

**Maple Leaf Corporate  
Funds Ltd.**

Financial Statements  
**November 30, 2014 and 2013**

February 27, 2015

## **Independent Auditor's Report**

**To the Shareholders of  
Maple Leaf Corporate Funds Ltd. being  
Maple Leaf Resource Class  
Maple Leaf Income Class**  
(collectively the Funds)

We have audited the accompanying financial statements of each of the Funds, which comprise the statement of investment portfolio as at November 30, 2014, the statements of net assets as at November 30, 2014 and 2013 and the statements of operations, changes in net assets and cash flows for the years then ended, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

### **Management's responsibility for the financial statements**

Management is responsible for the preparation and fair presentation of the financial statements of each of the Funds in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's responsibility**

Our responsibility is to express an opinion on the financial statements of each of the funds based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

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**Opinion**

In our opinion, the financial statements of each of the Funds present fairly, in all material respects, the financial position of each of the Funds as at November 30, 2014 and 2013 and the results of each of their operations, the changes in each of their net assets and their cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

**(Signed) “PricewaterhouseCoopers LLP”**

**Chartered Accountants**

# Maple Leaf Corporate Funds Ltd.

## Maple Leaf Resource Class

Statements of Net Assets

As at November 30, 2014 and 2013

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	2014 \$	2013 \$
<b>Assets</b>		
Investments - at fair value	4,522,853	6,053,072
Cash	1,365,123	910,580
Refundable taxes	43,376	34,803
Dividends receivable	6,154	3,934
Due from related party (note 6)	4,813	4,813
Due from broker	29,194	73,169
	<hr/> 5,971,513	<hr/> 7,080,371
<b>Liabilities</b>		
Accounts payable and accrued liabilities	102,475	116,202
Income taxes payable	3,781	34,803
Due to broker	83,501	-
Redemptions payable	76,895	19,205
	<hr/> 266,652	<hr/> 170,210
<b>Net assets and shareholders' equity</b>	<hr/> 5,704,861	<hr/> 6,910,161
<b>Number of Series A shares outstanding</b> (note 9)	<hr/> 1,072,459	<hr/> 1,152,952
<b>Net asset value per share</b> (note 7)	<hr/> 5.32	<hr/> 5.99

**Approved on behalf of the Board of Directors of Maple Leaf Corporate Funds Ltd.**

\_\_\_\_\_ (signed) Hugh Cartwright \_\_\_\_\_ Director \_\_\_\_\_ (signed) John Dickson \_\_\_\_\_ Director

The accompanying notes are an integral part of these financial statements.

**Maple Leaf Corporate Funds Ltd.**  
**Maple Leaf Resource Class**  
Statements of Operations  
For the years ended November 30, 2014 and 2013

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
<b>Investment income</b>		
Dividends	77,770	56,521
<b>Expenses</b>		
Management fees (note 6)	193,964	206,109
Recordkeeping fees	16,318	62,827
Administrative and other (note 6)	142,402	190,095
Legal fees	39,781	48,896
Harmonized sales tax	41,241	36,920
Filing	29,360	31,877
Audit fees	32,321	30,000
Valuation fees	22,633	26,601
Custodial fees	32,000	13,481
Independent review committee fees	4,868	8,020
	554,888	654,826
Less: Fee rebate and expenses absorbed by the Manager (note 6)	-	(171,000)
	554,888	483,826
<b>Net investment loss</b>	<b>(477,118)</b>	<b>(427,305)</b>
<b>Gain (loss) on investments</b>		
Net realized gain (loss) on sale of investments	532,785	(2,957,424)
Portfolio transaction costs	(84,677)	(64,760)
Foreign exchange gain	10,989	24,470
Change in unrealized (depreciation) appreciation of investments	(717,690)	533,423
	(258,593)	(2,464,291)
<b>Decrease in net assets from operations</b>	<b>(735,711)</b>	<b>(2,891,596)</b>
<b>Decrease in net assets from operations per Series A share</b>	<b>(0.58)</b>	<b>(2.10)</b>

The accompanying notes are an integral part of these financial statements.

**Maple Leaf Corporate Funds Ltd.**  
**Maple Leaf Resource Class**  
 Statements of Changes in Net Assets  
 For the years ended November 30, 2014 and 2013

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	2014 \$	2013 \$
<b>Net assets - Beginning of year</b>	6,910,161	11,747,987
<b>Decrease in net assets from operations</b>	(735,711)	(2,891,596)
<b>Capital gains distributions to shareholders</b>	(3,372,382)	(4,883,550)
<b>Dividend distributions to shareholders</b>	(169,780)	-
	(3,542,162)	(4,883,550)
<b>Share transactions</b>		
Shares issued for rollover from limited partnerships	12,598,215	6,957,985
Transfer from Income Class	-	6,456
Reinvested capital gains distributions	3,372,382	4,883,550
Reinvested dividend distributions	169,780	-
Consideration paid for redemption	(13,067,804)	(8,910,671)
	3,072,573	2,937,320
<b>Net assets - End of year</b>	5,704,861	6,910,161

The accompanying notes are an integral part of these financial statements.

