1.1 Date and Introduction

This Management's Discussion and Analysis ("MD&A") is intended to help the reader understand the financial statements of Maple Leaf Green World Inc., referred to as "Maple Leaf" or the "Company". The information herein should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2016 and related notes thereto. The Company's financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

This MD&A is dated April 28, 2017, and was prepared by management of the Company. The board of directors of the Company approved this MD&A on April 28, 2017.

Unless otherwise indicated, in this MD&A all references to "dollar" or the use of the symbol "$" are to the Canadian dollar.

This MD&A has been prepared by reference to the MD&A disclosure requirements established under National Instrument 51-102 - *Continuous Disclosure Obligations* ("NI 51-102") of the Canadian Securities Administrators. Additional information relating to Maple Leaf is available on SEDAR at www.sedar.com and on Maple Leaf's website at http://www.mlgreenworld.com.

Except for statements of historical fact relating to the Company, certain information contained herein constitutes forward-looking statements. This MD&A contains forward-looking statements which reflect management's expectations regarding Maple Leaf's future growth, results of operations, performance, business prospects and opportunities. Words such as "expects", "anticipates", "intends", "plans", "believes", "estimates", "seek", "could", or similar expressions, are forward-looking statements within the meaning of securities laws. By their nature, forward-looking statements are subject to numerous risks and uncertainties, including those discussed below. You are cautioned that the assumptions used in the preparation of forward-looking information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking statements. Certain statements in this MD&A constitute forward-looking statements based on management's expectations, estimates and projections, including, without limitation, statements concerning possible or assumed future results of operations of Maple Leaf, the Company's business or financial objectives, its strategies or future actions, its product testing and revenue models, the use of capital and proceeds including plans to fund short-term cash requirements, anticipated regulatory approvals, its plans for international expansion, expected contractual obligations and lease obligations an dexpectations for financial conditions. 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 position to consider licensed business opportunities in Canada to grow top quality cannabis to pursue the medical cannabis business, the timing required to obtain such licenses, its ability to obtain adequate working capital, its ability to secure purchase contracts relating to its various operations, its ability to capitalize on opportunities available to the Company, other development trends within the agricultural and pharmaceutical industries, expansion and growth of Maple' Leaf's business and operations, government and regulatory developments including availability of requisite licenses and the Company's compliance with relevant medical cannabis regulations, and any changes thereof; its ability to successfully cultivate and market effective products, including cannabis with sufficient levels of Cannabidiol (CBD), tetrahydrocannabinol (THC) or other phytocannabinoids, its ability to attract and retain qualified personnel, 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, 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.

1.2 Business Overview and Development

Maple Leaf 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 a Canadian company that focuses on eco-agriculture and renewable energy. Maple Leaf is currently devoting substantially all of its efforts to seeking medical cannabis opportunities, including obtaining a license to produce and sell cannabis (the "License") from Health Canada pursuant to the *Access to Cannabis for Medical Purposes Regulations* ("ACMPR"). Maple Leaf is also engaged in medical cannabis operations in the States of California and Nevada in the USA.

1.2.1 Medical Cannabis

1.2.1(a) Canadian Medical Cannabis

In March 2014, the Company engaged a professional consulting group to advise on opportunities to obtain the License from Health Canada, then under the *Marihuana for Medical Purposes Regulation* ("MMPR") (the MMPR were succeeded by the ACMPR on August 24, 2016), and to follow-on business opportunities (the "Project"). Mr. Joe Wong, a director of the Company, was also appointed as the Vice President of Operations to spearhead the Project. Mr. Wong's first task was to identify potential cannabis growing facilities and to work closely with consultants in applying for the License.

In April 2014, the Company entered into an agreement with Woodmere Nursery Ltd. ("Woodmere"), a private company of which a director and officer of the Company is a shareholder, to lease 80,000 square feet of greenhouse space, located in Telkwa, British Columbia, at $3 per square foot per annum from Woodmere in order to cultivate cannabis plants if the Company obtains the License. The lease is for a three-year term, effective only when the Company receives conditional approval of the License from Health Canada. The agreement also grants an option to the Company to purchase the greenhouse spaces at a price to be negotiated or determined by an independent appraiser. Subsequent to September 30, 2016, as a result of the Company's discussions with Health Canada and its consultants and its contractors, the Company changed its engineering and construction plans for the Telkwa facility which now require significantly more land than provided for in the original agreement with Woodmere. The Company and Woodmere have agreed to amend the terms of their original agreement to a lease of land from the initial terms of a lease of greenhouse space in order to accomplish the aforementioned objective.

In July 2014, the Company submitted an application for the License under the MMPR. The Company also joined the Canadian Medical Marijuana Association ("CNMMA") as a member. The CNMMA's mission is to ensure that all Canadian patients who benefit from medical cannabis have access to the high quality products and services to meet their specific health care needs in a safe and well regulated environment.

Through 2015, the Company continued working with Health Canada and provided additional information as requested by Health Canada in connection with its application under the MMPR. In December of 2015, the Company received confirmation from Health Canada that the Company's application for the License had progressed to Stage 4 of the process, which involved security clearances for all officers and directors of the Company and for some operational management.

