



Maple Leaf Green World Inc.

INVESTOR DECK 2018

NEO: MGW OTCQB: MGWFF

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Disclaimer

This disclosure includes certain statements and information that may be deemed "forward-looking statements" within the meaning of applicable Canadian securities legislation. Such forward-looking information relates to future events about MGW's intended business plans and operations. All information other than historical fact may constitute forward-looking information within the meaning of applicable Canadian securities legislation. Generally, forward-looking information can be identified by the forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget" or "budgeted", "scheduled", "estimates", "projects", "intends", "proposes", "complete", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "can", "could", "would", "might", "will be taken", "occur", or "be achieved".

Forward-looking information is subject to known and unknown risks, uncertainties, and other factors that may cause the actual results, level of activity, performance, or achievements of the Company to be materially different from those expressed or implied by such forward-looking information, including but not limited to: risks related to the development and operation of the Company's projects, risks associated with general economic conditions, adverse industry events, marketing costs, loss of markets, future legislative and regulatory developments involving medical cannabis, inability to access sufficient capital from internal and external sources and/or inability to access sufficient capital on favourable terms, the medical cannabis industry in Canada and the United States of America and the jurisdictions where the Company operates generally, income and sales tax and regulatory matters, competition, crop failure, currency and interest rate fluctuations, regulatory approvals including approvals from municipal, provincial, county, state and federal regulatory bodies in Canada and the United States of America.

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

Although the Company has attempted to identify important factors that could cause results to differ materially from those contained in forward-looking information, there may be other factors that cause results to be materially different from those anticipated, described, estimated, assessed, planned, or intended. Accordingly, such list of factors are not exhaustive. Additional information on these and other factors which could affect the Company's operations and financial results are discussed in the sections relating to risk factors of the business filed in the Company's required securities filings with applicable securities commissions or other securities regulatory authorities and which may be accessed through the SEDAR website (www.sedar.com).

Specifically, this disclosure includes, but is not limited to, forward-looking information with respect to the Telkwa/Henderson Facilities, the construction of the Telkwa/Henderson Facilities and the projected timelines thereof, and the anticipated completion of the Telkwa/Henderson Facilities and matters relating thereto. Forward-looking information necessarily involves both known and unknown risks and uncertainties that could cause actual result to differ materially from those anticipated, including, but not limited to failure to obtain the requisite approvals for the Telkwa/Henderson Facilities, the leasing agreement for the Telkwa Facility, the construction of the Telkwa/Henderson Facilities, or any combination or all of the foregoing, and failure to obtain the requisite provincial approvals, and failure to obtain any regulatory, stock exchange, or other required approvals.

Although, MGW believes that expectations and assumptions reflected in the forward-looking information are reasonable, there can be no assurance that any forward-looking information will prove accurate, and actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information. These forward-looking statements are made as of the date of this disclosure and the Company does not undertake to update any forward-looking information contained in this disclosure or that is incorporated by reference herein, whether as a result of new information, future events or results or otherwise, except in accordance with applicable securities laws.

UNIQUELY POSITIONED FOR THE INTERNATIONAL MARKET



PHASE I

Cannabis cultivation and sales in Canada
under the ACMPR and Bill C-45

Cannabis cultivation and sales in Nevada



PHASE II

Expand existing greenhouse and
construct ten additional greenhouses
in California

Expand facilities in Canada and
Nevada



PHASE III

Leverage relationships and partners
to pursue international opportunities

SIZE OF MARKET OPPORTUNITY



NEVADA 2020

USD \$622 Million

SOURCE:



CALIFORNIA 2019

USD\$5.1 Billion

SOURCE:

