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 unaudited consolidated condensed interim financial statements for the three and nine months ended September 30, 2017, and 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 November 29, 2017, and was prepared by management of the Company. The board of directors of the Company approved this MD&A on November 29, 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 and expectations 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 Phyto cannabinoids, its ability to attract and retain qualified personnel, its reliance on its 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 ("TSXV") under symbol MGW. 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 and its subsidiaries focus on the emerging cannabis industry in North America. The Company devotes its time, effort, and capital to seek medical cannabis business opportunities, including obtaining a license to produce and sell cannabis 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 United States of America ("USA"), in the states of California and Nevada only.

1.2.1 Medical Cannabis

1.2.1(a) Canadian Medical Cannabis

Since mid-2014 the Company has been pursuing a license to produce and sell cannabis, as directed by Health Canada, and pursuant to the ACMPR. It has also been investing in assets to pursue cannabis-licensed cashflow generating opportunities, so that the Company is ready when it has obtained the license. This expanding industry is possible as a result of the Canadian government's widely known decision to decriminalize and regulate production, distribution, and sale of cannabis and its ancillary medical and recreational products. The most recent manifestation of this process is the announcement that the Canadian government has legalized cannabinoid-infused foods and beverages, via recently included (November 28, 2017) edits to Bill C-45 (37-2) (third reading – House of Commons), which is available in full at www.parl.ca.

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 near Telkwa, British Columbia ("Telkwa"). Maple Leaf has since revised the arrangement with Woodmere to build its own facility on 30 acres of land. The Company will pay a yearly $240,000 land lease fee adjusted for inflation, with an option to purchase the land after one year.

In July 2014, the Company submitted an application to Health Canada for a license pursuant to the Marihuana for Medical Purposes Regulation ("MMPR"). The MMPR and the previous licensing process was later replaced by the ACMPR, on August 24, 2016. In January of 2017, the Company received notice from Health Canada that its application had progressed to the review stage 5 of the seven stage process established under the ACMPR.

In preparation for receiving the license to produce cannabis under the ACMPR, on May 24, 2017, the Company announced it engaged Paramount Structures Inc. ("Paramount") as the procurement, engineering, and construction manager for its cannabis cultivation facilities at Telkwa and Nevada. In June 2017, Paramount commenced planning on the BC Facility when Maple Leaf made a deposit payment to Paramount of $1,102,500. Subsequent to September 30, 2017 (on October 24, 2017), the Company further announced a structural engineering firm, MMP Structural Engineering Ltd ("MMP"), is acting as the Company's project manager for the facility in Telkwa. As of the date of this report, Woodmere has obtained a foundation building permit in connection with the Company's proposed cannabis cultivation facility in Telkwa.

In August 2017, the Company submitted an abridgement application (the "Abridgement Application") to Health Canada for a license to produce and sell cannabis under ACMPR. The Abridgement Application is an update and revision of the Company's original application for the license under MMPR, in order to conform with ACMPR. The Abridgement Application provides an updated general description of the BC Facility and outlines certain revisions to the Company's original license application including the following:

1. Initial growing space of 30,000 ft^2 (total capacity expected to be 80,000 ft^2);
2. Initial estimated production of up to 3,500 kg per year (as per the Health Canada application, although the capacity of the facility could be more); and
3. Initial marketing projections assume production is consumed by patients (84%) and other producers/institutions (16%).

Maple Leaf expects that upon approval, the Company may be required to submit pictures, videos, and other relevant documentation to Health Canada to demonstrate that Telkwa is built and ready to produce, after which a licence could then be issued to Maple Leaf, provided Health Canada finds the Company's submission compliant with ACMPR licensing requirements. The Company is also subject to various regulations from the TSXV and its securities regulator.

The Company's objective is to acquire the ACMPR license and produce pesticide-free, top quality cannabis from contamination-free soil in its Telkwa facility. Medical cannabis patients will initially be consumers of this product. However, 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 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 October 2014, the Company entered into a letter of intent ("CALOI") with the Emerald Farm Collective Non Profit Mutual Benefit Corp. ("Emerald"), based out of Anza, California, to supply the medical cannabis needs of Emerald's medical patients. Maple Leaf's intention was to provide land, building, equipment and capital to the enterprise, and also to provide consulting services to support Emerald in its production of medical cannabis. Emerald is incorporated and regulated by 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 member patients ("Members") as of the date of the CALOI. Emerald is obligated to supply its Members with quality cannabis under the terms of a regular commercial operation such as those found in the CALOI. The Collective and the Company subsequently agreed to reorganize their business arrangement by dividing the obligations under the CALOI into two separate agreements, the terms of which supersede the CALOI and are summarized below:

Lease & Property Agreement

- Maple Leaf, operating through its wholly owned subsidiary Golden State Green World LLC ("GSGW"), shall provide capital and resources for up to four greenhouses with capacity to grow enough medical cannabis plants to meet the medical needs of the Members. Estimate cost US$500,000;
- The construction of the facility will be staged in two phases;
- When Emerald starts cannabis production, Emerald will pay rent at a rate of US$15,000 per greenhouse per month; and
- The parties agreed that the initial term of the lease & property agreement will be 10 years with an option to renew for another 10 years.

Consulting Agreement

- Upon the greenhouses becoming fully operational, all responsibility for day to day operations falls to Emerald, at which time Maple Leaf may provide consulting services under the consulting agreement described below;
- After Emerald commences operations, Maple Leaf may provide consulting services which may include advice and information pertaining to all aspects of cannabis cultivation, processing, manufacturing, packaging, transportation and distribution. Additionally, Maple Leaf may advise Emerald on strategies for yield and quality maximization; and
- In consideration of such consulting services (reviewed annually), Emerald agreed to pay a base consulting fee of US$25,000 per month to Maple Leaf, with provisions for performance bonuses up to US$60,000 per month.

