

MAPLE LEAF GREEN WORLD INC.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

September 30, 2017

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

**Notice to Reader of the Unaudited Condensed Consolidated Interim Financial Statements
For the three and nine months ended September 30, 2017**

The unaudited condensed consolidated interim financial statements of Maple Leaf Green World Inc. (the “Company”) for the three and nine months ended September 30, 2017 (“Financial Statements”) have been prepared by management and have not been reviewed by the Company’s independent auditor. The Financial Statements should be read in conjunction with the Company’s audited financial statements for the year ended December 31, 2016 which are available on the SEDAR website at www.sedar.com.

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

	Notes	September 30, 2017	December 31, 2016
ASSETS			
Current assets			
Cash		\$ 4,056,416	\$ 666,463
GST receivable		81,564	11,297
Other receivable		298,899	250,486
Prepays		13,253	13,253
		4,450,132	941,499
Deposits	3	1,170,770	68,270
Property, plant and equipment	4	1,688,981	317,571
Total assets		\$ 7,309,883	\$ 1,327,340
LIABILITIES AND EQUITY			
Current liabilities			
Accounts payable and accrued liabilities		\$ 358,457	\$ 224,459
Interest payable	5	2,668	5,023
Sub-lease deposits	12	11,146	11,146
		372,271	240,628
Notes Payable	5	130,914	140,984
Total liabilities		503,185	381,612
Equity			
Share capital	6	18,704,351	11,135,578
Share subscriptions	6(b)	-	-
Other reserves		5,729,399	5,581,414
Accumulated other comprehensive income		(265,445)	39,177
Deficit		(17,361,607)	(15,810,441)
		6,806,698	945,728
Total liabilities and equity		\$ 7,309,883	\$ 1,327,340
Commitments and contingencies (Note 12)			

APPROVED ON BEHALF OF THE BOARD

(signed) Raymond Lai
Director

(signed) Daniel Chu
Director

MAPLE LEAF GREEN WORLD INC.
Condensed Consolidated Interim Statements of Loss and Comprehensive Loss
[unaudited - Expressed in Canadian dollars except share data]

	Notes	Three months ended September 30,		Nine months ended September 30	
		2017	2016	2017	2016
Revenue					
Consulting fees		\$ -	\$ -	\$ 99,825	\$ -
Leasing fees		-	-	119,790	-
		-	-	219,615	-
Operating expenses					
Share-based compensation	6(c)	\$ -	91,458	85,324	794,261
Professional fees		22,145	16,588	85,229	47,169
Management remuneration		30,000	22,500	90,000	67,500
Consulting fees		402,185	10,858	652,041	129,495
Office		23,679	3,791	86,206	48,375
Shareholder information and promotion		36,327	42,436	160,699	50,033
Rent		19,217	12,454	45,029	37,306
Filing and transfer agent		17,301	3,567	64,524	10,307
Travel and promotion		26,537	7,538	36,244	18,848
Meals and entertainment		2,571	7,978	23,241	14,241
Interest and bank charges	5	2,668	2,291	8,039	7,211
Telephone		3,867	757	8,347	5,433
Foreign exchange (gain)		383,107	(11,013)	419,295	1,398
Property tax		-	-	2,803	976
Depreciation and amortization		16,300	80	25,715	363
		985,904	211,283	1,792,736	1,232,910
Loss before other items		(985,904)	(211,277)	(1,573,121)	(1,232,910)
Other items					
Other income	12	7,134	6,596	21,955	20,169
Loss for the period		\$ (978,770)	\$ (204,681)	\$ (1,551,166)	\$ (1,212,741)
Other comprehensive income					
Foreign currency translation adjustment, net of tax of \$nil		(279,739)	30,232	(304,622)	(4,481)
Total comprehensive loss		\$ (1,258,509)	\$ (174,449)	\$ (1,855,788)	\$ (1,217,222)
Loss per share attributable to the equity holders of the Company					
Loss per share - basic		\$ (0.01)	\$ (0.00)	\$ (0.01)	\$ (0.01)
Loss per share - diluted		\$ (0.01)	\$ (0.00)	\$ (0.01)	\$ (0.01)
Weighted average number of shares outstanding - basic		138,449,585	115,313,166	128,486,313	113,179,493
Weighted average number of shares outstanding - diluted		152,882,055	115,313,166	142,918,782	113,179,493

