Maple Leaf 2012 Energy Income Limited Partnership

Financial Statements
March 31, 2012
Unaudited – Prepared by Management
(expressed in Canadian dollars)

Maple Leaf 2012 Energy Income Limited Partnership

Statement of Financial Position

As at March 31, 2012

Unaudited – Prepared by Management
(expressed in Canadian dollars)

	$
Assets	
Current assets	
Cash and cash equivalents	9,355,988
Trade and other receivables	7,537
	9,343,525
Liabilities and Partners' Interest	
Current liabilities	
Trade and other payables	42,006
Due to General Partner (note 10)	11,733
	53,739
Partners' Equity	
Partnership units (note 6)	9,317,721
Deficit	(27,935)
	9,289,736
	9,343,525

Commitment (note 11)

Subsequent event (note 12)

Approved by the Board of Directors

______(signed) Hugh Cartwright_______ Director ________(signed) Joseph Durante_______ Director

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

Maple Leaf 2012 Energy Income Limited Partnership

Statement of Comprehensive Income

For the period from commencement of operations on February 29, 2012 to March 31, 2012

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(expressed in Canadian dollars)

	$
Expenses	
General and administrative (note 9)	11,948
Geological, engineering and software licensing	4,375
Audit fees	7,000
Filing fees	1,250
Legal fees	2,000
Registrar and transfer agent	1,362
Loss for the period	27,935
Other comprehensive income for the period	-
Total comprehensive loss for the period	27,935
Basic and diluted income per unit	(0.37)
Weighted average basic and fully diluted units outstanding (note 10)	75,754

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

Maple Leaf 2012 Energy Income Limited Partnership

Statement of Changes in Equity

For the period from commencement of operations on February 29, 2012 to March 31, 2012

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	Limited partnership units $	Accumulated other comprehensive income $	Deficit $	Total partners' equity $
Partners' equity - Beginning of period	-	-	-	-
General partner's contribution	10	-	-	10
Issue of partnership units	10,100,600	-	-	10,100,600
Redemption of partnership unit	(100)	-	-	(100)
Issue costs	(782,789)	-	-	(782,789)
Total comprehensive loss for the period	-	-	(27,935)	(27,935)
Partners' equity - End of period	9,317,721	-	(27,935)	9,289,786

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

Maple Leaf 2012 Energy Income Limited Partnership

Statement of Cash Flows

For the period from commencement of operations on February 29, 2012 to March 31, 2012

Unaudited – Prepared by Management
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	$
Cash flows from operating activities	
Loss for the period	(27,935)
Change in non-cash working capital	
Trade and other receivables	(7,537)
Due to General Partner	11,733
Trade and other liabilities	42,006
	18,267
Cash flows from financing activities	
General partner's contribution	10
Issue of initial partnership unit	100
Redemption of partnership unit	(100)
Proceeds from issue of partnership units	10,100,500
Issue costs	(782,789)
	9,317,721
Increase in cash, and cash and cash equivalents - Beginning and end of period	9,335,988

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

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1 General information

Maple Leaf 2012 Energy Income Limited Partnership (the Partnership) was formed on December 21, 2011 as a limited partnership under the laws of the Province of British Columbia and commenced operations on February 29, 2012. The principal purpose of the Partnership is to provide Limited Partners with a tax-assisted investment in the exploration and production of oil and natural gas by investing in joint ventures with established oil and gas companies, the terms of which will provide the Partnership with royalty interests. The Partnership invests in property, plant and equipment in relation to the exploration and production of oil and natural gas projects. These costs are limited to the Partnership's share in the interest. The Partnership does not have any retirement obligations in relation to these interests. The address of the registered office is 1200 Waterfront Centre, 200 Burrard St., Vancouver BC V7X 1T2.

The Partnership's authorized capital consists of an unlimited number of Limited Partnership Units and the interests held by the initial Limited Partner and the General Partner.

