

# **MAPLE LEAF GREEN WORLD INC.**

## **CONDENSED INTERIM FINANCIAL STATEMENTS**

**March 31, 2015**

(Unaudited - Expressed in Canadian dollars, unless otherwise stated)

**Notice to Reader of the Unaudited Condensed Interim Financial Statements  
For the three ended March 31, 2015**

The unaudited condensed interim financial statements of Maple Leaf Green World Inc. (the “Company”) for the three ended March 31, 2015 (“Financial Statements”) have been prepared by management and have not been reviewed by the Company’s independent auditor. The Financial Statements should be read in conjunction with the Company’s audited consolidated financial statements for the year ended December 31, 2014 which are available on the SEDAR website at [www.sedar.com](http://www.sedar.com).

**MAPLE LEAF GREEN WORLD INC.**  
**Condensed Interim Statements of Loss and Comprehensive Loss**  
[Unaudited - Expressed in Canadian dollars]

		<b>Three months ended March 31,</b>	
	Notes	<b>2014</b>	<b>2013</b>
<b>Operating expenses</b>			
Consulting fees	5	\$ 21,000	\$ 120
Depreciation and amortization		408	407
Filing and transfer agent		5,621	-
Foreign exchange gain		(970)	(4,621)
Interest and bank charges		104	179
Interest and other income	10	(8,333)	(5,657)
Management salaries	5	22,500	22,500
Meals and entertainment		1,038	1,557
Office		7,448	2,218
Professional fees		33,717	11,928
Rent	10	12,041	9,070
Salaries and wages	5	-	19,500
Shareholder information and promotion		200	866
Telephone		1,076	757
Travel and promotion		348	492
Gain on settlement of convertible debentures		-	(48,177)
		<b>96,198</b>	<b>11,139</b>
<b>Loss and comprehensive loss for the period</b>		<b>\$ (96,198)</b>	<b>\$ (11,139)</b>
			-
<b>Loss per share</b>			
Basic and diluted		\$ (0.00)	\$ (0.00)
<b>Weighted average number of shares outstanding - basic and diluted</b>		<b>90,136,427</b>	<b>86,486,427</b>

**MAPLE LEAF GREEN WORLD INC.**  
**Condensed Interim Statements of Financial Position**  
[Unaudited - Expressed in Canadian dollars]

	Notes	March 31, 2015	December , 31, 2014
<b>ASSETS</b>			
<b>Current assets</b>			
Cash		\$ 5,301	\$ 28,404
Receivables and deposits		53,464	54,076
		<b>58,765</b>	82,480
<b>Property, plant and equipment</b>	3	<b>962</b>	1,370
<b>Total assets</b>		<b>\$ 59,727</b>	\$ 83,850
<b>LIABILITIES AND EQUITY</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities	5	\$ 422,268	\$ 350,193
Short-term loans		-	-
Convertible debentures		-	-
Deposits	10	11,146	11,146
<b>Total liabilities</b>		<b>433,414</b>	361,339
<b>Equity (deficit)</b>			
Share capital	4	8,883,639	8,883,639
Other reserves		4,556,242	4,556,242
Deficit		(13,813,568)	(13,717,370)
<b>Total equity (deficit)</b>		<b>(373,687)</b>	(264,939)
<b>Total liabilities and equity</b>		<b>\$ 59,727</b>	\$ 369,645

APPROVED ON BEHALF OF THE BOARD

(signed) Raymond Lai  
Director

(signed) Daniel Chu  
Director

**MAPLE LEAF GREEN WORLD INC.**  
**Condensed Interim Statements of Changes in Equity (Deficit)**  
[Unaudited - Expressed in Canadian dollars]

	Share capital		Other Reserves				Total equity
	Number of common shares	Amounts	Share-based payments reserve	Warrant reserve	Total - other reserves	Deficit	
At January 1, 2015	90,136,427	\$ 8,883,639	\$ 4,519,742	\$ 36,500	\$ 4,556,242	\$ (13,717,370)	\$ (277,489)
Loss for the period	-	-	-	-	-	(96,198)	(96,198)
At March 31, 2015	90,136,427	\$ 8,883,639	\$ 4,519,742	\$ 36,500	\$ 4,556,242	\$ (13,813,568)	\$ (373,687)

	Share capital		Other Reserves				Total equity
	Number of common shares	Amounts	Share-based payments reserve	Warrant reserve	Total - other reserves	Deficit	
At January 1, 2014	86,486,427	8,570,889	\$ 4,519,742	\$ -	\$ 4,519,742	\$ (13,355,570)	\$ (264,939)
Loss for the period	-	-	-	-	-	(11,139)	(11,139)
At March 31, 2014	86,486,427	\$ 8,570,889	\$ 4,519,742	\$ -	\$ 4,519,742	\$ (13,366,709)	\$ (276,078)

