MANAGEMENT'S DISCUSSION AND ANALYSIS
OF THE COMPANY'S FINANCIAL CONDITION AND RESULTS OF OPERATIONS
FOR THE SIX MONTHS ENDED JUNE 30, 2015

FORM 51-102F1

Date and Subject of Report

The following Management Discussion & Analysis ("MD&A") is intended to assist in the understanding of the trends and significant changes in the financial condition and results of operations of New Age Farm Inc. (formerly 0981624 BC Ltd. or "0981624BC")) ("NAF" or the "Company") for the six months ended June 30, 2015. The MD&A should be read in conjunction with the unaudited condensed interim consolidated financial statements for the six months ended June 30, 2015. The MD&A has been prepared effective August 29, 2015.

SCOPE OF ANALYSIS

The following is a discussion and analysis of NAF (formerly 0981624BC), which was incorporated on September 27, 2013, under the laws of the Province of British Columbia. The Company's head office is located at #106, 1641 Lonsdale Avenue, North Vancouver, B.C., V7M 2T5. The Company reports its financial results in Canadian dollars and under IFRS. As a result of a recently completed Plan of Arrangement, it acquired a Letter of Intent to merge with NHS Industries Ltd. ("NHS") through a business combination (the "NHS LOI"). The Company completed the acquisition of NHS through a three-cornered amalgamation and has continued the business of NHS. From accounting perspective, NHS is the acquirer in a reverse-takeover transaction and the Company's consolidated financial statements are considered as a continuation of the financial statements of NHS.

FORWARD LOOKING STATEMENTS

The information set forth in this MD&A contains statements concerning future results, future performance, intentions, objectives, plans and expectations that are, or may be deemed to be, forward-looking statements. These statements concerning possible or assumed future results of operations of the Company are preceded by, followed by or include the words 'believes,' 'expects,' 'anticipates,' 'estimates,' 'intends,' 'plans,' 'forecasts,' or similar expressions. Forward-looking statements are not guarantees of future performance. These forward-looking statements are based on current expectations that involve numerous risks and uncertainties, including, but not limited to, those identified in the Risks Factors section. Assumptions relating to the foregoing involve judgments with respect to, among other things, future economic, competitive and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which underlying the forward-looking statements are reasonable, any of the assumptions could prove inaccurate. These factors should be considered carefully, and readers should not place undue reliance on forward-looking statements. The Company has no intention and undertakes no obligation to update or revise any forward-looking statements, whether written or oral that may be made by or on the Company's behalf.

Trends

Other than as disclosed in this MD&A, the Company is not aware of any trends, uncertainties, demands, commitments or events which are reasonably likely to have a material effect upon its revenues, income from continuing operations, profitability, liquidity or capital resources, or that would cause reported financial information not necessarily to be indicative of future operating results or financial condition.

General Development and NAF's (formerly 0981624BC) & NHS's Business

NAF (formerly 0981624BC) was incorporated in British Columbia on September 27, 2013 as a wholly-owned subsidiary of a publicly traded company, Five Nines Ventures Ltd. ("Five Nines"). During 2013, Five Nines obtained final court approval to complete a plan of arrangement (the **"Arrangement")** pursuant to Division 5 of Part 9 of the Business Corporation Act (British Columbia) with its wholly-owned subsidiary NAF (formerly 0981624BC). Under the Arrangement, the Company is to acquire $5,000 and all of Five Nines' interest in an agreement to merge with NHS through a business combination, in exchange for common shares (the **"NAF (formerly 0981624BC) Shares"**) of the Company, which NAF (formerly 0981624BC) Shares are to be distributed to Five Nines shareholders pursuant to the Arrangement. On closing of the Arrangement, each Five Nines shareholder, as of the share distribution record date received one new common share in the capital of Five Nines (the **"New Five Nines Shares")** and its *pro-rata* share of the NAF (formerly 0981624BC) Shares as distributed under the Arrangement for each Five Nines common share (the **"Five Nines Shares")** held by such person at the share distribution record date as of December 31, 2013.

On April 1, 2014, the Company acquired the NHS LOI and $5,000 from Five Nines as part of the Arrangement. In June of 2014, the Company completed the Arrangement and issued 2,433,667 common shares in exchange for $5,000 cash and the NHS LOI. Such shares were re-distributed to shareholders of Five Nines as of record date of December 31, 2013 and the Company became a reporting issuer in the province of British Columbia, Alberta, and Ontario.

On April 30, 2014, the Company entered into a definitive acquisition agreement with NHS Industries Ltd. ("NHS") such that NHS would amalgamate with a wholly owned subsidiary of the Company, 0998955 BC Ltd., as another wholly owned subsidiary of NHS and continue with the business of NHS in exchange for 100% shares of NHS. Each common share of NHS would exchange for one (1) common share of the Company. An estimate of 34,409,424 common shares of the Company would be issued to shareholders of NHS to complete the acquisition. The company would be adopting the year end of NHS, which is December 31, after completing the amalgamation with NHS.

On July 28, 2014, the Company completed the amalgamation with NHS by issuing 34,413,424 common shares of the Company to the shareholders of NHS. The Company received approval from CSE and its common shares have been listed for trading on Canadian Securities Exchange ("CSE") since August 18, 2014.

