NEW AGE FARM INC.
(formerly 0981624 B.C. Ltd.)

Consolidated Financial Statements

For the Period From Incorporation on September 27, 2013 to August 13, 2014

(Expressed in Canadian dollars)

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Adam Kim
ADAM SUNG KIM LTD.
CHARTERED ACCOUNTANT

INDEPENDENT AUDITOR'S REPORT

To: the Shareholders of
New Age Farm Inc. (formerly 0981624 B.C. Ltd.)

I have audited the accompanying consolidated financial statements of New Age Farm Inc. (formerly 0981624 B.C. Ltd.) (the "Company"), which comprise the consolidated statement of financial position as at August 13, 2014, and the consolidated statements of loss and comprehensive loss, change in shareholders' equity and cash flows for the period from date of incorporation September 27, 2013 to August 13, 2014 and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements
Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
My responsibility is to express an opinion on these consolidated financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements.

I believe that the audit evidence I have obtained in my audit is sufficient and appropriate to provide a basis for my audit opinion.

Opinion
In my opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as at August 13, 2014, and its financial performance and its cash flows for the period from date of incorporation September 27, 2013 to August 13, 2014 in accordance with International Financial Reporting Standards.

Emphasis of Matter
Without qualifying my opinion, I draw attention to Note 2 in the consolidated financial statements which indicates that the Company has incurred losses to date. This condition, along with other matters as set forth in Note 2, indicates the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

"Adam Sung Kim Ltd."
Chartered Accountant

Vancouver, British Columbia
April 9, 2015

NEW AGE FARM INC.
(formerly 0981624 B.C. LTD.)
Consolidated Statement of Financial Position
(Expressed in Canadian dollars)

	August 13, 2014
	$
Assets	
Current	
Cash & cash equivalents	103,739
Total Assets	**103,739**
Liabilities and Shareholders' Equity	
Current Liabilities:	
Accrued liabilities	-
Loan payable (Note 11)	124,268
	124,268
Shareholders' Equity:	
Capital stock (Note 5)	5,000
Deficit	(25,529)
	(20,529)
Total Liabilities and Shareholders' Equity	**103,739**

Nature and Continuance of Operations (Note 1)
Commitment (Note 4)
Subsequent Events (Note 11)

Approved and authorized for issue by the Board of Directors on April 9, 2015:

"Carman Parente"
Carman Parente, Director

"Anthony Chan"
Anthony Chan, Director

The accompanying notes are an integral part of these Financial Statements

NEW AGE FARM INC.
(formerly 0981624 B.C. LTD.)
Consolidated Statement of Loss and Comprehensive Loss
(Expressed in Canadian dollars)

		From Incorporation Date on September 27, 2013 to August 13, 2014
Expenses		
Bank charges	$	165
Consulting fees (Note 9)		8,782
Office & miscellaneous		5,082
Transfer agent & filing fees		11,500
Net loss and total comprehensive loss for the period		**(25,529)**
Basic and diluted loss per common share	**$**	**(255)**
Weighted average number of common shares outstanding		**100**

The accompanying notes are an integral part of these Financial Statements

NEW AGE FARM INC.
(formerly 0981624 B.C. LTD.)
Consolidated Statement of Changes in Shareholders' Equity
(Expressed in Canadian dollars except the number of shares)

	Number of Outstanding Shares	Share Capital	Reserves	Deficit	Total Shareholders' Equity
		$	$	$	$
Share issued for cash on incorporation, September 27, 2013 (Note 5)	100	100	–	–	100
Cancellation of incorporator shares	(100)	(100)	–	–	(100)
Shares issued in pursuant to Plan of Arrangement (Note 5)	2,433,667	5,000	–	–	5,000
Net loss and comprehensive loss for the period	–	–	–	(25,529)	(25,529)
Balance, August 13, 2014	2,433,667	5,000	–	(25,529)	(20,529)

The accompanying notes are an integral part of these Financial Statements

NEW AGE FARM INC.
(formerly 0981624 B.C. LTD.)
Consolidated Statement of Cash Flows
(Expressed in Canadian dollars)

		From Incorporation Date on September 27, 2013 to August 13, 2014
Cash (used in) /provided by:		
Operating activities		
Net loss for the period	$	(25,529)
Change in non-cash working capital components		
Accrued liabilities		-
Net cash provided by (used in) operating activities		(25,529)
Financing activities		
Shares issued in pursuant to Plan of Arrangement		5,000
Loan payable		124,268
Net cash provided from financing activities		129,268
Investing activity		-
Net cash used in investing activities		-
Change in cash		103,739
Cash, beginning of the period		-
Cash, end of the period	$	103,739
Cash paid during the period for interest expense	$	-
Cash paid during the period for income taxes	$	-