In November of 2016, the Company was advised by Health Canada that its application was facing additional delays because one of Maple Leaf's directors was not resident in Canada. This director has since resigned from his position with the Company.

In January of 2017, the Company received notice from Health Canada that its application had progressed to the review stage, which is Stage 5 of the seven stage process established under the ACMPR. The Company also retained TheraCann International Benchmark Corporation ("TheraCann") to assist in the final stages of the ACMPR application process. TheraCann is in the process of reviewing and updating the Company's application to include additional extraction and cannabis oil production requirements to meet current ACMPR standards. Once this process is completed, the Company expects to begin its engineering and construction plans in consultation with TheraCann for the Telkwa facility on the lands it has leased from Woodmere.

The Company's objective is to acquire the License and facilities to grow pesticide-free, top quality cannabis from contamination-free soil. Management believes that given the knowledge and years of experience that its personnel have in greenhouse operations, combined with its soil enhancement technology partnership with Soil Work & High Brix owned by one of its Director. the Company is well positioned to consider business opportunities in Canada to grow cannabis and to pursue the medical cannabis business.

Health Canada has not published any standards or timelines regarding the length of time for approval of license applications under the ACMPR. Therefore, the timeline for grant of the License by Health Canada is uncertain and cannot be estimated since the Company is still in an early stage in the license application process. There is no assurance that the Company will be qualified to obtain the License. Additionally, there is no assurance that the Company will be able to acquire the required financing, assets or personnel to grow medical cannabis.

1.2.1(b) US Medical Cannabis
1.2.1(b)(i) California Medical Cannabis

In September 2014, the Company engaged Mr. Brian Patterson, Mr. Marc Montoya, and Mr. Dillon Patterson to develop a cannabis production site (the "California Site") in California, USA as part of the Company's business strategy.

In October 2014, the Company entered into a Letter of Intent ("LOI") to form a Joint Venture Agreement with a new Collective Entity ("Collective") to provide access to the California Site and consulting services for the Collective, which is incorporated with the California Secretary of State as a non-profit mutual benefit corporation, and is a medical cannabis collective operated for and by qualified patients, with about 250 lawful membership patients ("Members"). The Collective is obligated to supply its Members with quality cannabis for a discounted price. Under the *Medical Marijuana Program Act* of California, the Collective is allowed to grow 6 plants for each of its Members. Under the LOI, the Company would build a growing facility ("Facility") of 6 cold frames (unheated greenhouses) in Southern California with the capacity to house about 400 cannabis plants in two (2) phases. The Facility will be leased to the Collective after completion of the first phase but it will remain under the ownership of Maple Leaf.

Medical cannabis is currently legal in more than 29 states and in the district of Columbia, and several other states are considering both medical and adult-use legalization and regulation of cannabis which provides an opportunity for quality Canadian growers to expand to the South. However, the Company is not aware of any specific structural, security regulations or governmental approvals in the United States required with respect to the Company's relationship with the Collective. The Company will acts as a landlord and not as an operator of the California Site. It is the Company's understanding that the operations will be done for and on behalf of the Members in California and that it will be their responsibility to obtain requisite licenses, if any. At present, all Members must be qualified patients, associated with the other members of the Collective, which does not operate for profit. Additionally, medical cannabis cultivated by the Collective may only be distributed to other Members and may not be provided to other persons or exported outside of California. California does not have an official licensing regulatory regime, but guidelines pertaining to medical collectives have been developed by the Attorney General for the State of California and can be found at the following website for the State of California: http://www.ag.ca.gov/cms_attachments/press/pdfs/n1601_medicalmarijuanaguidelines.pdf.

In January 2015, the Collective was formed and organized as required under applicable law in California to supply its membership with Cannabis 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 supersede the LOI and are summarized below:

Lease & Property Agreement

- Maple Leaf (through its wholly owned subsidiary, Golden State Green World LLC) is to secure (by lease or purchase) the California Site and construct the Facility comprising up to four (4) cold frame greenhouses on the California Site with capacity to grow enough medical cannabis plants to meet the medical needs of the Members.

- The construction of the Facility will be staged by two phases, with the 1st phase for two (2) cold frames (1 for flowering and one 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 funding capital costs for the acquisition of the California Site and the construction of the Facility, which were 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 two 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 California Site will be for ten years with an option to renew for another 10 year term upon expiry of the initial term.

Consulting Services Agreement

- After the Collective assumes responsibility for the day to day operation of the Facility, Maple Leaf has agreed to provide consulting services which 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 strategies for yield and quality maximization.

- In consideration of such consulting services, the Collective has agreed to pay a base consulting fee of US$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 to its Members and thereafter, on a 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.

Maple Leaf was required to secure the necessary financing to acquire the California Site and commence construction of the Facility within four months (the "Financing Period") after execution of the above agreements. The Collective committed not to deal with any other parties regarding the supply of medical cannabis until the expiration of the Financing Period.

In March of 2015, the Company's wholly owned subsidiary, Golden State Green World LLC, entered into an agreement to purchase approximately 20 acres of land in southern California for an aggregate purchase price of US$120,000. The Company paid USD$15,000 in cash, with the balance payable by way of a promissory note secured by a Deed of Trust and bearing interest at the rate of 6% per annum. The maturity date on the promissory note is March 1, 2020. This land in California will serve as the California Site. With each cold frame measuring about 3,000 square feet, the California Sie is large enough to accommodate future expansion (by way of additional cold frame greenhouses) should the demand from the Collective increase beyond current levels.