**Maple Leaf Corporate Funds Ltd.**  
**Maple Leaf Resource Class**  
**Statements of Cash Flows**  
**For the years ended November 30, 2014 and 2013**

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	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>		
Net investment loss	(477,118)	(427,305)
Changes in non-cash working capital items		
Refundable taxes	(39,595)	(18,840)
Dividends receivable	(2,220)	(967)
Due from related party	-	(4,813)
Due from broker	43,975	65,373
Accounts payable and accrued liabilities	(13,727)	63,513
Income taxes payable	-	18,840
Due to broker	83,501	(60,801)
Redemptions payable	57,690	(61,590)
Foreign exchange gain	10,989	-
	<u>(336,505)</u>	<u>(426,590)</u>
Purchase of investments	(9,322,077)	(9,599,845)
Proceeds from sale of investments	20,118,679	18,084,870
Transaction costs	(84,677)	(64,760)
	<u>10,375,420</u>	<u>7,993,675</u>
<b>Cash flows from financing activities</b>		
Cash received on acquisition of net assets from limited partnerships	3,146,927	736,267
Consideration paid for redemption of Series A shares	(13,067,804)	(8,910,671)
	<u>(9,920,877)</u>	<u>(8,174,404)</u>
<b>Increase (decrease) in cash</b>	454,543	(180,729)
<b>Cash - Beginning of year</b>	<u>910,580</u>	<u>1,091,309</u>
<b>Cash - End of year</b>	<u>1,365,123</u>	<u>910,580</u>

The accompanying notes are an integral part of these financial statements.

# Maple Leaf Corporate Funds Ltd.

## Maple Leaf Resource Class

### Statement of Investment Portfolio

As at November 30, 2014

	Number of shares/ warrants	Average cost \$	Fair value \$	Net assets %
<b>Canadian equity investments</b>				
Almonty Industries Inc.	236,000	212,400	153,400	2.68
Artek Exploration Ltd.	29,100	96,793	58,200	1.02
Athabasca Minerals Inc.	20,100	49,746	25,125	0.44
Athabasca Oil Corp.	7,500	55,611	18,975	0.33
Bankers Petroleum Ltd.	41,500	168,461	141,930	2.49
Boralex Inc.	10,900	106,271	145,951	2.56
Bri-chem Corp.	51,000	82,428	68,850	1.21
Cameco Corp.	3,000	60,626	63,630	1.12
Canadian Natural Resources Ltd.	4,100	147,273	155,431	2.72
Canelson Drilling Inc.	12,500	88,163	58,125	1.02
Canfor Corp.	6,600	132,150	180,840	3.17
Canyon Services Group Inc.	6,000	101,750	58,080	1.02
Cardinal Energy Ltd.	4,100	78,653	56,211	0.99
Cequence Energy Ltd.	22,100	39,759	28,288	0.50
Chinook Energy Inc.	20,000	45,300	28,800	0.50
Crew Energy Inc.	7,100	76,192	50,765	0.89
Deethree Exploration Ltd.	9,500	80,525	51,585	0.90
Denison Mines Corp.	48,008	64,002	55,689	0.98
Fission Uranium Corp.	40,857	47,773	37,997	0.67
HudBay Minerals Inc.	4,200	46,805	36,078	0.63
Hyperion Exploration Corp.	462,000	62,370	60,489	1.06
International Forest Products Ltd.	10,400	120,541	181,896	3.19
Ivernia Inc.	469,000	58,988	42,210	0.74
Kelt Exploration Ltd.	13,200	113,709	106,920	1.87
Leucrotta Exploration Inc.	19,080	44,360	30,528	0.54
Lundin Mining Corp.	12,500	64,056	67,750	1.19
North American Energy Partners	19,651	143,883	98,452	1.73
NuVista Energy Ltd.	7,500	68,025	60,675	1.06
Opsens Inc.	56,600	42,450	38,488	0.67
Osisko Gold Royalties Ltd.	2,700	41,237	36,801	0.65
Paramount Resources Ltd.	2,400	100,624	89,784	1.57
Parex Resources Inc.	9,500	62,035	76,380	1.34
Prairiesky Royalty Ltd.	3,600	131,400	122,400	2.15
Questor Technology Inc.	33,000	85,533	109,560	1.92
Raging River Exploration Inc.	16,660	36,504	103,459	1.81
Rmp Energy Inc.	12,400	55,632	63,984	1.12
ShawCor Ltd.	2,500	92,303	117,050	2.05
Sherritt International Corp.	31,800	120,553	81,726	1.43
Spartan Energy Corp. Common	10,700	32,478	27,499	0.48
Stormway Diamond Corp.	54,200	106,680	80,184	1.41
Suncor Energy Inc.	4,300	145,385	155,273	2.72
Tamarack Valley Energy Ltd.	15,233	40,599	48,746	0.85
TORC Oil & Gas Ltd.	6,900	58,169	58,167	1.02
Tourmaline Oil Corp.	3,267	151,892	124,146	2.18
Trevali Mining Corp.	72,100	77,968	72,100	1.26
Uranium Participation Corp.	23,200	120,117	121,800	2.14
Virginia Mines Inc.	3,200	38,400	40,160	0.70
West Fraser Timber Co. Ltd.	3,100	123,850	183,427	3.22
Western Forest Products Inc.	118,800	296,784	288,684	5.06
Whitecap Resources Inc.	10,118	87,372	120,809	2.12
Yangarra Resources Ltd.	13,507	51,327	17,829	0.31
		4,555,905	4,301,326	75.40