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

	Share capital			Other Reserves			Accumulated other comprehensive income		Deficit	Total equity
	Number of common shares	Amounts	Share subscriptions	Share-based payments reserve	Warrant reserve	Total - other reserves	income			
At January 1, 2017	121,447,261	11,135,578	# \$ -	\$ 5,242,614	\$ 338,800	\$ 5,581,414	\$ 39,177	\$ (15,810,441)	\$	945,728
Other comprehensive income	-	-	-	-	-	-	(304,622)	-		(304,622)
Loss for the period	-	-	-	-	-	-	-	(1,551,166)		(1,551,166)
Revaluation of fair value of options	-	-	-	85,324	-	85,324	-	-		85,324
Shares issued upon warrant exercised	6,710,000	627,000	-	-	(69,500)	(69,500)	-	-		557,500
Private placements	13,216,070	6,941,773	-	-	132,161	132,161	-	-		7,073,934
At September 30, 2017	141,373,331	\$ 18,704,351	\$ -	\$ 5,327,938	\$ 401,461	\$ 5,729,399	\$ (265,445)	\$ (17,361,607)	\$	6,806,698

	Share capital			Other Reserves			Accumulated other comprehensive income		Deficit	Total equity
	Number of common shares	Amounts	Share subscriptions	Share-based payments reserve	Warrant reserve	Total - other reserves	income			
At January 1, 2016	105,296,427	\$ 9,428,789	# \$ -	\$ 4,519,742	\$ 221,500	\$ 4,741,242	\$ 10,047	\$ (14,317,701)	\$	(137,623)
Other comprehensive income	-	-	-	-	-	-	(44,760)	-		(44,760)
Loss for the period	-	-	-	-	-	-	-	(1,008,060)		(1,008,060)
Options granted	-	-	-	702,803	-	702,803	-	-		702,803
Shares issued upon warrant exercised	160,000	12,000	-	-	180,000	180,000	-	-		12,000
Units issued, net of share issuance costs	6,000,000	416,150	-	-	-	-	-	-		596,150
As at June 30, 2016	111,456,427	\$ 9,856,939	\$ -	\$ 5,222,545	\$ 401,500	\$ 5,624,045	\$ (34,713)	\$ (15,325,761)	\$	120,510
Other comprehensive income	-	-	#	-	-	-	73,890	-		73,890
Loss for the period	-	-	#	-	-	-	-	(484,680)		(484,680)
Options granted	-	-	#	161,633	-	161,633	-	-		161,633
Shares issued upon option exercised	1,500,000	291,564	#	(141,564)	-	(141,564)	-	-		150,000
Shares issued upon warrant exercised	8,220,000	865,200	#	-	(62,700)	(62,700)	-	-		802,500
Shares issued for debt	270,834	121,875	#	-	-	-	-	-		121,875
Units issued, net of share issuance costs	-	-	#	-	-	-	-	-		-
As at December 31, 2016	121,447,261	\$ 11,135,578	# \$ -	\$ 5,242,614	\$ 338,800	\$ 5,581,414	\$ 39,177	\$ (15,810,441)	\$	945,728

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

	<u>Three months ended September 30,</u>		<u>Nine months ended September 30,</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
OPERATING ACTIVITIES				
Loss for the period	\$ (979,308)	\$ (204,681)	\$ (1,551,166)	\$ (1,212,741)
Items not affecting cash:				
Depreciation and amortization	7,810	80	17,225	363
Interest expenses	(196)	265	3,972	3,294
Interest paid	297	-	(6,008)	-
Stock based expenses	-	91,458	85,324	794,261
	(971,397)	(112,878)	(1,450,653)	(414,823)
Changes in non cash working capital				
GST receivable	1,439	(703)	(70,267)	
Other receivables	245,793	13,893	(71,120)	13,893
Accounts payable and accrued liabilities	(95,355)	38,544	(112,326)	(36,224)
	151,877	51,734	(253,713)	(22,331)
Cash flows from (used) in operating activities	(819,520)	(61,144)	(1,704,366)	(437,154)
INVESTING ACTIVITY				
Payment for property , plant and equipment	(322,550)	(254,068)	(2,569,582)	(361,012)
Cash flows used in investing activity	(322,550)	(254,068)	(2,569,582)	(361,012)
FINANCING ACTIVITIES				
Issurance of common shares units	-	(12,000)	7,268,838	600,000
Share issuance costs	-	-	(194,904)	(3,850)
Proceeds from options warrant exercised	150,000	478,000	568,500	478,000
Cash flows from financing activities	150,000	466,000	7,642,434	1,074,150
Foreign exchange effect	15,517	46,589	14,089	(6,947)
Net increase (decrease) in cash	(992,070)	150,788	3,382,575	275,984
Cash, beginning of period	5,025,591	262,500	666,463	190,840
Cash, end of period	\$ 4,049,038	\$ 459,877	\$ 4,049,038	\$ 459,877

