



**NEW AGE FARM INC.**

**NOTICE OF MEETING  
AND  
MANAGEMENT INFORMATION CIRCULAR**

**for**

**AN ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS  
IN RESPECT OF AN ARRANGEMENT**

**BETWEEN**

**New Age Farm Inc.  
and  
NHS Industries Ltd.**

**August 31, 2016**



## NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

TO BE HELD ON SEPTEMBER 27, 2016

NOTICE IS HEREBY GIVEN that an annual general and special meeting (the “**Meeting**”) of the shareholders of New Age Farm Inc. (the “**Company**”, “**we**”, “**our**” or “**New Age Farm**”) will be held in the boardroom at Unit 114B – 8988 Fraserton Court Burnaby, BC V5J 5H8, on Tuesday, September 27, 2016 at 10:00 a.m. (Vancouver time) for the following purposes:

1. To receive the audited financial statements of the Company for the year ended December 31, 2015 and the report of the auditor on those statements.
2. To elect directors for the ensuing year.
3. To appoint the auditor for the Company for the ensuing year and to authorize the directors to fix the remuneration to be paid to the auditor.
4. To consider and, if thought advisable, to pass, with or without variation the Arrangement Resolution with respect to a Plan of Arrangement among New Age Farm, NHS Industries Ltd. and the New Age Farm Shareholders.
5. To consider and, if thought advisable, to pass, with or without variation, an ordinary resolution to ratify and approve the NHS Stock Option Plan as more particularly described in the Company’s management information circular.
6. To transact such other business as may properly come before the Meeting or any adjournments thereof.

**AND TAKE NOTICE that New Age Farm Shareholders who validly dissent from the Arrangement will be entitled to be paid the fair value of their New Age Farm shares subject to strict compliance with the provisions of the Plan of Arrangement and sections 237 to 247 of the Act. The dissent rights are described in Schedule “D” of the Circular. Failure to comply strictly with the requirements set forth in the Plan of Arrangement and sections 237 to 247 of the Act may result in the loss of any right of dissent.**

The Circular provides additional information relating to the matters to be dealt with at the Meeting and is deemed to form part of this Notice. Also accompanying this Notice and the Circular is a form of proxy for use at the Meeting. Any adjourned meeting resulting from an adjournment of the Meeting will be held at a time and place to be specified at the Meeting. Only New Age Farm Shareholders of record at the close of business on July 29, 2016, will be entitled to receive notice of and vote at the Meeting.

**Registered New Age Farm Shareholders unable to attend the Meeting are requested to date, sign and return the enclosed form of proxy and deliver it in accordance with the instructions set out in the proxy and in the Circular. If you are a non-registered New Age Farm Shareholder and receive these materials through your broker or through another intermediary, please complete and return the materials in accordance with the instructions provided to you by your broker or the other intermediary. Failure to do so may result in your shares of the Company not being voted at the Meeting.**

The Board of Directors of the Company has fixed the close of business on July 29, 2016 as the record date, being the date for the determination of the registered holders of common shares entitled to receive notice of, and to vote at, the Meeting and any adjournment thereof. The Board of Directors has also fixed 10:00 am. (Vancouver time) on Friday, September 23, 2016 or no later than 48 hours before the time of any adjourned Meeting (excluding Saturdays, Sundays and holidays), as the time before which proxies to be used or acted upon at the Meeting or any adjournment thereof shall be deposited with the Company’s registrar and transfer agent, Integral Transfer Agent.

**DATED** at Vancouver, British Columbia, as of the 31<sup>st</sup> day of August 2016.

**NEW AGE FARM INC.**

By: (signed) “*Carman Parente*”

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Carman Parente  
President and Chief Executive Officer