The accompanying notes are an integral part of these Financial Statements

1. NATURE AND CONTINUANCE OF OPERATIONS

New Age Farm Inc. (formerly, 0981624 B.C. Ltd.) (the "Company") was incorporated on September 27, 2013 and, pursuant to a plan of arrangement (the "Arrangement") between the Company and Five Nines Ventures Ltd. ("Five Nines") dated October 7, 2013, it would acquire the letter of intent signed between Five Nines and NHS Industries Ltd. ("NHS LOI") and $5,000 in cash from Five Nines as part of the arrangement agreement (the "Arrangement Agreement"), and would commence its business as an agriculture based business in Langley, British Columbia. As consideration for this asset, the Company would issue 16,909,168 common shares, multiplied by the Conversion Factor, as defined in the Arrangement Agreement, which shares would be distributed to the Five Nines shareholders who held Five Nines shares on the share distribution record date. Five Nines completed the Arrangement on April 1, 2014 and transferred $5,000 cash and assigned the NHS LOI to the Company on April 1, 2014. The Company completed the share distribution and issued 2,433,667 common shares on August 13, 2014 to Five Nines, which were then re-distributed to the shareholders of Five Nines as of record date of December 31, 2013. On April 30, 2014, the Company entered into a definitive acquisition and amalgamation agreement with NHS which was completed on August 13, 2014. The Company acquired all of the issued and outstanding securities in the capital of NHS pursuant to a "three-cornered" amalgamation under the British Columbia *Business Corporations Act*, pursuant to which a newly incorporated wholly owned subsidiary of the Company, 0998955 B.C. Ltd., amalgamated with NHS and continues its business under the name of NHS Industries Ltd. The amalgamated NHS continues to be a wholly owned subsidiary of the Company. The Company will be a start-up stage company and the Langley project is a five and a half acre area devoted to growing and eventually being able to process, package and store finished food based products either in cold storage or dry storage before being shipped to their final destination. The current business objective of the Company is to raise $3,000,000 to build and operate a state of the art warehouse / processing facility to generate near term cash flow. Accordingly, the Company's financial success may be dependent upon the extent to which it can develop its Langley project and the economic viability of acquiring, or developing any such additional projects on the property.

The head office and principal office of the Company is located at #106, 1641 Lonsdale Avenue, North Vancouver, B.C., V7M 2T5.

These consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern which assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The Company's continuing operations, as intended, and its financial success may be dependent upon the extent to which it can successfully commercialize the Langley project and the economic viability of entering into any additional projects on the property in the future.

The commercialization of the Langley project may take many years to be in successful operation and the amount of resulting income, if any, is difficult to determine with any certainty. As a development stage company, the Company does not anticipate producing revenues for some time, other than from incidental revenue and the sales of marketable securities, if any. On August 13, 2014, the Company had not yet achieved profitable operations, a deficit of $25,529, a working capital deficiency of $20,529, and expects to incur further losses in the development of its business, all of which may cast significant doubt about the Company's ability to continue as a going concern.

1. NATURE AND CONTINUANCE OF OPERATIONS (continued)

These consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

2. BASIS OF PRESENTATION AND CONSOLIDATION

The Company was incorporated on September 27, 2013. These consolidated financial statements are prepared in accordance and compliance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary, 0998955 B.C. Ltd. (dormant). These consolidated financial statements are presented in Canadian dollars, which is the Company's and its wholly-owned subsidiary's functional and reporting currencies. These consolidated financial statements are prepared on a historical cost basis except for financial instruments classified as fair value through profit or loss ("FVTPL"), which are stated at their fair value.

3. SIGNIFICANT ACCOUNTING POLICIES

a. Significant accounting judgments and estimates

The preparation of these financial statements requires management to make judgments and estimates that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these judgments and estimates. The financial statements include judgments and estimates which, by their nature, are uncertain. The impacts of such judgments and estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and the revision affects both current and future periods. Accounts which require management to make material estimates and significant assumptions in determining amounts recorded include valuation of share-based transactions and provision for deferred income tax.

Judgments made by management that have the most significant effect on the financial statements are discussed in Notes 3d), 3e), 3f) and 3i).