The General Partner of the Partnership is Maple Leaf 2012 Energy Income Management Corp. (the General Partner) and capital of $10 was contributed. Under the amended and restated limited partnership agreement between the General Partner and each of the limited partners (the LPA) dated February 24, 2012, 99.99% of net losses of the Partnership will be allocated to the Limited Partners and 0.01% to the General Partner. Until the Limited Partners have received, in total, cumulative distributions equal to 100% of their aggregate capital contributions, they will be allocated 95% of net income of the Partnership and 5% will be allocated to the General Partner. Thereafter, the Limited Partners will be allocated 75% of net income of the Partnership and 25% to the General Partner. Upon dissolution, assets will be distributed on the same basis as net income.

Pursuant to the LPA, the General Partner is entitled to (a) a 20% share of all distributions of the Partnership once limited partners receive, in total, distributions equal to 100% of their aggregate capital contribution to the Partnership, and (b) a 5% share of all distributions (including distributions of assets in connection with the winding up or dissolution of the Partnership); and (c) allocation of 5% of all eligible expenditures.

The Limited Partnership operates in one business segment, the investing in oil and gas properties which provide royalties on oil and natural gas production in Western Canada.

2 Basis of preparation

Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) and adopted by the Canadian Institute of Chartered Accountants (CICA). The CICA recognizes IFRS as the new Canadian generally accepted accounting principles (Canadian GAAP) for publicly accountable enterprises.

These financial statements were approved by the Board of Directors on May 29, 2012.

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Basis of measurement

These financial statements are stated in Canadian dollars and were prepared on a going concern basis, under the historical cost convention.

Use of estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates. Areas where estimates are significant to the financial statements are disclosed in note 4.

Functional and presentation currency

These financial statements are presented in Canadian dollars, which is the Partnership's functional currency.

3 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

a) Cash and cash equivalents

Cash consists of cash and deposits with original maturities of three months or less and is held with a Canadian chartered bank.

b) Revenue recognition

Royalty revenue is recorded in accordance with the royalty rates as stated in the contract terms when the oil and natural gas is sold, title passes to the customer and collection is reasonably assured.

c) Royalty interests

Royalty interests are classified under IAS 16 as Property, Plant and Equipment, and are stated at cost, less accumulated amortization and accumulated impairment losses. Costs incurred on developed oil and gas properties such as drilling of development wells and tangible costs of facilities and infrastructure construction, after determining technical feasibility and commercial viability of reserves, are capitalized to royalty interests when it is probable that a future economic benefit will flow to the Partnership as a result of the expenditure and the cost can be reliably measured. The initial cost of an asset comprises its purchase price or construction cost and any costs directly attributable to bringing the asset into operation. Subsequent expenditure is capitalized only where it enhances the economic benefit of the asset.

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i) Amortization

Royalty interests are amortized using the unit-of-production method over their reserve lives based on proved plus probable reserve volumes. Reserves and estimated future development costs are determined annually by qualified independent reserve engineers. Changes in factors such as estimates of reserves that affect unit-of-production calculations are dealt with on a prospective basis. Reserves are converted to equivalent units on the basis of relative energy content.

ii) Disposals

Royalty interest assets are derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss on de-recognition of the asset, calculated as the difference between the proceeds on disposal, if any, and the carrying value of the asset, is recognized in the statement of comprehensive income in the period of de-recognition.

d) Non-derivative financial instruments

Non-derivative financial instruments are recognized when the Partnership becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Partnership has transferred substantially all risks and rewards of ownership. Non-derivative financial instruments are recognized at the trade date, initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs.

At initial recognition, all financial instruments are classified in one of the following categories depending on the purpose for which the instruments were acquired:

i) Loans and receivables

Loans and receivables are subsequently measured at amortized cost using the effective interest method, less any impairment losses, with interest expense recognized on an effective yield basis. Assets in this category include trade and other receivables and short-term debt investments due from the General Partner.

ii) Other financial liabilities

Other financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis. Liabilities in this category include trade and other payables, and due to related parties.

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e) Impairment

i) Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. Significant financial difficulties of a debtor, probability that the debtor will enter bankruptcy or financial reorganization, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognized in the statement of comprehensive income. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables.

ii) Non-financial assets

At the end of each reporting period, the Partnership reviews the carrying amounts of its long-lived assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Partnership estimates the recoverable amount of the cash-generating unit (CGU) to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual CGU's, or otherwise they are allocated to the smallest group of CGU's for which a reasonable and consistent allocation basis can be identified.

