



Maple Leaf Green World Inc. – Annual Information Form



MAPLE LEAF GREEN WORLD INC.

ANNUAL INFORMATION FORM

For period year ended December 31, 2020

DATED: March 30, 2021



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GLOSSARY OF TERMS

The following is a glossary of terms used in this AIF.

“Abridgment Application” means the abridgment application to Health Canada made by the Company for a license to produce and sell cannabis under the ACMPR;

“ACMPR” means the *Access to Cannabis for Medical Purposes Regulations*, SOR/2013-230. The *Cannabis Act* came into force on October 17, 2018. Since that date, new regulations have replaced the ACMPR;

“Annual Information Form” or **“AIF”** means this annual information form of the Company dated March 31, 2021 for the year ended December 31, 2020.

“Audit Committee” means the audit committee of the Company consisting of Najibullah Alizada, and Greg Moline;

“CBD” means cannabidiol;

“CBG” means cannabigerol;

“Common Shares” means the common shares in the capital of the Company;

“Company”, **“Maple Leaf”**, **“our”**, **“us”** or **“we”** means Maple Leaf Green World Inc.;

“FCEN” means the Financial Crimes Enforcement Network of the United States Treasury Department;

“FDA” means the *Food and Drugs Act*, RSC 1985, c F-27;

“FDR” means the *Food and Drugs Regulations*, CRC, c 870;

“Financial Statements” means the audited annual consolidated financial statements for the Company for the year ended December 31, 2020;

“Forward-Looking Statements” has the meaning ascribed to such term under the heading “Forward-Looking Statements”;

“GSGW” means Golden State Green World, LLC, a subsidiary of the Company;

“Hydroponics” means Deepwater Culture Hydroponics technology;

“Intellectual Property Rights” means any statutory or non-statutory intellectual property rights in any jurisdiction, including any issued, pending, registered, filed or unfiled application for any patent (including any utility, design or plant patent, and including any continuation, continuation-in-part, divisional, re-issue, re-examination, national phase entry or regional phase entry application), copyright, trademark, industrial design, plant breeder's right, Plant Varieties Protection Act registration, or other statutory intellectual property right, and any trade secret, know-how, goodwill, or other intellectual property or other proprietary right, and any written or unwritten title, interest, license, right to bring or participate in any proceeding for past infringement or any other actionable right under or relating to any intellectual property right, or any other rights to any of the foregoing, relating to any standard operating procedures, production processes, packaging processes, labeling processes, ingredients, technology, inventions, plant varieties, clonally propagated plant material, stable cultivars, business management processes, compilations of information, contracts, records, specifications, business procedures, label designs, branding, compliance documentation, files, records, documents, drawings, specifications, equipment and data (data includes all information whether written or in an electronic format), and including any suppliers, manufacturers, equipment, methodologies, customer lists or other relevant information, relating to any of the foregoing, pertaining to the business of a party;

“IT” means information technology;

“Key Personnel” means any of the Company's officers, directors;

“MLFI” means Maple Leaf Reforestation Inc.;

“MD&A” means management's discussion and analysis for the Company's year ended December 31, 2020;

“MgO” means certified magnesium oxide;

“MMP” means MMP Structural Engineering Ltd.;

“NEO” means Aequitas NEO Exchange Inc.;

“OTCQB” means the OTCQB Venture Market for early-stage and developing U.S. and international companies organized by OTC Markets Group;

“Paramount” means Paramount Structures Inc.;



“PIPEDA” means the *Personal Information Protection and Electronics Documents Act*, SC 2000, c 5;

“RC” means RC Corp., operating as Rethinking Construction;

“SEDAR” means the System for Electronic Document Analysis and Retrieval filing system, available at <http://www.sedar.com>;

“SSGW” means SSGW, LLC, a subsidiary of the Company;

“Subsidiaries” means the subsidiaries of the Company consisting of GSGW, SSGW, and BioNeva, and **“Subsidiary”** means any of GSGW, SSGW, and BioNeva;

“Telkwa Facility” means the Company’s proposed cannabis cultivation facility in Telkwa, British Columbia, Canada;

“THC” means delta-9-tetrahydrocannabinol;

“TSXV” means the TSX Venture Exchange;

“United States”, “US” or “USA” means the United States of America, and the District of Columbia; and

“Woodmere” means Woodmere Nursery Ltd.



ANNUAL INFORMATION FORM

In this AIF, unless otherwise noted or the context indicates otherwise, the “Company”, “Maple Leaf”, “we”, “us”, and “our” refer to Maple Leaf Green World Inc.

Reference is made in this AIF to the Financial Statements and the MD&A for Maple Leaf for the year ended December 31, 2020, together with the auditors' report thereon. The Financial Statements and MD&A are available for review under the Company's SEDAR profiled at www.sedar.com. All financial information in this AIF is prepared in Canadian dollars and using International Financial Reporting Standards as issued by the International Accounting Standards Board. The information contained herein is dated as of March 31, 2021 unless otherwise stated.

All currency amounts in this AIF are expressed in Canadian dollars unless otherwise indicated.

FORWARD-LOOKING STATEMENTS

This AIF contains certain “forward-looking information” and “forward-looking statements” (collectively, “**forward-looking statements**”) which are based upon the Company's current internal expectations, estimates, projections, assumptions, and beliefs. Any statements contained herein that are not statements of historical facts may be deemed to be forward-looking statements. Such statements can often, but not always, be identified by the use of forward-looking terminology such as “expect,” “likely,” “may,” “will,” “should,” “intend,” or “anticipate”, “potential”, “proposed”, “estimate” and other similar words, and expressions that are predictions or indicate future events and future trends, including negative and grammatical variations thereof, or statements that certain events or conditions “may” or “will” happen, or by discussions of strategy. Forward-looking statements include estimates, plans, expectations, opinions, forecasts, projections, targets, guidance, or other statements that are not statements of fact. Forward-looking statements included in this AIF are made only as of the date of this AIF. Forward-looking statements in this AIF include, but are not limited to, statements with respect to:

- the competitive and business strategies of the Company;
- the intention to grow the business, operations and potential activities of the Company, including entering into joint ventures and leveraging the brands of third parties through joint ventures and partnerships;
- the ongoing expansion of the Company's facilities, its costs and increase production and sale capacity;
- the expansion of business activities, including potential acquisitions;
- the expected production capacity of the Company;
- the expected sales mix of offered products;
- the development and authorization of new products,
- the competitive conditions of the industry, including the Company's ability to maintain or grow its market share;
- the expansion of the Company's operations and potential activities outside of the US market;
- whether the Company will have sufficient working capital and its ability to raise additional financing required in order to develop its business and continue operations;
- the applicable laws, regulations and any amendments thereof;
- the filing of trademark and patent applications and the successful registration of same;
- the anticipated future gross margins of the Company's operations;
- certain lawsuits and other litigation to which the Company is subject;
- the impact of the COVID-19 pandemic on the business and operations of the Company; and
- the performance of the Company's business and operations.

The purpose of forward-looking statements is to provide the reader with a description of management's expectations, and such forward-looking statements may not be appropriate for any other purpose. In particular, but without limiting the foregoing, disclosure in this AIF under “*Description of the Business*” as well as statements regarding the Company's objectives, plans and goals, including future operating results,



economic performance and patient acquisition efforts may make reference to or involve forward-looking statements. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, it can give no assurance that such expectations will prove to have been correct.

Certain of the forward-looking statements and other information contained herein concerning the cannabis industry and its medical and adult-use markets and the general expectations of Maple Leaf concerning the industry and the Company's business and operations are based on estimates prepared by Maple Leaf using data from publicly available governmental sources as well as from market research and industry analysis and on assumptions based on data and knowledge of the cannabis industry which Maple Leaf believe to be reasonable. However, although generally indicative of relative market positions, market shares and performance characteristics, such data is inherently imprecise. While Maple Leaf is not aware of any misstatement regarding any industry or government data presented herein, the cannabis industry and newly forming adult-use market involves risks and uncertainties that are subject to change based on various factors.

Forward-looking statements are subject to numerous risks and uncertainties, including those relating to the Company's ability to execute its business plan, renew required permits and licences and related regulatory compliance matters, and other factors described in this AIF under "*Risk Factors*". Although the Company has based forward-looking statements contained in this AIF on assumptions that it believes are reasonable, it cautions the reader that actual results and developments (including the Company's results of operations, financial condition and liquidity, and the development of the industry in which the Company operates) may differ materially from those made or suggested by the forward-looking information contained herein.

Certain assumptions made in preparing the forward-looking statements contained in this document include:

- the Company's ability to implement its growth strategies;
- the Company's ability to complete the conversion or buildout of its facilities on time and on budget;
- the Company's competitive advantages;
- the development of new products and product formats for the Company's products;
- the Company's ability to obtain and maintain financing on acceptable terms;
- the impact of competition;
- the changes and trends in the cannabis industry;
- changes in laws, rules and regulations;
- the Company's ability to maintain and renew required licences;
- the Company's ability to maintain good business relationships with its customers, distributors and other strategic partners;
- the Company's ability to keep pace with changing consumer preferences;
- the Company's ability to protect intellectual property;
- the Company's ability to manage and integrate acquisitions;
- the Company's ability to retain key personnel; and
- the absence of material adverse changes in the industry or Canadian or global economy, including as a result of the COVID-19 pandemic.

Several factors could cause actual events, performance or results to differ materially from what is projected in the forward-looking statements. You should not place undue reliance on forward-looking statements contained in this AIF. In addition, even if results and developments are consistent with the forward-looking statements contained in this document, those results and developments may not be indicative of results or developments in subsequent periods. Such forward-looking statements are made as of the date of this AIF. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable law. The Company's forward-looking statements are expressly qualified in their entirety by this cautionary statement.