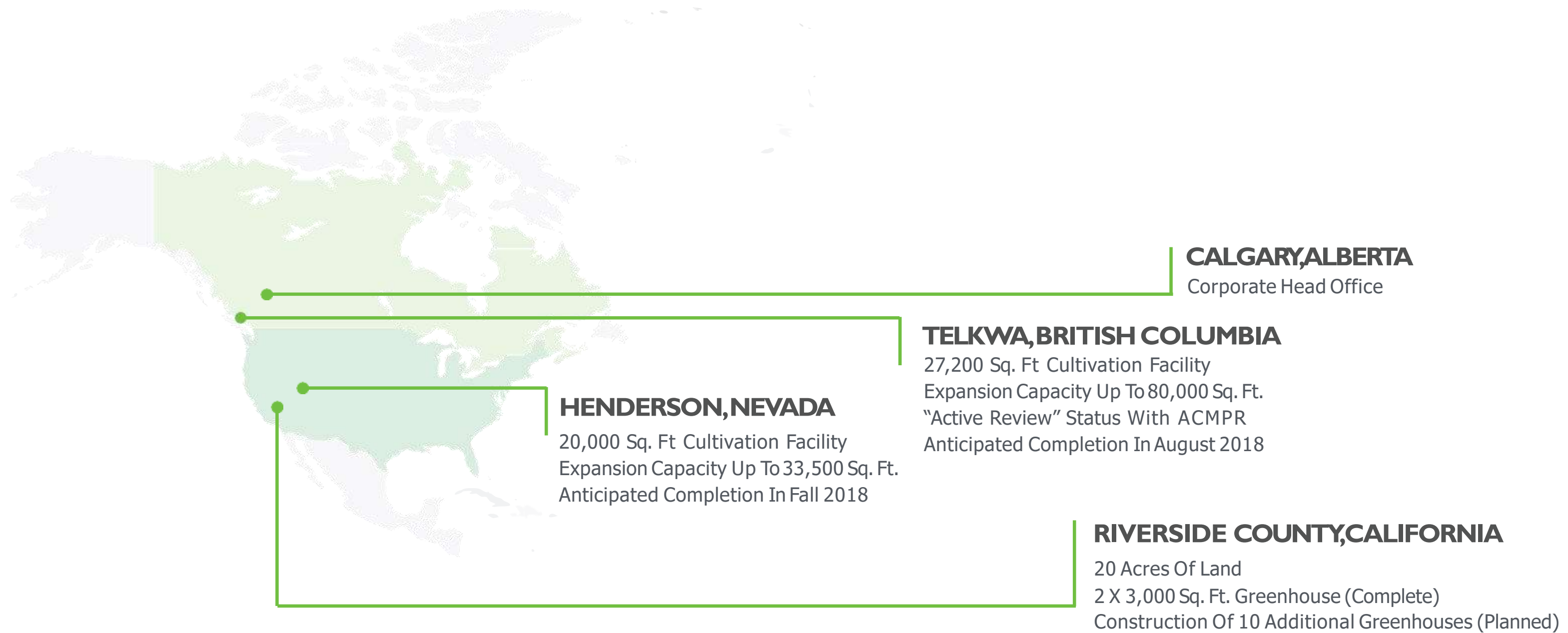


CANADA 2021

CDN\$6.0 Billion

SOURCE:





Maple Leaf Green World Inc. Platform

Maple Leaf Green World plans to develop, construct and operate cannabis production facilities and distribute cannabis in Canada, Nevada, California and ultimately to the international market, with a focus on cannabis-derived oil.

The company and management have extensive experience in reforestation and agribusiness, having delivered millions of top-quality seedlings to China. This experience and the company's land holdings in British Columbia, Nevada and California make Maple Leaf uniquely positioned for success in the cannabis industry.



CURRENT PROJECTS - Telkwa, B.C.

- 30 acres of land leased in Telkwa with option to purchase
- Construction of a 27,500 sq.ft. cultivation facility is now underway
- Expansion capacity is up to 80,000 sq. ft.
- Phase I production capability is 3,500 kgs. of dry cannabis
- Anticipated to produce pesticide-free, top quality cannabis and cannabis oil utilizing biodynamic technology
- Close proximity to Smithers Regional Airport
- Using Canna-Shield™ technology, which offers fire, water, mold, impact and insect resistance, which is ideal for the cannabis industry
- Anticipated completion and operational date is August 2018

MAY 1, 2018

Maple Leaf Begins Fit Out
of its Telkwa Facility

APRIL 17, 2018

Maple Leaf Begins Construction on
its Telkwa Facility

APRIL 9, 2018

Maple Leaf Enters "Active Review" with Health
Canada on its ACMPR Application

MARCH 15, 2018

Maple Leaf Applies for a Dealer's Licence with the
Office of Controlled Substances within Health Canada

MARCH 5, 2018

Maple Leaf Provides Update on its
Telkwa Facility

JANUARY 31, 2018

Maple Leaf Anticipates the Completion of Its
Telkwa Facility in Early Summer 2018

JANUARY 10, 2018

Maple Leaf Retains Rethinking Construction to
Fast Track the Construction of its Telkwa Facility

DECEMBER 22, 2017

Maple Leaf Commences Foundation Construction
for its Telkwa Facility

DECEMBER 12, 2017

Maple Leaf Begins the Foundation Construction for its
Telkwa Facility



CURRENT PROJECTS - Henderson, NV.