**MAPLE LEAF GREEN WORLD INC.**  
**Condensed Interim Statements of Cash Flows**  
[Unaudited - Expressed in Canadian dollars]

	<b>Three months ended March 31,</b>	
	<b>2015</b>	<b>2014</b>
<b>OPERATING ACTIVITIES</b>		
Loss for the year	\$ (96,198)	\$ (11,139)
Items not affecting cash:		
Depreciation and amortization	408	407
Gain on debt settlements	-	(48,177)
	<b>(95,790)</b>	<b>(58,909)</b>
Non-cash working capital adjustments:		
Receivables and deposits	612	(1,710)
Accounts payable and accrued liabilities	72,075	(37,393)
<b>Cash flows used in operating activities</b>	<b>(23,103)</b>	<b>(98,012)</b>
<b>INVESTING ACTIVITY</b>		
<b>Cash flows from investing activity</b>	<b>-</b>	<b>-</b>
<b>FINANCING ACTIVITIES</b>		
Repayment of convertible debentures	-	(163,500)
<b>Cash flows from (used in) financing activities</b>	<b>-</b>	<b>(163,500)</b>
<b>Net increase (decrease) in cash</b>	<b>(23,103)</b>	<b>(261,512)</b>
Cash, beginning of period	28,404	363,618
<b>Cash, end of period</b>	<b>\$ 5,301</b>	<b>\$ 102,106</b>

# MAPLE LEAF GREEN WORLD INC.

## Notes to the Condensed Interim Financial Statements

*(Unaudited - Expressed in Canadian dollars, unless otherwise stated)*

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### 1. NATURE OF OPERATIONS

Maple Leaf Green World Inc. ("Maple Leaf" or the "Company"), is incorporated in Alberta, Canada with common shares listed on the TSX Venture Exchange under the ticker symbol MGW.V. The corporate office is located at 2916B – 19 Street NE, Calgary, Alberta. In October 2012, Maple Leaf changed its name to Maple Leaf Green World Inc. from Maple Leaf Reforestation Inc.

Maple Leaf is currently exploring opportunities for its eco-agriculture nursery business, including medical marijuana in Canada and the United States of America, and its renewable energy business in China. To date, the Company has not yet generated significant revenue to cover expenditures, and therefore has incurred recurring losses since inception.

These financial statements were approved and authorized for issue by the Board of Directors of the Company on May 29, 2015.

### 2. BASIS OF PREPARATION

#### a) Statement of Compliance

These unaudited condensed interim financial statements have been prepared in accordance with IAS 34 – *Interim Financial Reporting*, as issued by the International Accounting Standards Board ("IASB"). Accordingly, certain disclosures included in annual financial statements prepared in accordance with International Financial Reporting Standards ("IFRSs") as issued by the IASB have been condensed or omitted and these unaudited condensed interim financial statements should be read in conjunction with the Company's audited financial statements for the year ended December 31, 2014.

#### b) Basis of Measurement

These unaudited condensed interim financial statements have been prepared on a historical basis, except for financial instruments classified as available-for-sale ("AFS") and fair value through profit or loss ("FVTPL"). In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information. All financial information in these consolidated financial statements is presented in Canadian dollars, except as otherwise stated.

The accounting policies applied in preparation of these financial statements are consistent with those applied and disclosed in the Company's audited consolidated financial statements for the year ended December 31, 2014.

The Company's management makes judgments in its process of applying the Company's accounting policies in the preparation of its unaudited condensed interim consolidated

## MAPLE LEAF GREEN WORLD INC.

### Notes to the Condensed Interim Financial Statements

*(Unaudited - Expressed in Canadian dollars, unless otherwise stated)*

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financial statements. In addition, the preparation of the financial data requires that the Company's management make assumptions and estimates of effects of uncertain future events on the carrying amounts of the Company's assets and liabilities at the end of the reporting period and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates as the estimation process is inherently uncertain. Estimates are reviewed on an ongoing basis based on historical experience and other factors that are considered to be relevant under the circumstances. Revisions to estimates and the resulting effects on the carrying amounts of the Company's assets and liabilities are accounted for prospectively. The critical judgments and estimates applied in the preparation of these condensed interim consolidated financial statements are consistent with those applied and disclosed in note 5 to the Company's financial statements for the year ended December 31, 2014.

These financial statements have assumed that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation, and therefore, these financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence. However, several adverse conditions cast substantial doubt on the validity of this assumption. The Company has incurred significant operating losses since inception, has limited financial resources, and no significant sources of positive operating cash flow. As at March 31, 2015, the Company has a deficit of \$13,813,569 (December 31, 2014- \$13,717,370) and a working capital deficiency of \$374,649 (December 31, 2014 - \$278,859). Management recognizes that the ability of the Company to carry out its planned business obligations depends on its ability to raise adequate financing from shareholders and other investors, and achieving profitable operations in the future. 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 operations may have to be curtailed. There is no assurance that the Company will be able to obtain adequate financing. The Company is actively trying to raise other sources of financing.