In June of 2015, the Company drilled a water well at the California Site and found water 690 feet down with a flow rate between 25 to 30 gallons a minute. Management believes the water supply from this well would be sufficient, not only for its current project, but also for possible expansion(s) in the future to meet increased demand. The Company was also advised that the Collective started cloning the cannabis plants in June 2015 to produce seedlings.

In December of 2015, two new designed cold frames were ordered and delivered. Ground was levelled to accommodate four greenhouses as the Company determined two additional greenhouses would be added on once the growing operation for the first greenhouse is streamlined. In February of 2016, frames for the greenhouse were erected and electrical and plumbing rough-in were all installed. Also, a new batch of cloned seedling was cultivated at a rented greenhouse (the "Rented Facility") was ready to transport to the greenhouse facility after final inspection and approval by the county was obtained.

In March of 2016, the Company received approval from the county office to complete installation of the greenhouse. The tent cover and all necessary growing equipment were installed. Cannabis plants were flourishing in the Rental Facility near the California Site. The Company also plans to install an additional greenhouse for the flowering process to double total production capacity with one propagation greenhouse serving two flowering greenhouse. A dispensary in California committed to purchase all the products produced from the facility on the California Site in 2016.

In May of 2016, the Company received a seller's permit and resale certificate from the Board of Equalization of the State of California. In July of 2016, a second cannabis crop was started in the Rented Facility. The Company's ability to grow two crops at the same time facilitates a more consistent revenue stream. It was anticipated that, during the last 3 months of 2016, the Company would be generating revenue every month.

On August 29, 2016, the Collective started harvesting the first crop. In December of 2016, the Collective finished the harvesting the first two crops. The Collective reported total production of 300 pounds ("lbs"), comprised of i) 200 lbs of Early Indica and Late Sativa, and ii) 100 lbs of five other high quality strains of cannabis. These production results are 50% higher than the Company's original expectations of 100 lbs per crop per greenhouse.

In 2017, the Collective intends to harvest on a two-month cycle, which would result in a total of six crops a year. The Company and the Collective have plans for further expansion through the construction of nine more greenhouse in 2017.

During the year ended December 31, 2016, the Company recorded a consulting fee of $99,360 and lease fee of $119,232 from the Collective based on the Lease and Property Agreement and Consulting Service Agreement.

In October 2016, the Company began reviewing several parcels of land to determine their suitability for the Company's potential plans in San Diego County. In November 2016, the Company's application for a cultivation permit in San Diego was progressed to the stage of securing a 2.5 acre parcel of land with 20,000 square feet greenhouse and a single dwelling.

1.2.1(b)(ii) Nevada Medical Cannabis

On November 8, 2016, the Company announced that it signed a Letter of Intent (the "Nevada LOI") with BioNeva Innovations of Henderson LLC ("BioNeva") to purchase a cultivation permit for a 33,500 sq. ft. indoor facility (the "Permit") issued by the State of Nevada, and located in the city of Henderson, Nevada, located 16 miles from Las Vegas (the "Current Nevada Site"). Such facility would have the capacity to produce up to 5,000 pounds of dried flower annually.

Under the terms of Nevada LOI, Maple Leaf agreed to purchase the Permit from BioNeva for US$500,000. BioNeva agreed to transfer the Permit to Maple Leaf within 30 days In addition, Maple Leaf has agreed to engage a primary member of BioNeva, Bill Monroe, as a consultant to assist the Company with the transfer of the Permit and subsequently, to guide the development of Maple Leaf's operations in Nevada. BioNeva was formed by local businessmen, led by Nevada native Dan Larkin. The founders of BioNeva also operate a solar cultivation facility in Carson City, Nevada. Mr. Monroe has been involved in the cannabis industry for the past eight years and over this time, he has developed excellent connections in Nevada for the distribution and sale of cannabis. He is also a board member of the National Council of the Cannabis Chamber of Commerce.

In December of 2016, the Company and BioNeva agreed to extend the term of the Nevada LOI to January 16, 2017. The Nevada LOI extension is necessary to give the Company sufficient time to complete the purchase of a suitable site (the "**New Nevada Site**") in Henderson, Nevada, which is required, under Nevada law, for the transfer of the Permit to the Company. The LOI has been extended further until the transfer of the Permit to the the New Nevada Site is completed.

In January 2017, the Company entered into a formal purchase agreement to purchase the New Nevada Site comprising approximately four acres of land in Henderson, Nevada for US$875,000. The New Nevada Site is twice as large as the Old Nevada Site used by BioNeva and its only 2 blocks away from the Old Nevada Site. The Company expects that the close proximity of the New Nevada Site to the Old Nevada Site will increase the likelihood that the City of Henderson will approve the transfer of the Permit to the New Nevada Site. [The Company intends to seek preliminary approval for the Permit transfer before closing the land purchase. Once the land purchase is completed and while the Company is waiting for formal approval of such transfer, the Company will complete its acquisition of the Permit through the purchase of 100% of the shares of BioNeva.] The Company believes that the substantially lower cost of the New Nevada Site, together with the larger area for potential expansion of its planned facility, would more than offset the additional time associated with the transfer of the Permit and would also significantly enhance the future profitability of its Nevada operations.