In March of 2015, GSGW entered into an agreement to purchase approximately twenty acres of land for an aggregate purchase price of US$120,000. The Company paid US$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 houses the greenhouses required for cannabis production.

In March 2016, Emerald received approval from its regulator to complete the installation of a greenhouse. In May 2016, Emerald received a seller's permit and resale certificate from the Board of Equalization of the State of California. At that time, Emerald had started to experiment with producing different cannabis strains, and by summer of 2016 cannabis test crops had been planted.

By September 2016, Emerald started to harvest the various test plants it had chosen to cultivate. By the end of 2016 Emerald reported initial production of 300 pounds, comprised of 200 pounds of Early Indica and Late Sativa, and 100 pounds of five other high-quality strains of cannabis. Unfortunately, Emerald also reported later on that it experienced final product delivery issues, and that the sale price that was realized was not as expected. Therefore, Emerald reported to the Company that it did not realize a cash profit. However, pursuant to the agreements in place, the Company had already started to charge Emerald the lease fee and the consulting fee. During the first quarter of 2017 the Company recorded a consulting fee of $99,825 and lease fee (revenue) of $119,790 on its financial statements, but ultimately it did not actually receive these revenues. Maple Leaf therefore did not book the lease and consulting fees in any subsequent period, nor record a receivable in this quarterly report. Emerald did not have the cash to pay to Maple Leaf, in spite of selling a portion of the production, because it was only able to pay its own expenses. Maple Leaf understands that these are initial production and market issues, and do not necessarily affect the integrity of the agreements with Emerald. The Company subsequently agreed not to charge Emerald the lease and consulting fee until fiscal 2018. It is now expected that Emerald's subsequent harvests will produce positive cash flow to pay Maple Leaf by the end of 2017, that Emerald will pay some portion (or all) of the consulting and lease fees currently recorded, and that the agreement terms between the parties will be confirmed or renegotiated at that time.

The Company's objective in California is to acquire the necessary licenses or permits and produce pesticide-free, top quality cannabis from contamination-free soil in its California facilities. However, the Federal government of the USA has not yet lifted restrictions and changed statutes that make cannabis production and distribution federally illegal, even though individual states like California have not enforced federal statutes, and have legalized previous restrictions on the production, distribution, and use of cannabis. The State of California government have not published any standards or timelines regarding the length of time for approval of statute changes and license applications. Therefore, the timeline for the grant of licenses, and permits is uncertain and cannot be estimated. There is no assurance that the Company will qualify to obtain required licenses or permits. Additionally, there is no assurance that the Company will be able to acquire the required financing, assets or personnel to grow medical cannabis.

Riverside County in California is in the transition from state issued guidelines to a permitting process that will commence in 2018 once Proposition 64 comes into law, scheduled for January 1, 2018. In Riverside County lays the Anza Valley (where Emerald currently operates), which currently acts as a key supply region for much of the legally licensed retail dispensaries and distributors in Southern California. However, the ability for these farmers to apply for the sort of affirmative licensing (like Colorado and Washington since 2012) has only existed since 2016, and only in parts of California. The California Legislature recently voted on necessary state regulations for medical and recreational marijuana use. Cannabis suppliers are transitioning into a framework that is compliant with a modern regulatory system, created by the "Medicinal and Adult Use Cannabis Regulation and Safety Act" ("MAUCRSA" - SB 94). In Riverside, in particular, the local County Board of Supervisors recognized this problem and voted 3-0 to begin the process of creating a local licensure system based on the MAUCRSA framework.

Maple Leaf does not currently operate cannabis production in California; Emerald does operate cannabis production. Therefore, the Company is by definition in full compliance with California state cannabis regulation. With respect to Emerald, Emerald's cultivation operation in Riverside is operating in accordance with California state guidelines Proposition 215, SB 420 and the State of California Agriculture guidelines. Issues such as how Riverside County will deal with existing operators who are organized under the older SB 420 framework have not yet been formalized into statute yet, however, experience with other municipalities suggests they will allow for current operators to continue operating in accordance with proposed regulation as long as the grow efforts are disclosed. Mendocino, Humboldt, Trinity, San Diego, and San Bernardino Counties are noted examples of counties that have allowed continued use on existing growing footprints, with disclosure, during the permitting process. In addition, Emerald has advised the Company that it has been in contact with Riverside County's Drug

Emergency Response Team, and been informed that enforcement entities are not concerned about agricultural farmers cultivating medical cannabis for cannabis cooperatives, and received confirmation that Emerald has been operating in accordance with industry standards and is compliant with California state guidelines and statutes.

1.2.1(b)(ii) Nevada Medical Cannabis

In November 2016, the Company entered into a Letter of Intent ("Henderson LOI") with BioNeva Innovations of Henderson LLC ("BioNeva") to purchase 100% of its Medical Marijuana Established Cultivation Permit #C116 ("Permit 116"), for US$500,000 cash. Upon execution of the Henderson LOI, a deposit of US$50,000 (CAD$68,270) was paid to BioNeva. The remaining US$450,000 was payable to BioNeva when the "Transfer of Application" process (to Maple Leaf) is completed by the State of Nevada. On June 15, 2017, the Henderson LOI was updated to allow for the acquisition of all outstanding equity shares of BioNeva on the same terms, instead of just acquiring Permit 116. Subsequent to September 30, 2017 (on October 5, 2017), Maple Leaf announced that BioNeva received conditional approval for obtaining a Medical Marijuana Establishment – Cultivation Facility – class 5 (cultivation) business license. Upon receipt of final approvals from the City of Henderson and the State of Nevada, the Company will begin the process of acquiring all outstanding shares of BioNeva, thereby also acquiring Permit 116, which is owned by BioNeva.

In January 2017, Maple Leaf entered into a purchase agreement to acquire four acres of land in the City of Henderson, Nevada ("Henderson Facility"), for US$875,000. This land will house the Company's proposed cannabis production facility, to be owned by Maple Leaf's wholly owned Nevada subsidiary, SSGW LLC ("SSGW"). The Transfer of Application process discussed in the paragraph above also approves the change of address of the production facility from the original BioNeva address to the new SSGW land at Henderson.