The Company, after amalgamating with NHS, has become a start-up stage company and will further develop the Langley project from NHS. The project is located on 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. NHS has already invested significant amounts to date in product development and feasibility studies. The current business objective of the Company is to build and operate a state

of the art warehouse / processing facility to generate near term cash flow. This business plan is clearly a comprehensive review of the critical factors that would add capacity through a modular and fee based approach that is designed to support small and medium producers. 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.

Subsequent to the amalgamation with NHS, the Company also settled total debts of $130,000 into 2,000,000 common shares of the Company. In addition, 1,100,000 stock options and 378,000 stock options were exercised at a price of $0.05 per share and of $0.08 per share respectively for total proceeds of $85,240.

On September 8, 2014, the Company announced that, pursuant to its Stock Option Plan, it has granted incentive stock options to certain directors, officers, employees and consultants of the Company to purchase up to an aggregate of 3,650,000 common shares in the capital stock of the Company. The options are exercisable at a price of $0.05 per share, and will expire on September 8, 2019. In November 2014, 1,400,000 of these stock options previously issued to directors of the Company were later agreed to be cancelled by all the parties and new 1,400,000 fully vested incentive stock options were granted to two external consultants who have provided their services to the Company. These new 1,400,000 stock options are exercisable at a price of $0.08 per share, and will expire on November 17, 2019. In March 2015, the Company also granted 2,000,000 fully vested incentive stock options to a consultant of the Company for his services provided to the Company. The options are exercisable at a price of $0.15 per share, and will expire on March 18, 2020.

On November 5, 2014, the Company announced it entered into escrow for the purchase of a 2.69 acre parcel of land in Whatcom County, Washington State for a total purchase price of US$289,000 ("Sumas Property"). The property meets all the Company's criteria for its planned expansion into Washington State. The property is permitted for both agricultural and light industrial processing uses, currently contains two buildings totalling 6700 square feet and has sufficient room for expansion. The site is suitable for expansion, with ample room for the construction of additional buildings. The Company made a non-refundable US$10,000.00 payment into escrow and closed the purchase on March 3, 2015. In order to assist the Company in financing the acquisition of the Sumas Property, 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. If the Company decides to repay the mortgage before it matures, it will incur a three months interest penalty. Almost concurrent to the closing of the second mortgage, the Company also closed a non-brokered private placement of $460,000, which was originally announced in October 2014 for $500,000, and issued 4,600,000 common shares at a price of $0.10 per share. The funds from the private placement are provided towards the corporate development, working capital needs and paying for the initial designs of the facilities on the Sumas Property.

The Company also entered into two finder's fee agreements with several external consultants to assist the Company in identifying future tenants for its Sumas Property acquired. Two parties were introduced and leasing arrangements have been successfully entered into with these two tenants. These two tenants have already commenced their applications with the local authorities to designate the location to have the growing facility be built out. The Company will be responsible for building the facilities that are in compliance with all the regulatory rules and the tenants will each be provided with a turnkey facility to grow their crops. To compensate the two

finders, the Company paid a total fee of 6,000,000 common shares of the Company at a price of $0.15 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 satisfied certain terms always in concurrent to the exercise of the 2,000,000 warrants. This consultant exercised 700,000 warrants at an exercise price of $0.15 per share for total proceeds of $105,000 and invoiced the Company the same amount for its services rendered from October 2014 to May 2015.

The Company granted 250,000 fully vested stock options to an external consultant at an exercise price of $0.20 per share expiring May 4, 2010. The Company also issued an aggregate total of 6,500,000 warrants to certain officers, directors and consultants (the "Warrants"): each whole Warrant entitles the holder to acquire one common share in the equity of the Company at a price of $0.15 per Warrant share, of which these 6,500,000 Warrants will expire five years from date of issuance.

The Company has acquired new equipment at a purchase price of $30,000 that will be used at its Langley property. In a shares for debt arrangement, the Company has issued 200,000 Common shares at a deemed price of $0.15 per share to pay for the equipment.

The Company also amended a previously issued secured note in the amount of $497,737 payable to the CEO to allow the debt represented by the note payable to be converted into shares at a deemed price of $0.15 per share at the discretion of its holder.

NHS' Business History

NHS was incorporated on May 4, 2001 under certificate number BC0627073 BC Ltd. Since 2001, the corporation has been operating numerous ventures that have been brought to completion and/or sold off to other parties. The company's projects have been real estate based and in its current operational position since 2007.

As farmers struggle to find ways to increase farm income, interest in "adding value" to raw agricultural products has grown tremendously. The value of farm products can be increased in endless ways: by cleaning and cooling, packaging, processing, distributing, cooking, combining, churning, culturing, grinding, hulling, extracting, drying, smoking, handcrafting, spinning, weaving, labeling, or packaging. Besides offering a higher return, value added products can open new markets, create recognition for a farm, expand the market season, and make a positive contribution to the community. NHS current facilities are capable of growing 2.4 million 4" potted plants in a twelve month period. Its future focus will not only be on added value for the grown plants but to the added value of reduced or eliminated energy costs and carbon neutral operating processes.

One avenue often forgotten in adding value is in improved operating methods and reduction of waste and in alternate energy sources. NHS Industries is in the process of formulating innovative proposals for small scale agricultural facilities. Its current site is owned and operational since 2007 and is exploring multiple avenues for cash flow processes. The company intends to become a beta site for sustainable growing capabilities as well as minimizing all carbon footprints with regards to all on site operations.