MAPLE LEAF GREEN WORLD INC.

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

Three and nine months ended September 30, 2017

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

1. NATURE OF OPERATIONS

Maple Leaf Green World Inc. ("Maple Leaf" or the "Company") is incorporated in Alberta, Canada, with common shares listed on the TSX Venture Exchange under the ticker symbol MGW. The corporate office is located at 2916B 19th Street N.E., Calgary, Alberta, T2E 6Y9. In October 2012, Maple Leaf changed its name to Maple Leaf Green World Inc. from Maple Leaf Reforestation Inc.

In order to develop its medical marijuana/cannabis business in the United States of America ("USA"), the Company incorporated a wholly-owned subsidiary, Golden State Green World LLC ("Golden State"), in California, USA in 2015. In March 2017, the Company incorporated another wholly-owned subsidiary, SSGW LLC ("SSGW"), in Nevada, USA.

Maple Leaf and its subsidiaries focus on the cannabis industry in North America. The Company operates or funds three cannabis projects, in British Columbia, California, and Nevada. To date, the Company has not yet generated material revenue to cover expenditures, and therefore it has incurred losses since inception.

These unaudited condensed consolidated financial statements were approved and authorized for issue by the Board of Directors of the Company on November 29, 2017.

2. BASIS OF PREPARATION

a) Statement of Compliance

These unaudited condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34 – *Interim Financial Reporting* ("IAS 34") of the *International Financial Reporting Standards* ("IFRS") as issued by the International Accounting Standards Board ("IASB"). Accordingly, certain disclosures included in annual financial statements prepared in accordance with IFRS as issued by the IASB have been condensed or omitted and these unaudited condensed interim financial statements should be read in conjunction with the Company's audited financial statements for the year ended December 31, 2016. These unaudited condensed consolidated interim financial statements follow the same significant accounting policies set out in note 2 to the audited consolidated financial statements for the year ended December 31, 2016 except for the amendments to IAS7 – Statement of Cash flows and IAS 12 – Income Taxes which were effective in the current year. These amendments had no material impact on the Company's financial statements.

b) Basic of Consolidation

These unaudited condensed consolidated interim statements include the accounts of Maple Leaf and its wholly-owned subsidiaries: Golden State Green World LLC of California, and SSGW LLC of Nevada.

Balances, transactions, revenues and expenses between the Company and its subsidiaries are eliminated on consolidation.

MAPLE LEAF GREEN WORLD INC.

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

Three and nine months ended September 30, 2017

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

3. DEPOSITS

In November 2016, the Company entered into a Letter of Intent ("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 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 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 business licence. Upon receipt of final approvals from the City of Henderson and the State of Nevada, the Company will complete the process of acquiring all outstanding shares of BioNeva, thereby also acquiring Permit 116.

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, British Columbia (the "BC Facility") and Henderson, Nevada. In June of 2017, Maple Leaf provided a deposit of CAD\$1,102,500 to Paramount so that it could contract with construction partners and move the projects forward. Subsequent to September 30, 2017 (on October 24, 2017), the Company further announced a major supplier, MMP Structural Engineering Ltd ("MMP"), would be guiding the projects to completion. No deposit was paid to MMP.

4. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consist of the following:

Costs	Furniture and equipment	Computer equipment	Construction in process - Greenhouse	Greenhouse	Land improvement	Land	Total
As at December 31, 2015	\$ 5,254	\$ 14,107	\$ 77,554	\$ -	\$ -	\$ 146,760	\$ 243,675
Additions	9,910	-	70,730	-	2,815	-	83,455
Transfer	-	-	(144,966)	70,730	74,236	-	-
Foreign translation impact	134	-	(3,318)	955	1,042	14,364	13,177
As at December 31, 2016	\$ 15,298	\$ 14,107	\$ -	\$ 71,685	\$ 78,093	\$ 161,124	\$ 340,307
Additions	-	2,770	322,550	-	-	1,178,139	1,503,459
Foreign translation impact	(718)	-	-	(5,120)	(5,578)	(95,515)	(106,931)
As at September 30, 2017	\$ 14,580	\$ 16,877	\$ 322,550	\$ 66,565	\$ 72,515	\$ 1,243,748	\$ 1,736,835

Accumulated depreciation	Furniture and equipment	Computer equipment	Construction in process - Greenhouse	Greenhouse	Land improvement	Land	Total
As at December 31, 2015	\$ 5,133	\$ 12,745	\$ -	\$ -	\$ -	\$ -	\$ 17,878
Depreciation and amortization	781	323	-	1,769	1,926	-	4,799
Foreign translation impact	9	-	-	24	26	-	59
As at December 31, 2016	\$ 5,923	\$ 13,068	\$ -	\$ 1,793	\$ 1,952	\$ -	\$ 22,736
Depreciation and amortization	2,476	1,798	-	14,971	6,470	-	25,715
Foreign translation impact	(97)	-	-	(236)	(264)	-	(597)
As at September 30, 2017	\$ 8,302	\$ 14,866	\$ -	\$ 16,528	\$ 8,158	\$ -	\$ 47,854

Net book value	Furniture and equipment	Computer equipment	Construction in process - Greenhouse	Greenhouse	Land improvement	Land	Total
As at December 31, 2016	\$ 9,375	\$ 1,039	\$ -	\$ 69,892	\$ 76,141	\$ 161,124	\$ 317,571
As at September 30, 2017	\$ 6,278	\$ 2,011	\$ 322,550	\$ 50,037	\$ 64,357	\$ 1,243,748	\$ 1,688,981

MAPLE LEAF GREEN WORLD INC.

Notes to the Unaudited Condensed Consolidated Interim Financial Statements Three and nine months ended September 30, 2017

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

5. NOTES PAYABLE

In 2015, the Company's wholly-owned subsidiary, Golden State, 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\$2,140) (December 31, 2016 - \$5,023 (US\$3,758)) on the note payable remains outstanding. A summary of the notes payable is as follows:

	Notes payable	Interest on Notes payable	Total
Balance, December 31, 2015	\$ 145,320	\$ 5,201	\$ 150,521
Interest incurred	-	8,459	8,459
Interest paid	-	(8,459)	(8,459)
Foreign exchange impact	(4,336)	2	(4,334)
Balance, December 31, 2016	140,984	5,203	146,187
Interest incurred	-	3,972	3,972
Interest paid	-	(6,008)	(6,008)
Foreign exchange impact	(10,070)	(499)	(10,569)
Balance, September 30, 2017	\$ 130,914	\$ 2,668	\$ 133,582

6. SHARE CAPITAL

(a) Authorized

Unlimited number of common shares without par value.

(b) Private placements

On May 4, 2017, the Company announced it 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. A finder's fee of \$194,904 was paid to an arms-length party in connection to this private placement.

In September 2016, the Company issued 83,333 common shares to a consultant to settle \$37,500 in accounts payable. The Company also issued 187,500 common shares to a director and officer of the Company to settle \$84,375 in statutory payables.

In May 2016, the Company closed a private placement of 6,000,000 Units for gross proceeds of \$600,000, of which \$180,000 was allocated to the warrants issued. Each Unit consists of one common share and one common share purchase warrant exercisable at a price of \$0.15 for a period of two years. A finder's fee of \$3,850 was paid to an arms-length party in relation to this private placement.

MAPLE LEAF GREEN WORLD INC.