- Building a 20,000 sq. ft. cultivation facility on 3.89 acres of industrial land
- Expansion capacity is up to 33,500 sq. ft.
- Anticipated to produce pesticide-free, top quality cannabis utilizing biodynamic technology
- Phase I production capacity is 4,000 lbs. of dry cannabis
- Currently applying for building permit from the City of Henderson
- Expect to expedite construction by utilizing Canna-Shield™ technology
- Anticipated completion and operational date is fall of 2018



JANUARY 24, 2018

Maple Leaf Provides an Update on its American Medical Cannabis Operations

OCTOBER 5, 2017

BioNeva Receives Conditional Approval for Medical Cannabis Establishment and Cultivation Facility from the City of Henderson

JULY 25, 2017

Maple Leaf Announces Submission of a Medical Marijuana Establishment Certificate Transfer Application to the City of Henderson

JUNE 20, 2017

Maple Leaf Provides an Update on its American Medical Cannabis Operations

FEBRUARY 22, 2017

Maple Leaf Receives Positive Distance Study from the City of Henderson

JANUARY 30, 2017

Maple Leaf Secures Site for New Nevada Facility


JANUARY 19, 2017

Maple Leaf Announces Plans to Build a New Nevada Facility



CURRENT PROJECTS - Riverside County, CA

- Have built two x 3,000 sq. ft. greenhouse facilities on 20 acres of company owned land
- Cultivation to commence pending anticipated changes to county bylaw
- Anticipated construction of ten additional greenhouses
- Anticipated to produce pesticide-free, top quality cannabis
- No current operations in California as of May 2018



A horizontal timeline with two parallel white lines. The top line has three white circular markers, and the bottom line has three white circular markers. The background is a dark, textured image of marijuana leaves.

JAN. 23, 2018

Maple Leaf Terminates Leasing and Consulting Agreement with Emerald Farm Collective Pending Anticipated Changes to County Bylaw

SEPT. 30, 2015

Maple Leaf Receives a Purchase Commitment from a Medical Marijuana Dispensary in Southern California

APR. 22, 2015

Maple Leaf Announces That it Has Paid The Initial Deposit for the Acquisition of 20 Acres of Land

MARCH 10, 2015

Maple Leaf's Wholly Owned California Subsidiary Enters into an Agreement to Purchase 20 Acres of Land in Riverside County

OCTOBER 28, 2014

Maple Leaf Announces the Signing of a Letter of Intent With Emerald Farm Collective to Provide a Cultivation Facility in Return for a Quarterly Leasing and Consulting Fee

SEPT. 11, 2014

Maple Leaf Announces Its Intention to Develop a Medical Marijuana Cultivation Facility in Southern California



BOARD OF DIRECTORS

**Raymond Lai, CPA, Chairman of the Board, President
and CEO**

Raymond Lai has been a certified professional accountant for over 25 years and has held key roles for public companies in the manufacturing, mining and packaging industries for over 10 years. He has been instrumental in securing corporate financing in both domestic and international markets.

**Daniel Chu, Director and Chief Financial
Officer**

Daniel Chu, a chartered professional accountant since 1986, is a founding shareholder of Maple Leaf and has over 17 years of experience as a senior financial executive. He previously served as president of Duo Dynamic Capital Corp., a consulting company, Altarich Energy Inc., a publicly traded oil and gas company, and Optimal Choice Corporation, a wellness company.



BOARD OF DIRECTORS

Joe Wong, M.Sc., Director and Vice President of British Columbia Operations

Joe Wong is a highly experienced horticulturalist. He has spent the last 30 years improving nursery production and growing systems. He began his career with the B.C. Ministry of Forests in 1978 and, in 1985, started Woodmere Nursery, where he managed the design and construction of a greenhouse facility with an initial crop production of 2.5 million containerized seedlings per year. Those operations have now increased to 12 million seedlings annually and Woodmere has been a recipient of the prestigious Northern Forest Innovator's Award for its research into improving the germination of trees.

Greg Moline, Director

Greg Moline is President and CEO of High Brix Manufacturing Inc., based in Leduc, Alberta. For the past thirty-two years, Mr. Moline has successfully managed and operated two primary businesses. He started his own construction company in Edmonton and has operated it successfully for twenty-five years. Because of his roots in farming, Mr. Moline became involved with soil testing. Armed with soil & plant health data from this work, Mr. Moline has spent the past seven years in the global manufacturing and distribution of soil technology processes.