In February 2017, the Company received a Distance Separation Analysis ("DSA") from the City of Henderson with respect to the Henderson Facility as a "Medical Marijuana Establishment – Cultivation Facility". The Henderson Facility was reviewed for compliance with the 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 Henderson Facility is suitable for a "Medical Marijuana Establishment – Cultivation Facility" within the City's municipal boundaries. The DSA may be the most important step in transferring Permit 116 to the Henderson Facility from the old BioNeva address. The next steps require the Company/SSGW to submit its building plan to the City of Henderson for approval, leading to a Conditional Use Permit ("CUP"). If the Company/SSGW is successful in obtaining a CUP, it can ultimately complete construction of the Henderson Facility and start cannabis production, after receipt of all final approvals.

In March 2017, Maple Leaf paid US$875,000 into escrow to acquire the land for the Henderson Facility, and the land title was transferred upon closing to SSGW in April 2017. In May 2017, the Company engaged Paramount to initiate the design, engineering and construction of the Henderson Facility. Maple Leaf intends to develop the 33,500 ft^2 facility in two phases: an initial phase of 20,000 ft^2 and a second phase for the remainder, to be completed after operations have achieved desired productivity and efficiency. In August 2017 an engineering consultant working with MMP continued its work on the building plan required to move the Henderson Facility towards a CUP.

The Company's objective in Nevada is to acquire the necessary licences or permits and produce pesticide-free, top quality cannabis from contamination-free soil in its Henderson Facility. However, the Federal government of the USA has not yet lifted restrictions and changed statutes that make cannabis production and distribution illegal, even though individual states like Nevada have not enforced federal statutes, and have legalized previous restrictions on the production, distribution, and use of cannabis. In November 2016, Nevada voters approved Ballot Initiative 2, which effectively legalized the production and distribution of cannabis to persons over the age of 21 years in the State of Nevada. Nevertheless, pursuant to the Supremacy Clause of the Constitution of the Unites States, federal law will supersede state law when there is a conflict between the two. Additionally, there is no assurance that the Company will be able to acquire the required financing, assets or personnel to grow medical cannabis.

Nevada state law authorizes the medical use of cannabis for certain qualifying individuals upon the recommendation of their physician. In November 2016, Nevada voters approved Ballot Initiative 2, which effectively legalized the production and distribution of cannabis to persons over the age of 21 years in the State of Nevada. Although, pursuant to the Supremacy

Clause of the Constitution of the United States of America, federal law supersedes state law when there is a conflict between the two. In spite of current federal prohibition, enforcement of federal cannabis laws has been relatively measured in recent years. Under the Obama administration, the Department of Justice issued guidance to its employees in a memorandum commonly referred to as the "Cole Memo". The Cole Memo, while not binding legal authority, laid out several enforcement priorities for federal law enforcement relating to the cannabis industry in states that have legalized cannabis use in some form. See, Memorandum for All United States Attorneys at page 2 (James M. Cole (2013) Dpt. Atty. General). The Cole Memo specifically lists the following enforcement priorities:

- Preventing the distribution of cannabis to minors;
- Preventing revenue from the sale of marijuana from going to criminal enterprises, gangs, and cartels;
- Preventing the diversion of marijuana from states where it is legal under state law in some form to other states;
- Preventing state authorized marijuana activities from being used as a cover or pretext for the trafficking of other illegal drugs or other illegal activity;
- Preventing violence and the use of firearms in the cultivation or distribution of marijuana;
- Preventing drugged driving and exacerbation of other adverse public health consequences associated with marijuana use;
- Preventing the growing of marijuana on public lands and the attendant public safety and environmental dangers posed by marijuana on public lands; and
- Preventing marijuana possession or use on federal property.

While the Cole Memo was issued during the Obama Administration, the new Trump Administration has not specifically rescinded the guidance provided in the Cole Memo nor has it adopted an increased enforcement stance since taking office. Further, members of the United States Congress have implemented certain budget restrictions aimed at defunding federal criminal prosecutions in the states where cannabis is legal. While cannabis remains prohibited under federal law, it does appear that cannabis prosecution is a relatively low priority for federal law enforcement at this time. Maple Leaf is not aware of any Nevada state-licensed cannabis business that has been subjected to federal criminal prosecution in any form. Other states that have legalized cannabis for both recreational and adult use such as, Colorado, California, Oregon and Alaska have also experienced very low numbers of prosecutions in recent years for businesses operating in accordance with state laws.

Cannabis businesses in the United States face other risks including banking restrictions and potential tax burdens. Nevada has one of the most, if not the most, highly regulated cannabis industry in the United States. Nevada's regulations provide clear guidance for cannabis users and businesses. Nevada's robust regulations make it very unlikely for cannabis businesses to operate in violation of the enforcement priorities of the Cole Memorandum. Nevada's regulations are strictly enforced; any violation of Nevada's regulations such as selling cannabis across state lines, selling cannabis to minors or money laundering is grounds for revocation of the businesses license and possible criminal prosecution under state law.

With respect to recent Company/SSGW activity, the legal requirements to effectuate the transfer of the medical marijuana establishment certificate in Nevada are contained within NRS 453 A, NAC 453A and Chapter 4.116 of the Municipal Code for the City of Henderson. In order to legally transfer the medical marijuana establishment certificate, a company must achieve approval for its change of physical address request from the Nevada Department of Taxation, the principals of the company must submit and pass approved background checks, the company must also acquire a Conditional Use Permit from the City of Henderson for the proposed location of the Medical Marijuana Establishment. After all approvals have been acquired from the State of Nevada and the City of Henderson, the company must complete its construction project at the proposed location, pass all required inspections with both the State and local governments and be awarded its final Medical Marijuana Establishment Certificate. Upon receipt of the final Medical Marijuana Establishment Certificate, SSGW can begin its business operations.

