

Form 51-102F3
Material Change Report

Item 1: *Name and Address of Company*

Maple Leaf Green World Inc. (“Maple Leaf” or the “Company”)
2916B - 19th Street N.E.
Calgary, AB T2E 6Y9

Item 2: *Date of Material Change*

January 15, 2015

Item 3: *News Release*

The news release was issued at Calgary, Alberta on January 15, 2015 and disseminated via Marketwired and was filed on SEDAR.

Item 4: *Summary of Material Change*

Maple Leaf is pleased to announce the non-profit Collective (“Collective”) in California with which the Company previously announced a joint venture arrangement has been properly formed and organized as required by applicable law in the State of California, and, in addition, the Collective and the Company have agreed to reorganize their joint venture by dividing it into two separate agreements.

Item 5: *Full Description of Material Change*

5.1 *Full Description of Material Change*

Maple Leaf is pleased to announce that the non-profit Collective (“Collective”) in California with which the Company previously announced a joint venture arrangement (see news releases dated October 28th and November 18th, 2014) has been properly formed and organized as required by applicable law in the State of California to supply its membership with marijuana for medical purposes. Concurrent with this development, the Collective and the Company have agreed to reorganize their joint venture by dividing it into two separate agreements, the terms of which are summarized below:

1. Lease & Property Agreement:

- Maple Leaf (through its wholly owned subsidiary, Golden State Green World LLC) is to secure (by lease or purchase) land (the “Site”) situated within the State of California and construct up to four (4) cold frame greenhouses (the “Facility”) on the Site with capacity to grow enough medical marijuana plants to meet the medical needs of the Collective’s medical marijuana patients.
- The construction of the Facility will be staged by two phases, with the 1st phase for two (2) cold frames (1 for flowering and 1 for propagating and storage) starting in early 2015 and the 2nd phase for two (2) additional cold frames starting in 2016.
- Maple Leaf shall be responsible for the funding the capital costs for the acquisition of the Site and the construction of the Facility, which are currently estimated at US\$500,000 in

aggregate.

- Upon any portion of the Facility becoming fully operational, all responsibility for day to day operations will be transferred to the Collective, at which time Maple Leaf shall only be responsible for : (i) matters relating to the Facility's construction; and (ii) providing consulting services under the Consulting Services Agreement described below.
- As soon as the Collective assumes responsibility for operating the Facility, the Collective will pay rent at a rate of US\$15,000 per cold frame per month (US\$30,000 for 2 cold frames). It is anticipated that the initial rent shall be due and payable when the Collective makes its first product shipment and thereafter, on a quarterly basis.
- The parties have agreed that the initial term of the proposed sublease for the Site will be for ten years with an option to renew for another 10 year term upon expiry of the initial term.

2. Consulting Services Agreement:

- After the Collective assumes responsibility for the day to day operation of the Facility, Maple Leaf (through its wholly-owned subsidiary, Golden State Green World LLC) has agreed to provide consulting services to the Collective during the term of its sublease of the Site. Such consulting services may include, but are not limited to, advice and information pertaining to all aspects of cannabis cultivation, processing, manufacturing, packaging, transportation and distribution. Additionally, Maple Leaf may advise the Collective on yield and quality maximizing strategies for growing medical cannabis products.
- In consideration of such consulting services, the Collective has agreed to pay a base consulting fee of \$25,000 a month to Maple Leaf for its consulting services. It is expected that the initial payment for consulting fees will be due and payable upon the initial shipment of cannabis products by the Collective and thereafter, on a monthly/ quarterly basis.
- If, through the consulting services provided by Maple Leaf, the Collective is able to achieve an average (mean) yield of 2lbs per plant, the base consulting fee will increase by 20%. An additional 10% will be added to the consulting fee for every pound added to the average (mean) plant yield up to a maximum consulting fee of US \$60,000 per month.
- The consulting fees and the services provided will be reviewed and adjusted, as required, by the parties on an annual basis.

In order to facilitate the implementation of the joint venture, Maple Leaf has incorporated and organized a wholly-owned subsidiary, Golden State Green World LLC. It is anticipated that the agreements described above will be finalized and executed by the parties within the next few days. At that time, Maple Leaf will have a period of four months (the "Financing Period") to secure the necessary financing to acquire the Site and commence construction of the Facility. The Collective has committed not to deal with any other parties regarding the supply of medical marijuana until the expiration of the Financing Period.

Certain statements in this material change report 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. There is no assurance that sufficient financing can be raised or that lands and permits will be available to build the Facility at an acceptable price or on a timely basis.

Forward-looking statements in this material change report 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 agricultural industry (and in particular, the medical marijuana business), and status of, and ability to capitalize on, opportunities available to the Company and review 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; available equity or debt financing; government and regulatory developments including availability of requisite licences; 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 therefrom.

5.2 Disclosure for Restructuring Transactions

Not applicable.

Item 6: Reliance on subsection 7.1(2) of National Instrument 51-102

Not applicable.

Item 7: Omitted Information

No significant facts remain confidential and no information has been omitted in this report.

Item 8: Executive Officer

Name of Executive Officer: Raymond Lai, Chief Executive Officer

Telephone Number: 403-452-4552

Item 9: Date of Report

January 16, 2015