**Maple Leaf Corporate Funds Ltd.**  
**Maple Leaf Resource Class**  
Statement of Investment Portfolio ...continued  
As at November 30, 2014

	Number of shares/ warrants	Average cost \$	Fair value \$	Net assets %
<b>US equity investments</b>				
Global X Uranium Etf	5,000	78,608	73,533	1.29
Stillwater Mining Co.	2,600	43,925	39,009	0.68
		122,533	112,542	1.97
<b>Warrants*</b>				
Banks Island Gold Corp. (Exp. 24-Jun-15)	151,250	8,652	-	-
Bluescout Technologies Ltd. (Exp. 24-Aug-15)	73,150	-	-	-
Canada Carbon Inc. (Exp. 23-Jun-15)	558,000	16,629	10,100	0.18
Encanto Potash Corp. (Exp. 04-Jun-15)	236,250	236	-	-
Enterprise Group Inc. (Exp. 20-Dec-15)	96,000	17,568	6,240	0.11
Fancamp Exploration Ltd. (Exp. 16-Feb-15)	1,150,000	11,500	-	-
Mason Graphite Inc. (Exp. 28-Jun-15)	375,000	75,375	59,475	1.04
Mbac Fertilizer Corp. (Exp. 17-Apr-19)	36,400	3,640	546	0.01
Opsens Inc. (Exp. 18-Feb-16)	70,000	-	3,850	0.07
Orex Minerals Inc. (Exp. 13-Sep-15)	600,000	23,215	14,400	0.25
Purepoint Uranium Group Inc. (Exp. 23-Dec-15)	4,058,800	17,047	3,653	0.06
Quest Rare Minerals Ltd. (Exp. 25-Jan-15)	125,000	4,375	-	-
Quest Rare Minerals Ltd. (Exp. 17-Jul-17)	145,500	-	2,183	0.04
RB Energy Inc. (Exp. 13-Nov-16)	165,500	5,621	-	-
RB Energy Inc. (Exp. 25-Mar-15)	30,000	-	-	-
Sphinx Resources Ltd. (Exp. 14-Feb-16)	565,000	-	1,017	0.02
Sphinx Resources Ltd. (Exp. 17-Jul-18)	41,667	13	38	0.00
Stornoway Diamond (Exp. 23-May-16)	135,600	-	7,458	0.13
Veris Gold Corp. (Exp. 16-Aug-16)	272,750	7,364	25	-
		191,235	108,985	1.91
		4,869,673	4,522,853	79.28
<b>Assets - net of other liabilities</b>			1,182,008	20.72
<b>Net assets</b>			5,704,861	100.00

\*manually priced

The accompanying notes are an integral part of these financial statements.

# Maple Leaf Corporate Funds Ltd.

## Maple Leaf Income Class

Statements of Net Assets

As at November 30, 2014 and 2013

	2014 \$	2013 \$
<b>Assets</b>		
Investments - at fair value	1,884,047	1,501,701
Cash	80,104	26,670
Refundable taxes	5,357	38,444
Dividends receivable	5,403	1,907
Due from related party (note 6)	69,431	69,431
Due from broker	-	67,491
	<u>2,044,342</u>	<u>1,705,644</u>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	25,253	8,010
Income taxes payable	5,357	38,444
Redemptions payable	23,560	25,883
Due to broker	-	85,289
	<u>54,170</u>	<u>157,626</u>
<b>Net assets and shareholders' equity</b>	<u>1,990,172</u>	<u>1,548,018</u>
<b>Number of Series A shares outstanding</b> (note 9)	<u>161,588</u>	<u>136,714</u>
<b>Net asset value per share</b> (note 7)	<u>12.32</u>	<u>11.32</u>

**Approved on behalf of the Board of Directors of Maple Leaf Corporate Funds Ltd.**

\_\_\_\_\_ (signed) Hugh Cartwright \_\_\_\_\_ Director \_\_\_\_\_ (signed) John Dickson \_\_\_\_\_ Director

The accompanying notes are an integral part of these financial statements.

**Maple Leaf Corporate Funds Ltd.**  
**Maple Leaf Income Class**  
Statements of Operations  
For the years ended November 30, 2014 and 2013

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
<b>Investment income</b>		
Dividend	76,304	69,846
<b>Expenses</b>		
Management fees (note 6)	34,008	31,819
Administrative and other (note 6)	20,379	30,275
Valuation fees	8,787	27,602
Custodial fees	18,053	15,002
Filing	2,852	-
Recordkeeping fees	3,609	8,183
Audit fees	7,651	8,000
Harmonized sales tax	6,646	5,675
Independent review committee fees	1,649	1,398
Legal fees	4,781	-
	108,415	127,954
Less: Fee rebate and expenses absorbed by the Manager (note 6)	-	(65,000)
	108,415	62,954
<b>Net investment (loss) income</b>	(32,111)	6,892
<b>Gain (loss) on investments</b>		
Net realized gain on sale of investments	110,343	67,251
Portfolio transaction costs	(640)	(1,091)
Change in unrealized appreciation of investments	71,241	118,452
	180,944	184,612
<b>Increase in net assets from operations</b>	148,833	191,504
<b>Increase in net assets from operations per Series A share</b>	1.01	1.23

The accompanying notes are an integral part of these financial statements.

