MAPLE LEAF ROYALTIES CORP.

FORM 51-102F4

BUSINESS ACQUISITION REPORT

ITEM 1 - IDENTITY OF COMPANY

1.1 Name and Address of Company

Maple Leaf Royalties Corp. ("**Maple Leaf**" or the "**Company**")
Suite 808 - 609 Granville Street
Vancouver, BC
V7Y 1G5

1.2 Executive Officer

Dan Gundersen, Chief Executive Officer
Telephone: (403) 852-4423

ITEM 2 - DETAILS OF THE ACQUISITION

2.1 Nature of Business Acquired

On December 16, 2014, pursuant to the terms of a definitive Purchase agreement between Maple Leaf 2011 Energy Income Limited Partnership ("MLEI") and the Company dated November 20, 2014 (the "Purchase Agreement"), MLRC agreed to acquire all of the royalty interests held by MLEI. MLRC acquired royalty interests in 14 oil and gas wells located in west central Alberta (the "Royalties") in consideration of the issuance and delivery to MLEI of 15,151,515 common shares of the Company at the deemed price of $0.66 per share, representing a total deemed consideration of $10 million. For the purposes of these pro forma financial statements, management has chosen to assign $10 million of value to the acquired royalty interests. It is anticipated that this valuation may be adjusted as part of the Company's year end accounting review.

MLEI was formed on June 20, 2011 as a limited partnership under the laws of the Province of British Columbia and commenced operations on August 16, 2011. The Partnership operated in one business segment, the investing in oil and gas properties which provide royalties on oil and natural gas production in Western Canada.

Additional information relating to MLEI, including a summary of reserves as of August 31, 2014, may be found in the news release of MLEI and the Company dated November 20, 2014 which is accessible on the System for Electronic Document Analysis and Retrieval ("SEDAR") under the Company's corporate profile at www.sedar.com.

2.2 Date of Acquisition

The business acquisition described in this Business Acquisition Report closed on **December 16, 2014**.

2.3 Consideration

Pursuant to the Definitive Purchase Agreement, MLRC acquired the Royalties in consideration of the issuance and delivery to MLEI of 15,151,515 common shares of the Company at the deemed price of $0.66 per share, representing a total deemed consideration of $10 million. For the purposes of these pro forma financial statements, management has chosen to assign $10 million of value to the acquired royalty interests. It is anticipated that this valuation may be adjusted as part of the Company's year end accounting review.

2.4 Effect on Financial Position

This transaction is effectively the Company's first acquisition of oil and gas royalty interests, and it will result in increased revenues to the Company. 16 days of production in December 2014 will be booked as revenue by the company. Estimated production during that period is 84 boe per day, consisting of 18.6 barrels per day of oil, 330 mcf per day of gas, and 10.6 barrels per day of natural gas liquids. Field revenues for those 16 days of December are estimated to be $32,000. The Company did not assume any debt associated with the acquisition, and maintains a positive net cash balance of approximately $2.6 million.

2.5 Prior Valuations

Sproule Associates Limited prepared an evaluation the petroleum and natural gas reserves effective August 31, 2014. The net present values of the reserves are presented on a before income tax basis and are based on annual projections of net revenue, which were discounted at various rates. Calculated net present values are not necessarily representative of fair market value. The pricing assumptions that formed the basis for the revenue projections were based on Sproule's August 31, 2014 commodity price forecast. The reserve estimates were made in accordance with NI 51-101 and COGE Handbook reserve definitions and may be found in the news release of MLEI and the Company dated November 20, 2014 which is accessible on the System for Electronic Document Analysis and Retrieval ("SEDAR") under the Company's corporate profile at www.sedar.com.

2.6 Parties to the Transaction

The transaction is a Non Arm's Length Transaction under Policy 5.3 of the TSX Venture Exchange as Hugh Cartwright and Shane Doyle, directors of MLRC, are also directors and officers of MLEI, and John Dickson, the Chief Financial Officer of MLRC, is also the Chief Financial Officer and Secretary of MLEI. As partial consideration for their services as service providers to MLEI, 5% of the Purchase Price Shares will be paid by MLEI to Maple Leaf 2011 Energy Income Management Corp., a Company controlled by Hugh Cartwright and Shane Doyle.

Daniel Gundersen, Chief Executive Officer and a director of MLRC, and Adam Thomas, President and a director of MLRC, currently provide consulting services to MLEI. These arrangements terminated upon closing of this transaction.