In February of 2017, the Company received a Distance Separation Analysis ("DSA") from the City of Henderson with respect to the New Nevada Site as a Medical Marijuana Establishment – Cultivation Facility. The New Nevada Site was reviewed by City of Henderson staff for compliance with the City of Henderson Title 19 – Medical Marijuana Establishment Distance Separation Requirements as listed in Table 19.5.5-2 of the Henderson Development Code. Based on the findings in the DSA, the New Nevada Site satisfies the minimum separation standards for protected uses and would be suitable for a Medical Marijuana Establishment – Cultivation Facility within the City's boundaries. The New Nevada Site meets the minimum buffer distance from protected uses as defined in NRS 453A and Chapter 19 of the City of Henderson Municipal Code. In management's view, the DSA is the most important step in transferring the Permit to the New Nevada Site. As the DSA has been completed, the next steps will require the Company to submit its building plans to the City of Henderson for approval of a Conditional Use Permit ("CUP"). If the Company is successful in obtaining a CUP, it can begin construction on the cannabis cultivation facility on the New Nevada Site. With the DSA in hand, the Company expects to complete the purchase of the New Nevada Site and to finalize its acquisition of the Permit, through the purchase of 100% of the shares of BioNeva.

1.2.3 Other Business Developments

Since the Company is focused on opportunities and financing to advance opportunities in the medical cannabis market, all other projects, including yellowhorn tree farm operation, soil enhancement products, and peat moss projects are currently on hold. A contract regarding vegetable greenhouse construction with Taiping, Inner Mongolia in China has expired and the Company has no intention to renew or extend the contract. A contract regarding the soil enhancement products with Lin Ze Bo Tech Co. Ltd. ("LZB") in Ordo, Inner Mongolia in China has also expired but the Company has agreed to an extension from one more year due to extremely poor soil condition in Ordo. Another soil testing was scheduled in the spring of 2015, but was postponed by the Company until further notice. Since then, the Company has cancelled the contract with Bo Tech Co. Ltd. as The Company cannot find time and resource to continue the soil enhancement program with them.

1.3 Annual Financial Results

The following tables set forth selected operational results for the three most recently completed fiscal years in accordance with IFRS:

		2016		2015		2014
Total assets	**$**	**1,327,340**	$	433,600	$	83,850
Shareholders' equity		**945,728**		(137,623)		(277,489)
Revenues		**218,592**		-		-
Operating expenses		**(1,918,393)**		(600,331)		(361,800)
Net loss		**(1,492,740)**		(600,331)		(361,800)
Basic and diluted loss per share	**$**	**(0.01)**	$	(0.01)	$	(0.00)

1.4 Quarterly Financial Results

	Quarter ended			
	December 31, 2016	September 30, 2016	June 30, 2016	March 31, 2016
Revenues	218,592	-	-	-
Operating expenses	(685,483)	(211,277)	(910,076)	(111,557)
Net loss	(279,993)	(204,681)	(903,296)	(104,770)
Loss per share	(0.00)	(0.00)	(0.01)	(0.00)

	Quarter ended			
	December 31, 2015	September 30, 2015	June 30, 2015	March 31, 2015
Operating expenses	(267,014)	(94,270)	(142,849)	(96,198)
Net loss	(267,014)	(94,270)	(142,849)	(96,198)
Loss per share	(0.01)	(0.00)	(0.00)	(0.00)

In management's view, the expenses incurred by the Company are typical of a development company that has not yet established its principal operation or reached operating capabilities. The Company's expenditures fluctuate from quarter to quarter mainly related to its activities related to establishing and developing its operations during the respective quarter**.**

1.5 Results of Operations

1.5.1 Operation results for the year ended December 31, 2016

Net loss in 2016 was $1,492,740, an increase of $892,409 compared to the loss of $600,331 in 2015, and the increase was mainly due to $864,436 stock based compensation expense recorded in 2016 (2015 - $nil) offset by the interest and other income, and revenues of $425,653 (2015 - $34,940). Interest and other income included i) sublease revenue of $26,392 (2015 - $34,940), ii) revenue from California MJ operations of $218,592 (2015 - $nil), iii) interest income of $11 (2015 - $11), iv) write-down of accounts payable and accrued liabilities of $165,669 (2015 - $nil) and v) gain on settlement of debt of $15,000 (2015 - $nil).

Operating expenses in 2016 included the following:

- $131,529 consulting fee (2015 - $160,310), and the increase was mainly due to the additional consulting activities for licensing and other costs related to the medical cannabis business of the Company in Canada and the United States.
- $4,799 depreciation and amortization (2015 - $1,356).