**Maple Leaf Corporate Funds Ltd.**  
**Maple Leaf Income Class**  
 Statements of Changes in Net Assets  
 For the years ended November 30, 2014 and 2013

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	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
<b>Net assets - Beginning of year</b>	1,548,018	1,295,643
<b>Increase in net assets from operations</b>	148,833	191,504
<b>Capital distributions to shareholders</b>	(164,632)	(26,539)
<b>Share transactions</b>		
Shares issued	771,326	711,917
Reinvested capital gains distributions	164,632	26,539
Consideration paid for redemption	(478,005)	(651,046)
	457,953	87,410
<b>Net assets - End of year</b>	1,990,172	1,548,018

The accompanying notes are an integral part of these financial statements.

**Maple Leaf Corporate Funds Ltd.**  
**Maple Leaf Income Class**  
**Statements of Cash Flows**  
**For the years ended November 30, 2014 and 2013**

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	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>		
Net investment (loss) income	(32,111)	6,892
Changes in non-cash working capital items		
Refundable taxes	-	(23,282)
Dividends receivable	(3,496)	788
Due from related party	-	(18,282)
Due from broker	67,491	(67,491)
Accounts payable and accrued liabilities	17,243	(10,299)
Income taxes payable	-	23,282
Due to broker	(85,289)	85,289
	<hr/>	<hr/>
	(36,162)	(3,103)
Purchase of investments	(1,418,564)	(1,461,568)
Proceeds from sale of investments	1,217,803	1,343,403
Transaction costs	(640)	(1,091)
	<hr/>	<hr/>
	(237,563)	(122,359)
<b>Cash flows from financing activities</b>		
Cash received on shares issued	771,326	711,917
Consideration paid for redemption of Series A shares	(478,005)	(651,046)
Redemptions payable	(2,324)	25,883
	<hr/>	<hr/>
	290,997	86,754
<b>Increase (decrease) in cash</b>	53,434	(35,605)
<b>Cash - Beginning of year</b>	<hr/>	<hr/>
	26,670	62,275
<b>Cash - End of year</b>	<hr/>	<hr/>
	80,104	26,670

The accompanying notes are an integral part of these financial statements.

# Maple Leaf Corporate Funds Ltd.

## Maple Leaf Income Class

### Statement of Investment Portfolio

As at November 30, 2014

	Number of shares	Average cost \$	Fair value \$	Net assets %
<b>Equity investments</b>				
Algonquin Power & Utilities Co.	11,200	80,735	108,416	5.44
Altagas Ltd.	1,800	69,341	76,176	3.83
Bank of Montreal	1,200	76,176	100,308	5.04
BCE Inc.	1,800	87,588	95,868	4.82
Bonterra Energy Corp.	1,600	100,445	69,280	3.48
Boralex Inc.	7,500	98,624	100,425	5.05
Brookfield Renewable Energy Partners LP/CA	1,500	48,540	53,175	2.67
Canadian Imperial Bank of Commerce	900	71,783	95,760	4.81
Cineplex Inc.	1,200	41,117	52,200	2.62
Fortis Inc./Canada	2,500	80,845	101,300	5.09
Granite Real Estate Inc.	3,800	146,656	150,328	7.55
Manitoba Telecom Services Inc.	3,300	104,609	94,941	4.77
National Bank of Canada	1,900	78,250	100,719	5.06
Parkland Fuel Corp.	2,700	48,046	46,750	2.35
Power Corp. of Canada	4,600	128,963	148,994	7.49
Russel Metals Inc.	1,400	46,318	41,832	2.10
Sun Life Financial Inc.	2,300	77,774	97,152	4.88
Toronto-Dominion Bank	1,700	73,849	97,835	4.92
Tricon Capital Group Inc.	6,400	45,954	55,040	2.77
Whistler Blackcomb Holdings Inc.	5,200	67,425	103,480	5.20
WSP Global Inc.	2,700	75,022	94,068	4.73
		<u>1,648,060</u>	<u>1,884,047</u>	<u>94.67</u>
<b>Assets - net of other liabilities</b>			<u>106,125</u>	<u>5.33</u>
<b>Net assets</b>			<u>1,990,172</u>	<u>100.00</u>

The accompanying notes are an integral part of these financial statements.

# Maple Leaf Corporate Funds Ltd.

## Notes to Financial Statements

November 30, 2014 and 2013

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### 1 General

Maple Leaf Corporate Funds Ltd. (the "Corporation") is a mutual fund corporation incorporated under the laws of Canada on December 15, 2010. The authorized capital of the Corporation consists of an unlimited number of Series A shares and special shares ("mutual fund shares"). Each class of mutual fund shares is a separate mutual fund. The Corporation's articles permit it to issue an unlimited number of mutual fund shares in one or more series. The Corporation currently only offers Series A shares.