## Table of Contents

<b>NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS</b> .....	2
PART 1 – VOTING .....	13
PART 2 - VOTING SHARES AND THE PRINCIPAL HOLDERS OF VOTING SHARES.....	17
PART 3 - THE BUSINESS OF THE ANNUAL GENERAL MEETING .....	17
<b>PART 4 – EXECUTIVE COMPENSATION</b> .....	22
<b>PART 5 – SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS</b> .....	31
<b>PART 6– WARRANTS ISSUED TO NEOs AND DIRECTORS SUBSEQUENT TO THE YEAR END</b> .....	32
<b>PART 7 – THE AUDIT COMMITTEE</b> .....	32
<b>PART 8 - CORPORATE GOVERNANCE</b> .....	34
PART 9 - THE ARRANGEMENT .....	37
<b>PART 10 – APPROVAL OF THE NHS STOCK OPTION PLAN</b> .....	49
PART 11 – RIGHTS OF DISSENT .....	50
PART 12 – RISK FACTORS .....	51
PART 13 – THE COMPANY AFTER THE ARRANGEMENT .....	53
PART 14 – NHS AFTER THE ARRANGEMENT .....	60
PART 15 – OTHER INFORMATION.....	73
SCHEDULE “A”-AUDIT COMMITTEE CHARTER.....	75
SCHEDULE “B”-ARRANGEMENT AGREEMENT .....	78
SCHEDULE “C” - RESOLUTIONS .....	99
SCHEDULE “D”-DISSENT PROCEDURES .....	100
SCHEDULE “E” – PRO-FORMA FINANCIAL STATEMENTS .....	107
SCHEDULE “F” –JUNE 30, 2016 UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS .....	113

## GLOSSARY OF TERMS

The following is a glossary of general terms and abbreviations used in this Circular:

“**Act**” means the *Business Corporations Act* (British Columbia), S.B.C. 2002, c. 57, as may be amended or replaced from time to time;

“**Arrangement**” means the arrangement under the Arrangement Provisions pursuant to which the Company proposes to reorganize its business and assets, and which is set out in detail in the Plan of Arrangement;

“**Arrangement Agreement**” means the agreement dated effective August 31, 2016 between the Company and NHS, a copy of which is attached as Schedule “B” to this Circular, and any amendment(s) or variation(s) thereto;

“**Arrangement Provisions**” means Part 9, Division 5 of the Act;

“**Arrangement Resolution**” means the special resolution to be considered by the New Age Farm Shareholders to approve the Arrangement, the full text of which is set out in Schedule “C” to this Circular;

“**Beneficial Shareholder**” means a New Age Farm Shareholder who is not a Registered Shareholder;

“**Board**” means the board of directors of the Company;

“**Business Day**” means a day which is not a Saturday, Sunday or statutory holiday in Vancouver, British Columbia;

“**Circular**” means this management information circular;

“**Consolidation**” means the consolidation of the NHS Shares on the basis of 1 new NHS Share for up to five (5) old NHS Shares to be effected subsequent to the approval of the Arrangement;

“**Dissenting Shareholder**” means a New Age Farm Shareholder who validly exercises rights of dissent under the Arrangement and who will be entitled to be paid fair value for his, her or its New Age Farm Shares in accordance with the Interim Order and the Plan of Arrangement;

“**Dissenting Shares**” means the New Age Farm Shares in respect of which Dissenting Shareholders have exercised a right of dissent;

“**Effective Date**” means the date upon which the Arrangement becomes effective;

“**Exchange**” means the Canadian Securities Exchange;

“**Integral**” means Integral Transfer Agency;

“**Intermediaries**” refers to brokers, investment firms, clearing houses and similar entities that own securities on behalf of Beneficial Shareholders;’

“**Langley Property**” means the Langley agricultural property held by New Age Farm through NHS and operated by NHS and which will be independently owned and operated by NHS after completion of the Arrangement;

“**Meeting**” means the annual general and special meeting of the New Age Farm Shareholders to be held on September 27, 2016 and any adjournment(s) or postponement(s) thereof;

“**New Age Farm**” or the “**Company**” means New Age Farm Inc.;

“**New Age Farm Class A Shares**” means the renamed and re-designated New Age Farm Shares described in §3.1(b)(i) of the Plan of Arrangement;

“**New Age Farm Class A Preferred Shares**” means the class “A” preferred shares without par value which will be created and issued pursuant to §3.1 of the Plan of Arrangement;

“**New Age Farm Shareholder**” means a holder of New Age Farm Shares;

“**New Age Farm Share Commitments**” means an obligation of New Age Farm to issue New Shares and to deliver post-Consolidation NHS Shares to the holders of New Age Farm Options and New Age Farm Warrants which are outstanding prior to or on the Share Distribution Record Date, upon the exercise of such stock options and warrants;

“**New Age Farm Shares**” means the common shares without par value in the authorized share structure of the Company, as constituted on the date of the Arrangement Agreement;

“**New Age Farm Stock Options**” means the common share purchase options issued pursuant to the New Age Farm Stock Option Plan which are outstanding on the Effective Date;

“**New Age Farm Warrants**” means the common share purchase warrants of the Company outstanding on the Effective Date;

“**New Shares**” means the new class of common shares without par value which the Company will create pursuant to §3.1 of the Plan of Arrangement and which, immediately after the Effective Date, will be identical in every relevant respect to the New Age Farm Shares;