As disclosed herein, Maple Leaf/SSGW have complied with all of these regulations in its preparation to be a producer of medical marijuana in Nevada. However, the material fact is that SSGW has not yet obtained a Medical Marijuana Establishment Certificate, does not yet operate/produce, or even has not yet built a cannabis production facility in Nevada. It therefore is in compliance with all regulations required by the state of Nevada.

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:

	Year ended December 31,		
	2016	2015	2014
Total assets	$ **1,327,340**	$ 443,600	$ 83,850
Shareholders' equity	**945,728**	(137,623)	(277,489)
Divident declared	-	-	-
Revenue	**218,592**	-	-
Operting expenses	**(1,918,393)**	(635,271)	(361,800)
Other items	**207,061**	34,940	-
Net loss	**(1,492,740)**	(600,331)	(361,800)
Basis and diliuted loss per share	$ **(0.010)**	$ (0.01)	$ (0.00)

1.4 Quarterly Financial Results

	Quarter ended			
	September 30, 2017	June 30, 2017	March 31, 2016	December 31, 2016
Revenue	$ **-**	$ -	$ 219,615	$ 218,592
Operating expenses	**(985,904)**	(412,212)	(394,620)	(685,483)
Other items	**7,134**	5,525	9,296	186,898
Net loss	**(978,770)**	(406,687)	(165,709)	(279,993)
Loss per share	**(0.01)**	(0.00)	(0.00)	(0.00)

	Quarter ended			
	September 30, 2016	June 30, 2016	March 31, 2016	December 31, 2015
Revenue	$ -	$ -	$ -	$ -
Operating expenses	(211,277)	(910,076)	(111,557)	(275,935)
Other items	6,596	6,786	6,787	8,921
Net loss	(204,681)	(903,290)	(104,770)	(267,014)
Loss per share	0.00	(0.01)	0.00	(0.01)

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. In addition, during May of 2017 Maple Leaf completed a relatively large financing ($7.2 million) and so was able to accelerate its development program. As a result, expenses increased 5% from Q1 to Q2, 2017, and 139% from Q2 to Q3. Although revenue was recognized in the two quarters dated March 31, 2017, and December 31, 2016, harvesting issues prevented the Company from collecting same, and so Maple Leaf did not recognize any revenue in Q2 or Q3, 2017, and until such issues are resolved in late 2017.

1.5 Results of Operations

Net loss during the three months ended September 30, 2017 (Q3 2017) was $978,770, an increase of $774,089 or 378%, compared to the loss of $204,681 during the three months ended September 30, 2016 (Q3 2016). The increase was mainly due to a large increase in operating tempo subsequent to a relatively large financing in Q2 and an aggressive business plan to start and expand production of cannabis. All expense categories were significantly higher, and this was accompanied by a large $383,107 foreign exchange loss on an increase in USD balances and a weakening USD. No revenues were realized in either quarterly period of 2016 or 2017.

Net loss during the nine months ended September 30, 2017 was $1,551,166, an increase of $338,425 or 28%, compared to the loss of $1,212,741 in the same prior year period. The increase was mainly due to a large increase in operating tempo subsequent to a relatively large financing in Q2 and an aggressive business plan to start and expand production of cannabis. Although stock-based compensation decreased by 89% and revenues recognized in Q1 2017 of $219,615 offset the loss increase, consulting fees and foreign exchange losses increased by $522,546 and $417,897 respectively, increases of 404% and almost 300x the Q2 2017 levels. Revenue was realized but not received in Q1, 2017. The total revenue recognized was $219, 615, while no revenue was recognized in the nine months ended September 30, 2016.

Revenue in Q3 2017 was $nil (Q3 2016 - $nil). The Company did not receive any payment from Emerald in 2017 as discussed above, and has both not recognized revenue, and agreed with Emerald to postpone the lease and consulting fee payment revenue obligations until the first quarter of 2018.

Revenue for the nine months ended September 30**,** 2017 was $219,615 (same prior year period - $nil), which comprised the consulting fee of $99,825 and leasing fee of $119,790 from the California cannabis operations recorded in the first quarter of 2017 as per the Lease & Property Agreement and Consulting Services Agreement with Emerald. Maple Leaf will not book any further revenue under these agreements until production of cannabis is regular and the cash payments have been received as agreed. This situation is expected to be revisited at the end of 2017.

Operating expenses in Q3 2017 were $985,904, an increase of $774,621 compared to the operating expenses of $211,283 in Q3, 2016, and mainly included the following:

- Share-based compensation was $nil (Q3 2016 - $91,458), which was mainly the amortization expenses based on the vesting schedule for options granted in 2016. All options were vested by Q3 2017.
- Professional fees were $22,145 (Q3 2016 - $16,588), 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.
- Management remuneration was $30,000 (Q3 2016 - $22,500), which is the compensation of the Chief Executive Officer of the Company, and the increase was mainly due to the increase of pay rate.
- Consulting fee was $402,185, an increase of $391,327 or 36x, compared to consulting fee of $10,858 in Q3 2016, 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 USA.
- Office expense was $23,679 (Q3 2016 - $3,791) an increase mainly due to the increased tempo of business from the prior period.
- Shareholder information and promotion was $36,327 (Q3 2016 - $42,436), a decrease of $6,109 or 14% from Q3 2016. These costs are normally 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.
- Rent was $19,217 (Q3 2016 - $12,454), 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.
- Filing and transfer agent fee was $17,301 (Q3 2016 - $3,567), which is related to the regulatory filing expenses and the services provided by the transfer agent related to financings and filings.
- Travel and promotion was $26,537 (Q3 2016 - $7,538), and the increase was mainly due to more travel to visit and manage the medical cannabis business in the United States.