The Maple Leaf Resource Class (the "Resource Class") and the Maple Leaf Income Class (the "Income Class") are separate classes of special shares issued by the Corporation (the "Funds"). The Resource Class commenced operations on October 21, 2011 and the Income Class commenced operations on November 9, 2011.

The investment objective of the Resource Class is to maximize capital appreciation by investing primarily in equity securities of natural resource companies and companies that support resource companies.

The investment objective of the Income Class is to achieve a high level of dividend income consistent with prudent levels of capital preservation and liquidity. The Income Class primarily invests in equity and equity-related securities that pay a dividend or distribution.

CADO Investment Fund Management Inc. is the manager of the Funds (the "Manager").

T.I.P. Wealth Manager Inc. (the "Investment Manager") is responsible for managing the investment portfolio of the Funds.

The Resource Class received the following subscriptions in exchange for net assets transferred from the following partnerships during the year ended November 30, 2014:

Date	Partnership	Net assets received \$	Number of shares issued
February 18, 2014	Maple Leaf Short Duration 2013 Flow-Through Limited Partnership		
	National Class	4,286,753	640,719
	Quebec Class	5,225,553	781,036
June 5, 2014	Maple Leaf Short Duration 2013-II Flow-Through Limited Partnership		
	National Class	1,905,493	269,804
	Quebec Class	1,180,416	169,493

# Maple Leaf Corporate Funds Ltd.

## Notes to Financial Statements

November 30, 2014 and 2013

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The Resource Class received the following subscriptions in exchange for net assets transferred from the following partnerships during the year ended November 30, 2013:

Date	Partnership	Net assets received \$	Number of shares issued
May 8, 2013	Maple Leaf Short Duration 2012 Flow-Through Limited Partnership		
	National Class	4,252,352	589,394
	Quebec Class	2,705,633	375,012

## 2 Significant accounting policies

These financial statements are prepared in accordance with Chartered Professional Accountants ("CPA") Handbook Part V - Pre-change Accounting Standards (GAAP) and are expressed in Canadian dollars. The following is a summary of significant accounting policies used by the Corporation:

### Future accounting changes

#### *Transition to International Financial Reporting Standards ("IFRS")*

In December 2011, the Canadian Institute of Chartered Accountants (CICA) Accounting Standards Board modified the IFRS effective date for investment companies that comply with *Accounting Guideline on Investment Companies* ("AcG-18"). Thus, IFRS will have to be adopted for interim and annual Financial statements beginning on or after January 1, 2014. The Funds, which are investment companies, will adopt IFRS commencing December 1, 2014. The first IFRS financial statements will be as at May 31, 2015.

In order to prepare for the transition to IFRS, the Funds have performed an assessment of the impact of significant accounting differences between IFRS and generally accepted accounting principles ("GAAP"). Currently, the Funds do not expect any significant impact to net assets per unit from the changeover to IFRS. This current assessment may change if new standards are issued or if interpretations of existing standards are revised.

The impact of IFRS on accounting policies and implementation decisions will mainly be in the additional disclosures in the notes to financial statements, the expected elimination of the difference between the net assets per unit and the net asset value per unit at the financial statement reporting dates, the expected change in the presentation of net assets including the classification of the shares, and other modified presentation and/or additional schedules which will be required. Further updates on implementation progress and any changes to reporting impacts from the adoption of IFRS will be provided during the 2015 implementation period.



# Maple Leaf Corporate Funds Ltd.

## Notes to Financial Statements

November 30, 2014 and 2013

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Upon transition to IFRS, the Funds will value their investments in accordance with IFRS 13 where fair value corresponds to the price between the bid/ask range which reflects the best fair value when the asset or the liability has a bid price and an ask price. At the IFRS transition, the fair value measurement method for the investments and derivatives is the same as the method for net asset value valuation for trading purposes (last price). The quantitative impact of the transition to IFRS is reflected in note 7 which reconciles National Instrument 81-106 (“NI 81-106”) to CPA Handbook Section 3855.

### **Current significant accounting policies**

#### **Use of estimates**

The preparation of financial statements requires the Manager to make estimates and assumptions that affect the reported amounts of assets and liabilities as at the date of the financial statements, and the reported amounts of income and expenses during the reporting year. These estimates are made based on information available as at the date of issuance of the financial statements. Actual results could differ from those reported and the differences could be material. Significant areas involving the use of estimates include determining the estimated fair value of warrants. In calculating the estimated fair value, the Corporation makes maximum use of publicly available market-based inputs.

#### **Valuation of investments in equity securities and warrants**

The fair value of equity securities traded in active markets is measured using the closing bid price of the accredited stock exchange on which the corresponding security is mainly traded.

An appropriate discount from the value of an actively traded security is taken for holdings of securities when a formal restriction limits the sale of the security. The amount which the Corporation's publicly traded investments could be disposed of may differ from the carrying value based on closing bid prices, as the value at which significant ownership positions are sold is often different than the quoted market price due to a variety of factors such as premiums paid for large blocks or discounts due to illiquidity.

Warrants that are not publicly traded are recorded at their estimated fair value using a recognized valuation model as adjusted for liquidity considerations.