BOARD OF DIRECTORS

Terence Lam, Director, Corporate Secretary and Treasurer

Terence Lam is a member of the PBA Society of Canada. Prior to spending nine years in an accounting practice, he owned and managed a wholesale and retail business for 11 years. He has worked with employees, financial institutions, suppliers and accountants to understand the complex requirements of a productive business culture.

Naj Zada, Director

Naj Zada joined the Board of Directors with over 16 years of technology, sales, and marketing experience. Currently President of Instalogic Inc., a private company involved in 200 custom projects and over 500 ongoing accounts, he has identified strategic markets and opportunities that have led to projects such as InstaTable Inc., a restaurant reservations application and technology, IQuRe Inc., a charitable donations application and technology, and SoftAlive Inc., an internal complete project management software technology.



MANAGEMENT TEAM

Raymond Lai, CPA, Chairman of the Board, President and CEO

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Daniel Chu, Director and Chief Financial Officer

Daniel Chu, a chartered professional accountant since 1986, is a founding shareholder of Maple Leaf and has over 17 years of experience and as financial and senior executive. He previously served as president of Duo Dynamic Capital Corp., a consulting company, Altarich Energy Inc., a publicly traded oil and gas company, and Optimal Choice Corporation, a wellness company.



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Jameson Welbourn, Vice President of Business Development

Jameson Welbourn is a business development executive with over six years of experience specializing in the commercial real estate industry representing both tenants and landlords. He has a proven track record for identifying and capturing market opportunities and has brokered over 90 landlord-tenant lease transactions, valued in excess of \$20 million. He has successfully created, lead and executed detailed sales and business development strategies. Companies represented include; FT Services, Baron Oilfield Supply, Striker Resources, Acme Energy, The Consulate of Mexico, The Historical Society of Alberta, Engineered Chemistry and the Munich Reinsurance Company of Canada. Jameson has a deep passion for the business of cannabis and has been following the industry closely since 2005.



MANAGEMENT TEAM

William (Bill) Monroe, Marketing Manager, Nevada

Bill Monroe has been involved in the cannabis industry in California, Colorado and Nevada for the past eight years. Over this period of time he has developed excellent connections in Nevada for the production, distribution and sale of cannabis products. He is a board member of the National Council of the Cannabis Chamber of Commerce.

Ken Suydam, Head of Cultivation and Cannabis Technologies

Ken Suydam was master grower at Dystinctively Different Herb Co. LLC, an award-winning cannabis grower. Before that, he served as cultivation facility construction and grow consultant at The Proving Grounds LLC. Under his tenure, Dystinctively won the 2014 High Times Cannabis Cup and placed second in both the Hybrid and Indica categories. Other awards garnered under his leadership include a first place for rosin at Chalice 2015. This was the first rosin award ever given out in the United States.



MANAGEMENT TEAM

**Tracey Scott, CPA,
Corporate Controller**

Tracey Scott comes to Maple Leaf with over 20 years' experience in accounting. Tracey has been a Controller for several corporations, most recently for Platinum Communications Corporation, a TSXV exchange listed company supplying internet to rural Alberta. She has also worked in public practice and had her own firm serving small and medium businesses in Alberta.

**Terence Lam, Director, Corporate Secretary
and Treasurer**

Terence Lam is a member of the PBA Society of Canada. Prior to spending nine years in an accounting practice, he owned and managed a wholesale and retail business for over a decade. He has worked with employees, financial institutions, suppliers and accountants to understand the complex requirements of a productive business culture.

Stock Data

MGW: Aequitas NEO Exchange

Share Price [May 15, 2018]:	\$0.70	Average Volume (30-Day Moving Average):	337,193
Share Price (30-Day Moving Average):	\$0.75	Average Volume (90-Day Moving Average):	1,156,687
Share Price (90-Day Moving Average):	\$0.95	Public Float:	145,025,594
Shares 52-Week High Price:	\$2.06	Excludes shares owned by Directors and Officers	
Shares 52-Week Low Price:	\$0.30	Common Shares Issued and Outstanding:	150,814,603



Contact

Jameson F.Welbourn

Vice President, Business Development

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403.471.8617

Rights of Rescission

PURCHASERS RIGHTS

The following statutory rights of action for damages or rescission will only apply to a purchase of securities of MGW in the event that the foregoing presentation is deemed to be an offering memorandum pursuant to applicable securities legislation in the Provinces of Ontario, Saskatchewan, Manitoba, Nova Scotia, New Brunswick and Prince Edward Island. These remedies, or notice with respect thereto, must be exercised, or delivered, as the case may be, by the purchaser within the time limits prescribed by the applicable provisions of such provincial securities legislation. Purchasers should refer to such applicable securities legislation for the complete text of these rights or consult with a legal adviser. Where used in this section, "Misrepresentation" means an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made.