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

b. Cash and cash equivalents

Cash and cash equivalents are comprised of cash in banks, and all short-term investments that are highly liquid in nature, cashable, and have an original maturity date of three months or less. As at August 13, 2014, there is $Nil included as cash equivalents.

c. Shared-based payments

Pursuant to the Company's option plan ("Option Plan"), the Company may grant stock options to directors, officers and employees for the purchase of the capital stock of the Company. Included in the Option Plan are provisions that provide that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares of the Company. At the discretion of the Board of Directors of the Company, options granted under the Option Plan can have a maximum exercise term of 5 years from the date of grant. Vesting terms will be determined at the time of grant by the Board of Directors.

The fair value of the options is measured at grant date, using the Black-Scholes option pricing model, and is recognized over the period that the employees earn the options. The fair value is recognized as an expense with a corresponding increase in equity. The amount recognized as expense is adjusted to reflect the number of share options expected to vest.

d. Deferred income taxes

Deferred income tax assets and liabilities are recognized for deferred income tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred income tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled. The effect on deferred income tax assets and liabilities of a change in tax rates is recognized in income in the period that substantive enactment occurs. To the extent that the Company does not consider it more likely than not that a deferred income tax asset will be recovered, the deferred income tax assets is reduced. Deferred income tax assets and liabilities are offset only if a legally enforceable right exists to offset current tax assets against liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

e. Financial instruments

Financial instruments are defined as any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument.

Financial instruments at fair value through profit or loss (FVTPL).

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

e. Financial instruments (continued)

Financial instruments are classified as FVTPL when they are held for trading. A financial instrument is held for trading if it was acquired for the purpose of selling in the near term. Financial instruments classified as FVTPL are stated at fair value with any changes in fair value recognized in earnings for the period.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, these financial assets are recorded at amortized cost using the effective interest method less any impairment.

Available-for-sale financial assets

Available-for-sale are non-derivative financial assets that are designated as available-for-sale or that are not classified in any other financial asset categories. Subsequent to initial recognition, changes in fair value, other than impairment losses, are recognized in other comprehensive income (loss) and presented in the fair value reserve in shareholders' equity. When the financial assets are sold or an impairment write-down is required, losses accumulated in the fair value reserve recognized in shareholders' equity are included in profit or loss.

Financial liabilities

Financial liabilities are initially recorded at fair value, net of transaction costs, and are subsequently measured at amortized cost using the effective interest method. The Company's accounts payable, accrued liabilities and loan payable are classified as financial liabilities.

Transaction costs incurred on initial recognition of financial instruments classified as loans and receivables and other financial liabilities are included in the initial fair value amount.

Financial assets are derecognized when the contractual rights to the cash flows from the asset expire. Financial liabilities are derecognized only when the Company's obligations are discharged, cancelled or they expire.

The Company has classified its financial instruments as follows:

Financial Instrument	Classification
Cash and cash equivalents	FVTPL
Accounts payable	Other liabilities
Accrued liabilities	Other liabilities
Loan payable	Other liabilities

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

e. Financial instruments (continued)

Financial instruments recorded at fair value on the statement of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels: Level 1 – valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities; Level 2 – valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and Level 3 – valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

f. Impairment

i) Non-financial assets

The carrying amounts of the Company's non-financial assets, other than deferred income tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the assets' recoverable amount is estimated.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or group of assets (the "cash-generating unit").

An impairment loss is recognized if the carrying amount of a cash-generating unit exceeds its estimated recoverable amount. The recoverable amount of an asset or a cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cost flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the assets. Impairment losses are recognized in net income (loss).

Impairment losses recognized in prior years are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss has been recognized.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

f. Impairment (continued)

ii) Financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in net income (loss) and reflected in an allowance account against receivables. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through net income (loss).

g. Comprehensive income (loss)

Comprehensive income (loss) is the change in the Company's net assets that results from transactions, events and circumstances from sources other than the Company's shareholders and includes items that are not included in net profit. Other comprehensive income (loss) consists of changes to unrealized gain and losses on available for sale financial assets, changes to unrealized gains and losses on the effective portion of cash flow hedges and changes to foreign currency translation adjustments of self-sustaining foreign operations during the period. Comprehensive income (loss) measures net earnings for the period plus other comprehensive income (loss). Amounts reported as other comprehensive income (loss) are accumulated in a separate component of shareholders' equity as Accumulated Other Comprehensive Income (Loss). The Company has not had other comprehensive income (loss) since inception and accordingly, a statement of comprehensive income (loss) has not been presented.