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

Three and nine months ended September 30, 2017

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

(c) Stock options

During the three and nine months ended September 30, 2017, no option was granted and a total of \$nil and \$85,324 share-based compensation expenses, respectively, were recorded (same prior year periods - \$91,458 and \$794,261).

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 vested twelve months from the grant date and are currently fully vested, 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 vested within three months and are currently fully vested, and the remaining 50,000 options vested in six months, and are also now fully vested. 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 to share capital on exercise of these options. No options have been exercised to date during 2017.

The following is a summary of option transactions:

	Number of options	Weighted average exercise price per option
Balance, December 31, 2015	-	\$ -
Options granted	8,420,000	0.13
Options exercised	(1,500,000)	0.10
Balance, December 31, 2016	6,920,000	\$ 0.13
Balance, September 30, 2017	6,920,000	\$ 0.13

As at September 30, 2017, the following stock options remained outstanding:

Expiry Date	Exercise Price	Number of options outstanding	Number of options exercisable
April 10, 2021	\$ 0.10	6,400,000	6,400,000
September 27, 2021	\$ 0.24	200,000	200,000
November 6, 2019	\$ 0.80	320,000	320,000
		6,920,000	6,920,000

MAPLE LEAF GREEN WORLD INC.

Notes to the Unaudited Condensed Consolidated Interim Financial Statements Three and nine months ended September 30, 2017 (Unaudited - Expressed in Canadian dollars, unless otherwise stated)

(d) Warrants

The following is a summary of warrant transactions:

Number of warrants outstanding as at January 1, 2017	Issued	Exercised	Expired	Number of warrants outstanding as at September 30, 2017	Exercise price per warrant	Expiry date
360,000	-	(360,000)	-	-	\$ 0.100	February 24, 2017
1,150,000	-	-	-	1,150,000	\$ 0.100	April 8, 2018
-	-	-	-	-	\$ 0.150	September 2, 2016
2,000,000	-	(1,800,000)	(200,000)	-	\$ 0.075	April 9, 2017
9,200,000	-	(3,800,000)	-	5,400,000	\$ 0.075	November 16, 2017
5,300,000	-	(750,000)	-	4,550,000	\$ 0.150	May 24, 2018
-	13,216,070	-	-	13,216,070	\$ 0.850	May 4, 2019
18,010,000	13,216,070	(6,710,000)	(200,000)	24,316,070		

Number of warrants outstanding as at January 1, 2016	Issued	Exercised	Expired	Number of warrants outstanding as at December 31, 2016	Exercise price per warrant	Expiry date
2,600,000	-	(2,240,000)	-	360,000	\$ 0.100	February 24, 2017
2,300,000	-	(1,150,000)	-	1,150,000	\$ 0.100	April 8, 2018
3,650,000	-	(650,000)	(3,000,000)	-	\$ 0.150	September 2, 2016
3,840,000	-	(1,840,000)	-	2,000,000	\$ 0.075	April 9, 2017
11,000,000	-	(1,800,000)	-	9,200,000	\$ 0.075	November 16, 2017
-	6,000,000	(700,000)	-	5,300,000	\$ 0.150	May 24, 2018
23,390,000	6,000,000	(8,380,000)	(3,000,000)	18,010,000		

In 2016, a total of 8,380,000 warrants were exercised for gross proceeds of \$814,500. During the nine months ended September 30, 2017, a total of 6,710,000 warrants were exercised for gross proceeds of \$627,000.

7. RELATED PARTY TRANSACTIONS

Related party transactions are in the normal course of operations and are measured at the fair value of consideration paid. Related party transactions are also disclosed in note 5.

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

MAPLE LEAF GREEN WORLD INC.

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

Three and nine months ended September 30, 2017

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

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) (also see note 10 below).

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.

8. CAPITAL MANAGEMENT

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

The capital of the Company consists of payables and deposits, including notes payable, convertible debentures (if any), and the items included in equity (including deficit). The Board of Directors does not establish a quantitative return on capital criteria for management, but promotes year-over-year revenue, earnings, and cash flow targets. Maple Leaf manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. There have been no changes in the way the Company manages its capital during the nine months ended September 30, 2017.