#### **Investment transactions**

Investment transactions are accounted for on the trade date. Cost is determined on an average basis.

Transaction costs incurred in the purchase or sale of investments are expensed as incurred. Transaction costs, such as brokerage commissions, incurred in the purchase and sale of investments are recorded as an expense in the statement of operations.

# Maple Leaf Corporate Funds Ltd.

## Notes to Financial Statements

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### **Cash**

Cash consists of cash and deposits with original maturities of three months or less held with a Canadian chartered bank and is deemed to be held for trading and carried at fair value.

### **Other financial instruments**

Due from broker, due from related party, and dividends receivable are deemed to be loans and receivables and are recorded at amortized cost. Similarly, accounts payable and accrued liabilities, redemptions payable, and due to broker are deemed to be financial liabilities and are recorded at amortized cost. Given their short-term nature, their carrying amount closely approximates their fair value.

### **Revenue and expense recognition**

Dividend income is recognized at the ex-dividend date. Realized gains and losses on disposal of investments and unrealized appreciation and depreciation in the fair value of investments are reflected in the statement of operations and calculated on an average cost basis. Upon disposal of an investment, previously recognized unrealized appreciation and depreciation are reversed, so as to recognize the full realized gain or loss in the period of disposition. Interest is recorded on an accrual basis as it is earned. All costs directly attributable to operating activities are expensed as incurred.

### **Increase (decrease) in net assets from operations per Series A share**

Increase (decrease) in net assets from operations per Series A share is determined by dividing the increase (decrease) in net assets from operations by the weighted average number of Series A shares outstanding during the reporting period.

### **Foreign currency translation**

The fair value of financial instruments denominated in foreign currencies is translated into Canadian dollars at the rate of exchange on each valuation date. Purchases and sales of securities, as well as income and expenses, denominated in foreign currencies are translated into Canadian dollars at the rate in effect at the transaction date.

Realized exchange gains (losses) are included in foreign exchange gains (losses) in the statement of operations. The difference between the unrealized exchange gains (losses) at the beginning and the end of the year is included in change in unrealized appreciation (depreciation) of investments in the statement of operations.

## **3 Distributions**

The Funds may pay annually to shareholders ordinary dividends and capital gains dividends. Ordinary dividends will generally be paid in November and capital gains dividends will generally be paid in January. Dividends may be paid at other times determined by the Manager.

# Maple Leaf Corporate Funds Ltd.

## Notes to Financial Statements

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### 4 Income taxes

The Corporation constitutes a single legal entity for tax purposes and qualifies as a mutual fund corporation as defined in the Income Tax Act (Canada). A mutual fund corporation is subject to a special 33-1/3% tax on taxable dividends received from corporations resident in Canada and to tax at normal corporate rates on the other income and net taxable realized capital gains for the year. The special 33-1/3% tax is refundable at the rate of \$1 for every \$3 of ordinary dividends paid. All the tax on net taxable realized capital gains is refundable on a formula basis when shares are redeemed or capital gains dividends are paid.

Temporary differences between the carrying value of assets and liabilities for accounting and income tax purposes give rise to future income tax assets and liabilities. When the fair value of a security exceeds its cost base, a future tax liability arises. When the cost base of a security exceeds its fair value, a future income tax asset exists but a full valuation allowance is often offset against the future income tax asset when the expected realization of the future income tax asset does not meet the more likely than not realization test. The general income tax rules associated with a public corporation also apply to a mutual fund corporation with the exception that income taxes payable on capital gains are refundable on a formula basis when shares are redeemed or capital gains dividends are paid.

### 5 Expenses

The Funds are responsible for all charges and expenses of carrying on business, including legal and audit fees, transfer agency and custodian services, administrative costs relating to financial and shareholders reportings, and compliance with applicable laws, regulations and policies.

### 6 Related party balances and transactions

The Manager has retained CADO Bancorp Ltd., a company related to the Manager by common ownership and directors, to perform certain administrative functions on behalf of the Manager which include accounting, investor reporting, office, personnel and systems.

The Resource Class management fee is calculated, before taxes, at 2.25% per annum of the daily net asset value of the Resource Class, paid monthly. The Income Class management fee is calculated at 2.00% per annum of the daily net asset value of the Income Class, paid monthly.

# Maple Leaf Corporate Funds Ltd.

## Notes to Financial Statements

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Balances and transactions are as follows:

	2014 \$	2013 \$
<b>Maple Leaf Resource Class</b>		
CADO Investment Fund Management Inc.		
Fee rebate and expenses absorbed receivable	4,813	4,813
Management fee expense	193,964	206,109
Fee rebate and expenses absorbed	-	171,000
CADO Bancorp Ltd.		
Administrative fee expense	99,000	135,000
<b>Maple Leaf Income Class</b>		
CADO Investment Fund Management Inc.		
Fee rebate and expenses absorbed receivable	69,431	69,431
Management fee expense	34,008	31,819
Administrative fee expense	-	30,000
Fee rebate and expenses absorbed	-	65,000
CADO Bancorp Ltd.		
Administrative fee expense	21,000	-

# Maple Leaf Corporate Funds Ltd.

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### 7 Reconciliation of net asset value