Non-IFRS Financial Measures



The Company prepares and reports its consolidated financial statements in accordance with IFRS as issued by the IASB. However, this AIF may make reference to certain non-IFRS measures including key performance indicators used by management. These measures are not recognized measures under IFRS and do not have a standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement those IFRS measures by providing further understanding of our results of operations from management's perspective. Accordingly, these measures should not be considered in isolation nor as a substitute for analysis of the Company's financial information reported under IFRS. The Company uses non-IFRS measures including "EBITDA" and "Adjusted EBITDA" which may be calculated differently by other companies. These non-IFRS measures and metrics are used to provide investors with supplemental measures of our operating performance and liquidity and thus highlight trends in our business that may not otherwise be apparent when relying solely on IFRS measures. The Company also believes that securities analysts, investors and other interested parties frequently use non-IFRS measures in the evaluation of companies in similar industries. Management also uses non-IFRS measures and metrics in order to facilitate operating performance comparisons from period to period, to prepare annual operating budgets and forecasts and to determine components of executive compensation. For definitions and reconciliations of these non-IFRS measures to the relevant reported measures, please see the "Adjusted EBITDA" section of the Company's Management's Discussion and Analysis ("**MD&A**") dated March 24, 2020 for the financial year ended December 31, 2020. A copy of the MD&A can be accessed under the Company's profile on SEDAR at www.sedar.com.

Market, Independent Third Party and Industry Data

Unless otherwise indicated, the Company has obtained the market and industry data contained in this AIF from its internal research, management's estimates and third-party public information and other industry publications. While the Company believes such internal research, management's estimates and third-party public information is reliable, such internal research and management's estimates have not been verified by any independent sources and the Company has not verified any third-party public information. While the Company is not aware of any misstatements regarding the market and industry data contained in this AIF, such data involves risks and uncertainties and are subject to change based on various factors, including those described under "*Cautionary Statement Regarding Forward-Looking Information and Statements*" and "*Risk Factors*".

CORPORATE STRUCTURE

Name, Address, and Incorporation

The Company was formed by the amalgamation of MLFI and Intercontinental Mining Corp. under the *Business Corporations Act* (Alberta), RSA 2000, c B-9 on February 24, 2005. MLFI changed its name to "Maple Leaf Green World Inc." by Certificate of Amendment dated October 9, 2012.

Maple Leaf's Common Shares are listed under the symbol "MGWFF" on the OTCQB and were previously listed under the symbol "MGW" on the TSXV. On April 19, 2018 the Company voluntarily delisted its Common Shares from the TSXV and subsequently completed the listing of the Common Shares on the NEO on April 20, 2018.

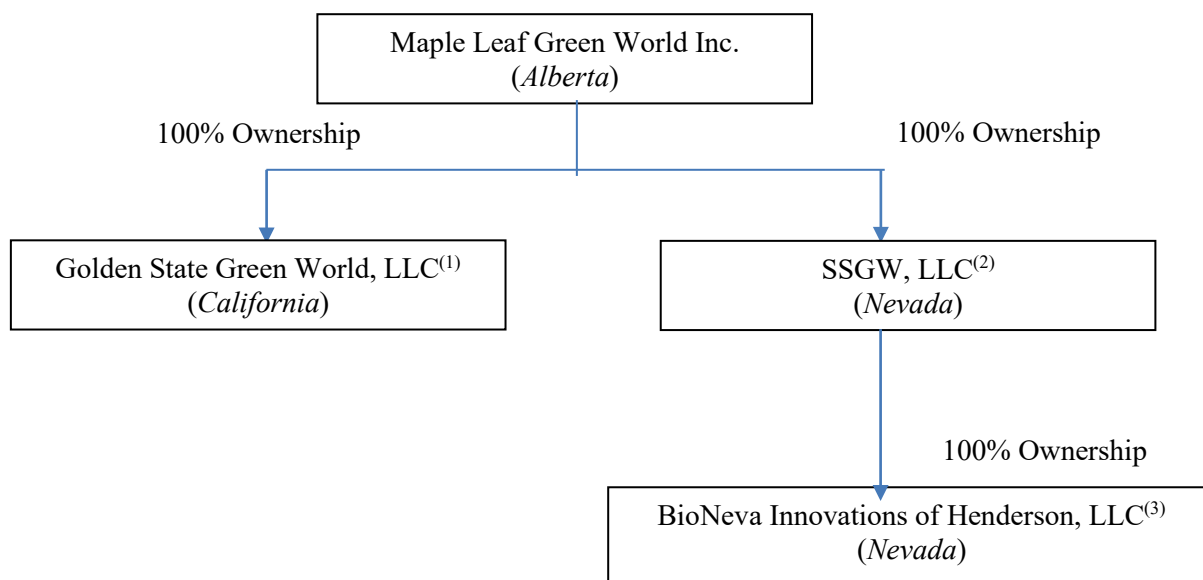
Maple Leaf has a registered office and head office located at Suite 500, 1716 – 16 Avenue NW, Calgary, Alberta T2M 1H1. The Company's telephone number is (403) 452-4552 and Maple Leaf's corporate website is www.mlgreenworld.com.

Intercorporate Relationships

On November 3, 2014, the Company filed Articles of Organization to form a limited liability company, GSGW, under the laws of the State of California. The registered address of GSGW is 120 Puerto del Sol, San Clemente, CA, USA 92673. The Company owns 100% of the membership interests of GSGW.



On March 1, 2017, the Company filed Articles of Organization to form a limited liability company, SSGW, under the laws of the State of Nevada. The Company owns 100% of the membership interests of SSGW. SSGW purchased all of the ownership interests in BioNeva effective January 23, 2018. The registered address of both SSGW and BioNeva is 710 Coronado Center Drive, Suite 121, Henderson, Nevada, USA 89052. The following diagram describes the current intercorporate relationships of the Company.



Notes:

- (1) The Company owns 100% of the membership interests of GSGW. GSGW is a limited liability company formed under the laws of the State of California.
- (2) The Company owns 100% of the membership interests of SSGW. SSGW is a limited liability company formed under the laws of the State of Nevada.
- (3) SSGW, a subsidiary of the Company, purchased all of the ownership interests in BioNeva effective January 23, 2018. BioNeva is now a subsidiary of the Company as a result of the transaction.

GENERAL DEVELOPMENT OF THE BUSINESS

Three Year History

General Description of the Business

Maple Leaf is engaged in hemp products market in the state of California, USA. On December 3, 2019, the Company announced that GSGW has received a Hemp Seed Cultivation License (the “**License**”) from Riverside County to start breeding Hemp Seed for CBG enriched Hemp.

Activities in Canada

The Company has limited activities in Canada as of the date of this AIF. The Company began to construct a 27,000 square foot Cannabis cultivation facility at Telkwa, BC and had to cease construction due to shortage of funds. In 2018 the Company discontinued its lease payments to Woodmere and tried to find a solution resulting in Woodmere commencing legal proceedings against the Company to collect unpaid rent and associated expenses. Woodmere is seeking from the Company \$0.5 million in damages. Maple Leaf counterclaimed against Woodmere on claims that Woodmere’s acts and omissions at the time of leasing materially contributed detrimentally to the Company’s goals not being achieved, thereby damaging the Company. In Maple Leaf’s counterclaim against Woodmere, Maple Leaf has sought damages for lost value of the Company’s lease expenses; for the forfeited value of the facility of \$11 million; and for damages for



lost business opportunities of \$20 million. Please refer to “Legal Proceedings and regulatory Actions” for more details.

The Company filed an Application with the OMC at Health Canada for a license to produce and sell dried marihuana under the provisions of the MMPR on July 21, 2014. The MMPR were replaced by the ACMPR on August 24, 2016, and the Application was continued under the ACMPR. On October 17, 2018 the Cannabis Act came into force and new regulations have replaced ACMPR. The Company received notice from Health Canada that its application had progressed to stage 5 review of the Review process and has “active review” status. This application is on hold as it has dispute with the landlord for Telkwa Facility.

Activities in the United States

(a) Southern California, USA

On March 11, 2021, the Company announced that it was preparing to market its new 20-pack CBG Hemp Cigarettes under the brand “**Phoenix Crave**”. Phoenix Crave cigarettes are naturally flavored from the Company’s high-quality hemp that was organically grown indoors. Each cigarette will contain a minimum of 0.4 grams of CBG and will feature three blends: Platinum, Gold and Silver. The Company’s joint venture business partner, Hempacco, is assisting the Company to develop this new brand name and is ready to enter the final production phase for Phoenix Crave in the coming weeks. The new e-commerce platform is currently in development with the assistance of Hempacco and will debut Phoenix Crave Gold. Current products such as the CBG Flower Jars, Pre-rolls and Pre-rolls 2-pack will also be featured on the platform shortly after. This new e-commerce platform will enable the Company to market its hemp products across the United States and internationally.

On February 26, 2021, the Company announced that the production of the Company’s new brand of CBG Hemp Cigarettes with Hempacco Packaging is underway. The 20-pack of Hemp Cigarettes will retail through Hempacco channels and on the Company’s new e-commerce platform currently in development. In addition, the Company is also developing its own marketing efforts on custom pre-rolls, oil, and bus sale. As such, The Company is expanding and diversifying its commercialization by constructing structural buildings for processing its products as well as for staff residency.

On February 24, 2021, the Company announced that it signed an agreement (“**Agreement**”) with Hempacco Co. Inc. (“**Hempacco**”), a vertically integrated California-based Hemp CBD, CBG R&D, marketing, and manufacturing company, to develop, manufacture and market its new brand of CBG Hemp cigarettes.

On December 23, 2020, the Company announced that it signed a Letter of Intent (the “LOI”) with EMCO/Hanover Group. The LOI outlines a purchase order through which EMCO/Hanover Group would purchase a minimum of 1,000 lbs. of the Company’s high quality CBG Hemp Flowers. The Company offered US\$400 per pound on the first order as part of the arrangement to secure a long-term sales agreement.

On November 9, 2020, the Company announced that the latest Certificate of Analysis (“**COA**”) for its La Crème continues to show rising CBG concentration during the curing phase. The latest lab results show 16.68% CBG and 0.11% THC. The Company also replaced the logo for GSGW, and the sales team started its marketing campaign.

On October 5, 2020, the Company announced that it was granted California Department of Food & Agriculture (“**CDFA**”) approval for THC testing. THC testing is mandated by the state of California to ensure the crop being harvested does not exceed the legal limit of 0.3% THC.

On September 24, 2020, the Company announced that it commenced its 1st harvest of La Crème CBG at its CBG Hemp Operation in Riverside County, California.