- $40,844 filing and transfer agent fee (2015 - $16,652), which is related to the regulatory filing expenses and the services provided by the transfer agent, and such expenses are fluctuated along with the fluctuation of investor relation activities.
- $837 foreign exchange loss (2015 - $20,791). The loss recorded was mainly due to the conversion of CAD into USD to meet the US operation requirements and the revaluation of cash balance held in US dollars.
- $9,339 interest and bank charges (2015 - $9,164), which is related to banking activity fee and interest arising from the denominated US dollars and its fluctuation is mainly along with the fluctuation of US dollars against Canadian dollars.
- $174,375 management remuneration (2015 - $90,000), which is the compensation of a director and officer of the Company. The Company accrued and paid $84,375 vacation to the CEO through issuance of 187,500 shares at $0.24 per share in 2016.
- $21,889 meals and entertainment (2015 - $5,328). The increase was mainly due to more entertainment activities to seek opportunities in the medical cannabis business in the United States as the Company's management had more travels to the United States to monitor the medical cannabis business development in the United States.
- $64,227 office expense (2015 - $42,199) and the increase was mainly due to the increase of administrative activities related to its medical cannabis business in the United States.
- $209,630 professional fees (2015 - $117,746), which include legal, audit and accounting fees, and such expenditures fluctuated along the fluctuation of activities to seek opportunities in the medical cannabis business in Canada and the United States and the complexity of such activities.
- $49,922 rent (2015 - $48,384), which is related to the lease with respect to Maple Leaf's head office and the fluctuation is mainly due to the operating charges of the lease allocated to the Company.
- $864,436 stock based compensation expense (2015 - $nil), which is related to the 8,420,000 options granted to directors and consultants of the Company in 2016. No options were granted in 2015.
- $57,159 shareholder information and promotion (2015 - $4,111), which was mainly related to the news wire services and annual shareholders' meeting costs and fluctuated along with the level of such services required by the Company and regulatory requirements to communicate the business development of the Company to its shareholders and potential investors.
- $7,825 telephone expense compared to the expense of $5,541 recorded in the 2015.
- $31,253 travel and promotion (2015 - $5,947), and the increase was mainly due to more travels to visit and manage the medical cannabis business in the United States.
- $972 property tax (2015 - $839), which is related to the greenhouse in California.

1.5.2 Operation results for the fourth quarter of 2016 ("Q4 2016")

Net loss in Q4 2016 was $279,993, a decrease of $53,567 compared to the loss of $267,014 in the fourth quarter of 2015 ("Q4 2015"). The decrease was mainly due to $376,484 interest, other income and revenue recorded in the fourth quarter. Interest, other income, and revenue included i) sublease revenue of $6,214 (2015 - $8,921), ii) revenue from California operations of $218,592 (Q4 2015 - $nil), iii) interest income of $9 (2015 - $9), and iv) write-down of accounts payable and accrued liabilities of $151,669 (Q4 2015 - $nil).

Operating expenses in Q4 2016 mainly included the following:

- $2,034 consulting fee (Q4 2015 - $35,381). The decrease was mainly due to the decrease of administrative activities related to the Company's medical cannabis business in the United States.
- $4,436 depreciation and amortization (Q4 2015 - $181).
- $30,537 filing and transfer agent fee (Q4 2015 - $7,891), which is related to the regulatory filing expenses and the services provided by the transfer agent, and such expenses are fluctuated along with the fluctuation of investor relation activities.
- $561 foreign exchange gain (Q4 2015 – loss of $11,255). The foreign exchange gain or loss recorded was mainly due to the conversion of CAD into USD to meet the US operation requirements as well as the revaluation of USD cash on hand.
- $2,128 interest and bank charges (Q4 2015 - $3,710), which was mainly related to the interest on the notes payable issued in 2015.

- $106,875 management remuneration (Q4 2015 - $22,500), which is the compensation of a director and officer of the Company. The Company accrued and paid $84,375 vacation to a director and officer of the Company through issuance of 187,500 shares at $0.45 per share.
- $7,648 meals and entertainment (Q4 2015 - $2,034), and the increase was mainly due to more entertainment activities to seek opportunities in the medical cannabis business in the United States as the Company's management had more travels to the United States to monitor the medical cannabis business development in the United States.
- $15,850 office expense (Q4 2015 - $7,729). The increase of administrative activities related to the Company's medical cannabis business in the United States.
- $94,403 professional fees (Q4 2015 - $74,287), which include legal, audit and accounting fees, and such expenditures fluctuated along the fluctuation of activities to seek opportunities in the medical cannabis business in Canada and the United States and the complexity of such activities.
- $12,616 rent (Q4 2015 - $12,260). Rent expense is related to the lease with respect to its head office and the fluctuation is mainly due to the operating charges of the lease allocated to the Company.
- $70,175 stock based compensation expense (Q4 2015 - $nil), which is related to the options granted to directors, officers, and consultants of the Company in 2016. There was no option granted in the prior year period.
- $7,126 shareholder information and promotion (Q4 2015 - $nil), which was mainly related to the news wire services and annual shareholders' meeting costs and fluctuated along with the level of such services required by the Company and regulatory requirements to communicate the business development of the Company to its shareholders and potential investors.
- $2,392 telephone expense compared to the expense of $1,461 recorded in the Q4 2015.
- $12,405 travel and promotion (Q4 2015 - $10,477). The increase was mainly due to more travels to visit and manage the medical cannabis business in the United States.