Ontario

Securities legislation in Ontario provides that when an offering memorandum is delivered to an investor to whom securities are distributed in reliance upon the "accredited investor" prospectus exemption provided in Section 2.3 of NI 45-106 (the "Accredited Investor Exemption"), the right of action described below is applicable, unless the prospective purchaser is: (a) an association governed by the Cooperative Credit Associations Act (Canada) or a central cooperative credit society for which an order has been made under Section 473(1) of that Act; (b) a bank, loan corporation, trust company, trust corporation, insurance company, treasury branch, credit union, caisse populaire, financial services corporation, or league that, in each case, is authorized by an enactment of Canada or a jurisdiction of Canada to carry on business in Canada or a jurisdiction in Canada; (c) a Schedule III bank, meaning an authorized foreign bank named in Schedule III of the Bank Act (Canada); (d) the Business Development Bank of Canada incorporated under the Business Development Bank of Canada Act (Canada); or (e) a subsidiary of any person referred to in paragraphs (a), (b), (c) or (d), if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by the directors of the subsidiary.

Where an offering memorandum that contains a misrepresentation is delivered in connection with a trade made in reliance on the Accredited Investor Exemption or certain other exemptions available under applicable securities legislation in Ontario, a purchaser who purchases a security offered by the offering memorandum during the period of distribution will have, without regard to whether the purchaser relied on the misrepresentation, a statutory right of action for damages against the issuer and a selling security holder on whose behalf the distribution was made or, while still the owner of securities a right of rescission against the issuer or selling security holder on whose behalf the distribution was made. If the purchaser elects to exercise the right of rescission, the purchaser will have no right of action for damages. The right of action will be exercisable by the purchaser only if the purchaser commences the action, in the case of any action for rescission, not more than 180 days after the date of the transaction that gave rise to the cause of action and in the case of any action, other than an action for rescission, before the earlier of: (i) 180 days after the plaintiff first had knowledge of the facts giving rise to the cause of action; or (ii) three years after the date of the transaction that gave rise to the cause of action.

A defendant shall not be liable for a misrepresentation if it proves that the purchaser purchased the securities with knowledge of the misrepresentation. In an action for damages, the defendant shall not be liable for all or any portion of the damages that the defendant proves do not represent the depreciation in value of the securities as a result of the misrepresentation relied upon. In no case shall the amount recoverable for the misrepresentation that exceeds the price at which the securities were offered.

Rights of Rescission

Saskatchewan

Saskatchewan securities legislation provides that where an offering memorandum or amendment to the offering memorandum is sent or delivered to a purchaser that contains a misrepresentation, a purchaser who purchases a security covered by the offering memorandum is deemed to have relied upon that misrepresentation, if it was a misrepresentation at the time of purchase, and has a right of action for rescission against the issuer or a selling security holder on whose behalf the distribution is made or has a right of action for damages against: (a) the issuer or a selling security holder on whose behalf the distribution is made; (b) every promoter and director of the issuer or the selling security holder, as the case may be, at the time the offering memorandum or any amendment to it was sent or delivered; (c) every person or company whose consent has been filed respecting the offering, but only with respect to reports, opinions or statements that have been made by them; (d) every person or company that, in addition to the persons or companies mentioned in (a) to (c) above, signed the offering memorandum or the amendment to the offering memorandum; and (e) every person or company that sells securities on behalf of the issuer or selling security holder under the offering memorandum or amendment to the offering memorandum.

Such rights of rescission and damages are subject to certain limitations including the following: (a) if the purchaser elects to exercise its right of rescission against the issuer or selling security holder, it shall have no right of action for damages against that party; (b) in an action for damages, a defendant will not be liable for all or any portion of the damages that he, she or it proves do not represent the depreciation in value of the securities resulting from the misrepresentation relied on; (c) no person or company, other than the issuer or a selling security holder, will be liable for any part of the offering memorandum or any amendment to it not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, unless the person or company failed to conduct a reasonable investigation sufficient to provide reasonable grounds for a belief that there had been no misrepresentation or believed that there had been a misrepresentation; (d) in no case shall the amount recoverable exceed the price at which the securities were offered; and (e) no person or company is liable in an action for rescission or damages if that person or company proves that the purchaser purchased the securities with knowledge of the misrepresentation.