On September 1, 2020, the Company announced that a sample from a selective batch of La Crème from the first 2 greenhouses was submitted for lab analysis and the results indicate an incredible 13.90% CBG, 0.07% THC and no other cannabinoids detected.

On July 8, 2020, the Company announced that it launched a new website <https://www.gsgreenworld.com> for its CBG Hemp Project under GSGW.

On June 18, 2020, the Company announced that it arranged a site tour of the Company's California Hemp Project for Canna Trading Company ("**Canna**"). The site tour provided insight into the Company's contaminant-free, organic CBG hemp operation and presented a visual of site's expansion capabilities. Following the site tour, Canna was pleased to upgrade the US\$2.6M purchase order, as announced on May 27, 2020, to a yearly sales agreement for its subsidiary to purchase, exclusively, all La Crème products produced from three (3) greenhouses totaling a minimum of 20,000 lbs of flower and 20,000 lbs of biomass per year. This sales agreement is currently valued at US\$10.5M. Canna will also have 1st right of refusal on any quantity of flowers and/or biomass produced by those 3 greenhouses that exceeds the 20,000 lb limit set forth in the agreement.

On May 27, 2020, the Company announced that it received a purchase order from Canna for 5,000 lbs of La Crème flower and 5,000 lbs of biomass. The La Crème flowers and biomass are currently priced at \$400/lb and \$125/lb, respectively, totaling US\$2,625,000.

On April 27, 2020, the Company announced that all six (6) greenhouses for its California Hemp Project are complete and fully operational. The six (6) new greenhouses include a 2000 sq. ft. nursery used for seed germination, housing mother plants, and crossbreeding strains. This completes a total growing capacity of 17,000 sq. ft. An additional 10,000 sq. ft. of land has been cleared and is ready for further expansion.

On June 18, 2020, the Company announced that the two (2) renovated greenhouses are complete and fully operational. The land behind the two (2) completed greenhouses has been leveled and prepped for the three (3) additional greenhouses as mentioned in the press release dated March 5, 2020. The three (3) new greenhouses, plus an additional 2,000 sq. ft. greenhouse, had arrived on site as scheduled.

(b) Nevada, USA

In January 2020, the Company sold its land in the City of Henderson, Nevada, for USD\$1,350,000 and proposed Henderson Facility was terminated. After paying its mortgage the balance of proceeds of sale were used for expansion of their California Hemp project. Debt and Equity Financings

The majority of minority disinterested shareholders of the Company approved the price reduction and extension of 17,818,497 Warrants to \$0.60 with a new expiry date of April 29, 2022.

On May 10, 2019, the Company closed a non-brokered private placement of 1,450,000 Common Share at a price of \$0.13 per Common Share for aggregate gross proceeds of \$188,500.

On May 10, 2019, the Company issued 387,096 Common Share at a price of \$0.16 per Common Share for aggregate gross proceeds of \$60,000 to Woodmere in satisfaction of debt related to Telkwa land lease.

During 2020, the Company received an interest free loan of \$60,000 through the Canada Emergency Business Account (CEBA). Effective January 1, 2023, any outstanding balance on the term loan shall bear interest at a rate of 5% per annum. The term loan matures on December 31, 2025. Repaying the balance of the loan on or before December 31, 2022 will result in loan forgiveness of \$20,000.

On October 1, 2019, the Company issued a promissory note in the amount of \$200,000 CAD to an arm's length individual. The note bears interest at the rate of 10% per annum and matures on December 31, 2020.



As at December 31, 2020, the carrying value of the note payable is \$200,000 CAD plus accrued interest of \$25,000 CAD. Subsequent to year end the loan was extended until December 31, 2021.

On March 1, 2020, the Company issued a promissory note in the amount of \$200,000 USD to an arm's length individual. The note bears interest at the rate of 10% per annum and matures on March 31, 2021. As at December 31, 2020, the carrying value of the note payable is \$200,000 USD plus accrued interest of \$15,000 USD.

On October 15, 2020, the Company issued a promissory note in the amount of \$200,000 USD to an arm's length individual. The note bears interest at the rate of 10% per annum and matures on October 15, 2021. As at December 31, 2020, the carrying value of the note payable is \$200,000 USD plus accrued interest of \$4,739 USD.

On December 30, 2020, the Company issued a promissory note in the amount of \$100,000 USD to an arm's length individual. The note bears interest at the rate of 10% per annum and matures on January 1, 2022. As at December 31, 2020, the carrying value of the note payable is \$100,000 USD.

On January 5, 2021, the Company's wholly owned subsidiary Golden State, signed a secured promissory note in the amount of \$610,000 USD before financing costs, with a Delaware limited partnership. The note bears interest at 15% per annum and matures on January 1, 2022. The loan is secured by a Deed of Trust on the Company's California property. The loan also includes a 1.5% Participation Interest on the gross hemp revenue earned by the Company during the 2-year term of the loan. For the purposes of this Note, "Gross Hemp Revenue" shall mean all revenue earned by Golden State from the sale of all hemp products, which includes, but is not limited to, cured flowers, biomass, clones, seeds, CBD/CBG extract, CBD/CBG cigarettes, and any other products produced by Golden State for resale. Gross Hemp Revenue shall not be reduced by any expenses, including but not limited to cost of goods sold, selling general and administrative expenses, and interest expense. The Participation Interest shall be payable to Lender on a quarterly basis within sixty (60) calendar days following the end of each calendar quarter.

Significant Acquisitions

The Company did not complete any significant acquisitions during Maple Leaf's most recently completed financial year for which disclosure is required under Part 8 of National Instrument 51-102 – *Continuous Disclosure Obligations* and as a result, the Company has not filed a Form 51-105F4 in respect of any acquisitions.

DESCRIPTION OF THE BUSINESS

General

Maple Leaf and its Subsidiaries are engaged in hemp related activities in the state of California only at the date of this AIF.

Summary

For a general summary of the Company's Canadian activities, please see "General Development of Business – Three Year History – Activities in Canada" in this AIF. The Company has not received any revenues from its Canadian activities to date.

For a general summary of the Company's California operations, please see "General Development of Business – Three Year History – Activities in the United States" in this AIF. The Company has not received any revenues from its activities in the United States to date.

The Company has six (6) greenhouses in its California Hemp Project are complete and fully operational. The six (6) new greenhouses include a 2000 sq. ft. nursery used for seed germination, housing mother



plants, and crossbreeding strains. This completes a total growing capacity of 17,000 sq. ft. An additional 10,000 sq. ft. of land has been cleared and is ready for further expansion.

Competitive Conditions

There is potential that the Company will face intense competition from other companies, some of which can be expected to have longer operating histories, more financial resources, and greater manufacturing and marketing experience than the Company. Increased competition by larger and better-financed competitors could materially and adversely affect the business, its financial condition, and in general the operations of the Company.

To remain competitive, the Company will require a continued level of investment in research and development, marketing, sales, and client support. The Company may not have sufficient resources to maintain research and development, marketing, sales, and client support efforts on a competitive basis which could materially and adversely affect the business, its financial condition, and results of operations.

Management believes that the principal aspects of competition between Maple Leaf and its competitors will be the price and quality of hemp, and the client service provided to patients. While Maple Leaf will price its hemp according to market demands, it anticipates a lower cost of production compared to its competitors. This is expected to provide Maple Leaf with pricing flexibility while maintaining healthy margins relative to its competitors. Additionally, Maple Leaf will strive to have better and faster service by having more on hand trained staff than other Licensed Producers. Maple Leaf also plans to maintain a minimum level of inventory to ensure that the Company can continue to provide its customers with unmatched quality on a consistent basis while also acquiring new customers without supply interruptions.

Industry Overview

Hemp extracts contain an assortment of naturally occurring substances, including phytocannabinoids, terpenes, flavonoids and other minor but valuable hemp compounds. The Company believes the presence of various phytocannabinoids, terpenes and flavonoids work synergistically to heighten the effects of the products, making them superior to single-compound CBD and CBG isolates.

While complete scientific corroboration for the uses of CBD and CBG are still in their infancy, industry reports suggest consumers are using CBD and CBG for various applications including assistance with sleep, daily stress, anxiety, pain relief, cognitive function, and immune health, among other applications.¹

In addition to the industry and consumer reported uses of CBD and CBG, significant research is currently being conducted on the use of CBD and CBG as it relates to the following, among other topics: epilepsy, post-traumatic stress disorder, cancer, autism, neuroprotection, anti-inflammatory effects, anti-tumor effects, and anti- psychotic effects.

Production Capacity and Market Price

Maple Leaf's main product line will include flowers, seeds, and biomass. Clones will be made available per client request. The Company is also pleased to report that after closer inspection of the seedlings; we have observed strong growth and can comfortably double the number of clones clipped from each plant. This increases our original conservative estimate of 1,500 plants to approximately 3,000 plants. Each plant will yield approximately 2 lbs of cured flowers or 10,000 seeds with 90% feminine; and 3 lbs. of CBG biomass. The Company plans to begin propagation this week followed by new cuttings every 2 weeks as more nodes develop. This will yield 3-5 clones biweekly per plant and totaling roughly 300,000 clones per year. The Company's yearly production yield is estimated at approximately 18,000 lbs of cured flowers or 3,000 lbs of feminized seeds (1 lb contains approx. 27,000 seeds), and 27,000 lbs of CBG biomass. The current market price for La Crème is approximately \$5 USD/clone, \$400 – \$800 USD/lb for cured flowers, \$1 USD/seed, and \$200/lb of CBG biomass.



Maple Leaf's shipment of La Crème seedlings arrived ahead of schedule and has been placed in the nursery. The seedlings are healthy and have been maturing for a week. La Crème is considered a top CBG strain due to its 18% CBG concentration with 0.20% THC. The Company will continue to search for other top quality CBG strains, as well as strains with specific characteristics and traits for breeding.

Employees

As of December 31, 2020, Maple Leaf had one employee. The Company also employed 3 contractors and/or consultants, some of whom also serve in executive officer roles.