1.6 Liquidity and Capital Resources

1.6.1 Working Capital

As at December 31, 2016, the Company had working capital of $700,871 (December 31, 2015 – deficit of $218,100). As at December 31, 2016, cash increased by $475,623 to $664,463 as a result of cash from financing activities of $1,560,650 offset by cash used in operating activities of $943,963 and investing activities of $151,725.

Management recognizes that the ability of the Company to continue as a going concern is dependent upon its ability to raise adequate financing from shareholders and other investors, and to achieve 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 can be no assurance that debt or equity financing, or cash generated by operations will be available or sufficient to meet these requirements or for other corporate purposes or, if debt or equity financing is available, that it will be on terms acceptable to Maple Leaf. Moreover, future activities may require Maple Leaf to alter its capitalization significantly. The inability of Maple Leaf to access sufficient capital for its operations could have a material adverse effect on Maple Leaf's financial condition, results of operations or prospects.

The Company has historically been successful in raising capital by way of the issuance of common shares or convertible securities, and is continuously seeking and considering financing options and reviews available opportunities to raise additional funds through private placements and debt financing. The Company is actively looking to raise other sources of financing.

In November 2015, the Company completed a private placement to raise gross proceeds of $550,000 by issuance of 11,000,000 units at a price of $0.05 per unit. Each unit consists of one common share and on common share purchase warrant exercisable for two years from the date of closing at a price of $0.075.

In May 2016, the Company closed a non-brokered private placement to raise gross proceeds of $600,000 by issuance 6,000,000 units. Each unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one additional common shares at an exercise price of $0.15 for two years from the date of issue.

In April 2016, the Company granted a total of 7,900,000 options to directors and consultants of the Company at an exercise price of $0.10 per share; 500,000 options granted to two consultants vest in twelve months from the grant date, and the remaining vested immediately. The expiry date of the options granted is April 10, 2021.

In September 2016, the Company granted a total of 200,000 options vested immediately to a director and a consultant of the Company at an exercisable price of $0.24 per share. The expiry date of the options granted is September 27, 2021.

In November 2016, 320,000 options were granted to consultants of the Company at an exercise price of $0.80 per share; 20,000 options vested immediately, 250,000 options vest in three months and the remaining 50,000 options vest in six months, from the grant date. The expiry date of the options granted is November 6, 2019.

During the year ended December 31, 2016, a total of 1,500,000 options were exercised for gross proceeds of $150,000. $141,564 was transferred from share-based payment reserve on exercise of these warrants.

In 2016, a total of 8,380,000 warrants were exercised for gross proceeds of $814,500; $62,700 was transferred from warrant reserve to share capital on exercise of these warrants.

In 2015, a total of 160,000 warrants were exercised for proceeds of $12,000.

1.6.2 Cash flow

Operating activities in 2016 used cash of $943,963 (2015 - $497,298). Before changes in non-cash working capital, cash used in operations was $803,337 (2015 - $522,983), and the increase was due to the gain on settlement of accounts payable of $165,669 (2015 – nil), gain on settlement of debt of $15,000 (2015 – nil), and stock based compensation pf $864,436 (2015 – nil).

In Q4 2016, operating activities used cash of $512,706 (Q4 2015 - $314,734). Before changes in non-cash working capital, cash used in operations was $390,188 (Q4 2015 - $216,380), and the increase was due to the gain on settlement of accounts payable of $165,669 (2015 – nil), gain on settlement of debt of $15,000 (2015 – nil), and stock based compensation pf $864,436 (2015 – nil).

Investing activities in 2016 used cash $151,725 (2015 - $80,463), which is the land improvement and greenhouse construction expenditures related to its medical cannabis business in California, USA.

In Q4 2016, investing activities used cash $nil (Q4 2015 - $62,795) as the Company's greenhouse in California was fully constructed related to its medical cannabis business in the United States while the Company spent additional $62,795 to construct the greenhouse in Q4 2015.

Financing activities in 2016 generated cash $1,560,650 (2015 - $730,150), which included net proceeds of $596,150 raised through a private placement (2015 - $730,150), $150,000 from stock options exercised (2015 - $nil), and $814,500 from warrants exercised (2015 - $nil).

In Q4 2016, cash from financing activities was $486,500 (Q4 2015 - $532,250), which included net proceeds of $nil raised through private placements (Q4 2015 - $532,250), $120,000 from stock options exercised (Q4 2015 - $nil), and $366,500 from warrants exercised (Q3 2015 - $nil).

1.6.3 General Contractual Commitments and Contingency

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 charges 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.

In 2016, the Company recorded rent expenses of $49,922 (2015 - $48,384).
The Company has sub-leased some office space to offset the costs of the lease. In 2016, a total of $26,381 (2015 - $34,929) sub-lease revenue was recorded as other income. The deposits of $11,146 (2015 - $11,146) collected from the sub-lease tenants are due on termination of the sub-lease agreement.

In February 2016, the Company received a legal claim of $35,000 from Burnet, Duckworth & Palmer ("BD&P"), the Company's former legal counsel, for services rendered in prior years but disputed by the Company. Through mutual negotiation and agreement, the claim has been settled for $20,000 and paid.