The Board of Directors of MLRC formed an independent committee to review and approve the transaction on its behalf

2.7 Date of Report

March 2, 2015

ITEM 3 - FINANCIAL DISCLOSURE

The following management prepared financial statements are attached hereto and form part of this report:

- Pro Forma Financial Statements that gives effect to the transaction; including:
  - Pro forma statement of financial position at September 30, 2014;
  - Pro forma income statement for the three month period ending September 30, 2014; and
  - Pro forma income statement for the year ending June 30, 2014

The following management prepared financial statements or reports, are accessible on SEDAR under the Company's profile and/or in the Company's filing statement, www.sedar.com, are specifically incorporated by reference into and form an integral part of this Report. **The auditors have not given their consent to include their audit report(s) in this Report.**

(a) Maple Leaf 2011 Energy Income Limited Partnership annual audited financial statements dated December 31, 2013;

(b) Maple Leaf 2011 Energy Income Limited Partnership interim unaudited management prepared financial statements dated June 30, 2014;

(c) Maple Leaf 2011 Energy Income Limited Partnership interim unaudited management prepared financial statements dated September 30, 2014;

(d) 1532497 Ontario Inc. annual audited financial statements dated June 30, 2014 and 2013 (included in the final filing statement dated October 28, 2014 as filed on SEDAR under the Company's profile);

(e) 1532497 Ontario Inc. interim unaudited management prepared financial statements dated September 30, 2014 and 2013;

(f) Maple Leaf Royalties Corp. annual audited financial statements dated December 31, 2013 and 2012;

(g) Maple Leaf Royalties Corp. interim unaudited management prepared financial statements dated September 30, 2014 and 2013;

(h) Maple Leaf Royalties Corp. interim unaudited management prepared financial statements dated June 30, 2014 and 2013;

Pro Forma Statements

Maple Leaf Royalties Corp.

(Expressed in Canadian dollars)
(Unaudited – Prepared by Management)

Unaudited Interim Financial Statements

In accordance with National Instrument 51-102, Part 4, subsection 4.3 (3), the Company discloses that these pro forma financial statements have not been reviewed by the auditors. The accompanying unaudited pro forma financial statements have been prepared by and are the responsibility of the Company.

Readers are cautioned that these statements may not be appropriate for their purposes.

The auditors have not given their consent to include their audit report in this Report.

Maple Leaf Royalties Corp.

Pro Forma Consolidated Statement of Financial Position
As at September 30, 2014
(Unaudited – Prepared by Management - Expressed in Canadian Dollars)

	1532497 Ontario Inc. As at September 30, 2014	Maple Leaf Resource Corp. As at September 30, 2014	Pro Forma Adjustments As at September 30, 2014		Acquisition	Pro-Forma Consolidated As at September 30, 2014
Assets	$	$	$		$	$
Current assets						
Cash and cash equivalents	295,828	240,754	3,075,215	(4)		3,611,797
Subscription receipts	3,075,215		(3,075,215)	(6)		
Prepaid expense	20,000	7,039	-		-	27,039
Sales tax recoverable	1,423	-	-		-	1,423
	3,392,466	247,793	-		-	3,640,259
Royalty interests	-	-	-		10,000,000	10,000,000
	3,392,466	247,793	-		10,000,000	13,640,259
Liabilities						
Current liabilities	(171,346)					
Accounts payable and accrued liabilities	679,567	48,871	250,000	(2),(4)	-	978,438
			(412,307)	(3)		(412,307)
Convertible Debentures	923,828	-	(923,828)	(3)	-	-
			320,909	(3)		320,909
Subscription receipts	3,075,215		(3,075,215)	(6)	-	-
	4,678,610	48,871	(3,840,441)		-	887,040
Shareholders' Equity						
Share capital	49,900,099	368,913	(368,913)	(6)	10,000,000	63,420,103
		233,388	225,400	(2)		
			3,025,215	(6)		
			36,001	(6)		
Equity component of convertible debenture	743,696		(743,696)	(1),(3)		-
Share-based payment reserve	-	27,612	(27,612)	(1)	-	-
Deficit	(51,929,854)	(197,603)	197,603	(1)		(50,666,799)
			(226,478)	(2)		
			1,489,533	(3)	-	-
	(1,286,059)	432,310	3,607,053		10,000,000	12,753,304
	3,392,551	481,181	(233,388)		10,000,000	13,640,344

See accompanying notes to pro forma consolidated financial statements

Maple Leaf Royalties Corp.