License and Regulations

Regulatory Environment

1. *United States Regulation of Hemp*

Hemp products are subject to state and federal regulation in respect to the production, distribution and sale of products intended for human ingestion or topical application. Hemp is categorized as *Cannabis sativa* L., a subspecies of the cannabis genus. Numerous unique, chemical compounds are extractable from Hemp, including THC and CBD. These cannabinoids are responsible for a range of potential psychological and physiological effects. Hemp, as defined in the 2018 Farm Bill, is distinguishable from marijuana, which also comes from the *Cannabis sativa* L. subspecies, by its absence of more than trace amounts (0.3% or less) of the psychoactive compound THC. Although international standards vary, other countries, such as Canada, use the same THC potency standards to define Hemp.

The 2018 Farm Bill preserves the authority and jurisdiction of the FDA, under the FD&C Act, to regulate the manufacture, marketing, and sale of food, drugs, dietary supplements, and cosmetics, including products that contain Hemp extracts and derivatives, such as CBD. As a result, the FD&C Act will continue to apply to Hemp- derived food, drugs, dietary supplements, cosmetics, and devices introduced, or prepared for introduction, into interstate commerce. As a producer and marketer of Hemp-derived products, the Company must comply with the FDA regulations applicable to manufacturing and marketing of certain products, including food, dietary supplements, and cosmetics.

As a result of the 2018 Farm Bill, federal law dictates that CBD derived from Hemp is not a controlled substance; however, CBD derived from Hemp may still be considered a controlled substance under applicable state law. Individual states take varying approaches to regulating the production and sale of Hemp and Hemp-derived CBD. Some states explicitly authorize and regulate the production and sale of Hemp-derived CBD or otherwise provide legal protection for authorized individuals to engage in commercial Hemp activities, other states, however, maintain drug laws that do not distinguish between marijuana and Hemp and/or Hemp-derived CBD which results in Hemp being classified as a controlled substance under certain state laws.

RISK FACTORS

The following specific factors could materially adversely affect the Company and should be considered when deciding whether to make an investment in the Company. The risks and uncertainties described in this AIF and the information incorporated by reference herein are those we currently believe to be material, but they are not the only ones we face. If any of the following risks, or any other risks and uncertainties that we have not identified or that we currently consider not to be material, actually occur or become material risks, our business, prospects, financial condition, results of operations and cash flows, and consequently the price of the Common Shares could be materially and adversely affected. In all these cases, the trading price of our securities could decline, and prospective investors could lose all or part of their investment.



Investors should carefully consider the risk factors set out below and consider all other information contained herein and, in the Company's, other public filings before making an investment decision.

Risks Related to COVID-19

Risks related to COVID-19 have and will continue to impact our operations and could have a material adverse effect on our business, results of operations and financial condition.

On March 11, 2020, the World Health Organization declared the outbreak of the coronavirus, or COVID-19, a pandemic. The COVID-19 pandemic continues to result in extended government-ordered closures affecting significant portions of the global economy, including in the United States where we conduct significant business. The public health crisis caused by COVID-19 and the measures taken and continuing to be taken by governments, businesses and the public have, and we expect will continue to have, certain negative impacts on our business operations, and could have a material adverse effect on our business, results of operations and financial condition.

The full extent to which COVID-19 may impact our business, including our operations and the market for our securities and our financial condition, will depend on future developments, which are highly uncertain and cannot be predicted at this time. These include the duration, severity and scope of the outbreak, and further action taken by the government and other third parties in response to the pandemic. In particular, COVID-19 and government efforts to curtail COVID-19 could impede our production facilities, increase operating expenses, result in loss of sales, affect our supply chains, impact performance of contractual obligations and require additional expenditures to be incurred.

In connection with COVID-19 and to comply with mandates and guidance from governmental authorities, we have and continue to update our operational procedures and safety protocols at our facilities. If such measures are not effective or governmental authorities implement further restrictions, we may be required to take more extreme action, which could include a short or long-term closure of our facilities or reduction in workforce. These measures may impair our production levels or cause us to close or severely limit production at one or more facilities. Further, our operations could be adversely impacted if suppliers, contractors, customers and/or transportation carriers are restricted or prevented from conducting business activities.

Given the ongoing and dynamic nature and significance of COVID-19 and its impact globally, we are not able to enumerate all potential risks to our business. Any of the negative impacts of COVID-19, including those described above, alone or in combination with others, may have a material adverse effect on our business, results of operations or financial condition.

Reliance on Key Inputs

The Company's business is dependent on a number of key inputs both domestically and abroad and their related costs including raw materials and supplies related to its growing operations, as well as electricity, water, and other local utilities. Any significant interruption or negative change in the availability or economics of the supply chain for key inputs could materially impact the business, financial condition, and operating results of the Company. Any inability to secure required supplies and services or to do so on appropriate terms could have a materially adverse impact on the business, financial condition, and operating results of the Company.

Risks Related to the Regulatory Environment in United States

Changes to State Laws Pertaining to Hemp

The 2018 Farm Bill provides that states and Native American tribes may assume primary regulatory authority over the production of Hemp in their jurisdictions through a Hemp plan approved by the USDA.



As of the date hereof, the USDA has approved a few dozen state and tribal Hemp production plans submitted after the IFR became effective. If a state does not elect to devise a Hemp regulatory program, the USDA will develop a program under which Hemp cultivators in such states can apply for licenses. Approximately 15 states – including Kentucky, Colorado, and Oregon – have chosen not to submit plans to the USDA for the 2020 growing season, instead relying on their pilot program authorizations from the 2014 Farm Bill. Continued development of the Hemp industry will be dependent upon new legislative authorization of Hemp at the state level, and further amendment or supplementation of legislation at the federal level. Any number of events or occurrences could slow or halt progress all together in this space. While progress within the Hemp industry is currently encouraging, growth is not assured. While there appears to be ample public support for favorable legislative action at the state and federal levels, numerous factors may impact or negatively affect the legislative process(es) within the various states the Company has business interests in. Any one of these factors could slow or halt use of Hemp or CBD, which would negatively impact the Company's business or growth, including possibly causing us to discontinue operations as a whole.

Changes to Federal Laws Pertaining to Hemp

Federal regulations under the 2018 Farm Bill were promulgated in the IFR on October 31, 2019. The IFR governs the domestic production of Hemp under the 2018 Farm Bill and also specifies the provisions that a state or tribal Hemp plan must contain to be in compliance with the 2018 Farm Bill. However, some states are continuing to operate under the 2014 Farm Bill through the 2020 growing season, and the IFR expires November 1, 2021, at which time the USDA will adopt permanent regulations. This means that the complete effects of the IFR (and potentially other federal regulations for Hemp) are yet unknown and will take time to unfold and be implemented. Should the IFR or other regulations result in stricter requirements on the Company than those of the 2014 or 2018 Farm Bills, such changes could have a material adverse effect on the Company's business, financial condition, and results of operations.

Our business is subject to a variety of local and foreign laws, many of which are unsettled and still developing, which could subject us to claims or otherwise harm our business.

We have commercialized in the United States a variety of hemp products, which might include certain cannabinoids including CBD, but would exclude THC at amounts more than 0.3%. While the Farm Bill exempted hemp and hemp derived products from the CSA, any such product commercialization will be subject to various laws, including the Farm Bill, the Federal Food, Drug and Cosmetic Act, or the FD&CA, the Dietary Supplement Health and Education Act, or DSHEA, applicable state and/or local laws, and FDA regulations. The FDA has stated in guidance and other public statements that it is prohibited to sell a food, beverage or dietary supplement to which THC or CBD has been added. While the FDA does not have a formal policy of enforcement discretion with respect to any products with added CBD, the agency has stated that its primary focus for enforcement centers on products that put the health and safety of consumers at risk, such as those claiming to prevent, diagnose, mitigate, treat, or cure diseases in the absence of requisite approvals. While the agency's enforcement to date has therefore focused on products containing CBD and that make drug-like claims, there is the risk that the FDA could expand its enforcement activities and require us to alter our marketing for our hemp-derived CBD products or cease distributing them altogether. Nevertheless, the regulation of hemp and CBD in the United States has been a constantly evolving and changing landscape, with changes in federal and state laws and regulation occurring on a frequent basis. Violations of applicable FDA and other laws could result in warning letters, significant fines, penalties, administrative sanctions, injunctions, convictions, or settlements arising from civil proceedings.

We are further subject to a variety of laws and regulations in the United States, Canada and elsewhere that prohibit money laundering, including the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada) and the Money Laundering Control Act (United States), as amended, and the rules and regulations thereunder and any related or similar rules, regulations or guidelines issued, administered or enforced by governmental authorities in the United States, Canada or any other jurisdiction in which we have business operations or to which we export. Although we believe that none of our activities implicate any applicable money laundering statutes, in the event that any of our business activities, any dividends or



distributions therefrom, or any profits or revenue accruing thereby are found to be in violation of money laundering statutes, such transactions may be viewed as proceeds of crime under one or more of the statutes described above or any other applicable legislation, and any persons, including such United States-based investors, found to be aiding and abetting us in such violations could be subject to liability. Any violations of these laws, or allegations of such violations, could disrupt our operations, involve significant management distraction and involve significant costs and expenses, including legal fees. We could also suffer severe penalties, including criminal and civil penalties, disgorgement, and other remedial measures.

We are required to comply concurrently with all applicable laws in each jurisdiction where we operate or to which we export our products, and any changes to such laws could adversely impact our business.

Various federal, state, provincial and local laws and regulations govern our business in the jurisdictions in which we operate or propose to operate, and in which we export or propose to export our products. Such laws and regulations include those relating to health and safety, conduct of operations and the production, management, transportation, storage, and disposal of our products and of certain material used in our operations. In many cases, we must concurrently comply with complex federal, provincial, state and/or local laws in multiple jurisdictions. These laws change frequently and may be difficult to interpret and apply. Compliance with these laws and regulations requires the investment of significant financial and managerial resources, and a determination that we are not in compliance with any of these laws and regulations could harm our brand image and business. Moreover, it is impossible for us to predict the cost or effect of such laws, regulations, or guidelines upon our future operations.

Changes to these laws or regulations could negatively affect our competitive position within our industry and the markets in which we operate, and there is no assurance that various levels of government in the jurisdictions in which we operate will not pass legislation or regulation that adversely impacts our business.