“**NHS**” means NHS Industries Ltd., a private company incorporated under the Act;

“**NHS Assets and Liabilities**” means the assets and liabilities currently held by NHS, as more particularly described in Schedule B to the Arrangement Agreement, but excluding any NHS Transferred Liabilities to be transferred to New Age Farm pursuant to the Arrangement;

“**NHS Option Plan Resolution**” means an ordinary resolution to be considered by the New Age Farm Shareholders to approve the NHS Option Plan, the full text of which is set out in Schedule “C” to this Circular;

“**NHS Shareholder**” means a holder of NHS Shares;

“**NHS Shares**” means the common shares without par value in the authorized share structure of NHS, as constituted on the date of the Arrangement Agreement;

“**NHS Stock Option Plan**” means the proposed common share purchase option plan of NHS, which is subject to New Age Farm Shareholder approval;

“**NHS Transferred Liabilities**” means the secured non-interest bearing loan owing by NHS to a company controlled by an officer of New Age Farm in the net amount of \$497,737, in addition to a non-interest bearing loan agreement with a shareholder of New Age Farm in the amount of \$330,000, for an aggregate amount of \$827,737, less any amounts owing by New Age Farm to NHS on the Effective Date, as more particularly described in Schedule “C” to the Arrangement Agreement;

“**Notice of Meeting**” means the notice of special meeting of the New Age Farm Shareholders in respect of the Meeting;

“**Parties**” means New Age Farm and NHS; and “**Party**” means any one of them;

“**Person**” means an individual, partnership, unincorporated association, unincorporated syndicate, unincorporated

organization, trust, trustee, executor, administrator or other legal representative;

“**Plan of Arrangement**” means the plan of arrangement attached as Schedule A to the Arrangement Agreement, which Arrangement Agreement is attached as Schedule “B” to this Circular, and any amendment(s) or variation(s) thereto;

“**Post Consolidation NHS Shares**” means the NHS Shares following the Consolidation to be effected subsequent to the approval of the Arrangement;

“**Proxy**” means the form of proxy accompanying this Circular;

“**Record Date**” means July 29, 2016, being the date for the determination of the registered holders of common shares entitled to receive notice of, and to vote at, the Meeting and any adjournment thereof.;

“**Registered Shareholder**” means a registered holder of New Age Farm Shares as recorded in the shareholder register of the Company maintained by Integral;

“**Registrar**” means the Registrar of Companies under the Act;

“**SEC**” means the United States Securities and Exchange Commission;

“**SEDAR**” means the System for Electronic Document Analysis and Retrieval of the Canadian Securities Administrators;

“**Share Distribution Record Date**” means the close of business on the day which is four Business Days after the date of the Meeting, or such other day as agreed to by the Company and NHS, which date establishes the New Age Farm Shareholders who will be entitled to receive NHS Shares pursuant to the Plan of Arrangement;

“**Tax Act**” means the Income Tax Act (Canada), as may be amended, or replaced, from time to time;

“**U.S. Exchange Act**” means the United States Securities Exchange Act of 1934, as may be amended, or replaced, from time to time; and

“**U.S. Securities Act**” means the United States Securities Act of 1933, as may be amended, or replaced, from time to time.

## **SUMMARY**

The following is a summary of the information contained elsewhere in this Circular, concerning a proposed reorganization of the Company by way of the Arrangement. This Circular also deals with the election of directors, the appointment of an auditor and the approval of the NHS Option Plan, these items are not included in this summary. Certain capitalized

### **The Meeting**

The Meeting will be held at Unit 114B – 8988 Fraserton Court, Burnaby, BC V5J 5H8, on September 27, 2016 at 10:00 a.m. (Vancouver time). At the Meeting, the New Age Farm Shareholders will be asked to consider and, if thought advisable, to pass the Arrangement Resolution approving the Arrangement among the Company, NHS and the New Age Farm Shareholders. The Arrangement will consist of the distribution of NHS Shares to the New Age Farm Shareholders. New Age Farm Shareholders will also

### **The Arrangement**

The Company is a publicly traded agricultural services and land banking company engaged in the sourcing, and development of bespoke turnkey agricultural campuses which it leases to tenant-growers both in Canada and the United States with particular emphasis on the specialized needs of marijuana growers operating under license to grow medical marijuana in Washington State pursuant to regulation I-502 and for those Canadian growers growing high value crops. The Company believes that separating New Age Farm into two public companies offers a number of benefits to shareholders.