In addition, no person or company, other than the issuer or selling security holder, will be liable if the person or company proves, among other things, that: (a) the offering memorandum was sent or delivered without the person's or company's knowledge or consent and that, on becoming aware of it being sent or delivered, that person or company immediately gave reasonable general notice that it was so sent or delivered; or (b) with respect to any part of the offering memorandum purporting to be made on the authority of an expert, or purporting to be a copy of, or an extract from, a report, an opinion or a statement of an expert, that person or company had no reasonable grounds to believe and did not believe that there had been a misrepresentation, the part of the offering memorandum did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of, or an extract from, the report, opinion or statement of the expert. Saskatchewan securities legislation also provides: (a) similar rights of action for damages and rescission in respect of a misrepresentation in advertising and sales literature disseminated in connection with an offering of securities; (b) that where an individual makes a verbal statement to a prospective purchaser that contains a misrepresentation relating to the security purchased and the verbal statement is made either before or contemporaneously with the purchase of the security, the purchaser is deemed to have relied on the misrepresentation, if it was a misrepresentation at the time of purchase, and has a right of action for damages against the individual who made the verbal statement; (c) a purchaser with the right to void the purchase agreement and to recover all money and other consideration paid by the purchaser for the securities if the securities are purchased from a vendor who is trading in Saskatchewan in contravention of Saskatchewan securities legislation; and (d) a right of action for rescission or damages to a purchaser of securities to whom an offering memorandum was not sent or delivered prior to or at the same time as the purchaser enters into an agreement to purchase the securities, as required by the Saskatchewan securities legislation.

Saskatchewan securities legislation also provides: (a) similar rights of action for damages and rescission in respect of a misrepresentation in advertising and sales literature disseminated in connection with an offering of securities; (b) that where an individual makes a verbal statement to a prospective purchaser that contains a misrepresentation relating to the security purchased and the verbal statement is made either before or contemporaneously with the purchase of the security, the purchaser is deemed to have relied on the misrepresentation, if it was a misrepresentation at the time of purchase, and has a right of action for damages against the individual who made the verbal statement; (c) a purchaser with the right to void the purchase agreement and to recover all money and other consideration paid by the purchaser for the securities if the securities are purchased from a vendor who is trading in Saskatchewan in contravention of Saskatchewan securities legislation; and (d) a right of action for rescission or damages to a purchaser of securities to whom an offering memorandum was not sent or delivered prior to or at the same time as the purchaser enters into an agreement to purchase the securities, as required by the Saskatchewan securities legislation.

Saskatchewan securities legislation provides that no action shall be commenced to enforce any of the foregoing rights more than: (a) in the case of an action for rescission, 180 days after the date of the transaction that gave rise to the cause of action; or (b) in the case of an action for damages, the earlier of: (i) one year after the plaintiff first had knowledge of the facts giving rise to the cause of action; or (ii) six years after the date of the transaction that gave rise to the cause of action.

Saskatchewan securities legislation also provides a purchaser who has received an amended offering memorandum delivered in accordance with such legislation has a right to withdraw from the agreement to purchase the securities by delivering a notice to the person or company that is selling the securities, indicating the purchaser's intention not to be bound by the purchase agreement, provided such notice is delivered by the purchaser within two business days of receiving the amended offering memorandum.

Rights of Rescission

Manitoba

In the event that an offering memorandum, together with any amendment thereto delivered to purchasers of securities resident in Manitoba, contains a misrepresentation and it is a misrepresentation at the time of purchase, the purchaser shall be deemed to have relied upon the misrepresentation and shall have, in addition to any other rights it may have at law, (a) a right of action for damages against (i) the issuer, (ii) every director of the issuer at the date of the offering memorandum (collectively, the "Directors") and (iii) every person or corporation who signed the offering memorandum (collectively, the "Signatories"), and (b) a right of rescission against the issuer.

If a misrepresentation is contained in a record incorporated by reference in, or is deemed to be incorporated into the offering memorandum, the misrepresentation is deemed to be contained in the offering memorandum. A purchaser of securities may elect to exercise a right of rescission against the issuer, in which case the purchaser will have no right of action for damages against the issuer, Directors or Signatories.

All persons or companies referred to above that are found to be liable or accept liability are jointly and severally liable. A person or corporation who is found liable to pay a sum in damages may recover a contribution, in whole or in part, from a person who is jointly and severally liable to make the same payment in the same cause of action unless, in all the circumstances of the case, the court is satisfied that it would not be just and equitable.