United States regulations relating to hemp-derived CBD products are unclear and rapidly evolving, and changes may not develop in the timeframe or manner most favorable to our business objectives.

Our participation in the market for hemp-derived CBD products in the United States and elsewhere may require us to employ novel approaches to existing regulatory pathways. Although the passage of the Farm Bill in December 2018 legalized the cultivation of hemp in the United States to produce products containing CBD and other non-THC cannabinoids, it remains unclear how the FDA will regulate this industry, and whether and when the FDA will propose or implement new or additional regulations.

We may not be able to successfully identify and execute future acquisitions, dispositions, or other equity transactions or to successfully manage the impacts of such transactions on our operations.

Material acquisitions, dispositions and other strategic transactions involve a number of risks, including: (i) the potential disruption of our ongoing business; (ii) the distraction of management away from the ongoing oversight of our existing business activities; (iii) incurring additional indebtedness; (iv) the anticipated benefits and cost savings of those transactions not being realized fully, or at all, or taking longer to realize than anticipated; (v) an increase in the scope and complexity of our operations and (vi) the loss or reduction of control over certain of our assets. Material acquisitions and strategic transactions have been and continue to be material to our business strategy. There can be no assurance that we will find suitable opportunities for strategic transactions at acceptable prices, have sufficient capital resources to pursue such transactions, be successful in negotiating required agreements, or successfully close transactions after signing such agreements. There is no guarantee that any acquisitions will be accretive, or that past or future acquisitions will not result in additional impairments or write downs.

The existence of one or more material liabilities of an acquired company that are unknown to us at the time of acquisition could result in our incurring those liabilities. A strategic transaction may result in a significant change in the nature of our business, operations, and strategy, and we may encounter unforeseen



obstacles or costs in implementing a strategic transaction or integrating any acquired business into our operations.

We are subject to risks inherent in an agricultural business, including the risk of crop failure.

We grow hemp, which is an agricultural process. As such, our business is subject to the risks inherent in the agricultural business, including risks of crop failure presented by weather, insects, plant diseases and similar agricultural risks. Although we currently grow our products indoors under climate-controlled conditions, we are developing outdoor operations and there can be no assurance that natural elements, such as insects and plant diseases, will not entirely interrupt our production activities or have an adverse effect on our business.

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 hemp 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 hemp, 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.

Market Risk for Securities

The market price for the Common Shares of the Company could be subject to wide fluctuations. Factors such as commodity prices, government regulation, interest rates, share price movements of peer companies, and competitors, as well as overall market movements, may have a significant impact on the market price of the Company. The stock market has from time-to-time experienced extreme price and volume fluctuations, which have often been unrelated to the operating performance of particular companies.

Volatile Market Price of 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.

Risks Related to Dilutions

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. Further, the testing standards in Nevada are some of the strictest in the world. If the Company's crops fail testing, the crops may have to be destroyed resulting in a total loss.

Reliance on Key Personnel

The Company's success has depended, and continues to depend upon, its ability to attract and retain Key Personnel including technical experts and sales personnel. The Company will attempt to enhance its management and technical expertise by continuing to recruit qualified individuals who possess desired skills and experience in certain targeted areas. The Company's inability to retain employees and attract and retain sufficient additional employees or engineering and technical support resources could have a material adverse effect on the Company's business, results of operations, sales, cash flow, or financial condition. Shortages in qualified personnel or the loss of key personnel could adversely affect the financial condition of the Company, results of operations of the business, and could limit the Company's ability to develop and market its hemp-related products. The loss of any of the Company's senior management or key employees could materially adversely affect the Company's ability to execute its business plan and strategy, and the Company may not be able to find adequate replacements on a timely basis, or at all.

Conflict of Interest

Certain of the Company's directors and officers are also directors and officers in other companies. Situations may arise in connection with potential acquisitions or opportunities where the other interests of these directors' and officers' conflict with or diverge from the Company interests. In accordance with the *Business Corporations Act* (Alberta), directors who have a material interest in any person who is a party to a material contract, or a proposed material contract are required, subject to certain exceptions, to disclose that interest and generally abstain from voting on any resolution to approve the contract.

Limited Operating History

The Company has limited operating history and is therefore subject to many of the risks common to early-stage enterprises, including undercapitalization, 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 Assurance of Profitability



The Company has incurred operating losses in recent periods. The Company may not be able to achieve or maintain profitability and may continue to incur significant losses in the future. In addition, the Company expects to continue to increase operating expenses as it implements initiatives to grow its business. If the Company's revenues do not increase to offset these expected increases in costs and operating expenses, the Company will not be profitable. There is no assurance that the Company will be successful in achieving a return on shareholders' investments and the likelihood of success must be considered in light of the early stage of operations.

Realization of Growth Targets

The Company's ability to produce hemp will be affected by a number of factors, including plant design errors, non-performance by third party contractors, increases in materials or labour costs, construction performance falling below expected levels of output or efficiency, environmental pollution, contractor or operator errors, breakdowns, aging or failure of equipment or processes, labour disputes, as well as factors specifically related to indoor agricultural practices, such as reliance on provision of energy and utilities to the facility, and potential impacts of major incidents or catastrophic events on the facility, such as fires, explosions, earthquakes, or storms.

Management of Growth

The Company may be subject to growth-related risks, including capacity constraints and pressure on its internal systems and controls. The ability of the Company to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train, and manage its employee base. The inability of the Company to deal with this growth may have a material adverse effect on the Company's business, financial condition, results of operations, and prospects.

Reputational Damage to the Company

Damage to the Company's reputation can be the result of the actual or perceived occurrence of any number of events, and could include any negative publicity, whether true or not. The increased usage of social media and other web-based tools used to generate, publish, and discuss user-generated content and to connect with other users has made it increasingly easier for individuals and groups to communicate and share opinions and views in regards to the Company and its activities, whether true or not. Although the Company believes that it operates in a manner that is respectful to all stakeholders and that it takes care in protecting its image and reputation, the Company does not ultimately have direct control over how it is perceived by others. Reputation loss may result in decreased investor confidence, increased challenges in developing and maintaining community relations, and an impediment to the Company's overall ability to advance its projects, thereby having a material adverse impact on financial performance, financial condition, cash flows, and growth prospects.

Litigation

The Company may become party to litigation from time to time in the ordinary course of business which could adversely affect its business. Should any litigation in which the Company becomes involved be determined against the Company, such a decision could adversely affect the Company's ability to continue operating and the value of the Common Shares and could use significant resources. Even if Maple Leaf is involved in litigation and wins, litigation can redirect significant Company resources, including the time and attention of management and available working capital. Litigation may also create a negative perception of the Company's brand.

Intellectual Property

"Intellectual Property Rights" means any statutory or non-statutory intellectual property rights in any jurisdiction, including any issued, pending, registered, filed or unfiled application for any patent (including any utility, design or plant patent, and including any continuation, continuation-in-part, divisional, re-issue,



re-examination, national phase entry or regional phase entry application), copyright, trademark, industrial design, plant breeder's right, *Plant Varieties Protection Act* registration, or other statutory intellectual property right, and any trade secret, know-how, goodwill, or other intellectual property or other proprietary right, and any written or unwritten title, interest, license, right to bring or participate in any proceeding for past infringement or any other actionable right under or relating to any intellectual property right, or any other rights to any of the foregoing, relating to any standard operating procedures, production processes, packaging processes, labeling processes, ingredients, technology, inventions, plant varieties, clonally propagated plan material, stable cultivars, business management processes, compilations of information, contracts, records, specifications, business procedures, label designs, branding, compliance documentation, files, records, documents, drawings, specifications, equipment and data (data includes all information whether written or in an electronic format), and including any suppliers, manufacturers, equipment, methodologies, customer lists or other relevant information, relating to any of the foregoing, pertaining to the business of a party.

Intellectual Property Rights are significant aspects of the Company's future success. Unauthorized parties may attempt to replicate or otherwise obtain and use the Company's products and technology. Policing the unauthorized use of the Company's current or future Intellectual Property Rights could be difficult, expensive, time-consuming, and unpredictable, as may be enforcing these rights against unauthorized use by others. Identifying unauthorized use of the Intellectual Property Rights may be complicated in the event that Maple Leaf is unable to effectively monitor and evaluate the products being distributed by its competitors, and the processes used to produce such products. In addition, in any infringement proceeding, some or all of the Company's Intellectual Property Rights, may be found invalid, unenforceable, anti-competitive, or not infringed. An adverse result in any litigation or defense proceedings could put one or more of the Company's Intellectual Property Rights at risk of being invalidated or interpreted narrowly and could put pending applications for registration of Intellectual Property Rights at risk of not being issued. In addition, other parties may claim that the Company's products infringe on their proprietary and perhaps patent protected rights. Such claims, whether or not meritorious, may result in the expenditure of significant financial and managerial resources, legal fees, result in injunctions, temporary restraining orders, or require the payment of damages. Maple Leaf may need to obtain licenses from third parties who allege that the Company has infringed their Intellectual Property Rights. However, such licenses may not be available on terms acceptable to the Company or at all. In addition, the Company may not be able to obtain or utilize on terms that are favorable to it, or at all, licenses, or other rights with respect to Intellectual Property Rights that it does not own. Any or all of these events could materially and adversely affect the business, financial condition, and results of operations of the Company. (See also "Risk Factors - Risk Factors Related to the United States" in this AIF).

Fraudulent or Illegal Activity by Employees, Contractors, and Consultants

The Company is exposed to the risk that its employees, independent contractors, and consultants may engage in fraudulent or other illegal activity. Misconduct by these parties could include intentional, reckless and/or negligent conduct or disclosure of unauthorized activities to the Company that violates: (i) government regulations; (ii) manufacturing standards; (iii) federal and provincial healthcare fraud and abuse laws and regulations; or (iv) laws that require the true, complete, and accurate reporting of financial information or data. It is not always possible for the Company to identify and deter misconduct by its employees and other third parties, and the precautions taken by the Company to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting the Company from governmental investigations or other actions or lawsuits stemming from a failure to be in compliance with such laws or regulations. If any such actions are instituted against Maple Leaf, and it is not successful in defending itself or asserting its rights, those actions could have a significant impact on Maple Leaf's business, including the imposition of civil, criminal, and administrative penalties, damages, monetary fines, contractual damages, reputational harm, diminished profits, and future earnings, and curtailment of the Company's operations, any of which could have a material adverse effect on the Company's business, financial condition, and results of operations.