9. FAIR VALUE MEASUREMENTS AND FINANCIAL INSTRUMENTS

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 comprise foreign exchange rate risk, interest rate risk and other 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 and there are no hedges outstanding.

(a) Fair value

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 values of cash, accounts payable and accrued liabilities, and interest payable approximate their carrying amounts largely due to the short-term maturities of these instruments, and the fair value of the note payable approximates its face value as any interest arising from the notes payable is required to be paid to the security holder monthly.

MAPLE LEAF GREEN WORLD INC.

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

Three and nine months ended September 30, 2017

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

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.

(b) 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.

(c) 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 has \$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

MAPLE LEAF GREEN WORLD INC.

Notes to the Unaudited Condensed Consolidated Interim Financial Statements Three and nine months ended September 30, 2017 (Unaudited - Expressed in Canadian dollars, unless otherwise stated)

(d) 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 assets denominated in US dollars		
Cash	\$ 1,286,305	\$ 18,762
Other receivables	474,743	250,486
	<u>\$ 1,761,048</u>	<u>\$ 269,248</u>
Financial liabilities denominated in US dollars		
Interest payable	\$ 2,668	\$ 5,023
Notes payable	130,914	140,984
	<u>\$ 133,582</u>	<u>\$ 146,007</u>

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).

MAPLE LEAF GREEN WORLD INC.

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

Three and nine months ended September 30, 2017

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

(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.

10. ECONOMIC DEPENDENCE

Maple Leaf is not currently receiving material revenues from any one source.

11. SEGMENT INFORMATION

Operating segments are components of the Company where separate financial information is available that is evaluated regularly by the Company's Chief Executive Officer who is the Chief Operating Decision Maker ("CODM"). The operational segments are determined based on the Company's management and internal reporting structure. As at September 30, 2017, the Company has one reportable segment, being cannabis industry and two geographical segments, being Canada and United States. Segment information is summarized as follows:

	September 30, 2017			December 31, 2016		
	Canada	US	Consolidated	Canada	US	Consolidated
Current assets	\$ 2,864,928	\$ 1,585,204	\$ 4,450,132	\$ 688,890	\$ 252,609	\$ 941,499
Deposits	1,170,770	-	1,170,770	68,270	-	68,270
Property, plant and equipment	2,854	1,686,127	1,688,981	1,039	316,532	317,571
Total assets	\$ 4,038,552	\$ 3,271,331	\$ 7,309,883	\$ 758,199	\$ 569,141	\$ 1,327,340
Current liabilities	\$ 343,819	\$ 28,452	\$ 372,271	\$ 235,605	\$ 5,023	\$ 240,628
Notes payable	-	130,914	130,914	-	140,984	140,984
Total liabilities	\$ 343,819	\$ 159,366	\$ 503,185	\$ 235,605	\$ 146,007	\$ 381,612

	Nine months ended September 30, 2017			Nine months ended September 30, 2016		
	Canada	US	Consolidated	Canada	US	Consolidated
Revenue	\$ -	\$ 219,615	\$ 219,615	\$ -	\$ -	\$ -
Operating expenses	1,602,934	189,802	1,792,736	1,170,144	42,597	1,212,741
Other income	(21,955)	-	(21,955)	-	-	-
Net income (loss)	\$ (1,580,979)	\$ 29,813	\$ (1,551,166)	\$ (1,170,144)	\$ (42,597)	\$ (1,212,741)

	Three months ended September 30, 2017			Three months ended September 30, 2016		
	Canada	US	Consolidated	Canada	US	Consolidated
Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating expenses	813,756	172,148	985,904	314,774	(110,093)	204,681
Other income	(7,134)	-	(7,134)	-	-	-
Net income (loss)	\$ (806,622)	\$ (172,148)	\$ (978,770)	\$ (314,774)	\$ 110,093	\$ (204,681)

12. COMMITMENTS AND CONTINGENCIES

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. A new office lease has not been contracted, and the Company is currently renting the same office space on a month to month basis. The basic monthly rent is as follows:

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

MAPLE LEAF GREEN WORLD INC.

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

Three and nine months ended September 30, 2017

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

During the three and nine months ended September 30, 2017, the Company recorded rent expenses of \$19,217 and \$45,029 (same prior year periods - \$12,454 and \$37,306).

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.