NHS, after combing with the Company, NAF, will expand to utilize its greenhouse facility to grow plants and will build and operate a state of the art warehouse / processing facility. Accordingly, NHS' financial success may be dependent upon the extent to which it can develop its business objectives and the economic viability of commercializing any such facilities and additional opportunities.

RESULTS OF OPERATIONS

As at June 30, 2015, the Company continued with the development of the business of NHS. As of the date of this discussion, the Company had 60,291,759 common shares issued and outstanding.

Three Months of Operations
During the three months period ended June 30, 2015, the Company mainly issued 5,500,000 common shares for consulting services of $1,100,000 provided by external consultants in assisting the Company's listing on Frankfurt Exchange, A total of 8,500,000 warrants with fair value of $1,024,500 were issued to management and external consultants as a result of these parties agreeing to defer receiving payments for consultant fees until the Company was in cash flow position. Shares based payment of $37,000 was recorded as a result of 250,000 stock options being granted to an external consultant. There was no comparable expense incurred in the same period last year.

Accretion expense of $21,993 was incurred based on the accretion amortization calculation, and there was no comparable expense incurred in comparable period last year. Advertising and promotion expense of $2,100 was incurred mainly in promoting the company to the public with no comparable expense incurred in comparable period last year.

Consulting expenses mainly include accrual of fees to management of $73,500, $45,000 of fees accrued to an external consultant who were issued 2,000,000 warrants, $16,500 of fees paid to an investor relation group and $19,242 of fees paid to various corporate and consulting group; none of these fees and payments were incurred in the same comparable period last year. $18,000 of directors fees were also accrued for in this period which was not incurred in same comparable period last year.

Foreign exchange gain of $741 was incurred as a result of translating payables in US funds which was not incurred last year. Insurance of $4,720 was paid in this current period mainly on the Langley property which was comparable in same period last year.

Interest expense was decreased by $17,042 or 43% from $39,259 to $22,217 and included $5,000 payment on the second mortgage while remaining balance of $7,075 interest payment was for the mortgage on the Langley property.

Professional fees increased from $Nil to $6,271. There was no such expense incurred in comparable period of last year.

Six Months of Operations
Accretion expense of $42,787 was incurred based on the accretion amortization calculation, and there was no comparable expense incurred in comparable period last year. Advertising and promotion expense of $2,100 was incurred mainly in promoting the company to the public with no comparable expense incurred in comparable period last year.

In addition to the $1,100,000 consulting fees paid by issuance of cash, consulting fees incurred to management was $302,000, $90,000 of fees accrued to an external consultant who were issued 2,000,000 warrants, $37,500 of fees paid to an investor relation group and $54,832 of fees paid to various corporate and consulting group; none of these fees and payments were incurred in the same comparable period last year. $36,000 of directors fees were also accrued for in this period which was not incurred in same comparable period last year.

A finance expense $150,000 was incurred as a result of securing a second mortgage by issuing 1,000,000 common shares to the holder of the second mortgage. Insurance expense on the Langley property was increased by $5,397 from $4,042 to $9,439 due to significant increase in insurance incurred on the property. Interest expenses decreased from $55,059 to $34,359 or 37% due to reclassification such that interest expense in previous year included accretion expense.

Legal fees increased from $41,429 to $71,463 or $30,034; the main increase was due to the increase in legal fees paid to the legal counsel arranging for acquisition of the Sumas Property and preparation of tenants or leasing agreements. The transfer agent and filing fees of $34,776 was made during the current period as a result of a public company and listing fees paid to apply to be listed on the OTC market; none of these fees were necessary in the same comparable period last year.

Property taxes increased by $4,396 from $445 to $4,841 or 988% due to timing of recognition. Office expense was increased by $13,969 from $2,609 to $16,578 due to more administrative activities.

SELECTED ANNUAL INFORMATION

The following financial data, which has been prepared in accordance with IFRS, is derived from the Company's financial statements. These sums are being reported in Canadian dollars and did not change as a result of the adoption of policies concerning Financial Instruments.

		Year ended	
	June 30, 2015	December 31, 2014	December 31, 2013
Total Revenue	$ 42,000	$ 84,000	$ 49,000
Interest income	27	7	102
Expenses	3,283,019	1,309,544	106,145
Net loss	(3,240,992)	(1,225,537)	(107,600)
Total assets	4,054,838	2,012,552	1,936,235
Total long-term liabilities	648,237	1,533,107	957,701
Net loss per share	(0.07)	(0.03)	(0.02)

(basic and diluted)

SELECTED QUARTERLY INFORMATION

The following table summarized the results of operations for the eight recent quarters.

	Three months ended			
	June 30 2015	March 31 2015	December 31, 2014	September 30, 2014
Total Revenue	$ 21,000	$ 21,000	$ 21,000	$ 21,000
Interest income	16	11	3	2
Expenses	2,414,761	868,258	406,358	700,664
Net loss	(2,393,745)	(847,247)	(385,355)	(679,662)
Net loss per share and diluted loss per share	(0.04)	(0.02)	(0.01)	(0.02)

	Three months ended			
	June 30 2014	March 31 2014	December 31 2013	September 30, 2013
Total Revenue	$ 21,000	$ 21,000	$ 21,000	$ 21,000
Interest income	-	2	28	63
Expenses	135,363	67,157	84,846	22,882
Net loss	(114,363)	(46,155)	(63,818)	(1,819)
Net loss per share and diluted loss per share	(0.002)	(0.0007)	(0.012)	(182)

LIQUIDITY

(a) The Company is a startup agricultural based company and has a small regular source of income and may have incidental interest income it may earn on funds invested in short-term deposits. As a result, its ability to conduct operations is based on its current cash and its ability to raise funds, primarily from equity sources, and there can be no assurance that the Company will be able to do so.