h. Earnings (loss) per share

Basic earnings (loss) per share is computed by dividing the net earnings (loss) available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted earnings (loss) per share is computed similar to basic earnings (loss) per share except that the weighted average share outstanding is increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting periods.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

i. Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at statement of financial position date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. The increase in the obligation due to the passage of time is recognized as finance expense. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount receivable can be measured reliably.

j. Accounting standards, interpretations and amendments to existing standards that are not yet effective

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods after August 13, 2014 or later periods. Many are not applicable or do not have a significant impact to the Company and have been excluded from the summary below. The following have not yet been adopted and are being evaluated to determine their impact on the Company.

The IASB has issued IFRS 9 - Financial Instruments (“IFRS 9”) which intends to replace IAS 39 – Financial Instruments: Recognition and Measurement (“IAS 39”) in its entirety with three main phases. IFRS 9 will be the new standard for the financial reporting of financial instruments. The IASB tentatively decided to defer the mandatory effective date until January 1, 2018 with earlier adoption still permitted. The Company will evaluate the impact the final standard will have on its financial statements based on the characteristics of its financial instruments at the time of adoption.

The IASB issued IFRIC 21 - Levies (“IFRIC 21”), an interpretation of IAS 37 - Provisions, Contingent Liabilities and Contingent Assets (“IAS 37”), on the accounting for levies imposed by governments. IAS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past activity or event (“obligating event”) described in the relevant legislation that triggers the payment of the levy. IFRIC 21 is effective for annual periods commencing on or after January 1, 2014. The Company is currently evaluating the impact of the adoption of this interpretation on its financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

j. Accounting standards, interpretations and amendments to existing standards that are not yet effective (continued)

The IASB issued amendments to IAS 36 - Impairment of Assets ("amendments to IAS 36"). The amendments to IAS 36 restrict the requirement to disclose the recoverable amount of an asset or CGU to periods in which an impairment loss has been recognized or reversed. The amendments also expand and clarify the disclosure requirements applicable when an asset or CGU's recoverable amount has been determined on the basis of fair value less cost of disposal. The amendments are effective for annual periods beginning on or after January 1, 2014 and should be applied retrospectively. The Company is currently evaluating the impact of the adoption of this standard on its financial statements.

k. Segment reporting

A reportable segment, as defined by 'IFRS 8 Operating Segments', is a distinguishable business or geographical component of the Company, which are subject to risks and rewards that are different from those of other segments. The Company considers its primary reporting format to be business segments. The Company considers that it has only one reportable segment, being the development of the agriculture based business in Langley of British Columbia.

(Expressed in Canadian dollars)

4. COMMITMENT

The Company has no commitment other than the NHS LOI transferred from its former parent company, Five Nines. As at the date of these financial statements, the Company completed the acquisition of NHS and has commenced the business of NHS (see Note 11).

5. CAPITAL STOCK

a. Authorized: unlimited Common shares without par value
b. Issued and Outstanding:

	Number of Shares	Amount ($)
Common shares issued for cash in pursuant to Plan of Arrangement	2,433,667	5,000
Balance as at August 13, 2014	**2,433,667**	**5,000**

One Hundred common shares were issued at $1 per common share on September 27, 2013 to Five Nines. The incorporator shares were cancelled on August 13, 2014.

As discussed in Note 1, the Company issued 2,433,667 common shares on August 13, 2014 to Five Nines and Five Nines re-distributed these shares to its shareholders as of the record date of December 31, 2013. The aggregate fair value of these shares in the amount of $5,000 was based on the fair value estimates of assets transferred from Five Nines to the Company. On April 1, 2014, Five Nines transferred $5,000 cash and assigned the NHS LOI valued at $Nil to the Company. The Company currently has 2,433,667 common shares issued and outstanding (See Note 11).

Stock Options:
The Company has adopted an incentive stock option plan (the "Option Plan") which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the applicable stock exchange's requirements, grant to directors, officers, employees and consultants to the Company, non-transferable options to purchase common shares. Pursuant to the Option Plan, the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares of the Company. Options granted under the Option Plan can have a maximum exercise term of 5 years from the date of grant. Vesting terms will be determined at the time of grant by the Board of Directors. As at and during the period ended August 13, 2014, no option was granted or outstanding.