Pro Forma Statement of Comprehensive Income
For the three month period ended September 30, 2014
(Unaudited – Prepared by Management - Expressed in Canadian Dollars)

	1532497 Ontario Inc. For the three months ended September 30, 2014 $	Maple Leaf Resource Corp. For the three months ended September 30, 2014	Acquisition $	Pro-Forma Consolidated For the three month period ended September 30, 2014 $
Revenue				
Royalty income	-	-	525,908	525,908
Interest	-	-	-	-
	-	-	525,908	525,908
Expenses				
Audit	-	4,999	-	4,999
Depletion	-	-	-	-
Filing fees	-	10,269	-	10,269
General and administrative	7,574	283	-	7,857
Interest	13,857	-	-	13,857
Legal	150,000	25,039	-	175,039
Registrar and transfer agent	-	750	-	750
Share based compensation	-	1,914	-	1,914
	171,431	43,254	-	214,685
Income (Loss) before income taxes	(171,431)	(43,254)	525,908	311,223
Income taxes	-		-	-
Income (Loss) and comprehensive income (loss) for the period	(171,431)	(43,254)	525,908	311,223
Basic and diluted income (loss) per share	$ (0.16)	$ (0.01)		$ 0.01
Basic weighted average shares outstanding	1,097,158	6,440,000		28,915,131

See accompanying notes to pro forma consolidated financial statements

Maple Leaf Royalties Corp.

Pro Forma Statement of Comprehensive Income
For the year ended June 30, 2014
(Unaudited – Prepared by Management - Expressed in Canadian Dollars)

	1532497 Ontario Inc. For the year ended June 30, 2014	Maple Leaf Resource Corp. For the year ended June 30, 2014	Acquisition	Pro-Forma Consolidated For the year ended June 30, 2014
	$	$	$	$
Revenue				
Royalty income	-	-	1,632,740	1,632,740
Expenses				
Audit	-	10,393	-	10,393
Depletion	-	-	711,297	711,297
Filing fees	-	10,128	-	10,128
General and administrative	1,849	3,196	-	5,045
Interest	13,857	-	-	13,857
Legal	-	74,898	-	74,898
Registrar and transfer agent	-	5,974	-	5,974
Share based compensation	-	4,412	-	4,412
	15,706	109,000	711,297	836,003
Income (Loss) before income taxes	(15,706)	(109,000)	921,443	796,738
Income taxes	-		-	-
Income (Loss) and comprehensive income (loss) for the period	(15,706)	(109,000)	921,443	796,738
Basic and diluted income (loss) per share	$ (0.03)	$ (0.02)		$ 0.02

See accompanying notes to pro forma consolidated financial statements

1. Basis of Presentation

The accompanying unaudited pro forma statements of Maple Leaf Royalties Corp. ("Maple Leaf", "MLRC" or the "Company") have been prepared by management of the Company for inclusion in the Bussiness Acquisition Report of the Company. The acquisition had an effective date of December 16, 2014, whereby pursuant to the terms of a definitive Purchase agreement between Maple Leaf 2011 Energy Income Limited Partnership ("MLEI") and the Company dated November 20, 2014 (the "Purchase Agreement"). The Company agreed to acquire all of the royalty interests held by MLEI. The Company acquired royalty interests in 14 oil and gas wells located in west central Alberta (the "Royalties") in consideration of the issuance and delivery to MLEI of 15,151,515 common shares of the Company at the deemed price of $0.66 per share, representing a total deemed consideration of $10 million. For the purposes of these pro forma financial statements, management has chosen to assign $10 million of value to the acquired royalty interests. It is anticipated that this valuation may be adjusted as part of the Company's year end accounting review.

Maple Leaf and 1532497 Ontario Inc. ("Cogency") completed a business combination transaction pursuant to a court-approved plan of arrangement (the "Arrangement") carried out pursuant to section 182 of the Business Corporations Act (Ontario). The Arrangement was approved by the shareholders of Cogency at a special meeting held on October 8, 2014 (the "Meeting"). The final order of the Superior Court of Ontario approving the Arrangement was issued on October 21, 2014. The effective date of the transaction was November 14, 2014.

