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# The only MJ Company has the Golden Triangle in N. America



Raymond Lai Chairman, President and CEO

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Interview conducted by: Bud Wayne, Editorial Executive CEOCFO Magazine

CEOCFO: Mr. Lai, Is Maple Leaf Green World on the growing side of medical marijuana, providing the marijuana for the product developers? What are you doing?

Mr. Lai: It is a pleasure to speak with you today. We started off as a greenhouse management company with operations in China for antidesertification. We were helping the Chinese government to grow small trees so they can replant them in the semi desert area. We were doing that since 2006, but by 2013, the funding for these anti-desertification efforts were reduced by the government of China, and at the same time, the legalization of marijuana was happening in Canada. So we decided to change our focus from China back to Canada. We applied for the MMPR in 2014, which is the old licensing system, right now it is called ACMPR. While we were waiting, we also came across the opportunity to start another operation in California, which we believed it would be a good opportunity because California has more population than Canada, and they have a long time culture of marijuana usage. Therefore, we grabbed that opportunity and we started an operation in California at that time.

#### CEOCFO: Do you have the licensing in place for California in the United States?

**Mr. Lai:** It is a bit different in California. The state has approved medical marijuana and the licensing will be taking effect this year. But before that we had to operate as a joint venture partner with a non-profit cooperative. We supply them with capital and technology, and they grow marijuana for their members. Now the licensing scheme has come in for California, we will be able to grandfather it, and be able to apply for a license since we already have an operation in California. At present, we have 20 acres of land in Southern California, and we have two



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greenhouses operational — one for flowering , and one for propagation, and we have already produced two crops totaled about 300 lbs in 2016. The revenue will be about \$300,000 and \$400,000 US. Beside California, we have also purchased a cultivation license in Henderson, Nevada, very close to Las Vegas. The license we have there is for a 33,500 sq. feet indoor producing facility. In Nevada today, they have issued about 300 licenses, but only about 100 are operational. The rest of them are in remote areas where there is no water or electricity, so building the infrastructure alone would cost the licensees over million of dollars. Therefore, they will not become operational for a very long time. We on the other hand are one of the 100 that are operational now, and we have just also bought 4 acres of land in Henderson to build our own facility with special design to meet our requirement.

Going back to Canada, we had applied for the MMPR license since 2014, and finally got to the final Stage 5 in January 2016. Under the new ACMPR system, Stage 5 means that we can go ahead to renovate our existing facility to bring it up to the Health Canada standards, then Health Canada will send an inspector to do the inspection, and if everything meets their requirements then we will receive the license. There is a kind of guarantee in the regulations that they MUST give us the license if we meet their requirements. So these are our status in Canada, Nevada and California.

# CEOCFO: Would you tell us about the crops you will be producing. Do you produce all of the different strains of marijuana or do you have a specific focus?

Mr. Lai: Right now only California is producing, so we are producing according to the demands in the market. However, once we get it going in Canada and Nevada, we are planning to put aside certain areas of these three facilities to grow certain strains that will be especially good for cannabis oil. We have also recruited Matt Berger, who is well known as Bubba Kush in the marijuana industry. He invented 4 Kush strains, and they are all very popular among marijuana users. We hired him on as our chief grower in Nevada, and also as a consultant for our California and Canada operations. The four strains that he mastered are strains that we will probably go for. However, we want to specialize in cannabis oil in the long run.

#### CEOCFO: We you have to build separate facilities to produce cannabis oil?

**Mr. Lai: Yes.** In Canada, you can apply for oil production as part of your license and they will allow you to produce oil once you get your license. In addition, you can also apply for an import and export license in order to import and export your products to and from overseas.

# CEOCFO: Is non-GMO and organic or pesticide free important for medical marijuana producers?

**Mr. Lai:** Yes, it is very important, with the licensing for all of our 3 operations they are specifically require us to produce pesticide free and contamination free product, and It is also our first priority. Otherwise, the whole crop has to be destroyed. We also emphasize the use of organic and non-chemical fertilizer too.

# CEOCFO: How do you reach customers, such as the product producers and retailers?

**Mr. Lai:** In Canada we are not allowed to advertise. All we are allowed to do is list our products on our website. Then the patient has to go to the

Doctor to get a prescription for a certain strain of marijuana. Then they will be recommended by the Doctor to go to certain producer to buy that strain. Once recreation use is made legal, that will be a different story. However, in Canada they have not decided how to distribute it to the consumer yet. In California it is a little different. Right now, we are selling to brokers and they sell to the dispensaries. They are the middlemen. But when the licensing kicks in, and our operation has grown bigger we will probably have to hire our own sales team to do it.

#### CEOCFO: Will you eventually be selling throughout the entire Canada and the entire United States?

**Mr. Lai:** In Canada we can sell to anyone, in any Province because it is legalized federally. In US, it is different because it is only state-by-state. In California, we can only sell to California resident now, but when recreational legalized, we can sell to anybody over 21, and the same for Nevada, except when recreational legalized, the tourists come into Las Vegas, are also allowed to consume marijuana.

# CEOCFO: Many people in the medical community are recognizing medical marijuana as a pain medication?

**Mr.** Lai: Yes, it is proven to be more effective and non-addictive, comparing to opium based pain killer. On the other hand, marijuana has also found and proven to be effective in other type of medical sickness such as epilepsy, cancer etc.

#### CEOCFO: Would you tell us about the markets in Canada and the US. How big are they?

**Mr. Lai:** In Canada, on the medical side right now we only have about 100,000 patients, but that is growing and could go up to about 2 or 300,000. That is still quite small, but recreationally it will be quite different once it kicks in, as they expect that over 10 million people will try it. So the market will be quite huge after the recreational kicks in. In California, it is much bigger, as there are currently over 1 million patients using marijuana for medical purpose. Recreationally, probably half of the California population is smoking marijuana. In Nevada, for medical use they only have about 30 to 40,000 patients now, but once recreational use kicks in, it will be huge as they allow the tourists to enjoy marijuana in Nevada, and each year there is over 30 or 40 million tourists going to Las Vegas.

### CEOCFO: Do you have the funding to continue growth or are you looking for investors and partners?

**Mr. Lai:** We are in the process of raising CAD\$ 5 million through non-brokered private placement now. Up to this point, all of our funding have been raised in this way. However, we are looking at institutional financing now too. I have been talking to three or four institutions that want to provide long-term or big financing for us, because they feel that our stock is undervalued and that we have much potential to grow.

# CEOCFO: Address our readers in the business and investment community? Why should they be interested in Maple Leaf Green World?

**Mr. Lai:** First, I would like to emphasize that we are not just a Canadian MJ company. We are a North American MJ company with 3 projects located in strategic locations. In B.C. we are close to Vancouver, as a sea port, it allows us to easily export our products overseas, especially to Asia, an area untouched with MJ. Then in California, the biggest populated state in the US, and they have a long history of using

marijuana. Then in Nevada, especially in Las Vega, it is one of the biggest tourist entertainment centers in the world. Therefore, we have 3 good locations for our projects. Secondly, our stock price is currently quite low comparing to other MJ stocks, and our outstanding shares is also quite low, just 120 million shares outstanding and only 60 million are floating. Therefore, the opportunity for our price to go up is higher than other MJ companies. Thirdly, our long term goal is to produce Cannabis oil, and we have an Cannabis oil project already in the making. Our long term goal is to export the Cannabis oil overseas. All these 3 points have made us distinctive from other MJ companies.