In accordance with the decision made by the Canadian securities regulatory authorities, a reconciliation between the transactional net asset value determined under NI 81-106 and the net assets of an investment fund as determined under Canadian GAAP is required for financial reporting purposes. For investments that are traded in an active market where quoted prices are readily and regularly available, CPA Handbook Section 3855 requires bid prices (for investments held) and ask prices (for investments sold short) to be used in the fair valuation of investments, rather than the use of closing prices currently used for the purposes of determining net asset value under NI 81-106. For investments that are not traded in an active market, Section 3855 requires the use of specific valuation techniques, rather than the use of valuation techniques by virtue of general practice in the investment fund industry. These changes account for the difference between net asset value and net assets as follows:

	2014			2013		
	Net asset value per NI 81-106 \$	Section 3855 adjustment \$	Net asset value per Section 3855 \$	Net asset value per NI 81-106 \$	Section 3855 adjustment \$	Net asset value per Section 3855 \$
<b>Maple Leaf Resource Class</b>						
Total net assets	5,734,397	(29,536)	5,704,861	6,948,544	(38,383)	6,910,161
Total per unit	5.35	(0.03)	5.32	6.01	(0.02)	5.99
<b>Maple Leaf Income Class</b>						
Total net assets	1,994,015	(3,843)	1,990,172	1,549,771	(1,753)	1,548,018
Total per unit	12.34	(0.02)	12.32	11.33	(0.01)	11.32

### 8 Risk management

The Corporation's activities expose it to a variety of financial instrument risks: market risk (including price risk, interest rate risk and foreign exchange risk), concentration risk, credit risk and liquidity risk.

The Corporation's overall risk management strategy focuses on the unpredictability of performance of early stage public investments and seeks to minimize potential adverse effects on the Corporation's financial performance. The Corporation uses diversification to moderate risk exposures associated with the concentration of investments.

The Corporation's investment strategy is to invest in shares of resource companies that are considered to:

- have experienced and reputable management with a defined track record in the energy, mining or alternative energy industries;
- have a knowledgeable Board of Directors;
- have exploration programs or exploration and development programs in place;

# Maple Leaf Corporate Funds Ltd.

## Notes to Financial Statements

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- d) have securities that are suitably priced and offer capital appreciation potential; and
- e) meet certain market capitalization and other investment criteria.

### Market risk

#### a) Price risk

The Corporation's investments are exposed to market price risk due to changing market conditions for equities as well as specific industry changes in the energy sector, such as changes in commodity prices and the level of market demand as well as any changes to the tax environment in which the investee entities operate. All investments in equity securities have an inherent risk of loss of capital. The maximum risk resulting from financial instruments investments is determined by the fair value of the financial instruments.

The Corporation seeks to manage market risks by careful selection of securities prior to making an investment in an early stage company and by regular ongoing monitoring of the investment performance of the individual investee companies. The Manager also sets thresholds on individual investments to mitigate the risk of exposure to any one investment. The Corporation's overall market positions are monitored daily by the Corporation's Manager and are reviewed semi-annually by the Board of Directors.

The Corporation's overall exposure is managed by the investment restrictions outlined in the prospectus, which include a requirement for all investments to be held in publicly traded resource investments and no more than 20% of investments to be held in any one investment.

At November 30, 2014, the Corporation's market risk is impacted directly by changes in equity prices and indirectly by changes in oil and gas and other commodity prices. The immediate impacts on equities of a 5% increase or decrease in the fair value of investments are approximately \$226,143 (2013 - \$302,654) and \$94,202 (2013 - \$75,085) for the Resource Class and the Income Class, respectively.

#### b) Interest rate risk

The substantial majority of the Corporation's financial assets are non-interest bearing. As a result, the Corporation is not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates. Any excess cash is invested at short-term market interest rates.

#### c) Foreign exchange risk

At November 30, 2014, the Corporation's foreign exchange risk is impacted directly by changes in the exchange rate of the United States dollar. The immediate impacts of a 5% appreciation or depreciation of the United States dollar against the Canadian currency are approximately \$12,306 (2013 - \$13,149) and \$nil (2013 - \$nil) for the Resource Class and the Income Class, respectively.

# Maple Leaf Corporate Funds Ltd.

## Notes to Financial Statements

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### Concentration risk

Sector/subgroup	% of net assets of Maple Leaf Resource Class	
	2014	2013
Energy	42.35	61.29
Materials	29.65	19.94
Cash	23.94	14.24
Industrial	4.56	2.17
Foreign	1.97	1.53
Information technology	0.74	-
Other net liabilities	(3.21)	(1.83)
Alternative energy	-	2.66
	100.00	100.00

Sector/subgroup	% of net assets of Maple Leaf Income Class	
	2014	2013
Financial	42.52	49.20
Energy	14.70	12.65
Industrial services	11.92	5.07
Telecommunications	9.59	17.23
Utilities	8.12	4.86
Consumer services	7.82	7.99
Cash	4.02	0.57
Other net assets	1.31	2.43
	100.00	100.00

### Credit risk

The Corporation has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due.