**Information Technology Systems and Cyber Attacks**

Maple Leaf plans to enter into agreements with third parties for hardware, software, telecommunications, and other IT services in connection with its operations. The Company's operations will depend, in part, on how well it and its suppliers protect networks, equipment, IT systems, and software against damage from a number of threats, including, but not limited to, cable cuts, damage to physical plants, natural disasters, intentional damage, destruction, fire, power loss, hacking, computer viruses, vandalism, and theft. The Company's operations will also depend on the timely maintenance, upgrades, and replacement of networks, equipment, IT systems and software, as well as pre-emptive expenses to mitigate the risks of failures. Any of these and other events could result in information system failures, delays, and/or increase in capital expenses. The failure of information systems or a component of information systems could, depending on the nature of any such failure, adversely impact the Company's reputation and results of operations.

There can be no assurance that the Company will not incur such losses in the future. The Company's risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As a result, cyber security and the continued development and enhancement of controls, processes, and practices designed to protect systems, computers, software, data, and networks from attack, damage, or unauthorized access is a priority. As cyber threats continue to evolve, the Company may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

Breaches of Security at Facilities, or in respect of Electronic Documents and Data Storage and Risks Related to Breaches of Applicable Privacy Laws

Given the nature of the Company's product and its lack of legal availability outside of channels approved by the Government of Canada, as well as the concentration of inventory in its facilities, despite meeting or exceeding Health Canada's security requirements, there remains a risk of shrinkage as well as theft. A security breach at one of the Company's facilities could expose Maple Leaf to additional liability and to potentially costly litigation, increased expenses relating to the resolution and future prevention of these breaches and may deter potential patients from choosing the Company's products.

In addition, Maple Leaf will collect and store personal information about its clients and will be responsible for protecting that information from privacy breaches. A privacy breach may occur through procedural or process failure, information technology malfunction, or deliberate unauthorized intrusions. Theft of data for competitive purposes, particularly patient lists and preferences, is an ongoing risk whether perpetrated via employee collusion or negligence or through deliberate cyber-attack. Any such theft or privacy breach would have a material adverse effect on the Company's business, financial condition and results of operations.

In addition, there are a number of federal and provincial laws protecting the confidentiality of certain patient health information, including patient records, and restricting the use and disclosure of that protected information. In particular, the privacy rules under the PIPEDA protect medical records and other personal health information by limiting their use and disclosure of health information to the minimum level reasonably necessary to accomplish the intended purpose. If Maple Leaf was found to be in violation of the privacy or security rules under the PIPEDA or other laws protecting the confidentiality of patient health information, it could be subject to sanctions and civil or criminal penalties, which could increase its liabilities, harm its reputation, and have a material adverse effect on the business, results of operations, and financial condition of the Company.

Political and Economic Instability

The Company may be affected by possible political or economic instability. The risks include, but are not limited to, terrorism, military repression, extreme fluctuations in currency exchange rates, and high rates of inflation. Changes in medicine and agriculture development or investment policies or shifts in political attitude in certain countries may adversely affect the Company's business. Operations may be affected in varying degrees by government regulations with respect to restrictions on production, distribution, price



controls, export controls, income taxes, and expropriation of property, maintenance of assets, environmental legislation, land use, land claims of local people, and water use. The effect of these factors cannot be accurately predicted. (See also “Risk Factors - Risk Factors Related to the United States” in this AIF).

Global Economy Risk

An economic downturn of global capital markets has been shown to make the raising of capital by equity or debt financing more difficult. The Company will be dependent upon the capital markets to raise additional financing in the future, while it establishes a user base for its products. As such, the Company is subject to liquidity risks in meeting its development and future operating cost requirements in instances where cash positions are unable to be maintained or appropriate financing is unavailable. These factors may impact the Company's ability to raise equity or obtain loans and other credit facilities in the future and on terms favorable to the Company and its management. If uncertain market conditions persist, the Company's ability to raise capital could be jeopardized, which could have an adverse impact on the Company's operations and the trading price of the Company's shares.

Risks Related to the Company's Business and Industry

Epidemics or Pandemics

Epidemics or pandemics, such as the recent global outbreak of a novel coronavirus COVID-19, have the potential to disrupt the Corporation's operations, projects and financial condition through the disruption of the local or global supply chain and transportation services, or the loss of manpower resulting from quarantines that affect the Corporation's labour pools in their local communities or operating sites or that are instituted by local health authorities as a precautionary measure, any of which may require the Corporation to temporarily reduce or shut-down its operations depending on the extent and severity of a potential outbreak and the areas or operations impacted. Depending on the severity, a large-scale global epidemic or pandemic could impact the international demand for commodities and have a corresponding impact on the prices realized by the Corporation, which could have a material adverse effect on the Corporation's financial condition.

In December 2019, COVID-19 was reported to have surfaced in Wuhan, China. On January 30, 2020, the World Health Organization declared the outbreak a global health emergency and on March 11, 2020, the World Health Organization declared the outbreak a pandemic. In China, reactions to the spread of COVID-19 have led to, among other things, significant restrictions on travel within China, temporary business closures, quarantines, and a general reduction in consumer activity. The outbreak has spread throughout Europe and the Middle East and there have been cases of COVID-19 in Canada and the United States, causing the governments of most western countries, including Canada and the United States, to take certain actions to reduce the spread of the virus. Such actions have included imposing restrictions such as quarantines, school closures, restrictions on public gatherings, business closures and travel restrictions. While these effects are expected to be temporary, the duration of the business disruptions internationally and related financial impact cannot be reasonably estimated at this time. Further, there is no guarantee further measures may nevertheless require us to shut down some or all operations. The Corporation's ability to generate revenue would be materially impacted by any shut down of its operations.

DIVIDENDS AND DISTRIBUTIONS

As of the date of this AIF, Maple Leaf has no current intention to declare dividends on its Common Shares in the foreseeable future. Any decision to pay dividends on its Common Shares in the future will be at the discretion of Maple Leaf's board of directors and will depend on, among other things, the Company's results of operations, current and anticipated cash requirements and surplus, financial condition, any future contractual restrictions and financing agreement covenants, solvency tests imposed by corporate law, and other factors that the board of directors may deem relevant.



DESCRIPTION OF CAPITAL STRUCTURE

The company is authorized to issue an unlimited number of Common Shares and Preferred Shares. As at March 31, 2021, there were 161,155,398 Common Shares issued and outstanding. No Preferred Shares are issued and outstanding. The holders of the Common Shares are entitled to one vote per share at all meetings of the shareholders of the Company. The holders of Common Shares are also entitled to dividends, if and when declared by the directors of the Company, and the distribution of the residual assets of the Company in the event of a liquidation, dissolution, or winding up of the Company.

Common Shares

Each Common Share carries the right to attend and vote at all general meetings of shareholders. Holders of Common Shares are entitled to receive on a pro rata basis such dividends, if any, as and when declared by the board of directors at its discretion from funds legally available for the payment of dividends and upon the liquidation, dissolution, or winding up of the Company are entitled to receive on a pro rata basis the net assets of the Company after payment of debts and other liabilities, in each case subject to the rights, privileges, restrictions, and conditions attaching to any other series or class of shares ranking senior in priority to or on a pro rata basis with the holders of Common Shares with respect to dividends or liquidation. The Common Shares do not carry any pre-emptive, subscription, redemption, or conversion rights, nor do they contain any sinking or purchase fund provisions.

The Company adopted a stock option plan under which it is authorized to grant options to officers, directors, employees, and consultants enabling them to acquire Common Shares of the Company. The maximum number of Common Shares reserved for issuance of stock options that may be granted under the plan is 10% of the issued and outstanding Common Shares of the Company. The options granted can be exercised for a maximum of 5 years and vest as determined by the Board of Directors. The exercise price of each option may not be less than the market price of the Common Shares on the date of grant. As of March 31, 2021, there are 8,450,000 options outstanding to purchase Common Shares. In addition, the Company has warrants outstanding to purchase up to an aggregate of 17,818,497 Common Shares.

The dilutive securities are summarized as follows:

| Security Type | Common Shares Issuable # | Exercise Price (Average) \$ | Cash Proceeds if Exercised \$ |
|-------------------------|--------------------------|--------------------------------|----------------------------------|
| Warrants ⁽¹⁾ | 17,818,497 | 0.60 | 10,691,098 |
| Options ⁽²⁾ | 8,450,000 | 0.34 | 2,834,000 |

(1) On September 27, 2019 the shareholders adopted and approved a resolution to extend the expiry dates and lower the exercise price of an aggregate of 17,818,497 common share purchase warrants to \$0.60.

(2) Details of Options Outstanding:

- (i) 4,400,000 options exercisable at a price of \$0.10 until April 10, 2021
- (ii) 100,000 options exercisable at a price of \$0.24 until Sep 27, 2021
- (iii) 3,950,000 options exercisable at a price of \$0.60 until January 31, 2023

MARKET FOR SECURITIES

Trading Price and Volume

Common Shares are listed and traded on the NEO under the trading symbol “MGW” and under the symbol “MGWFF” on the OTCQB. Prior to listing on the NEO on April 20, 2018, the Common Shares were listed and traded on the TSXV. The following table sets forth the reported intraday high and low prices and monthly trading volumes of the Common Shares for the 12-month period ending March 31, 2021 as quoted on the NEO:



| Period | High Trading Price | Low Trading Price | Volume (#) |
|----------------|--------------------|-------------------|------------|
| April 2020 | \$0.07 | \$0.055 | 2,847,897 |
| May, 2020 | \$0.075 | \$0.055 | 2,290,731 |
| June 2020 | \$0.12 | \$0.07 | 5,155,194 |
| July 2020 | \$0.095 | \$0.065 | 1,796,420 |
| August 2020 | \$0.08 | \$0.07 | 1,377,789 |
| September 2020 | \$0.08 | \$0.065 | 1,784,511 |
| October 2020 | \$0.08 | \$0.055 | 1,811,338 |
| November 2020 | \$0.08 | \$0.055 | 1,637,942 |
| December 2017 | \$0.07 | \$0.05 | 5,145,874 |
| January 2021 | \$0.075 | \$0.055 | 5,095,259 |
| February 2021 | \$0.10 | \$0.06 | 7,754,760 |
| March 2021 | \$0.09 | \$0.065 | 3,378,835 |

Prior Sales

The following table summarizes details of the following securities that are not listed or quoted on a marketplace issued by Maple Leaf during the twelve-month period between December 31, 2020 and December 31, 2019:

| Date of issuance | Security | Issuance/Exercise price per security | Number of securities |
|------------------|----------|--------------------------------------|----------------------|
| May 4, 2017 | Warrants | \$0.60 | 17,818,497 |

ESCROWED SECURITIES AND SECURITIES SUBJECT TO RESTRICTION ON TRANSFER

As at the date of this AIF, to the knowledge of the Corporation, no securities of any class of Maple Leaf are held in escrow or are subject to a contractual restriction on transfer.

