) review with management, the external auditors and, if necessary, with legal counsel, any litigation, claim or other contingency, including tax assessments that could have a material effect upon the financial position or operating results of the Corporation and the manner in which such matters have been disclosed in the consolidated financial statements;

(g) review the Corporation’s compliance with regulatory and statutory requirements as they relate to financial statements, tax matters and disclosure of material facts; and

(h) develop a calendar of activities to be undertaken by the Committee for each ensuing year and to submit the calendar in the appropriate format to the Board of Directors following each annual general meeting of shareholders.