The Company raised $400,000 from a second mortgage on its Langley property to finance its acquisition of the property in Washington states and raised $460,000 from private placements for corporate development, working capital use and initial designs for the facility on the Sumas Property. The Company will require a further financing to complete the build out of the growing facility in Sumas Property which is the current objective of the Company. The Company is currently raising $500,000 of funds to commence the construction of the processing facility on Sumas Property and it closed $250,000 equity financing. The Company also obtained short term loans of $327,500 and is negotiating with the lenders as to the proper type of financing to be entered into.

(b) Other than as set forth herein, there are no expected fluctuations in the Company's liquidity, taking into account demands, commitments, events or uncertainties.

(c) The Company does not currently have any liquidity risks associated with financial

instruments.

(d) The Company is expected to continue experiencing a working capital deficiency if it does not complete the proposed financing. The Company expects to meet its liquidity need through additional equity or debt financing(s).

(e) There are no balance sheet conditions or income or cash flow items that may affect the Company's liquidity.

(f) The Company currently has one wholly owned subsidiary, NHS Industries Ltd., which is in agricultural land and facility rental business and one wholly owned subsidiary, New Age Farm Washington, LLC, which acquired the Sumas Property.

(g) There are currently no defaults or arrears by the Company on:

(i) dividend payments, lease payments, interest or principal payment on debt;

(ii) debt covenants; and

(iii) redemption or retraction or sinking fund payments.

CAPITAL RESOURCES

(a) There are no known trends or expected fluctuations in the Company's capital resources, including expected changes in the mix and relative cost of such resources.

(b) During the six months ended June 30, 2015 the Company entered into a second mortgage on its Langley property, completed the acquisition of Sumas Property and completed a non-brokered financing of $460,000 and issued 4,600,000 common shares of the Company. 1,378,000 stock options were also exercised for total proceeds of $80,240, of which $16,000 was recoded as subscription receivable. 1,000,000 common shares were also issued to the lender of the second mortgage to secure the financing.

(c) The Company also closed $250,000 equity financing at $0.15 per share and will seek to close $500,000 at the end.

(d) The Company also received total short term loans of $327,500 and will determine as to the best proper way of financing with these lenders.

(e) The Company continually seeks further debts / equity financing so it can complete the build out facilities on Sumas Property.

OFF BALANCE SHEET ARRANGEMENTS

As at June 30, 2015, the Company had no off-balance sheet arrangements.

PROPOSED TRANSACTIONS

Except for the transformation of its Business Plan into a Strategic Plan and a Tactical Plan, the Company does not have any proposed transactions to discuss at this time.

TRANSACTIONS WITH RELATED PARTIES

The amounts of $688 (2014 - $688) due from a related party, a company owned by a director of the Company, are non-interest bearing, unsecured and without fixed terms of repayment.

During the six months ended June 30, 2015, the Company advanced $25,000 (2014: $Nil) as a loan to a company of which the Chief Executive Officer is a minority shareholder. This loan is non-interest bearing and has no fixed terms of repayment.

During the six months ended June 30, 2015, $302,000 (2014: $Nil) of consulting fees have been accrued for to the Chief Executive Officer ($245,000), Chief Financial Officer ($45,000) and a director ($12,000) of the Company in relation to their services provided to the Company. Directors' fees of $2,000 per month to each director were also accrued for from January to June 2015 for a total of $36,000. As of June 30, 2015, a total of $659,500 was included as accrued liabilities to these parties (Note 7).

In February 2015, 200,000 stock options were exercised by the Chief Financial Officer at $0.05 per share (Note 8).

During the six months ended June 30, 2015, 4,500,000 warrants were issues to management and charged to shares based payments at total fair value of $580,500: CEO (3,500,000 warrants), CFO (1,000,000 warrants) and a director (1,000,000 warrants) (Note 8).

OUSTANDING SHARE DATA

Authorized: unlimited common shares without par value

Issued and Outstanding:

On March 31, 2014, 41,666,667 common shares of the Company were returned to treasury for cancellation by shareholders at average price of $0.03 per share for total of $1,250,000. In consideration, the Company issued non-interest bearing secured loans to two shareholders, to be due in two years.

On March 31, 2014, the Company issued 1,000,000 common shares of the Company at $0.03 per share to settle a total debt of $30,000 owing to external service providers.

On April 8, 2014, the Company issued 1,000,000 common shares of the Company at $0.03 per share to settle a total debt of $30,000 owing to an external service provider.

On June 30, 2014, the Company settled $600,000 of a secured non-interest bearing loan originally in the amount of $1,097,737 owing to company controlled by an officer of the Company at $0.10 per common shares of the Company and issued a total of 6,000,000 common shares.

In July 2014, prior to the amalgamation, the Company completed a non-brokered financing of $125,400 at a price of $0.10 per share and issued 1,254,000 common shares.

On August 13, 2014, the Company completed the amalgamation between 0998955 BC. Ltd., a wholly owned subsidiary of the Company, and NHS; as a result of the reverse-takeover transaction, 2,433,667 common shares originally issued to the shareholders of New Age Farm Inc. prior to the reverse-takeover transaction were fair valued with a total of $243,367.