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount. An impairment loss is recognized immediately in comprehensive income.

Where an impairment loss subsequently reverses for assets with a finite useful life, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or CGU in prior periods. A reversal of an impairment loss is recognized immediately in comprehensive income.

f) Taxes

The Limited Partnership is not subject to income taxes. The income or loss for Canadian tax purposes is allocable to the Limited Partners, pro-rated by units held, and is included in the taxable income of the partners in accordance with the provisions of the *Income Tax Act* (Canada).

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g) Earnings per unit (EPU)

Basic EPU is calculated by dividing profit or loss attributable to owners of the Partnership (the numerator) by the weighted average number of Partnership units outstanding (the denominator) during the period. The denominator (number of units) is calculated by adjusting the Partnership units outstanding at the beginning of the period by the number of units redeemed or issued during the period, multiplied by a time-weighting factor.

Diluted EPU is calculated by adjusting the earnings and number of Partnership units for the effects of potential dilutive units. The effects of anti-dilutive units are ignored in calculating diluted EPU.

4 Critical judgments and accounting estimates

The preparation of the financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and judgments are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual outcomes can differ from these estimates.

The key sources of estimation uncertainty that have a significant risk of causing material adjustment to the amounts recognized in the financial statements are:

Fair value of financial instruments

The estimated fair value of financial assets and liabilities, by their very nature, are subject to measurement uncertainty.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget and do not include restructuring activities that the Partnership is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes.

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Assessment of royalty interests

Management is required to assess the level of the Partnership's royalty interests together with the future expenditures to access reserves, which are utilized in determining the amortization charge for the period, assessing whether any impairment charge is required. By their nature, these estimates of discovered and probable crude oil and natural gas reserves, including the estimates of future prices, costs, related future cash flows and the selection of a pre-tax risked discount rate relevant to the asset in question are subject to measurement uncertainty. The Partnership employs an independent reserves specialist who periodically assesses the Partnership's level of royalty interests by reference to data sets including geological, geophysical and engineering data together with reports, presentation and financial information pertaining to the contractual and fiscal terms applicable to the Partnership's assets. Significant judgment is involved when determining whether there have been any significant changes in the Partnership's royalty interests.

5 Recent accounting pronouncements

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC that are mandatory for accounting periods beginning after January 1, 2010 or later periods. The standards that are applicable to the Partnership are as follows:

a) IFRS 9 - *Financial Instruments* was issued in November 2009 as the first step in its project to replace IAS 39 - *Financial Instruments: Recognition and Measurement*. IFRS 9 introduces new requirements for classifying and measuring financial assets that must be applied starting January 1, 2013, with early adoption permitted. The IASB intends to expand IFRS 9 during the intervening period to add new requirements for classifying and measuring financial liabilities, de-recognition of financial instruments, impairment and hedge accounting. The Partnership is currently assessing the impact of this standard.

b) IFRS 11 - *Joint Arrangements*, was issued in May 2011 and will supersede existing IAS 31 - *Interests in Joint Ventures*, effective for the annual period beginning on or after January 1, 2013, with early application permitted. IFRS 11 provides for the accounting of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form (as is currently the case). The standard also eliminates the option to account for jointly controlled entities using the proportionate consolidation method. The Partnership is currently assessing the impact of this standard.

c) IFRS 12 - *Disclosure of Interests in Other Entities*, was issued in May 2011 and is a new and comprehensive standard on disclosure requirements for all forms of interests in other entities, including subsidiaries, joint arrangements, associates and unconsolidated structured entities. IFRS 12 is effective for annual periods beginning on or after January 1, 2013, with earlier application permitted. The Partnership is currently assessing the impact of this standard.

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d) IFRS 13 - *Fair Value Measurement* was issued in May 2011 and sets out in a single IFRS a framework for measuring fair value. IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This definition of fair value emphasizes that fair value is a market-based measurement, not an entity-specific measurement. In addition, IFRS 13 also requires specific disclosures about fair value measurement. IFRS 13 is effective for annual periods beginning on or after January 1, 2013, with earlier application permitted. The Partnership is currently assessing the impact of this standard.