6. NHS LETTER OF INTENT

On September 12, 2013, Five Nines entered into a letter of intent with NHS Industries Ltd. ("NHS") and the shareholders of NHS, owners of 100% of the issued and outstanding capital stock of NHS, with respect to a proposed transaction in which NHS would form a subsidiary to purchase all of the issued and outstanding capital stock of NHS. NHS has 100% ownership of an agriculture based business in Langley, British Columbia. The Langley project is a five and a half acre area devoted to growing and eventually being able to process, package and store finished food based products either in cold storage or dry storage before being shipped to their final destination. The purchase price should be paid on the date of closing by the issuance of approximately 40,000,000 post-consolidated common shares of the capital stock of the Company at a deemed price of $0.05 per common share to the

6. NHS LETTER OF INTENT (continued)

shareholders of NHS. The exact number of shares to be issued by the Company should be determined prior to entering into the definitive agreement.

On April 30, 2014, the Company entered into a definitive acquisition and amalgamation agreement with NHS which was completed on August 13, 2014 (See Note 1). Immediate prior to the amalgamation, NHS issued an additional 1,250,000 common shares at $0.10 per share for gross proceeds of $125,000 and settled $600,000 of secured long term debts at $0.10 per share for total of 6,000,000 common shares and NHS had 34,414,424 common shares issued and outstanding. Each shareholder of NHS common shares received one (1) common share of the Company for each of such shareholder's NHS common shares.

7. CAPITAL DISCLOSURES

The Company's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders. The Company considers the items included in shareholders' equity and cash as capital. The Company manages the capital structure and makes adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets. The Company's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund the development of the agriculture based business in Langley of British Columbia. To secure the additional capital necessary to pursue these plans, the Company intends to raise additional funds through the equity or debt financing. The Company is not subject to any capital requirements imposed by a regulator.

8. FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, accrued liabilities and loan payable. Cash is stated at fair value and classified within Level 1 of the fair value hierarchy. The fair values of accrued liabilities approximate their carrying values due to their short-term nature of these instruments.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Strategic and operational risks are risks that arise if the Company fails to develop the agriculture based business in Langley of British Columbia. These strategic opportunities or threats arise from a range of factors which might include changing economic and political circumstances and regulatory approvals and competitor actions. The risk is mitigated by consideration of other potential development opportunities and challenges which management may undertake.

8. FINANCIAL INSTRUMENTS (continued)

The Company's credit risk was primarily attributable to bank balances. The Company limits its credit exposure on cash held in bank accounts firstly by holding its key transactional bank accounts with banks of international financial institutions.

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at August 13, 2014, the Company had cash balance of $103,739 and current liabilities of $124,268. All of the Company's financial liabilities have contractual maturities of less than 30 days, and are subject to normal trade terms. Management is considering different alternatives to secure adequate debt or equity financing to meet the Company short term and long term cash requirement.

Interest risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in market risk. The Company's sensitivity to interest rates is currently immaterial.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company holds no financial instruments that are denominated in a currency other than Canadian dollar. Accrued liabilities are denominated in Canadian currency. Therefore, the Company's exposure to currency risk is minimal.

9. RELATED PARTY TRANSACTIONS

a. During the period ended August 13, 2014, the Company paid consulting fees of $5,000 to Five Nines.

   These transactions above are in the normal course of operations and are measured at the agreed to amounts, which is the amount of consideration established and agreed to by the related parties.

10. SEGMENTED INFORMATION

During the period ended August 13, 2014, the Company had one reportable operating segment, being the development of the agriculture based business in Langley, British Columbia.

11. LOAN PAYABLE

During the period ended August 13, 2014, the Company received a loan of $124,268 from NHS. This is a non-interest bearing loan and has no fixed terms of repayment.

12. SUBSEQUENT EVENTS

The Company completed the acquisition of NHS Industries Ltd. ("NHS") by amalgamating NHS with its wholly owned subsidiary, 0998955 B.C. Ltd., and issued 34,414,424 common shares of the Company to the shareholders of NHS on August 13, 2014.

12. SUBSEQUENT EVENTS (Continued)

The Company's common shares commenced its listing for trading on Canadian Securities Exchange ("CSE") on August 18, 2014 under the symbol ("NF").

There were 3,650,000 stock options granted to officers and directors on September 8, 2014 at an exercise price of $0.05 per share expiring September 8, 2019. All options were fully vested at the date of grant.

On October 9, 100,000 options granted to a consultant were exercised and 100,000 common shares of the Company were issued at $0.05 per share.