Directors or Signatories will not be liable:

- if they prove the offering memorandum was sent or delivered to the purchaser without their knowledge or consent and, on becoming aware of its delivery, gave reasonable notice to the issuer that it was delivered without their knowledge and consent;
- if they prove that, after becoming aware of a misrepresentation in the offering memorandum they withdrew their consent to the offering memorandum and gave reasonable notice to the issuer of their withdrawal and the reasons therefore;
- if, with respect to any part of the offering memorandum purporting to be made on the authority of an expert or to be a copy of, or an extract from, a report, opinion or statement of an expert ("Expert Opinion"), if such person proves they did not have any reasonable grounds to believe and did not believe that there was a misrepresentation or that the relevant part of the offering memorandum did not fairly represent the Expert Opinion or was not a fair copy of, or an extract from, such Expert Opinion; or
- with respect to any part of the offering memorandum not purporting to be made on an expert's authority, or not purporting to be a copy of, or an extract from an Expert Opinion, unless the Director or Signatory (i) did not conduct an investigation sufficient to provide reasonable grounds for a believe that there had been no misrepresentation, or (ii) believed that there had been a misrepresentation.

No person or company is liable in an action for rescission or damages if that person or company proves that the purchaser had knowledge of misrepresentation.

In an action for damages, the issuer, the Directors and Signatories will not be liable for all or any part of the damages that they prove do not represent the depreciation in value of the securities as a result of the misrepresentation relied upon. The amount recoverable under the right of action shall not exceed the price at which the securities were offered for sale.

A purchaser of securities to whom the offering memorandum was not delivered prior to such purchase in circumstances where such offering memorandum was required to be delivered, has a right of rescission or a right of action for damages against the issuer or any dealer who failed to deliver the offering memorandum within the prescribed time.

A purchaser to whom the offering memorandum is required to be sent may rescind the contract to purchase the securities by sending a written notice of rescission to the issuer not later than midnight on the second day, excluding Saturdays, Sundays and holidays, after the purchaser signs the agreement to purchase the securities.

Unless otherwise provided under applicable securities legislation, no action shall be commenced to enforce a right of action unless the right is exercised:

- in the case of rescission, not later than 180 days from the day of the transaction that gave rise to the cause of action; or
- in the case of an action, other than an action for rescission, the earlier of (i) 180 days from the day the purchaser first had knowledge of the facts giving rise to the cause of action; and (ii) two years from the day of the transaction that gave rise to the cause of action.

Rights of Rescission

Nova Scotia

Nova Scotia securities legislation provides that if an offering memorandum or any advertising or sales literature (as defined in the Securities Act (Nova Scotia)) contains a misrepresentation, a purchaser of securities is deemed to have relied upon such misrepresentation if it was a misrepresentation at the time of purchase and has, subject to certain limitations and defences, a statutory right of action for damages against the seller of such securities, the directors of the seller and the persons who have signed the offering memorandum or, alternatively, while still the owner of the securities, may elect instead to exercise a statutory right of rescission against the seller, in which case the purchaser shall have no right of action for damages against the seller, the directors of the seller or the persons who have signed the offering memorandum.

The rights described above are subject to certain limitations, including: (a) no action may be commenced to enforce the right of action for rescission or damages by a purchaser resident in Nova Scotia later than 120 days after the date payment was made for the securities (or after the date on which initial payment was made for the securities where payments subsequent to the initial payment are made pursuant to a contractual commitment assumed prior to, or concurrently with, the initial payment); (b) no person will be liable if it proves that the purchaser purchased the securities with knowledge of the misrepresentation; (c) in the case of an action for damages, no person will be liable for all or any portion of the damages that it proves do not represent the depreciation in value of the securities; and (d) in no case will the amount recoverable in any action exceed the price at which the securities were offered to the purchaser.

The liability of all persons or companies referred to above is joint and several with respect to the same cause of action. A defendant who is found liable to pay a sum in damages may recover a contribution, in whole or in part, from a person or company who is jointly and severally liable to make the same payment in the same cause of action unless, in all the circumstances of the case, the court is satisfied that it would not be just and equitable.