In October 2014, 100,000 stock options were exercised at $0.05 per share for a total proceed of $5,000. Fair value of these options of $1,600 was also re-allocated from contributed surplus to share capital.

In November, 2014, 2,000,000 common shares at a fair value of $0.065 per share were issued to an external service provider and the Chief Financial Officer of the Company to settle total debts of $130,000.

In February 2015, 178,000 and 1,000,001 stock options were exercised at $0.08 per share and $0.05 per share for total proceeds of $14,240 and $50,000 respectively. Fair value of these options of $10,680 and $16,000 were also re-allocated respectively from contributed surplus to share capital (Note 6).

In March 2015, 200,000 stock options were exercised at $0.08 per share for a total proceed of $16,000. Fair value of these options of $12,000 was also re-allocated from contributed surplus to share capital.

In March 2015, the Company completed a non-brokered financing of $460,000 at a price of $0.10 per share and issued 4,600,000 common shares.

In March 2015, the Company issued 1,000,000 common shares at a fair value of $0.15 per share to the lender of the second mortgage as finance expense in order to secure this financing (Note 7).

In April 2015, the Company issued 200,000 common shares at a fair value of $0.15 per share for total value of $30,000 to purchase a tractor motor vehicle (Note 4).

In April 2015, the Company issued 6,000,000 common shares at a fair value of $0.15 per share for total value of $900,000 to acquire a joint venture interest and to enter into a lease agreement (Note 3 and Note 4).

In April 2015, the Company issued 5,500,000 common shares at a fair value of $0.20 per share for total value of $1,100,000 for consulting services provided by external consultants.

From April to June 2015, the Company issued 800,000 common shares as result of warrants exercised by an external consultant at fair value of $0.243 per share.

In June 2015, the Company issue 1,666,667 common shares for cash at $0.15 per share for total proceeds of $250,000. No finder's fee was incurred or paid.

The Company currently has 52,825,092 common shares outstanding.

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.

There were 3,650,000 stock options granted during the year ended December 31, 2014 at an exercise price of $0.05 per share expiring September 8, 2019. All options were fully vested at the date of grant. 1,400,000 of these options were cancelled in November 2014 and 100,000 of these options were exercised in October 2014 with fair value of $1,600 being re-allocated from contributed surplus to share capital.

The fair value of these 3,650,000 stock options was determined to be $58,400 using the Black Scholes option pricing model using the assumptions at the time of grant of risk free interest rates of 1.47%, expected life of 5 years, expected volatility of 100%, forfeiture rate of 0% and a dividend rate of 0%.

There were 1,400,000 stock options granted to external consultants during the year ended December 31, 2014 at an exercise price of $0.08 per share expiring November 17, 2019. All options were fully vested at the date of grant.

The fair value of these 1,400,000 stock options was determined to be $84,000 using the Black Scholes option pricing model using the assumptions at the time of grant of risk free interest rates of 1.37%, expected life of 5 years, expected volatility of 100%, forfeiture rate of 0% and a dividend rate of 0%.

On March 18, 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 18, 2020. All options were fully vested at the date of grant. The fair value of these 2,000,000 stock options was determined to be $222,000 using the Black Scholes option pricing model using the assumptions at the time of grant of risk free interest rates of 0.58%, expected life of 5 years, expected volatility of 100%, forfeiture rate of 0% and a dividend rate of 0%.

On May 4, 2015, the Company granted incentive stock options to a consultant of the Company to purchase up to an aggregate of 250,000 common shares in the capital stock of the Company. The options are exercisable at a price of $0.20 per share, and will expire on May 4, 2020. All options were fully vested at the date of grant. The fair value of these 250,000 stock options was determined to be $37,000 using the Black Scholes option pricing model using the assumptions at the time of grant of risk free interest rates of 0.88%, expected life of 5 years, expected volatility of 100%, forfeiture rate of 0% and a dividend rate of 0%.

As at June 30, 2015, the Company had stock options outstanding and exercisable enabling holders to acquire the following:

Number of Shares	Exercise Price	Expiry Date
1,150,000	$0.05	September 8, 2019
1,022,000	$0.08	November 17, 2019
2,000,000	$0.15	March 18, 2010
250,000	$0.20	May 4, 2015
4,422,000		

The Company also issued a total of 8,500,000 warrants to an external warrant with each warrant has the right to purchase one share at an exercise price of $0.15 per share. These warrants shall expire between April 9, 2018 and April 15, 2020. 800,000 of these warrants were exercised by this external consultant during the period ended June 30, 2015.

CONTINGENCIES

Except for the commitments mentioned in Liquidity subsection (a), there is no other contingency outstanding as of date of this discussion.

SUBSEQUENT EVENTS

200,000 warrants were exercised by an external consultant at an exercise price of $0.15 per share and issued 200,000 common shares of the Company.

INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

The Company was incorporated on September 27, 2013. Accordingly, these 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”).

The financial statements are presented in Canadian dollars, which is the Company’s functional and reporting currency. The 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.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES

(a) **Statement of Compliance and Basis of Presentation**

These unaudited condensed interim consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and Interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”). These unaudited condensed interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting.

These unaudited condensed interim consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair value, as explained in the accounting policies set out in the below.

(b) **Revenue recognition**

Rental revenue includes rent from tenants and incidental income. Rental revenue is recognized when rents are due and interest income is recognized when earned.