- Meals and entertainment was $2,571 (Q3 2016 - $7,978) reflecting increased activity in Q3 2017.
- Interest and bank charges were $2,668 (Q3 2016 - $2,291), which is related to banking activity fee and interest arising from outstanding cash balances.
- Telephone expense was $3,867 compared to the expense of $757 recorded in the Q3 2016.
- Foreign exchange loss was $383,107 (Q3 2016 – gain $11,013). 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.
- Depreciation and amortization was $16,300 (Q3 2016 - $80), reflecting the relatively large increase in assets over 2017.

Operating expenses during the nine months ended September 30, 2017 were $1,792,736, an increase of $559,826 compared to the operating expenses of $1,232,910, in the same prior year period, and mainly included the following:

- Share-based compensation of $85,324 (same prior year period - $794,261), which was mainly the amortization expenses based on vesting schedules for options granted in 2016. All options were vested by Q3, 2017.
- Professional fee of $85,229 (same prior year period - $47,169), 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.
- Management remuneration of $90,000 (same prior year period - $67,500), which is the compensation of the Chief Executive Officer of the Company, and the increase was mainly due to the increase of pay rate.
- Consulting fee was $652,041, an increase of $522,546 compared to consulting fee of $129,495 in same prior year period, 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.
- Office expense was $86,206 (same prior year period - $48,375) and the increase was mainly due to the increase of administrative activities related to its medical cannabis business in the Canada.
- Shareholder information and promotion was $160,699, an increase of $113,083 compared to $47,616 in same prior year period. The increase was mainly due to the Company's promotion activities related to US Shareholder information and promotion, news wire services, and especially annual shareholders' meeting costs.
- Rent was $45,029 (same prior year period - $37,306), 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.
- Filing and transfer agent fee was $64,524 (same prior year period - $10,307), which is related to the regulatory filing expenses and the services provided by the transfer agent, and such expenses increased with investor relations and financing activities, especially the 2017 financing of $7.2 million.
- Travel and promotion was $36,244 (same prior year period - $18,848), and the increase was mainly due to more travels to visit and manage the medical cannabis business in the United States.
- Meals and entertainment was $23,241 (same prior year period - $14,241). The increase was mainly due to the shareholders' information sessions and other activities required by an increased business tempo.
- Interest and bank charges were $8,039 (same prior year period - $7,211), 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.
- Telephone expense was $8,347 compared to the expense of $5,433 recorded in the same prior year period.
- Foreign exchange loss was $419,295 (same prior year period - $1,298). 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, and especially the weakening of the USD during this conversion period.
- Depreciation and amortization was $25,715 (same prior year period - $363), reflecting rapid increases in assets during 2017.

Other items in Q3 2017 included other income of $7,134 (Q3 2016 - $6,596), which was mainly the income arising from the sublease of the Company's Alberta office.

Other items for the nine months ended September 30, 2017 included other income of $21,955 (same prior year period - $20,169), which was mainly the income arising from the sublease of the Company's Alberta office.

1.6 Liquidity and Capital Resources

1.6.1 Working Capital

As at September 30, 2017, the Company had working capital of $4,077,861 (December 31, 2016 - $700,871). As at September 30, 2017, cash increased by $3,382,575 to $4,049,038 as a result of cash from financing activities of $7,642,434 offset by cash used in operating activities of $1,704,366 and investing activities of $2,569,582.

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. Based on the cash position as at September 30, 2017, the Company expects its current working capital is sufficient to meet its obligations and operation needs during the next twelve months.

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.

In May 2017, the Company closed a private placement and raised gross proceeds of $7,268,838.50 by issuance of 13,216,070 units ("Units") at a price of $0.55 per Unit. Each Unit consists of one common share of the Company and one common share purchase warrant. Each warrant is exercisable into one common share of the Company at a price of $0.85 per share until May 4, 2019. Finder's fee of $194,904 was paid in connection of this private placement.

1.6.2 Cash flow

Operating activities in Q3 2017 used cash of $819,520 (Q3 2016 - $61,144). Before changes in non-cash working capital, cash used in operations was $971,397 (Q3 2016 - $112,878), and the increase was because the Company incurred more cash expenditures in the current quarter.

Operating activities for the nine months ended September 30, 2017 used cash of $1,704,366 (same prior year period - $437,154). Before changes in non-cash working capital, cash used in operations was $1,450,653 (same prior year period - $414,823), and the increase was because the Company incurred more cash expenditures in the current period.

Investing activities in Q3 2017 used cash $322,550 (Q3 2016 - $254,068), which was mainly costs to design and construct the Henderson Facility.

Investing activities during the nine months ended September 30, 2017 used cash $2,569,582 (same prior year period - $361,012), which included $2,770 for equipment acquisition, $1,464,312 for the acquisition of land and improvements for its Nevada's cannabis business, and $1,102,500 deposit for the design, engineering, and construction of the BC Facility. The cash used in the prior year period was mainly the land improvement and greenhouse construction expenditures related to its medical cannabis business in California, USA.

Financing activities in Q3 2017 generated cash of $150,000 (Q3 2016 - $478,000), which included net proceeds of $nil for share unit subscription (Q3 2016 – ($12,000)), and $150,000 from warrants exercised (Q3 2016 - $478,000).

Financing activities during the nine months ended September 30, 2017 generated cash $7,642,434 (same prior year period - $1,074,150), which included net proceeds of $7,073,934 for share unit subscription (same prior year period - $600,000), and $568,500 from warrants exercised (same prior year period - $478,000).

1.6.3 General Contractual Commitments and Contingency

The Company has 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:

- $2,912 from November 1, 2016 to October 31, 2017.

During the three and nine months ended September 30, 2017, the Company recorded rent expenses of $19,217 and $45,029 (same period prior year periods - $12,454 and $37,306). A new office lease has not been contracted, and the Company is now renting the same office space on a month to month basis as of the date of this report.

The Company has sub-leased some office space to offset the costs of the lease. During the three and nine months ended September 30, 2017, a total of $7,134 and $21,955 (same prior year periods - $6,596 and $20,169) sub-lease revenue was recorded as portion of other income. The deposits of $11,146 (December 31, 2016 - $11,146) collected from the sub-lease tenants are due on termination of the sub-lease agreement.