DIRECTORS AND OFFICERS

Name, Occupation and Security Holding

The following table provides the names of Maple Leaf's current directors and executive officers, the positions held by each of them, and the date of their first appointment.

| | |
|---|--|
| Raymond Lai Calgary, Alberta, Canada Age: 70 Director Since: April, 2007 | Mr. Lai holds a Bachelor of Commerce degree received from the University of Calgary in 1975 and has been a registered member of the Certified Management Accountant Society for over 25 years. Mr. Lai has been a successful key executive for public companies in the manufacturing and mining industries for over 10 years and has been instrumental in securing public and private corporate financing both domestically and internationally. |
| Board Committees | |
| None | |
| Principal Occupation | |
| President & Chief Executive Officer of Maple Leaf | |
| Common Shares, Options, and Warrants (as at December 31, 2020) | |



Common Shares
1,928,000

Options
5,150,000

Warrants
0

Terence Lam
Calgary, Alberta,
Canada
Age: 57
Director Since:
March, 2012

Mr. Lam is a member of the Public Business Accountant Association of Alberta. Prior to spending 9 years in public accounting practice, Mr. Lam owned and managed a wholesale business for 6 years and a retail business for 5 years. Mr. Lam has worked with employees, financial institutions, suppliers, and accountants to understand what is required for a sound business culture. Mr. Lam prides himself on having a practical approach to meeting objectives, a good work ethic, and is focused on building successful businesses with proven results.

Board Committees

Compensation Committee, Nominating and Corporate Governance Committee

Principal Occupation

Corporate Secretary of Maple Leaf

Common Shares, Options and Warrants (as at December 31, 2020)

Common Shares
1,991,000

Options
1,300,000

Warrants
0

Najibullah “Naj”
Alizada, Calgary,
Alberta, Canada
Age: 40
Director Since:
June, 2016

Najibullah “Naj” Alizada has over 16 years of technology, sales, and marketing experience. As current President of Installogic, Naj oversees the operations, development, and marketing of the organization, including overseeing more than 200 custom projects and over 500 ongoing service accounts. Naj readily identifies strategic markets and opportunities for Installogic, leading to unique cutting-edge projects such as InstaTable Inc. (restaurant reservations application and technology), IQuRe Inc. (charitable donations application and technology), and SoftAlive Inc. (internal complete project management software technology.) His vision, expertise, and focus on growth have fostered his organization's expansion and success.

Board Committees

Audit Committee, Nominating and Corporate Governance Committee, and Compensation Committee

Principal Occupation

President of Installogic

Common Shares, Options and Warrants (as at December 31, 2020)

Common Shares
402,500

Options
400,000

Warrants
0

Greg Moline
Leduc, Alberta,
Canada
Age: 58
Director Since:
December, 2013

Mr. Greg Moline is the President and Chief Executive Officer of High Brix Manufacturing Inc. based in Leduc, Alberta. For the past 32 years, Mr. Moline has very successfully managed and operated two uniquely diverse businesses. After earning his bachelor's degree in the faculty of commerce, he started his own construction company in Edmonton which he ran for 25 years. Because of his background in farming, Mr. Moline became involved with a soil-testing laboratory, which eventually led him to people who studied and followed the methods of Dr. Carey Reams and William Albrecht, as well as their new world of soil and plant health discoveries. Mr. Moline has spent the past seven years on manufacturing, distributing, and educating farmers in various parts of the world on such new revolutionary scientific methods in agriculture.

Board Committees

Audit Committee, Nominating and Corporate Governance Committee, and Compensation Committee

Principal Occupation

President of High Brix Manufacturing Inc.

Common Shares, Options and Warrants (as at December 31, 2020)

Common Shares
1,017,509

Options
600,000

Warrants
190,909

**Cease Trade Orders, Bankruptcies, Penalties, or Sanctions**

To the knowledge of Maple Leaf, no director or executive officer of Maple Leaf, or shareholder holding a sufficient number of securities of Maple Leaf to affect materially the control of the Company:

- (a) is, as at the date hereof, or has been, within the ten (10) years before the date hereof, a director or executive officer of any corporation that, while that person was acting in such capacity:
 - (i) was subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than thirty (30) consecutive days, that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or
 - (ii) was subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than thirty (30) consecutive days, that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer; or
 - (iii) within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement, or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets.
- (b) has, within the ten (10) years before the date hereof, become bankrupt, made a proposal under any legislation relating to the bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement, or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, officer, or shareholder.

To the knowledge of Maple Leaf, no director or executive officer of Maple Leaf, or a shareholder holding sufficient number of securities of Maple Leaf to affect materially the control of Maple Leaf, has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

There does not exist any conflicts of interest or potential material conflicts of interest between the Company or a Subsidiary and any director or officer of the Company or of a Subsidiary.

Maple Leaf may, from time to time, become involved in transactions in which directors and officers of the Company have a direct interest or influence. The interests of these persons could conflict with those of the Company, and fiduciary duty may be impaired as a result. Conflicts of interest, if any, will be subject to the procedures and remedies provided under applicable laws. In particular, in the event that such a conflict of interest arises at a meeting of directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. In accordance with applicable laws, the directors of the Company are required to act honestly, in good faith, and in the best interests of the Company.

AUDIT COMMITTEE INFORMATION

As of March 30, 2021, the Audit Committee of the Corporation consists of Najibullah Alizada, and Greg Moline, all of whom are “independent” and “financially literate” within the meaning of National Instrument 52-110 — *Audit Committees*. Each director has an understanding of the accounting principles used to prepare Maple Leaf’s financial statements; experience in preparing, auditing, analyzing, or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the



issuer's financial statements; or experience actively supervising individuals engaged in such activities, and experience as to the general application of relevant accounting principles; and an understanding of the internal controls and procedures necessary for financial reporting. Greg Moline is the chair of the Audit Committee.

The Audit Committee has the primary function of fulfilling its responsibilities in relation to reviewing the integrity of Maple Leaf's financial statements, financial disclosures, and internal controls over financial reporting; monitoring the system of internal control; monitoring Maple Leaf's compliance with legal and regulatory requirements, selecting the external auditor for shareholder approval; reviewing the qualifications, independence and performance of the external auditor; and reviewing the qualifications, independence and performance of Maple Leaf's internal auditors. The Audit Committee has specific responsibilities relating to Maple Leaf's financial reports; the external auditor; the internal audit function; internal controls; regulatory reports and returns; legal or compliance matters that have a material impact on Maple Leaf; and Maple Leaf's whistleblowing procedures. In fulfilling its responsibilities, the Audit Committee meets regularly with the internal and external auditor and key management members. Information concerning the relevant education and experience of the Audit Committee members can be found in "Directors and Officers" above. The full text of the Audit Committee Charter is disclosed in Schedule "A" – Audit Committee Charter.

Pre-Approval Policies and Procedures

The Committee will pre-approve all non-audit services to be provided to Maple Leaf or any subsidiary entities by its external auditors or by the external auditors of such subsidiary entities. The Committee may delegate to one or more of its members the authority to pre-approve non-audit services but preapproval by such member or members so delegated shall be presented to the full Committee at its first scheduled meeting following such pre-approval.

External Auditor Service Fees

The following table sets forth, by category, the fees for all services rendered by the Company's external auditors, MNP LLP, for the financial year ended December 31, 2018 and GEIB & Company Professional Corporation, for the financial year ended December 31, 2020.

| | December 2020 | December 2019 |
|-----------------------------------|---------------|---------------|
| Audit Fees ⁽¹⁾ | \$80,000 | \$70,000 |
| Audit Related Fees ⁽²⁾ | - | - |
| Tax Fees ⁽³⁾ | - | - |
| All Other Fees | - | - |

Notes:

- (1) Includes fees necessary to perform the annual audit reviews of the Company's financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.
- (2) Includes services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
- (3) Includes fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.



PROMOTERS

There does not exist any promoters of the Company as of the date of this AIF.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

As of March 30, 2021, the Company is involved in the following matters:

"Maple Leaf Green World is currently preparing for arbitration with its contracted builder for its Henderson, Nevada facility, Thompson Global Partners. Maple Leaf has alleged that TGP failed to design a building fit for the intended purpose that would comply with Nevada marihuana regulation, as well as other claims against TGP. Arbitration will commence after a stay runs out in March. Maple Leaf hopes to recoup its \$900,000 down payment towards the construction of the facility, as well as lost profits from TGP's failures. TGP is seeking \$184,613.34, which it claims it is owed from completed work on the project over and above the \$900,000 it has received."

A statement of claim was filed by Maple Leaf Green World Inc (MGW) seeking damages from PSI and the primary officers in the sum of \$1,225,000, plus other damages and costs. The defendant requested particulars and MGW responded. The defendant then filed a Statement of Defence and Counterclaim; MGW has filed their Statement of Defence in the end of March 2019.

Emerging Equities Inc has filed a statement of claim against the Company for recovery of \$50,000 that they claim is owed under the Advisory contract. The Company is in the process of filing a statement of defence.