(c) **Foreign currency translation**

The functional currency of the Company, as determined by management, is the Canadian dollar and this is also the currency in which it presents these consolidated financial statements. The Company recognizes transactions in currencies other than the Canadian dollar (foreign currencies) at the rates of exchange prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the period end exchange rates are recognized in the statement of operation and comprehensive operation. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

(d) **Financial instruments**

The Company recognizes a financial asset or financial liability when it becomes a party to the instrument’s contractual provisions. It initially measures financial assets and financial

liabilities at their fair value, adding or deducting directly attributable transaction costs (except for transaction costs directly attributable to acquiring financial assets or financial liabilities at fair value through profit or loss, which it recognizes immediately in profit or loss).

The Company's financial instruments and their classifications, described further below, are as follows:

Financial assets:	Classification:
Cash and bank indebtedness	Fair value through profit or loss
Due to related parties	Loan and receivables

Financial liabilities:	Classification:
Accounts payable, accrued liabilities, due to related Parties, due to shareholders, promissory note, secured loans and mortgages	Other financial liabilities

Financial assets
The Company recognizes and derecognizes all financial assets on the trade date. It derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of its ownership to another entity. It classifies financial assets into the following specified categories: financial assets 'fair value through profit or loss' (FVTPL), 'held-to-maturity' investments, 'available-for-sale' financial assets and 'loans and receivables'. It determines the classification at the time of initial recognition, depending on the nature and purpose of the financial assets. The Company does not currently have any financial assets in the held-to-maturity or available-for-sale categories.

The Company's accounting policy for the category of assets and liabilities presently recognized by the Company is as follows:

Fair value through profit or loss
This category comprises assets acquired or incurred for the purpose of selling or repurchasing it in the near future. The Company measures financial assets at FVTPL at fair value, recognizing any gains or losses arising from this measurement in the Statement of Loss and Comprehensive Loss.

Loans and receivables
Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. The Company measures loans and receivables at amortized cost

using the effective interest method, less any impairment, except for short-term receivables for which recognizing interest would be immaterial. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all transaction costs and other premiums or discounts) through the instrument's expected life (or, where appropriate, a shorter period) to the net carrying amount on initial recognition.

Financial liabilities

The Company classifies financial liabilities as either financial liabilities at FVTPL or other financial liabilities.

The Company does not currently have any financial liabilities in the at FVTPL category.

Other financial liabilities

The Company initially measures other financial liabilities, consisting of accounts payable and accrued liabilities, amounts due to related parties, amounts due to shareholders, promissory note and secured loans, at their fair value, net of transaction costs, and subsequently at amortized cost using the effective interest method, recognizing interest expense on an effective yield basis.

Other financial liabilities are de-recognized when the obligations are discharged, cancelled or expired.

Impairment of financial assets

The Company assesses financial assets, other than those at FVTPL, for indications of impairment at the end of each reporting period. For financial assets carried at amortized cost, the amount of any impairment loss is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the investments have been negatively impacted. Evidence of impairment could include:

- Significant financial difficulty of the issuer or counterparty; or
- Default or delinquency in interest or principal payments; or
- The likelihood that the borrower will enter bankruptcy or financial re-organization.

The carrying amount of financial assets is reduced by any impairment loss directly for all financial assets with the exception of accounts receivable, where the carrying amount is reduced through the use of an allowance account. When an account receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the

carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Financial instruments recorded at fair value

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);
- Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(e) **Cash and cash equivalents**

Cash and cash equivalents in the statement of financial position comprise cash at banks and on hand, and short-term deposits with an original maturity of three months or less and which are readily convertible into a known amount of cash. The Company's cash and cash equivalents are invested with major financial institutions in business accounts. Cash may also be invested in guaranteed investment certificates that are available on demand by the Company for its program. The Company does not invest in any asset-backed deposits/investments.

(f) **Property, plant and equipment**

The Company records property, plant and equipment at cost less accumulated amortization and accumulated impairment losses. It recognizes amortization to write off the cost of assets less their residual values over their useful lives, using the following methods and rates:

Building	-	15 years	straight line
Greenhouse	-	35 years	straight line
Furniture, fixtures and equipment	-	10-20%	declining balance
Motor vehicle	-	30%	declining balance

An item of property, plant and equipment is de-recognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in profit or loss.

Where an item of property, plant and equipment consists of major components with different

useful lives, the components are accounted for as separate items of property, plant and equipment. Expenditures incurred to replace a component of an item of property, plant and equipment that is accounted for separately, including major inspection and overhaul expenditures, are capitalized.

(h) **Loss per share**

The Company calculates basic loss per share by dividing the loss for the year by the weighted average number of common shares outstanding during the year. It calculates diluted loss per share in a similar manner, except that it increases the weighted average number of common shares outstanding, using the treasury stock method, to include common shares potentially issuable from the assumed exercise of stock options and other instruments, if dilutive. In the Company's case, these potential issuances are "anti-dilutive" as they would decrease the loss per share; consequently, the amounts calculated for basic and diluted loss per share are the same.