## MAPLE LEAF GREEN WORLD INC.

### Notes to the Condensed Interim Financial Statements

(Unaudited - Expressed in Canadian dollars, unless otherwise stated)

### 3. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consist of the following:

Cost	Furniture and equipment		Computer equipment		Leasehold improvement		Total
As at December 31, 2013	\$	5,254	\$	12,638	\$	4,185	\$ 22,077
As at December 31, 2014		5,254		12,638		4,185	22,077
<b>As at March 31, 2015</b>	<b>\$</b>	<b>5,254</b>	<b>\$</b>	<b>12,638</b>	<b>\$</b>	<b>4,185</b>	<b>\$ 22,077</b>

Accumulated depreciation	Furniture and equipment		Computer equipment		Leasehold improvement		Total
As at December 31, 2013	\$	4,329	\$	12,099	\$	2,649	\$ 19,077
Depreciation and amortization		402		323		905	1,630
As at December 31, 2014		4,731		12,422		3,554	20,707
Amortization		101		81		226	408
<b>As at March 31, 2015</b>	<b>\$</b>	<b>4,832</b>	<b>\$</b>	<b>12,503</b>	<b>\$</b>	<b>3,780</b>	<b>\$ 21,115</b>

Net book value	Furniture and equipment		Computer equipment		Leasehold improvement		Total
As at December 31, 2014	\$	523	\$	216	\$	631	\$ 1,370
<b>As at March 31, 2015</b>	<b>\$</b>	<b>422</b>	<b>\$</b>	<b>135</b>	<b>\$</b>	<b>405</b>	<b>\$ 962</b>

### 4. SHARE CAPITAL

#### a) Common Shares Authorized

Unlimited number of common shares without par value are authorized

#### (b) Private placements

During the year ended December 31, 2014, the Company completed a non-brokered private placement of 3,650,000 units for total gross proceeds of \$365,000. Each unit consists of one common share and one common share purchase warrant, which is exercisable at a price of \$0.15 for a period of two years. A finder's fee of \$15,750 was paid related to this private placement. The Company allocated \$328,500 to common shares and residual value of \$36,500 to the warrants reserve.

#### b) Stock options

There was no option outstanding as at March 31, 2015 and December 31, 2014. No option was granted for the period ended March 31, 2015.

# MAPLE LEAF GREEN WORLD INC.

## Notes to the Condensed Interim Financial Statements

(Unaudited - Expressed in Canadian dollars, unless otherwise stated)

### c) Warrants

The following is a summary of warrant transactions:

Number of warrants outstanding as at January 1, 2015	Issued	Exercised/expired	Number of warrants outstanding as at March 31, 2015	Exercise price per warrant	Expiry date
2,600,000	-	-	2,600,000	\$ 0.100	February 24, 2017
2,300,000	-	-	2,300,000	\$ 0.100	April 8, 2018
3,650,000	-	-	3,650,000	\$ 0.150	September 2, 2016
8,550,000	-	-	8,550,000		

Number of warrants outstanding as at January 1, 2014	Issued	Exercised/expired	Number of warrants outstanding as at December 31, 2014	Exercise price per warrant	Expiry date
2,600,000	-	-	2,600,000	\$ 0.100	February 24, 2017
2,300,000	-	-	2,300,000	\$ 0.100	April 8, 2018
-	3,650,000	-	3,650,000	\$ 0.150	September 2, 2016
4,900,000	3,650,000	-	8,550,000		

## 5. RELATED PARTY TRANSACTIONS

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:

	Three months ended March 31,	
	2015	2014
Management fee, consulting fee, and salaries	\$ 31,500	\$ 31,500
Total	\$ 31,500	\$ 31,500

As of March 31, 2015, a total of \$106,972 (December 31, 2014 - \$70,522) payable to key management remained outstanding and is included in accounts payable and accrued liabilities on the condensed interim statements of financial position. Amounts are non-interest bearing and are due on demand. The Company did not pay any long-term or termination benefits to its key management personnel. The Company's employment agreement with an officer would entitle that officer to \$90,000 upon termination.

## 6. FAIR VALUE MEASUREMENTS

Fair value estimates are made at a specific point in time, based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties and matters of significant judgment, and therefore,

# MAPLE LEAF GREEN WORLD INC.

## Notes to the Condensed Interim Financial Statements

(Unaudited - Expressed in Canadian dollars, unless otherwise stated)

cannot be determined with precision. Changes in assumptions could significantly affect estimates. Management assessed that the fair value of cash and trade payables approximate their carrying amounts largely due to the short-term maturities of these instruments.