6 Partners' equity

a) Authorized

The Partnership is authorized to issue a maximum of 300,000 units without stated par value.

All Limited Partnership units are of the same class with equal rights and privileges, including equal participation in any distribution made by the Partnership and the right to one vote at any meeting of the Limited Partners.

b) Issued and outstanding

	Number of units	$
At March 31, 2012	101,005	9,317,721

As at March 31, 2012, there were 101,005 Limited Partnership units issued and outstanding. These units were issued in 2012 for cash consideration of $10,100,500.

Pursuant to the LPA, the General Partner contributed $10 to the capital of the Partnership.

7 Capital management

The Partnership considers partners' equity as the component of capital to be managed. The Partnership's main objective when managing capital is to execute on its investment program to provide a reasonable return for Limited Partners while ensuring capital protection. The Partnership monitors expenditures as required to ensure capital is successfully deployed. The Limited Partnership's objective is to provide monthly cash distributions and provide potential capital appreciation and tax deductions on 100% of Limited Partners' investments.

8 Financial instruments and risk management

The Partnership is engaged in the business of participating in the drilling, completing and managing oil and natural gas wells to earn royalties. The Partnership is exposed to a variety of financial risks, including commodity price risk, foreign exchange risk, credit risk and liquidity risk. The Board of Directors has overall

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responsibility for identifying the principal risks of the Partnership and ensuring policies and procedures are in place to appropriately manage these risks.

Fair values

Fair value represents the price at which a financial instrument could be exchanged in an orderly market, in an arm's length transaction between knowledgeable and willing parties who are under no compulsion to act.

As at December 31, 2011, the carrying value of the Partnership's cash and cash equivalents and short-term investments approximated fair value due to their short-term nature. Subsequent to year-end, the short-term investment was liquidated at a value approximate to its cost.

The Partnership's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Partnership's financial performance.

Credit risk

Credit risk is the risk of financial loss to the Partnership if an investor or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from cash and cash equivalents, short-term investments, trade and other receivables, and due from general partner. The maximum credit risk exposure is $9,343,525. The Partnership believes the credit risk associated with the cash and cash equivalents is limited due to the credit quality of the financial institution where the funds are held.

Liquidity risk

Liquidity risk is the risk that the Partnership will not be able to meet its obligations as they are due. The Partnership prepares an annual budget and updates forecasts for operating, financing and investing activities on an ongoing basis to ensure it will have sufficient liquidity to meet its liabilities when due. The Partnership has sufficient cash to fund its obligations as they become due under normal operating conditions. All of the Partnership's financial liabilities are due within 12 months.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Partnership is exposed to market risks resulting from fluctuations in foreign exchange rates, commodity prices and interest rates in the normal course of operations.

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9 Related party transactions

The General Partner has retained Toscana Energy Corp. and CADO Bancorp Ltd., related companies of the General Partner by way of common directors, to provide office space and perform certain administrative functions on behalf of the Partnership. During the period ended March 31, 2012, an amount of $11,743 was incurred and is included in administrative and other expenses and $11,743 remained payable at March 31, 2012. Balances and transactions with related parties have been recorded at the exchange amount. The General Partner is entitled to 5% of all distributions, during the period ended March 31, 2012 the amount payable was $nil.

10 Income per unit

Basic and diluted income per unit

	Income for the period $	Weighted average number of units $	Per unit amount $
As at March 31, 2012			
Net comprehensive loss - basic and diluted	(27,935)	75,754	(0.37)

As at March 31, 2012, there have been no dilutive instruments issued that could potentially dilute basic income per unit.

11 Commitment

Pursuant to the prospectus, the Partnership is obligated to invest available funds of $9,187,108 by December 31, 2012. As at March 31, 2012, the Partnership had invested $nil in eligible costs and had $9,187,108 in available cash and cash equivalents awaiting investment.

12 Subsequent event

On April 12, 2012, the Partnership had a second and final closing of its initial public offering and issued an additional 88,905 limited partnership units for gross proceeds of $8,890,500.