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. Related party transactions also disclosed in note 5, Notes Payable, in the September 30, 2017, condensed consolidate interim financial statements.

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 September 30,		Nine months ended Sept 30,	
	2017	2016	**2017**	2016
Management remuneration	**$ 30,000**	$ 22,500	**$ 90,000**	$ 67,500
Consulting fee	**15,000**	9,000	**45,000**	27,000
Total	**$ 45,000**	$ 31,500	**$ 135,000**	$ 94,500

As at September 30, 2017, a total of $nil (December 31, 2016 - $18,633) 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's employment agreement with one officer would entitle that officer to compensation of $120,000 upon termination.

As at September 30, 2017, an amount of $219,615 (December 31, 2016 - $250,486) included in other receivable is due from an entity where a member is part of management. The total consists of a leasing fee of $119,790 (December 31, 2016 - $119,232), consulting fee of $99,825 (December 31, 2016 - $99,360), and reimbursement expenses of $nil (December 31, 2016 - $31,894).

In 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 US$15,000 in cash and issued a promissory note in the amount of US$105,000 secured by a Deed of Trust to an unrelated party and a member of key management with each individual having an undivided 50% interest in the notes payable. The note bears interest at the rate of 6% per annum and matures on March 1, 2020. As at September 30, 2017, the carrying value of the note payable is $130,914 (US$105,000) (December 31, 2016 - $140,984 (US$105,000)), and interest of $2,668 (US$2,144) (December 31, 2016 - $5,023 (US$3,758)) on the note payable remains outstanding.

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, 2017 and in the Note 4 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 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 evaluating the impact the final standard and amendments on its consolidated financial statements.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 was issued by the 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 Leases

IFRS 16 was issued by the IASB in January 2016 and will replace IAS 17 *Leases* 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.

	September 30, 2017			December 31, 2016		
	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	**$ 4,056,416**	**$ -**	**$ -**	$ 666,463	$ -	$ -
Other receivable	**298,899**	**-**	**-**	250,486	-	-
Notes payable	**-**	**130,914**	**-**	-	140,984	-

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 meet its contractual obligations. The Company is exposed to credit risk primarily associated to other 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. The Company has not yet recognized any provision for other receivable as of September 30, 2017.

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 September 30, 2017, the Company had $4,056,416 cash on hand (December 31, 2016 - $666,463) and working capital of $4,077,861 (December 31, 2016 - $700,871).

Based on the contractual obligations of the Company as at September 30, 2017, 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	$ 358,457	$ -	$ -	$ 358,457
Interest payable	2,668	-	-	2,668
Notes payable	-	130,914	-	130,914
Lease rental obligations	11,146	-	-	11,146
	$ 372,271	**$ 130,914**	**$ -**	**$ 503,185**

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:

- 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.

- 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 minimal.

(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 to 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 September 30, 2017, the Company's exposure to currency risk is summarized as follows:

Expressed in Canadian dollar equivalents	**September 30, 2017**	December 31, 2016
Financial assats denominated in US dollars		
Cash	**$ 1,286,305**	$ 18,762
Other receivables	**474,743**	250,486
	$ 1,761,048	$ 269,248
Financial liabilities denominated in US dollars		
Interest payable	**$ 2,668**	$ 5,023
Notes payable	**130,914**	140,984
	$ 133,582	$ 146,007

As at September 30, 2017, with other variables unchanged, a 10% strengthening of the USD against the CAD would have increased net loss by $17,756 (December 31, 2016 - $1,664) and increased other comprehensive income by $151,198

(December 31, 2016 - $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 unaudited consolidated interim statements of loss and comprehensive loss for the three and nine months ended September 30, 2017 and 2016.

(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 147,073,331, and a total of 18,566,070 warrants remain outstanding. The exercise price of the warrants ranges from $0.075 to $0.85 per warrant with expiry dates up to May 4, 2020. Outstanding options are 6,920,000 with exercise prices ranging from $0.10 to $0.80 and expiry date up to November 8, 2021.

1.14 Risk Factors

While cannabis is legal in many US state jurisdictions, it continues to be a controlled substance under the United States federal Controlled Substances Act

The production, possession, use and distribution of cannabis, or products derived therefrom, is prohibit pursuant to the Controlled Substance Act (the "CSA") in the United States. Due to the federal prohibition of cannabis, any person or business that is operating in the cannabis industry in the United States faces risks of federal criminal prosecution and other penalties. Irrespective of the federal prohibition of cannabis, several states have authorized the production, use and distribution of cannabis for medical or adult use purposes, including Nevada and California.

The United States Congress has passed appropriations bills each of the last three years that have not appropriated funds for prosecution of cannabis offenses of individuals who are in compliance with state medical cannabis laws. American courts have construed these appropriations bills to prevent the federal government from prosecuting individuals when those individuals comply with state law. However, because this conduct continues to violate federal law, American courts have observed that should Congress at any time choose to appropriate funds to fully prosecute the CSA, any individual or business—even those that have fully complied with state law—could be prosecuted for violations of federal law. Violations of any federal laws and regulations could result in significant fines, penalties, administrative sanctions, convictions or settlements arising from civil proceedings conducted by either the federal government or private citizens, or criminal charges, including, but not limited to, disgorgement of profits, cessation of business activities or divestiture. This could have a material adverse effect on the Company, including its reputation and ability to conduct business, its operations in the United States, the listing of its securities on various stock exchanges, its financial position, operating results, profitability or liquidity or the market price of its publicly traded shares. In addition, it is difficult for the Company to estimate the time or resources that would be needed for the investigation of any such matters or its final resolution because, in part, the time and resources that may be needed are dependent on the nature and extent of any information requested by the applicable authorities involved, and such time or resources could be substantial.