On November 15, 2014, the Company issued 1,000,000 common shares of the Company to an external service provider for services of $65,000 at an agreed price of $0.065 per share. The Company also issued 1,000,000 common shares of the Company to the Chief Financial Officer and a Director of the Company for services of $65,000 at an agree price of $0.065 per share.

The Company granted incentive stock options to certain consultants of the Company to purchase up to an aggregate of 1,400,000 common shares in the capital stock of the Company. The options are exercisable at a price of $0.08 per share, and will expire on November 17, 2019. All options were fully vested at the date of grant. The Company cancelled 1,400,000 options previously issued to directors of the Company on September 8, 2014.

On February 26, 2015, the Company entered into a second mortgage on its property in Langley as security. The principal amount of the mortgage is $400,000 with a term of one year at 15% annual interest. As art of the mortgage agreement, the Company has assigned the rental income from the Langley property and issued to the lender 1,000,000 common shares of the Company at deemed price of $0.15 per share. The Company's CEO also agreed to provide a personal guarantee to the mortgage and the second mortgage previously held by him has been moved to third position behind the new second mortgage. If the Company decides to repay the mortgage before it matures, it will incur a three months interest penalty.

On February 27, 2015, 200,000 stock options were exercised by the Chief Financial Officer and a Director of the Company and 800,000 stock options were exercised by a consultant and a total of 1,000,000 common shares of the Company were issued at $0.05 per share.

On March 11, 2015, the Company closed a non-brokered private placement of $460,000 and issued 4,600,000 common shares at a price of $0.10 per share.

The Company entered into an escrow on October 22, 2014 for the purchase of a 2.69 acre parcel of land in Whatcom County, Washington State ("Sumas Property") for a total purchase price of US$289,000. The property is permitted for both agricultural and light industrial processing uses, currently contains two buildings totaling 6,700 square feet and has sufficient room for expansion. The Company made a non-refundable US$10,000.00 payment into escrow on signing the agreement and successfully closed the purchase on March 3, 2015.

12. SUBSEQUENT EVENTS (Continued)

The Company entered into a finder's fee agreement on December 1, 2014 with an external consultant to assist the Company in identifying a tenant for its Sumas Property to be acquired. The Company will pay to the consultant a total fee of 3,000,000 common shares of the Company upon successful signing of a lease with the identified tenant and the Company's successful completion of the acquisition of the Sumas Property. The Company entered into a lease agreement with its first tenant in November 2014 and closed the acquisition of the Sumas Property in March 2015 and the Company issued the agreed 3,000,000 common shares to this consultant as finder's fees at a deemed price of $0.15 per share on March 18, 2015.

The Company also entered into another finder's fee agreement on December 1, 2014 with another external consultant in assisting the Company to identify a tenant for its Sumas Property. The agreement asks for same fees and has the same terms as the first finder's fee agreement. The Company also issued 3,000,000 common shares to this second consultant as finder's fees at a deemed price of $0.15 per share on March 18, 2015.

On March 23, 2015, the Company granted incentive stock options to a consultant of the Company to purchase up to an aggregate of 2,000,000 common shares in the capital stock of the Company. The options are exercisable at a price of $0.15 per share, and will expire on March 23, 2020. All options were fully vested at the date of grant.

On March 24, 2015, 200,000 options granted to a consultant were exercised and 200,000 common shares of the Company were issued at $0.08 per share.

On April 1, 2015, the Company entered into a consulting agreement with a consultant such that consulting fees to be accrued at $15,000 per month beginning effective from October 1, 2014, being the date the consultant first provided services to the Company, to March 31, 2016 with a maximum permitted accrual of $300,000 over the term of this agreement. The agreement also granted the consultant 2,000,0000 warrants to purchase common shares of the Company, exercisable at a price of CAD$0.15 per warrant share and will expire three years from the date of this agreement. The accrued fees shall be paid to the consultant upon i) submission of an invoice inclusive of GST for the value of fees to be paid, such invoice not to exceed the amount of accrued fees as at the date of the invoice; and ii) exercise a number of warrants equal to the fees to be paid (exclusive of GST) pursuant to the invoice; and iii) the Company will issue a share certificate in the name of the consultant for the number of common shares represented by the warrant exercise and then pay the invoice. Upon termination of the agreement, any outstanding accrued fees up to and including such termination date will remain payable as set out herein provided the warrants have not expired. Upon the expiry of the warrants, any unexercised warrants will be cancelled and any accrued fees that remain outstanding will be waived by the consultant and the Company will no longer be liable for any payments to the consultant.