1.7 Transactions with Related Parties

Related party transactions are in the normal course of operations and are measured at the fair value of consideration paid.

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

	Year ended December 31,	
	2016	2015
Management remuneration	**$ 174,375**	$ 90,000
Consulting fee	**36,000**	36,000
Personnel costs	**106,395**	-
Share-based payments	**540,000**	-
Total	**$ 856,770**	$ 126,000

In 2016, the Company issued 187,500 shares at $0.45 per share to a director and officer of the Company to offset $84,375 vacation payable.

As at December 31, 2016, an amount of $140,984 (2015 - $145,320) in notes payable and $5,023 (2015 - $5,201) in interest payable is due to a member of key management who has an undivided 50% interest in the notes payable.

As at December 31, 2016, an amount of $250,486 (2015 – nil) in other receivables is due to a related company, which consists of leasing fees of $119,232, consulting fees of $99,360, and $31,894 in reimbursements.

As at December 31, 2016, a total of $18,633 (2015 - $45,217) payable to key management remained outstanding and is included in accounts payable and accrued liabilities on the consolidated 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. The Company's employment agreement with one officer would entitle that officer to compensation of $90,000 upon termination.

1.8 Proposed Transactions

With the exception of the information provided in item 1.2 - Business Overview and Development above, the Company is not a party to any proposed transaction that may have an effect on its financial position, its financial performance or cash flows which the management believes would require the intervention or approval of the Board of Directors of the Company.

1.9 Critical Accounting Policies and Estimates and New Accounting Standards

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the amounts reported on the consolidated financial statements. These critical accounting estimates represent management estimates that are uncertain and any changes in these estimates could materially impact the Company's financial statements. Management continuously reviews its estimates and assumptions using the most current information available. The Company's critical accounting policies and estimates are described in Note 2 of the unaudited condensed consolidated financial statements as of and ended September 30, 2016 and in the Note 3 of the audited consolidated financial statements as of and ended December 31, 2016.

The accounting standards and interpretations that are issued but not yet effective listed below are those that the Company reasonably expects will have an impact on disclosures, financial position or performance when applied at a future date. The Company intends to adopt these standards and interpretations, if applicable, when they become effective, and is currently assessing the impact, if any, on the financial statements.

IFRS 7 Statement of Cash Flows

IAS 7 has been revised to incorporate amendments issued by the International Accounting Standards Board ("IASB") in January 2016. These amendments require entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities. The amendments are effective for annual periods beginning on or after January 1, 2017 with early adoption permitted. The Company does not expect any significant impact on the Company's financial statement arising from adoption of this standard.

IFRS 9 Financial Instruments

IFRS 9 was issued by the IASB on July 24, 2014 and will replace IAS 39 *Financial Instruments: Recognition and Measurement*. IFRS 9 utilizes a single approach to determine whether a financial asset is measured at amortized cost or fair value and a new mixed measurement model for debt instruments having only two categories: amortized cost and fair value. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Final amendments released on July 24, 2014 also introduce a new expected loss impairment model and limited changes to the classification and measurement requirements for financial assets. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. The Company is currently evaluating the impact the final standard and amendments on its consolidated financial statements.

IFRS 12 Income Taxes

IAS 12 was revised to incorporate amendments issued by the IASB in January 2016. The amendments clarify how to account for deferred tax assets related to debt instruments measured at fair value. The amendments are effective for annual periods beginning on or after January 1, 2017 with early adoption permitted. The Company does not expect any significant impact arising from the adoption of this standard.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 was issued by IASB in May 2014 and will replace IAS 18 *Revenue*, IAS 11 *Construction Contracts* and related interpretations on revenue. IFRS 15 establishes principles to address the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Companies can elect to use either a full or modified retrospective approach when adopting this standard and it is effective for annual periods beginning on or after January 1, 2018. The Company is in the process of analyzing IFRS 15 and determining the effect on our consolidated financial statements as a result of adopting this standard.

IFRS 16 Lease

IFRS 16 was issued by IASB in January 2016 and will replace IAS 17 *Lease* and related interpretations. IFRS establishes principles for the recognition, measurement, presentation and disclosure of leases, with the objective of ensuring that lessees and lessors provide relevant information that faithfully represents those transactions. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating of finance. IFRS 16 is effective for annual periods beginning on or after January 1, 2019 with earlier application permitted if IFRS 15 has also been applied. A lessee shall either apply IFRS 16 with full retrospective effect or alternatively not restate comparative information but recognize the cumulative effect of initially applying IFRS 16 as an adjustment to opening equity at the date of initial application. The Company is in the process of analyzing IFRS 16 and determining the effect on our consolidated financial statements as a result of adopting this standard.

1.10 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, cannot be determined with precision. Changes in assumptions could significantly affect estimates. Management assessed that the fair value of cash, accounts payable and accrued liabilities, and interest payable approximates their carrying amounts largely due to the short-term maturities of these instruments, and the fair value of the notes payable approximates its face value as any interest arising from the notes payable is required to be paid to the holder monthly.

The following table provides the quantitative disclosures of fair value measurement hierarchy of the Company's financial assets and liabilities measured on recurring basis.