The Company's investments in the United States are subject to applicable anti-money laundering laws and regulations

The Company is subject to a variety of laws and regulations domestically and in the United States that involve money laundering, financial recordkeeping and proceeds of crime, including the Currency and Foreign Transactions Reporting Act of 1970 (commonly known as the Bank Secrecy Act), as amended by Title III of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (USA PATRIOT Act), the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada), as amended, and the rules and regulations thereunder, the Criminal Code (Canada) and any related or similar rules, regulations or guidelines, issued, administered or enforced by governmental authorities in the United States and Canada. In February 2014, the Financial Crimes Enforcement Network ("FCEN") of the Treasury Department issued a memorandum providing instructions to banks seeking to provide services to cannabis-related businesses. The FCEN Memo states that in some circumstances, it is permissible for banks to provide services to cannabis-related businesses without risking prosecution for violation of federal money laundering laws. It refers to supplementary guidance that Deputy Attorney General Cole issued to federal prosecutors relating to the prosecution of money laundering offenses predicated on cannabis-related violations of the CSA. It is unclear at this time whether the current administration will follow the guidelines of the FCEN Memo.

In the event that any of the Company's investments, or any proceeds thereof, or any dividends or distributions therefrom, or any profits or revenues accruing from such investments in the United States were found to be in violation of money laundering legislation or otherwise, such transactions may be viewed as proceeds of crime under one or more of the statutes noted above or any other applicable legislation. This could restrict or otherwise jeopardize the ability of the Company to declare or pay dividends, affect other distributions or subsequently repatriate such funds back to Canada. Furthermore, while the Company has no current intention to declare or pay dividends on its Common Shares in the foreseeable future, in the event that a determination was made that the investments in California and Nevada (or any future investments in the United States) could reasonably be shown to constitute proceeds of crime, the Company may decide or be required to suspend declaring or paying dividends without advance notice and for an indefinite period of time. As of the date hereof, following discussions with its legal counsel, the Company is not aware of any violation of the above noted statutes as a result of its operations in Nevada and California and has no reason to believe that such investments may be constituted as, whether directly or indirectly, money laundering or proceeds of crime. However, any future exposure to money laundering or proceeds of crime could subject the Company to financial losses, business disruption and damage to the Company's reputation. In addition, there is a risk that the Company may be subject to investigation and sanctions by a regulator and/or to civil and criminal liability if the Company has failed to comply with the Company's legal obligations relating to the reporting of money laundering or other offences.

The Company's investments in the United States may be subject to heightened scrutiny

For the reasons set forth above, the Company's existing investments in the United States, and any future investments, may become the subject of heightened scrutiny by regulators, stock exchanges and other authorities in Canada. As a result, the Company may be subject to significant direct and indirect interaction with public officials.

There can be no assurance that this heightened scrutiny will not in turn lead to the imposition of certain restrictions on the Company's ability to invest in the United States or any other jurisdiction. Government policy changes or public opinion may also result in a significant influence over the regulation of the cannabis industry in Canada, the United States or elsewhere. A negative shift in the public's perception of medical cannabis in the United States or any other applicable jurisdiction could affect future legislation or regulation. Among other things, such a shift could cause state jurisdictions to abandon initiatives or proposals to legalize medical cannabis, thereby limiting the number of new state jurisdictions into which the Company could expand. Any inability to fully implement the Company's expansion strategy may have a material adverse effect on the Company's business, financial condition and results of operations.

On October 16, 2017, the Canadian Securities Administrators issued CSA Staff Notice 512-352 – *Issuer with U.S. Marijuana-Related Activities*, which provides specific disclosure expectations for Canadian issuers with cannabis activities in the U.S. Issuers such as the Company are now required to address the current legal and regulatory environment governing their U.S. operations in their disclosures, including any risks that result from changes in the approach to enforcement of U.S. federal law. The political and regulatory circumstances surrounding the treatment of U.S. cannabis-related activities are uncertain and in the event that U.S. federal law against cannabis is enforced, there could be material consequences for any issuer with U.S. cannabis related activities, including prosecution and asset seizure.

On October 16, 2017, the TSXV issued a bulletin with respect to business activities of issuers related to cannabis in the United States. The TSXV noted that while a number of U.S. states have legalized the cultivation, distribution or possession of cannabis, it remains a Schedule I drug under the CSA. Furthermore, financial transactions involving proceeds generated by, or intended to promote, cannabis-related business activities in the U.S. may form the basis for prosecution under applicable U.S. federal money laundering legislation. As a result, the TSXV is of the view that issuers with ongoing business activities that violate U.S. federal law regarding cannabis are not complying with the listing requirements of the TSXV. As part of the TSXV's standard continued listing review of listed issuers in the cannabis sector, the TSXV has contacted the Company for a more comprehensive review of its operations in the U.S. The TSXV noted in its bulletin that if a listed issuer is engaging in activities that are contrary to the its listing requirements, the TSXV has the discretion to initiate a delisting review. The Company is not aware if the TSXV has initiated a delisting review at this time. However, as the Company continues to maintain operations in the United States, there is a risk that the shares of the Company will be delisted from the TSXV and that the Company will transfer the listing of its shares to another stock exchange in Canada or not at all.

Volatile Market Price of the Common Shares

The market price of the Common Shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond the Company's control. This volatility may affect the ability of holders of Common Shares to sell their securities at an advantageous price. Market price fluctuations in the Common Shares may be due to the Company's operating results failing to meet expectations of securities analysts or investors in any period, downward revision in securities analysts' estimates, adverse changes in general market conditions or economic trends, acquisitions, dispositions or other material public announcements by the Company or its competitors, along with a variety of additional factors. These broad market fluctuations may adversely affect the market price of the Common Shares. Financial markets historically at times experienced significant price and volume fluctuations that have particularly affected the market prices of equity securities of companies and that have often been unrelated to the operating performance, underlying asset values or prospects of such companies. Accordingly, the market price of the Common Shares may decline even if the Company's operating results, underlying asset values or prospects have not changed. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. There can be no assurance that continuing fluctuations in price and volume will not occur. If such increased levels of volatility and market turmoil continue, the Company's operations could be adversely impacted and the trading price of the Common Shares may be materially adversely affected.