Woodmere is seeking from the Company \$0.5 million in damages. Woodmere has also terminated its lease to the Company, thereby eliminating Maple Leaf's interests in its unfinished facility. As such, Maple Leaf has counterclaimed against Woodmere on claims that Woodmere's acts and omissions at the time of leasing materially contributed detrimentally to the Company's goals not being achieved, thereby damaging the Company. In Maple Leaf's counterclaim against Woodmere, Maple Leaf has sought damages for lost value of the Company's lease expenses; for the forfeited value of the facility of \$11 million; and for damages for lost business opportunities of \$20 million.

In related matters, litigation continues from Maple Leaf's contractors for its former facility, who claim damages for unpaid construction invoices. These eight separate actions brought against the Company directly or indirectly, have now been consolidated into a single action, where the primary defendants are Maple Leaf and Woodmere; against whose title to its property the contractors has registered builders liens. In that consolidated action a case planning conference is scheduled for March 12, 2021 and a three-week trial has been scheduled for late June and July 2021. Woodmere and Maple Leaf are strenuously defending this action. The Company does not expect the actions to proceed on the scheduled trial dates, as having been set too early for all parties to be ready to proceed. In those combined actions, the claims against Woodmere and Maple Leaf now exceed \$4 million (with claims against Woodmere and its title to its property being less, due to builder's lien claims limitations). One other contractor to the Company obtained a BCSC Smithers Default Judgment against the Company in Q4, 2019 for nearly \$0.5 million, for which Judgment that contractor has not taken any further court proceedings.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

NONE.

TRANSFER AGENT AND REGISTRARS

The transfer agent and registrar of Maple Leaf is Odyssey Trust Company at its offices in Calgary, Alberta.



MATERIAL CONTRACTS

Except for contracts entered into in the ordinary course of business, there are no material contracts entered into by the Company for the period ending December 31, 2020 which are considered material.

INTERESTS OF EXPERTS

Interests of Experts

Geib & Company Chartered Professional Accountants is the auditor of the Company.

The Company changed its auditor to Geib & Company from MNP LLP on February 23, 2019. MNP LLP confirmed to the Corporation that they were independent from the Corporation within the meaning of the code of ethics of the Institute of Chartered Professional Accountants of Alberta.

ADDITIONAL INFORMATION

Additional information relating to the Company is available under the Company's profile on SEDAR at www.sedar.com.

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities, and securities authorized for issuance under the Company's equity compensation plans, as applicable, is contained in the Company's Management Information Circular for its most recent Annual General Meeting.

Additional financial information is provided in the Company's Audited Consolidated Financial Statements for the year ended December 31, 2020 and 2019 and Management's Discussion and Analysis for the year ended December 31, 2020, which may be obtained upon request from the Company's head office or may be viewed on the Company's website (www.mlgreenworld.com) or on the SEDAR website (www.sedar.com).



SCHEDULE “A”
MAPLE LEAF GREEN WORLD INC.
AUDIT COMMITTEE CHARTER
(Adopted by the Board of Directors on May 25, 2018)

PURPOSE

The overall purpose of the Audit Committee (the “**Committee**”) is to ensure that the management of Maple Leaf Green World Inc. (the “**Corporation**”) has designed and implemented an effective system of internal financial controls, to review and report on the integrity of the consolidated financial statements of the Corporation and to review the Corporation's compliance with regulatory and statutory requirements as they relate to financial statements, taxation matters and disclosure of material facts. In particular, the Committee must ensure compliance with National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”).

COMPOSITION, PROCEDURES AND ORGANIZATION

1. Unless exempt from the requirements of Part 3 of NI 52-110, the Committee shall consist of at least three members of the Board of Directors (the “**Board**”), all of whom shall be “independent”, as that term is defined in NI 52-110 (“venture issuers” are exempt from the requirements of Part 3 of NI 52-110.)
2. Unless exempt from the requirements of Part 3 of NI 52-110, all members of the Committee shall be “financially literate”, as that term is defined in NI 52-110 (“venture Issuers” are exempt from the requirements of Part 3 of NI 52-110.)
3. The Board, at its organizational meeting held in conjunction with each annual general meeting of the shareholders, shall appoint the members of the Committee for the ensuing year. The Board may at any time remove or replace any member of the Committee and may fill any vacancy in the Committee.
4. Unless the Board shall have appointed a chair of the Committee, the members of the Committee shall elect a chair from among their number.
5. Unless exempt from the requirements of Part 3 of NI 52-110, the secretary of the Committee shall be selected by the Committee and shall be “financially literate” unless otherwise determined by the Committee (venture issuers are exempt from the requirements of Part 3 of NI 52-110.)
6. The quorum for meetings shall be a majority of the members of the Committee, present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak and to hear each other.
7. The Committee shall have access to such officers and employees of the Corporation and to the Corporation's internal and external auditors, and to such information respecting the Corporation, as it considers necessary or advisable in order to perform its duties and responsibilities.
8. The Committee shall be entitled to engage independent counsel and other advisors as it considers necessary to carry out its duties and to set and pay the compensation for any such advisors.
9. Meetings of the Committee shall be conducted as follows:
 - (a) the Committee shall meet at least four times annually at such times and at such locations as may be requested by the chair of the Committee. The external auditors or any member of the Committee may request a meeting of the Committee;
 - (b) the external auditors shall receive notice of and have the right to attend all meetings of the Committee;
 - (c) the following management representatives shall be invited to attend all meetings, except executive sessions and private sessions with the external auditors:
 - Chief Executive Officer;



- (d) other management representatives shall be invited to attend as necessary.
10. The internal auditors and the external auditors shall have a direct line of communication to the Committee through its chair and may bypass management if deemed necessary. The Committee, through its chair, may contact directly any employee in the Corporation as it deems necessary, and any employee may bring before the Committee any matter involving questionable, illegal or improper financial practices or transactions.

DUTIES AND RESPONSIBILITIES

11. The overall duties and responsibilities of the Committee shall be as follows:
- (a) to assist the Board in the discharge of its responsibilities relating to the Corporation's accounting principles, reporting practices and internal controls and its approval of the Corporation's annual and quarterly consolidated financial statements;
 - (b) to establish and maintain a direct line of communication with the Corporation's internal and external auditors and assess their performance;
 - (c) to ensure that the management of the Corporation has designed, implemented and is maintaining an effective system of internal financial controls; and
12. to report regularly to the Board on the fulfilment of its duties and responsibilities.
13. The duties and responsibilities of the Committee as they relate to the external auditors shall be as follows:
- (a) to recommend to the Board a firm of external auditors to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation and to verify the independence of such external auditors;
 - (b) to review and recommend to the Board the scope and timing of the audit and other related services rendered by the external auditors and the compensation therefor;
 - (c) review the audit plan of the external auditors prior to the commencement of the audit;
 - (d) to directly oversee the work of the external auditor, including the resolution of disagreements between management and the external auditor regarding financial reporting;
 - (e) to review with the external auditors, upon completion of their audit:
 - (i) contents of their report;
 - (ii) scope and quality of the audit work performed;
 - (iii) adequacy of the Corporation's financial and auditing personnel;
 - (iv) co-operation received from the Corporation's personnel during the audit;
 - (v) internal resources used;
 - (vi) significant transactions outside of the normal business of the Corporation;
 - (vii) significant proposed adjustments and recommendations for improving internal accounting controls, accounting principles or management systems; and
 - (viii) the non-audit services provided by the external auditors;
 - (f) to discuss with the external auditors the quality and not just the acceptability of the Corporation's accounting principles;
 - (g) to pre-approve all non-audit services to be provided to the Corporation by the external auditors unless otherwise provided for in NI 52-110;



- (h) to implement structures and procedures to ensure that the Committee meets the external auditors on a regular basis in the absence of management;
 - (i) to review the Corporation's financial statements, MD&A and press releases announcing annual and interim earnings before the Corporation publicly discloses the information;
 - (j) to ensure that procedures are in place for the review of the Corporation's disclosure of financial information extracted or derived from the Corporation's financial statements, other than the public disclosure referred to in subsection (i) above, and periodically assess the adequacy of the procedures;
 - (k) to implement procedures for:
 - (i) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters;
 - (ii) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.
 - (iii) to review and approve the Corporation's hiring policies regarding partners, employees or former partners and employees of the present and former external auditors of the Corporation.
14. The duties and responsibilities of the Committee as they relate to the internal control procedures of the Corporation are to:
- (a) review the appropriateness and effectiveness of the Corporation's policies and business practices which impact on the financial integrity of the Corporation, including those relating to internal auditing, insurance, accounting, information services and systems and financial controls, management reporting and risk management;
 - (b) review any unresolved issues between management and the external auditors that could affect the financial reporting or internal controls of the Corporation; and
 - (c) periodically review the Corporation's financial and auditing procedures and the extent to which recommendations made by the internal audit staff or by the external auditors have been implemented.
15. The Committee is also charged with the responsibility to review the Corporation's quarterly statements of earnings, including the impact of unusual items and changes in accounting principles and estimates and report to the Board with respect thereto and to:
- (a) review and approve the financial sections of:
 - (i) annual reports to shareholders;
 - (ii) annual information forms (if adopted);
 - (iii) prospectuses; and
 - (iv) other public reports requiring approval by the Board, and report to the Board with respect thereto;
 - (b) review regulatory filings and decisions as they relate to the Corporation's consolidated financial statements;
 - (c) review the appropriateness of the policies and procedures used in the preparation of the Corporation's consolidated financial statements and other required disclosure documents, and consider recommendations for any material change to such policies;
 - (d) review and report on the integrity of the Corporation's consolidated financial statements;
 - (e) review the minutes of any audit committee meeting of subsidiary companies;



- (f) review with management, the external auditors and, if necessary, with legal counsel, any litigation, claim or other contingency, including tax assessments that could have a material effect upon the financial position or operating results of the Corporation and the manner in which such matters have been disclosed in the consolidated financial statements;
- (g) review the Corporation's compliance with regulatory and statutory requirements as they relate to financial statements, tax matters and disclosure of material facts; and develop a calendar of activities to be undertaken by the Committee for each ensuing year and to submit the calendar in the appropriate format to the Board of Directors following each annual general meeting of shareholders.