(i) **Income taxes**

Income tax expense comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity. Current tax expense is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded using the liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not provided for relating to goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting or taxable loss, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

(j) **Impairment of long-lived assets**

At the end of each reporting period, the Company reviews the carrying amounts of its property, plant and equipment to determine whether any indication exists that any of those assets have suffered an impairment loss. If any such indication exists, it estimates the asset's recoverable amount to determine the extent of the impairment loss (if any). Where it is not possible to estimate an individual asset's recoverable amount, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where it can identify a reasonable and consistent basis of allocation, it also allocates corporate assets to individual cash-generating units, or otherwise allocates them to the smallest group of cash-

generating units for which it can identify a reasonable and consistent allocation basis.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the Company discounts estimated future cash flows to their present value using a pre-tax discount rate. This rate reflects current market assessments of the time value of money and also reflects the risks specific to the asset (unless these risks are reflected in the estimates of future cash flows).

If the Company estimates an asset or cash-generating unit's recoverable amount to be less than its carrying amount, it reduces the carrying amount to the recoverable amount, recognizing an impairment loss immediately in profit or loss. Where an impairment loss subsequently reverses, the Company increases the asset or unit's carrying amount to the revised estimate of its recoverable amount, without exceeding the carrying amount that would have been existed if no impairment loss had been recognized in prior years. It recognizes a reversal of an impairment loss immediately in profit or loss.

(k) **Significant accounting judgments and estimates**

The preparation of financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported revenues and expenses during the year.

Although management uses historical experience and its best knowledge of the amount, events or actions to form the basis for judgments and estimates, actual results may differ from these estimates.

The most significant accounts that require estimates as the basis for determining the stated amounts include the amortization of plant, property and equipment and recognition of deferred income tax amounts.

Critical judgments and estimates exercised in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are as follows:

Determination of functional currency

The Company determines the functional currency through an analysis of several indicators such as expenses and cash flow, financing activities, retention of operating cash flows, and frequency of transactions with the reporting entity.

Income taxes

In assessing the probability of realizing income tax assets, management makes estimates related to expectations of future taxable income, applicable tax opportunities, expected timing

of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified.

(l) **Future accounting changes**

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB or IFRIC that are mandatory for accounting periods beginning after January 1, 2015 or later periods. Updates that are not applicable or are not consequential to the Company have been excluded from the list below.

IFRS 9, Financial Instruments: Classification and Measurement, issued in December 2009, effective for annual periods beginning on or after January 1, 2015, with early adoption permitted, introduces new requirements for the classification and measurement of financial instruments. Management anticipates that this standard will be adopted in the Company's financial statements for the period beginning January 1, 2015. The Company is currently evaluating the potential impact of the adoption of IFRS 9.

RISKS AND UNCERTAINTIES

Plants Growing, Warehousing and Processing Industry

The plants growing, warehousing and food processing industry involves significant risks, which even a combination of careful evaluation, experience and knowledge may not eliminate. While the development of such facilities may result in substantial rewards, marketing will also play a significant role in developing the Company and its level of success. Major expenses may be required to establish the facilities to be accepted in the marketplace. It is impossible to ensure that the current facilities and market strategy planned by the Company will result in profitable commercial sales. Whether the Company will be commercially viable depends on a number of factors, some of which are the particular attributes of the industry the facilities is geared toward and the existing infrastructure, as well as competitors strategies and market factors. Some of these factors are cyclical and government regulated, including regulations relating to agriculture and food processing procedures and protocols.

The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital. Agriculture and food processing operations generally involve a high degree of risk. The Company’s operations are subject to all the hazards and risks normally encountered in the public health sectors inherited in the agriculture and food processing industry. Although adequate precautions to minimize risk will be taken, operations are subject to hazards that are unforeseeable or beyond the company’s control and their consequent liability.

Some of these risks include the following:

The Company is largely dependent on the success of constructing and marketing its warehousing and processing facilities which cannot be certain that its facilities will be successfully commercialized. NHS currently has minimal revenue from renting out its greenhouse facility. The successful addition of agriculture and food warehousing / processing facilities will also augment its ability to renting out un-utilized greenhouse space and facility. There is no guarantee that it will ever have marketable facilities.

Risks in design, development and manufacture of agriculture and food warehousing / processing facilities which may have adverse effect on public's health.

If a significant portion of these development efforts are not successfully completed, required regulatory approvals are not obtained, or any approved facilities are not commercially successful, the company's business, financial condition, and results of operations may be materially harmed

The Company's facilities may never achieve market acceptance even if the company obtains regulatory approvals.

The Company's activities are directed towards the warehousing and processing of agriculture and food. There is no certainty that any expenditure to be made by the Company as described herein will result in market acceptance of the Company's facilities offerings. There is aggressive competition within the agriculture and food warehousing / processing marketplace. The Company will compete with other interests, many of which have greater financial resources than it will have for marketing towards target customers. Significant capital investment is required to achieve commercialization from the current start-up and development stage of the Company.

Government Regulation

In addition to various trade organizations that the Company will be subject to, the consumer agriculture and food warehousing / processing industry is subject to various federal, and provincial laws and regulations on, standards, claims, safety, efficacy and other matters from regulatory bodies such as Canadian Food Inspection Agency **(CFIA),** BC FOODSAFE Program and the department of Health Protection in Fraser Health. Regulatory approvals by government agencies on the Company's facilities may be withheld or not granted at all and if granted may be subject to recalls which would materially affect the Company.

Although the Company's activities are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail development, production, manufacture, product claims, marketing or commercialization. Amendments to current laws and regulations governing operations and activities of the consumer

health industry or more stringent implementation thereof could have a substantial adverse impact on the Company.