	December 31, 2016			December 31, 2015		
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets and liabilities measured at fair value						
Cash	**$ 666,463**	**$ -**	**$ -**	$190,840	$ -	$ -
Other receivables	**$ 250,486**	**$ -**	**$ -**	$ -	$ -	$ -
Notes payable	**$ -**	**$140,984**	**$ -**	$ -	$ 145,320	$ -

There was no transfer between fair value levels during the reporting period.

1.11 Financial Instruments and Related Risks

The Company manages its exposure to key financial risk in accordance with the Company`s financial risk management framework. The objective of the framework is to protect the Company`s future financial security. The main risks that could adversely affect the Company`s financial assets, liabilities or future cash flows are liquidity risk, credit risk and market risk, which comprising foreign exchange rate risk, interest rate risk, and metal price risk. The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework and reviews the Company's policies on an ongoing basis. Currently, the Company does not apply any form of hedge accounting.

a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meets its contractual obligations. The Company is exposed to credit risk primarily associated to accounts receivable and cash. The carrying value of the financial assets represents the maximum credit exposure.

The Company undertakes credit evaluations on counterparties as necessary and has monitoring processes intended to mitigate credit risks. There was no amount in trade receivables at December 31, 2016 and 2015 for which a provision for doubtful debts is recognized.

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. As at December 31, 2016, the Company has a working capital of $700,871 (2015 – deficiency of $218,100).

Based on the contractual obligations of the Company as at December 31, 2016, cash outflows of those obligations are estimated and summarized as follows:

	Payment Due by Period			
	Less than 1 year	1 - 3 years	After 3 years	Total
Accounts payable and accrued liabilities	$ 224,459	$-	$ -	$224,459
Interest payable	5,023	-	-	5,023
Notes payable	-	-	140,984	140,984
Lease rental obligations	29,120	-	-	29,120
	$ 258,602	**$-**	**$ 140,984**	**$399,586**

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 consists of two components:

(a) To the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, the Company is exposed to interest rate cash flow risk.

(b) To the extent that changes in prevailing market rates differ from the interest rates in the Company's monetary assets and liabilities, the Company is exposed to interest rate price risk.

The Company is exposed to interest rate price risk on its note payable which bears a fixed coupon rate of 6% per annum, as the prevailing market interest rate may differ from the interest rate of the debt. However, fluctuations in market rates would have to be significant to have a material effect on the Company's operations; therefore, the Company's exposure to interest rate cash flow risk on the note payable is minimum.

(ii) Currency risk

Canadian Dollar is the reporting currency of the Company and the functional currency for its corporate office in Canada while USD is the functional currency of its subsidiary in the United States. The Company is exposed foreign currency risk when the Company undertakes transactions and holds assets and liabilities denominated in foreign currencies other than its functional currencies.

The Company currently does not manage currency risk through hedging or other currency management tools. As at December 31, 2016, the Company's exposure to currency risk is summarized as follows:

Expressed in Canadian dollar equivalents		**December 31, 2016**		December 31, 2015
Financial assats denominated in US dollars				
Cash	**$**	**18,762**	$	15,920
Receivables		**250,486**		11,865
	$	**269,248**	$	27,785
Financial liabilities denominated in US dollars				
Interest payable	**$**	**5,023**	$	5,201
Notes payable		**140,984**		145,320
	$	**146,007**	$	150,521

As at December 31, 2016, with other variables unchanged, a 10% strengthening of the USD against the CAD would have decrease net loss by $1,664 and other comprehensive income by $10,660.

(iii) Other price risk

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

1.12 Additional Disclosure for Venture Issuers without Significant Revenue

(a) capitalized or expensed exploration and development costs;

Not applicable.

(b) expense research and development costs;

Not applicable.

(c) deferred development costs;

Not applicable.

(d) general and administration expenses;

This required disclosure is presented on audited consolidated interim statements of loss and comprehensive loss for the year ended December 31, 2016 and 2015.

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

None

1.13 Disclosure of Outstanding Share Data

As at the date of this MD&A, issued and outstanding common shares are 126,157,261, and a total of 13,300,000 warrants remain outstanding. The exercise price of the warrants ranges from $0.075 to $0.15 per warrant with expiry dates up to May 24, 2018. Outstanding options are 6,920,000 with exercise prices ranging from $0.10 to $0.80 and expiry date up to September 27, 2021.

Subsequent to December 31, 2016,

- A total of 4,710,000 warrants were exercised and cash proceeds of $418,500 was received.
- The Company entered into a formal purchase agreement to pruchase the New Nevada Site comprising approximately four acres of land in Henderson, Nevada for US$ 875,000.
- the Company received $5,129,649 in cash proceeds in relations to shares to be issued for a private placement that has not been closed.

MAPLE LEAF GREEN WORLD INC.

CORPORATE DATA

LISTING:
TSX Venture Exchange
Symbol: **MGW**

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DIRECTORS AND OFFICERS

- Raymond Lai: President, CEO & Chairman
- Daniel Chu: CFO, Director & Audit Committee Member
- Terence Lam: Corporate Secretary & Director
- Joe Wong: Vice President of Operations, Director
- Naj Alizada: Independent Director & Audit Committee Member
- Greg Moline: Independent Director & Audit Committee Member

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