The Qualifying Transaction with 1532497 Ontario Inc. ("Cogency") as described in note 2 below. The unaudited pro forma consolidated statement of financial position as at September 30, 2014 and the unaudited pro forma consolidated statements of Income for the three months ended September 30, 2014 and year ended June 30, 2014 have been prepared from information derived from and should be read in conjunction with the following:

(a) Cogency's audited financial statements as at and for the years ended June 30, 2014 and 2013;
(b) Cogency's unaudited condensed interim financial statements as at and for the 3 months ended September 30, 2014.
(c) MLRC's unaudited condensed interim financial statements as at and for the 6 months ended June 30, 2014.
(d) MLRC's unaudited condensed interim financial statements as at and for the 9 months ended September 30, 2014.
(e) MLEI's unaudited condensed interim financial statements as at and for the 6 months ended June 30, 2014.
(f) MLEI's unaudited condensed interim financial statements as at and for the 9 months ended September 30, 2014.

The unaudited pro forma consolidated statements gives effect to the transactions and assumptions of the Qualifying Transaction, Amendments to the Cogency Debenture, Private Placement of Subscription Receipts and Acquisition of the Royalties as if they had occurred at the date of the relevant statement.

The unaudited pro forma consolidated statements have been prepared for illustrative purposes only and may not be indicative of the consolidated financial position that would have occurred if the proposed transactions had been in effect at the date indicated and is not necessarily indicative of the financial position projected in the future.

Management of the Company believes that the assumptions used provide a reasonable basis for presenting all of the significant effects of the proposed transactions and that the pro forma adjustments give appropriate effect to those assumptions and are appropriately applied.

The unaudited pro forma consolidated statement of financial position has been prepared using the significant accounting policies as set out in the audited financial statements of Cogency for the year ended June 30, 2014.

(Unaudited – Prepared by Management - Expressed in Canadian Dollars)

2. Qualifying Transaction:

The Qualifying Transaction of Maple Leaf was completed pursuant to the Arrangement. Under the Arrangement, Maple Leaf acquired all of the issued and outstanding Cogency Shares through the issuance to Cogency Shareholders of 1,283,675 New Maple Leaf Shares. Cogency shareholders received 1.17 ("the Exchange Ratio") New Maple Leaf shares for each outstanding Cogency share owned. The arrangement is an arms-length transaction resulting in the shareholders of Cogency owning approximately 87.6% of the issued and outstanding New Maple Leaf shares upon completion of Proposed Qualifying Transaction, Amendments to the Cogency Debenture and Private Placement of Subscription Receipt.

Although legally, Cogency is a wholly-owned subsidiary of the Company, the result of the share exchange described above, means that Cogency acquired control of the Company and the transaction is treated as a Reverse Takeover ("RTO"). The transaction will be accounted for as an asset acquisition and a listing obtained by Cogency via a share based payment. The excess of the fair value of shares that Cogency is deemed to have issued to acquire the Company plus the transaction cost of $200,000 (both the "consideration") over the estimated fair value of the Company's separately identifiable net assets will be recorded within deficit as the cost of Cogency obtaining a listing status. For the purpose of the pro forma, the fair value of Cogency's shares deemed issued is estimated to approximate the fair value of Maple Leaf prior to the Qualifying Transaction.

Net assets acquired:	$
Cash	240,754
Prepaid expense	7,039
Accounts payable and accrued liabilities	(48,871)
Transaction cost payable by Maple Leaf	(200,000)
Cost of public listing charged to deficit	226,478
Total consideration	225,400

Consideration:	$
Shares deemed to be issued	225,400
	225,400

3. Amendments to Cogency Debentures

Immediately following the Qualifying Transaction, Maple Leaf canceled the Cogency Debentures, issued the New Maple Leaf Debentures with a principal amount of $554,297 and an additional 117,000 New Maple Leaf Shares, at a deemed price of $0.3077 per New Maple Leaf Share, to the former Cogency Debentureholders.

On the extinguishment of the Cogency Debentures, the Company de-recognizes the liability component of the convertible debenture of $923,828, equity component of $743,696 and the interest payable of $412,307, which was included in the accounts payable and accrued liabilities balance of Cogency as at September 30, 2014. The liability component of the New Maple Leaf Debentures is value at $554,297 and an amount of $1,489,533 is recognised as an adjustment to equity.