Fair values of the Company's short-term loan and convertible debentures are determined by using discounted cash flow method using discount rates that reflect the Company's borrowing rate as at the end of the reporting period.

The following table provides the quantitative disclosures of the fair value measurement hierarchy of the Company's assets and liabilities.

				March 31, 2015		
				Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>Assets and liabilities measured at fair value</b>						
Cash	\$	5,301	\$	-	\$	-
Accounts payable and accrued liabilities	\$	-	\$	-	\$	(422,268)
Deposits	\$	-	\$	-	\$	(11,146)

				December 31, 2014		
				Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (level 3)
<b>Assets and liabilities measured at fair value</b>						
Cash	\$	28,404	\$	-	\$	-
Accounts payable and accrued liabilities	\$	-	\$	-	\$	(350,193)
Deposits	\$	-	\$	-	\$	(11,146)

There were no assets categorized as level 2 and level 3 in their fair value hierarchy, no liabilities categorized as level 1 and level 2, and no transfer between fair value levels during the reporting period.

## 7. FINANCIAL INSTRUMENTS

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 values of these instruments approximate 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

## MAPLE LEAF GREEN WORLD INC.

### Notes to the Condensed Interim Financial Statements

*(Unaudited - Expressed in Canadian dollars, unless otherwise stated)*

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- 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 major financial institutions. The Company's concentration of credit risk for cash and maximum exposure thereto is \$5,301 (December 31, 2014- \$28,404).

#### 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 March 31, 2015, the Company has \$5,301 (December 31, 2014 - \$28,404) of cash to settle current liabilities with the following due dates: accounts payable and accrued liabilities of \$422,268 (December 31, 2014 - \$350,193) are due within three months; and deposits of \$11,146 (December 31, 2014 - \$11,146) 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 that expenditures incurred or funds received and balances maintained by the Company are denominated in Canadian dollar. The Company does not manage currency risk through hedging or other currency management tools. The Company's exposure to currency risk is limited to the cash held in US dollar.

As at March 31, 2015, the Company's exposure to currency risk is limited to the cash held in US dollars, but with other variables unchanged, the impact on comprehensive income arising from 1% fluctuation of US dollar against Canadian dollar was nominal.

## **MAPLE LEAF GREEN WORLD INC.**

### **Notes to the Condensed Interim Financial Statements**

*(Unaudited - Expressed in Canadian dollars, unless otherwise stated)*

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#### **(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.

### **8. CAPITAL MANAGEMENT**

The Company's objectives of capital management are to provide returns for shareholders, and to comply with any externally imposed capital requirements, if any, to safeguard the entity's ability to support the Company's normal operating requirements on an ongoing basis and continue to develop and expand its projects. The Company has no externally imposed capital requirements on the Company.

The capital of the Company consists of short-term loans, convertible debentures and the items included in equity (deficit). The Board of Directors does not establish a quantitative return on capital criteria for management, but promotes year-over-year sustainable earnings growth targets. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. There have been no changes in the way the Company manages its capital since the year ended December 31, 2014.

### **9. SEGMENT INFORMATION**

The Company has one reportable segment and one geographic segment, being eco-agriculture nursery business in Canada, with no significant customer.

### **10. COMMITMENTS**

The Company has renewed a lease with respect to its head office until October 31, 2017. The Company is required to pay basic monthly rent plus allocated operating charge and property tax. The basic monthly rent is as follows:

- \$2,750 from November 1, 2014 to October 31, 2015
- \$2,831 from November 1 2015 to October 31, 2016
- \$2,912 from November 1, 2016 to October 31, 2017.

The Company recorded rent expenses of \$12,041 for the three months ended March 31, 2015 (three months ended March 31, 2014 - \$9,070).

The Company has sub-leased some office space to offset the costs of the lease. During the three months ended March 31, 2015, a total of \$8,333 (three months ended March 31, 2014 - \$5,657) sub-lease revenue was recorded as other income. The deposits of \$11,146 (2014 -

## **MAPLE LEAF GREEN WORLD INC.**

### **Notes to the Condensed Interim Financial Statements**

*(Unaudited - Expressed in Canadian dollars, unless otherwise stated)*

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\$11,146) collected from the sub-lease tenants are due on termination of the sub-lease agreement.

#### **11. CONTINGENCY**

The Company is in dispute with a third party (the “plaintiff”) with respect to unpaid professional fees. The plaintiff has filed a civil claim and is seeking payment of approximately \$34,000. Management of the Company has filed a counterclaim and has accrued the contingent amount in accounts payable and accrued liabilities. In April 2015, the Company and the plaintiff agreed to settle the claim for the amount of \$25,000.