Risk Factors Related to Dilution

The Company may issue additional Common Shares in the future, which may dilute a shareholder's holdings in the Company. The Company's articles permit the issuance of an unlimited number of Common Shares, and shareholders will have no pre-emptive rights in connection with such further issuance. The directors of the Company have discretion to determine the price and the terms of issue of further issuances. Moreover, additional Common Shares will be issued by the Company on the exercise of options under the Company's stock option plan and upon the exercise of outstanding warrants.

Risks Inherent in an Agricultural Business

The Company's business involves the growing of medical cannabis, an agricultural product. Such business will be subject to the risks inherent in the agricultural business, such as insects, plant diseases and similar agricultural risks. Although the Company expects that any such growing will be completed under climate controlled conditions, there can be no assurance that natural elements will not have a material adverse effect on any such future production

Environmental Regulations and Risks

The Company's operations are subject to environmental regulation in the various jurisdictions in which it operates. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. Government approvals and permits are currently, and may in the future be required in connection with the Company's operations. To the extent such approvals are required and not obtained, the Company may be curtailed or prohibited from its proposed production of medical cannabis or from proceeding with the development of its operations as currently proposed. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. The Company may be required to compensate those suffering loss or damage by reason of its operations and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations. Amendments to current laws, regulations and permits governing the production of medical cannabis, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in expenses, capital expenditures or production costs or reduction in levels of production or require abandonment or delays in development.

Limited Operating History

The Company is therefore subject to many of the risks common to early-stage enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial, and other resources and lack of revenues. There is no assurance that the Company will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of the early stage of operations.

No License

Investors should be aware that companies cannot legally conduct a medical cannabis business in Canada without a license from Health Canada, and that there is likely significant time and cost required to obtain such a license. Entering this sector requires a commitment of significant resources, and there are a number of risks, cost implications and time required before a company can begin licensed operations. There is no assurance that Maple Leaf will be successful in obtaining a license, having access to requisite funds or in creating shareholder value.

Results of Future Clinical Research

Research in Canada, the U.S. and internationally regarding the medical benefits, viability, safety, efficacy, dosing and social acceptance of cannabis or isolated cannabinoids (such as CBD and THC) remains in early stages. There have been relatively few clinical trials on the benefits of cannabis or isolated cannabinoids (such as CBD and THC). Although the Company believes that the articles, reports and studies support its beliefs regarding the medical benefits, viability, safety, efficacy, dosing and social acceptance of cannabis, future research and clinical trials may prove such statements to be incorrect, or could raise concerns regarding, and perceptions relating to, cannabis. Future research studies and clinical trials may draw opposing or negative conclusions regarding the medical benefits, viability, safety, efficacy, dosing, social acceptance or other facts and perceptions related to medical cannabis, which could have a material adverse effect on the demand for the Company's products with the potential to lead to a material adverse effect on the Company's business, financial condition and results of operations.

Securing Adequate Financing to Fund Operations and Meet Expected Consumer Demand

There is no guarantee that the Company will be able to achieve its business objectives. The continued development of the Company may require additional financing. The failure to raise such capital could result in the delay or indefinite postponement of current business objectives or the Company ceasing to carry on business. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favorable to the Company.

Regulatory or Agency proceedings, Investigations and Audits

The Company's business requires compliance with many laws and regulations. Failure to comply with these laws and regulations could subject the Company to regulatory or agency proceedings or investigations and could also lead to damage awards, fines and penalties. The Company may become involved in a number of government or agency proceedings, investigations and audits. The outcome of any regulatory or agency proceedings, investigations, audits, and other contingencies could harm the Company's reputation, require the Company to take, or refrain from taking, actions that could harm its operations or require the Company to pay substantial amounts of money, harming its financial condition. There can be no assurance that any pending or future regulatory or agency proceedings, investigations and audits will not result in substantial costs or a diversion of management's attention and resources or have a material adverse impact on the Company's business, financial condition and results of operation.

Competition

It is expected that Maple Leaf will face intense competition from other companies, some of which can be expected to have longer operating histories and more financial resources and manufacturing and marketing experience than Maple Leaf. Increased competition by larger and better financed competitors could materially and adversely affect the proposed business, financial condition and results of operations of Maple Leaf. To the knowledge of Maple Leaf, Health Canada has not enunciated any limit on the number of licenses it will issue under the ACMPR. In connection with the California Site, the Collective is anticipated to have a fixed fee basis of rent and if it has insufficient Members, it may not be able to meet its obligations.

Vulnerability to Rising Energy Costs

Maple Leaf's proposed operations will consume considerable energy, making Maple Leaf vulnerable to rising energy costs. Rising or volatile energy costs may adversely impact the proposed business of Maple Leaf and its ability to operate profitably.

Forecast Uncertainties

Maple Leaf will need to rely largely on its own market research to forecast sales as detailed forecasts are not generally obtainable from other sources at this early stage of the medical cannabis industry in Canada. A failure in the demand for its products to materialize as a result of competition, technological change or other factors could have a material adverse effect on the proposed investments, business, results of operations and financial condition of Maple Leaf.

Other Risks

In addition to the risks noted above, Maple Leaf is also subject to a number of other risks which should be noted, including a history of losses in recent periods, risks inherent in agricultural business, operating risks and insurance coverage availability, and in connection with its proposed medical cannabis operations, if and when operations are commenced, unfavourable publicity or consumer perception, potential product recalls and reliance on others for raw materials and operating inputs.

MAPLE LEAF GREEN WORLD INC.

CORPORATE DATA

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

and additional trading:
OTCQB Venture Market
Symbol: **MGWFF**

HEAD OFFICE

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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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