At any time prior to the Maturity Date, the holder will have the right, upon notice to the Resulting Issuer, to convert all or any portion of the outstanding principal amount of the holder's New Maple Leaf Debentures into fully paid and non-assessable New Maple Leaf Shares on the basis of one New Maple Leaf Share for each $0.3077 of the principal amount of the New Maple Leaf Debentures being converted. This equity conversion feature of the New Maple Leaf Debenture has not been valued for the purposes of this pro forma. Any value attributed to this feature will have the impact of reducing the gain on extinguishment of the Cogency convertible debenture.

(Unaudited – Prepared by Management - Expressed in Canadian Dollars)

4. Private placement of Subscription Receipts

Effective November 14, 2014, the subscription receipt financing for gross proceeds of $3,075,215 ($3,025,215 net of transaction costs of $50,000 associated with the brokered private placement) was automatically exchanged without payment of any additional consideration for one common share and one warrant of the Company. Each warrant will entitle the holder to purchase one additional share of the Company at an exercise price of $0.3675 per warrant at any time prior to the day that is twenty-four (24) months from the November 14, 2014.

The warrants have not been valued for the purposes of this pro forma. Instead its value is subsumed within share capital.

5. Pro Forma Effective Tax Rate

Neither Maple Leaf nor Cogency has been taxable in the prior two tax years, and the resulting issuer has deferred tax assets that have not been recognized. Therefore, the effective pro forma income tax rate is 0%.

6. Continuity of Share Capital

	Number	Amount	Note
Maple Leaf common shares outstanding at September 30, 2014	6,440,000	$225,400	(a)
Maple Leaf share consolidation on a 1 for 4 basis	1,610,000	-	-
Shares issued pursuant to private placements	9,994,451	3,025,215	(b)
Amendment to the Cogency Debenture	117,000	36,000	(c)
Debenture Conversion	758,492	233,388	
Conversion of outstanding Cogency shares	1,283,675	49,900,099	(d)(f)
Issuance for Royalties (note 7)	15,151,515	10,000,000	
Pro Forma Consolidated	28,915,133	$63,420,103	

(a) the value attributed to the RTO is based on the quoted price of Maple Leaf of $0.14 on October 19, 2014.

(b) the issuance of 8,542,266 Cogency shares in the private placements, which are then converted to resulting issuer shares using the Exchange Ratio of 1.17 Maple Leaf shares per Cogency share, resulting in an additional 9,994,451 shares. The value attributed to these shares is approximated based on the proceeds received from sale of the subscription receipts.

(c) the issuance of 100,000 Cogency shares as a result of the amendment to the Cogency Debenture, which are then converted to resulting issuer shares using the Exchange Ratio, resulting in an additional 117,000 shares. The value attributable to these shares is approximated based on the proceeds received from the sale of the subscription receipts.

(d) the conversion of the currently existing 1,097,158 to new Maple Leaf shares using the Exchange Ratio. The amount of share capital attributed to Cogency (the accounting acquirer) is taken from the audited financial statements for the year ended June 30, 2014.

(e) Upon completion of the Royalties acquisition, the Company has 9,994,451 warrants outstanding with an exercise price of $0.3675. Maple Leaf options outstanding will be reduced to 73,334 from the 293,336 outstanding at September 30, 2014 due to the 1:4 consolidation of Maple Leaf shares. Fully diluted shares on a pro forma basis will be 38,982,918 (28,915,133 basic plus 9,994,451 warrants plus 73,334 options).

(f) the conversion of the currently existing 1,097,158 to new Maple Leaf shares using the Exchange Ratio. The amount of share capital attributed to Cogency (the accounting acquirer) is taken from the audited financial statements for the year ended June 30, 2014.

7. Acquisition of Royalty Interests

On December 16, 2014, pursuant to the terms of a definitive Purchase agreement between Maple Leaf 2011 Energy Income Limited Partnership (“MLEI”) and the Corporation dated November 20, 2014 (the "Purchase Agreement"), pursuant to which MLRC agreed to acquire all of the royalty interests held by MLEI. MLRC acquired royalty interests in 14 oil and gas wells located in west central Alberta (the “Royalties”) in consideration of the issuance and delivery to MLEI of 15,151,515 common shares of the Company at the deemed price of $0.66 per share, representing a total deemed consideration of $10 million. For the purposes of these pro forma financial statements, management has chosen to assign $10 million of value to the acquired royalty interests. It is anticipated that this valuation may be adjusted as part of the Company’s year end accounting review.