New Brunswick

New Brunswick securities legislation provides investors who purchase securities offered for sale in reliance on the Accredited Investor Exemption with a statutory right of action against the issuer and a selling security holder of securities for damages or against the seller of securities only, for rescission, in the event that any information relating to the offering provided to the purchaser contains a misrepresentation. Where an offering memorandum is delivered to a prospective purchaser of securities in connection with a trade made in reliance on the Accredited Investor Exemption, and the document contains a misrepresentation, a purchaser who purchases the securities is deemed to have relied on the misrepresentation and has, subject to certain limitations and defences, a statutory right of action against the issuer and a selling security holder on whose behalf the distribution was made for damages or, while still the owner of securities, against the seller of securities for rescission. If the purchaser elects to exercise the right of rescission, the purchaser will have no right of action for damages. The right of action will be exercisable by the purchaser only if the purchaser gives notice to the defendant, in the case of any action for rescission, not more than 180 days after the date of the transaction that gave rise to the cause of action, that the purchaser is exercising this right, and, in the case of any action for damages, before the earlier of: (i) one year after the plaintiff first had knowledge of the facts giving rise to the cause of action, or (ii) six years after the date of the transaction that gave rise to the cause of action.

A defendant is not liable for a misrepresentation if it proves that the purchaser purchased the securities with knowledge of the misrepresentation. In an action for damages, the defendant shall not be liable for all or any portion of the damages that the defendant proves do not represent the depreciation in value of the securities as a result of the misrepresentation relied upon. In no case shall the amount recoverable for the misrepresentation exceed the price at which the securities were offered.

Rights of Rescission

Prince Edward Island

Section 16.1.1 of the Securities Act (Prince Edward Island) provides that if an offering memorandum contains a misrepresentation, a purchaser who purchases a security offered by the offering memorandum during the period of distribution shall be deemed to have relied on the misrepresentation if it was a misrepresentation at the time of purchase and (a) has a right of action for damages against (i) the seller, (ii) every director of the seller at the date of the offering memorandum, and (iii) every person who signed the offering memorandum; or (b) may elect to exercise a right of rescission against the seller, in which case the purchaser has no right of action for damages against any person under clause (a). No person is liable if the person proves that the purchaser purchased the securities with knowledge of the misrepresentation.

No person is liable if the person proves that: the offering memorandum was sent or delivered to the purchaser without the person's knowledge or consent and that, on becoming aware of its delivery, the person gave reasonable general notice that it was delivered without the person's knowledge or consent; after delivery of the offering memorandum and before the purchase of the securities by the purchaser, on becoming aware of any misrepresentation in the offering memorandum, the person withdrew the person's consent to the offering memorandum, and gave reasonable general notice of the withdrawal and the reason for it; or with respect to any part of the offering memorandum purporting (i) to be made on the authority of an expert, or (ii) to be a copy of, or an extract from, a report, an opinion or a statement of an expert, the person had no reasonable grounds to believe and did not believe that (iii) there had been a misrepresentation, or (iv) the relevant part of the offering memorandum (A) did not fairly represent the report, opinion or statement of the expert, or (B) was not a fair copy of, or an extract from, the report, opinion or statement of the expert.

No person is liable with respect to any part of an offering memorandum not purporting (a) to be made on the authority of an expert; or (b) to be a copy of, or an extract from, a report, opinion or statement of an expert, unless the person (c) failed to conduct a reasonable investigation to provide reasonable grounds for a belief that there had been no misrepresentation; or (d) believed that there had been a misrepresentation.

In an action for damages, the defendant is not liable for all or any portion of the damages that the defendant proves do not represent the depreciation in value of the security as a result of the misrepresentation relied upon.

The liability of all persons is joint and several with respect to the same cause of action.

A defendant who is found liable to pay a sum in damages may recover a contribution, in whole or in part, from a person who is jointly and severally liable under this section to make the same payment in the same cause of action unless, in all the circumstances of the case, the court is satisfied that it would not be just and equitable. The amount recoverable by a plaintiff under this section may not exceed the price at which the securities were offered under the offering memorandum.

The right of action for rescission or damages is in addition to and not in derogation from any other right the purchaser may have.

If a misrepresentation is contained in a record incorporated by reference in, or deemed incorporated into, an offering memorandum, the misrepresentation is deemed to be contained in the offering memorandum.

No action shall be commenced to enforce a right more than (a) in the case of an action for rescission, 180 days after the date of the transaction that gave rise to the cause of action; or (b) in the case of any action, other than an action for rescission, the earlier of, (i) one year after the plaintiff first had knowledge of the facts giving rise to the cause of action, or (ii) three years after the date of the transaction that gave rise to the cause of action.

This summary is subject to the express provisions of the Securities Act (Prince Edward Island) and the regulations and rules made under it, and prospective investors should refer to the complete text of those provisions.