Uninsured Risks

The Company may carry insurance to protect against certain risks in such amounts as it considers adequate. Risks not insured against include key person insurance as the company heavily relies on the company officers.

Conflicts of Interest

Certain directors of the Company also serve as directors and/or officers of other companies involved in other business ventures. Consequently, there exists the possibility for such directors to be in a position of conflict. Any decision made by such directors involving the Company will be made in accordance with their duties and obligations to deal fairly and in good faith with the Company and such other companies. In addition, such directors will declare, and refrain from voting on, any matter in which such directors may have a conflict of interest.

Negative Operating Cash Flows

As the Company is at the early stage start-up stage it may continue to have negative operating cash flows. Without the injection of further capital and the development of revenue streams from its business, the Company may continue to have negative operating cash flows until it can be sufficiently developed to commercialize.

Risks Related as a Going Concern

The ability of the Company to continue as a going concern is uncertain and dependent upon its ability to achieve profitable operations, obtain additional capital and receive continued support from its shareholders. Management of the Company will have to raise capital through private placements or debt financing and proposes to continue to do so through future private placements and offerings. The outcome of these matters cannot be predicted at this time.

Reliance on Key Personnel and Advisors

The Company relies heavily on its officers. The loss of their services may have a material adverse effect on the business of the Company. There can be no assurance that one or all of the employees of, and contractors engaged by, the Company will continue in the employ of, or in a consulting capacity to, the Company or that they will not set up competing businesses or accept positions with competitors. There is no guarantee that certain employees of, and contractors to, the Company who have access to confidential information will not disclose the confidential information.

Licenses, Patents and Proprietary Rights

The Company's success could depend on its ability to protect its intellectual property, including trade secrets, and continue its operations without infringing the proprietary rights of third parties and without having its own rights infringed.

Uncertainty Regarding Penetration of the Target Market

The commercial success of the Company's business as compared with those of its competitors depends on its acceptance by potential users and the consumer community. Market acceptance will largely depend on the reputation of the Company, its marketing strategy, consumer acceptance and the Company's services and performance. The Company's success will depend on its ability to commercialize and expand its network users. The Company will need to expand its marketing and sales operations and establish business relations with suppliers and users in a timely manner.

In order to meet its business objectives, the Company will have to ensure that its facilities and services are safe, reliable and cost-effective, and bring the expected return. There can be no assurance that the Company's facilities and services will be accepted and recommended.

Competition, Technological Obsolescence

The agriculture and food warehousing / processing industries are competitive. Others in the field may have significantly more financial, technical, distribution and marketing resources. Technological progress and product development may cause the Company's services and facilities offerings to become obsolete or may reduce their market acceptance.

Operating History and Expected Losses

The Company expects to make significant investments in order to develop its services, increase marketing efforts, improve its operations, conduct research and development and update its equipment. As a result, start-up operating losses are expected and such losses may be greater than anticipated, which could have a significant effect on the long-term viability of the Company.

Reliance on Joint Ventures, Licence Assignors and Other Parties

The nature of the Company's operations requires it to enter into various agreements with partners, joint venture partners, other agriculture and food warehousing / processing facilities, and equipment suppliers in the business world, government agencies, licensors, licensees, and other parties for the successful operation of its businesses and the successful marketing of its services.

There is no guarantee that those with whom the Company needs to deal will not adopt other technologies or that they will not develop alternative business strategies, acting either alone or in conjunction with other parties, including the Company's competitors, in preference to those of the Company.

Growth Management

In executing the Company's business plan for the future, there will be significant pressure on management, operations and technical resources. The Company anticipates that its operating and personnel costs will increase in the future. In order to manage its growth, the Company will have to increase the number of its technical and operational employees and efficiently manage its employees, while at the same time efficiently maintaining a large number of relationships with third parties.

Regulatory Risks

The technologies utilized by the Company in building and operating agriculture and food warehousing / processing facilities can be subject to a number of technological challenges and requirements, and can be subject to the regulations and standards imposed by applicable regulatory agencies. There can be no assurance that the Company will be able to comply with all regulations concerning its businesses.

Potential Liability

The Company is subject to the risk of potential liability claims with respect to its agriculture and food warehousing / processing facilities. Should such claims be successful, plaintiffs could be awarded significant amounts of damages, which could exceed the limits of any liability insurance policies that may be held by the Company. There is no guarantee that the Company will be able to obtain, maintain in effect or increase any such insurance coverage on acceptable terms or at reasonable costs, or that such insurance will provide the Company with adequate protection against potential liability.

FINANCIAL AND DISCLOSURE CONTROLS AND PROCEDURES

During the six months ended June 30, 2015, there has been no significant change in the Company's internal control over financial reporting since last year.

The management of the Company is responsible for establishing and maintaining appropriate information systems, procedures and controls to ensure that information used internally and disclosed externally is complete, reliable and timely. Management is also responsible for establishing adequate internal controls over financial reporting to provide sufficient knowledge to support the representations made in this MD&A and the Company's unaudited condensed interim consolidated financial statements for the six months ended June 30, 2015 (together the "Interim Filings").

The management of the Company has filed the Venture Issuer Basic Certificate with the Interim Filings on SEDAR at www.sedar.com.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the venture issuer basic certificate does not include representations relating to the establishment and

maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency, and timeliness of interim and annual filings and other reports provided under securities legislation.

Officers and Directors

Carman Parente	President, CEO & Director
Anthony Chan	CFO & Director
Peter Jensen	Director (Independent)

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