When the Corporation trades in listed or unlisted securities that are settled upon delivery using approved brokers, the risk of default is considered minimal since delivery of securities is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The Corporation only transacts with brokers who are IIROC members in good standing.

The Corporation monitors its credit position regularly, and the Board of Directors reviews it periodically. The Corporation has not identified any past due assets or receivables as at November 30, 2014 and 2013.

# Maple Leaf Corporate Funds Ltd.

## Notes to Financial Statements

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### Liquidity risk

The Corporation invests in early stage energy resource companies that may be publicly listed securities but thinly traded. Securities purchased by the Corporation may be subject to resale restrictions such as hold periods. During periods when resale restrictions apply, the Corporation may dispose of such securities only pursuant to certain statutory exemptions.

The Corporation manages liquidity risk by maintaining sufficient liquid cash resources and publicly listed resource companies to ensure the Corporation's liquidity requirements are met.

The liabilities of the Funds come due within three months of the year-end.

### Fair value disclosure

The three levels of the fair value hierarchy as per CPA Handbook Section 3862, *Financial Instruments - Disclosures*, are as follows:

Level 1 - Valuations based on quoted prices in active markets for identical assets and liabilities.

Level 2 - Valuations based on observable inputs in active markets for similar assets and liabilities.

Level 3 - Valuations based on inputs requiring significant management estimates that are supported by little or no market activity.

The fair value of publicly traded equity investments is generally estimated using observable market data in active markets or bid prices from market makers and broker-dealers. Generally, these securities are categorized in Level 1 or 2 of the fair value hierarchy as observable market data is readily available.

The Corporation's warrants that are thinly traded and where observable data is not readily available due to their lack of marketability are categorized as Level 3 because significant management judgment is involved in the selection of valuation assumptions. The fair value of warrants is estimated using the Black-Scholes pricing model that factors in current and contractual prices of the underlying instrument, time value of money, yield curve and volatility. The Black-Scholes value is adjusted for hold period restrictions as applicable. The main assumption that requires management estimate is:

	2014		2013	
	%	Impact on net assets for a change of +/- 10% \$	%	Impact on net assets for a change of +/- 10% \$
Volatility	50	22,000/(30,000)	50	5,000/(6,000)



# Maple Leaf Corporate Funds Ltd.

## Notes to Financial Statements

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The following table illustrates the classification of the Corporation's financial instruments within the fair value hierarchy as at November 30, 2014 and 2013:

		<b>Financial assets at fair value as at November 30, 2014</b>			
		<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
		\$	\$	\$	\$
<b>Maple Leaf Resource Class</b>					
Equity investments		4,260,468	153,400	-	4,413,868
Warrants		-	-	108,985	108,985
		<u>4,260,468</u>	<u>153,400</u>	<u>108,985</u>	<u>4,522,853</u>
<b>Maple Leaf Income Class</b>					
Equity investments		1,884,047	-	-	1,884,047
		<b>Financial assets at fair value as at November 30, 2013</b>			
		<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
		\$	\$	\$	\$
<b>Maple Leaf Resource Class</b>					
Equity investments		5,893,840	135,125	-	6,028,965
Warrants		-	-	24,107	24,107
		<u>5,893,840</u>	<u>135,125</u>	<u>24,107</u>	<u>6,053,072</u>
<b>Maple Leaf Income Class</b>					
Equity investments		1,501,701	-	-	1,501,701

# Maple Leaf Corporate Funds Ltd.

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The following table reconciles the Corporation's Level 3 fair value measurements for the years ended November 30, 2014 and 2013:

	2014 \$	2013 \$
<b>Maple Leaf Resource Class</b>		
Balance - Beginning of year	24,107	21,914
Acquired through rollover from limited partnerships	244,359	1,719
Purchases	7,200	24,107
Sales/expiry	(83,348)	(23,093)
Unrealized loss	(83,333)	(1,665)
Transfers in from Level 2	-	1,125
	<hr/>	<hr/>
Balance - End of year	108,985	24,107

## 9 Corporation capital

Shares issued and outstanding represent the capital of the Corporation. The Corporation manages capital in accordance with its investment objectives. There are no externally imposed restrictions on the Corporation's capital.

A summary of the Corporation's share classes issued and outstanding is as follows for years ended November 30, 2014 and 2013:

	2014	2013
<b>Maple Leaf Resource Class - Series A</b>		
Shares issued and outstanding - Beginning of year	1,152,952	1,473,312
Shares issued - including reinvested distributions	1,861,052	2,161,970
Shares redeemed	(1,941,545)	(2,482,330)
	<hr/>	<hr/>
Shares issued and outstanding - End of year	1,072,459	1,152,952
<b>Maple Leaf Income Class - Series A</b>		
Shares issued and outstanding - Beginning of year	136,714	130,546
Shares issued - including reinvested distributions	66,487	72,273
Shares redeemed	(41,613)	(66,105)
	<hr/>	<hr/>
Shares issued and outstanding - End of year	161,588	136,714

# Maple Leaf Corporate Funds Ltd.

Notes to Financial Statements

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## 10 Subsequent event

On January 29, 2015, the Resource Class paid a notional capital gains dividend of \$7,405,779 or \$7.56817 per Series A share to all Series A shareholders of record as of January 27, 2015.