First, the Company believes that after the separation each company will be better able to pursue its own specific operating strategies without being subject to the financial constraints of the other business. Second, after the separation, each company will have the flexibility to implement its own unique growth strategies, allowing both organizations to refine and refocus their business mix paying particular attention to the nature of their clients and the legal and licensing requirements under which they operate. Lastly, because the resulting businesses will be focused on

words and terms used in this summary are defined in the Glossary of Terms above. This summary is qualified in its entirety by the more detailed information and financial statements appearing or referred to elsewhere in this Circular and the schedules attached hereto.

be requested to consider and, if thought advisable, to pass the NHS Stock Option Plan Resolution approving the NHS Stock Option Plan.

By passing the Arrangement Resolution, the New Age Farm Shareholders will also be giving authority to the Board to use its best judgment to proceed with and cause the Company to complete the Arrangement without any requirement to seek or obtain any further approval of the New Age Farm Shareholders.

projects specific to that company, they will be more readily understood by public investors, allowing each company to be in a better position to raise capital and align management and employee incentives with the interests of shareholders.

Pursuant to the Arrangement, NHS, together with all its assets and liabilities, will become a separate operating entity and will operate the Langley Property located in Langley, British Columbia and the Post-Consolidation NHS Shares will be distributed to the New Age Farm Shareholders who hold New Age Farm Shares on the Share Distribution Record Date.

Immediately after the Arrangement, each New Age Farm Shareholder as of the Share Distribution Record Date, other than a Dissenting Shareholder, will hold one New Share in the capital of the Company and its pro-rata share of the NHS Shares to be distributed under the Arrangement for each currently held New Age Farm Share. The New Shares will be identical in every respect to the present New Age Farm Shares. See PART 4 – THE ARRANGEMENT.

### **Effect of the Arrangement on New Age Farm Share Commitments**

As of the Record Date New Age Farm has 13,500,000 outstanding warrants and 300,000 stock options.

After the Share Distribution Record Date Holders of New Age Farm Share Commitments, upon the exercise of such options or warrants entitling them to receive New Age Farm Shares, shall not be entitled to receive any Distributed NHS Shares.

Any entitlement to a fraction of an NHS Share resulting from the exercise of New Age Farm Share Commitments will be cancelled without compensation.

### **Recommendation and Approval of the Board of Directors**

The directors of the Company have concluded that the terms of the Arrangement are fair and reasonable to, and in the best interests of, the Company and the New Age Farm Shareholders. The Board has therefore approved the Arrangement and authorized the

submission of the Arrangement to the New Age Farm Shareholders for approval. The Board recommends that New Age Farm Shareholders vote FOR the approval of the Arrangement. See PART 4 – THE ARRANGEMENT.

### **Reasons for the Arrangement**

The decision to proceed with the Arrangement was based on the following primary determinations:

-the Company has multiple properties located in different jurisdictions that service different clientele operating under different regulations and it needs to examine its strategic plan and capabilities to best meet those needs. In so doing, the Company has determined that it must focus its management and financial resources on the needs of its primary properties in the United States which in turn will result in a lack of adequate resources to meet the needs of its Canadian operations;

-the separation of NHS as a separate entity will facilitate separate fund-raising, growth and development strategies for the Langley Property that are required to move it forward;

-following the Arrangement, management of the Company will be free to focus entirely on its strategic plan and new management for NHS will be established which has knowledge and expertise specific to the NHS assets; and

-the formation of NHS will give New Age Farm Shareholders a direct interest in a new agri-business that will focus on and pursue the development and growth of turnkey agricultural business services to small scale agri-businesses at the Langley Property as well as potentially acquiring and exploring new properties in Canada that will be suitable for the turnkey agri-service land bank concept.

See "Reasons for the Arrangement".

### **Conduct of Meeting and Shareholder Approval**

In order for the Arrangement to proceed, the Arrangement Resolution must be passed, with or without variation, by at least 66 2/3rds of the eligible votes cast with respect to the Arrangement Resolution

by New Age Farm Shareholders present in person or by proxy at the Meeting. See "How a Vote is Passed".

### **Income Tax Considerations**

Canadian Federal income tax considerations for New Age Farm Shareholders who participate in the Arrangement or who dissent from the Arrangement are

set out in the summary herein entitled Income Tax Considerations, and certain United States Federal income tax considerations for New Age Farm

Shareholders who participate in the Arrangement or who dissent from the Arrangement are set out in the summary entitled "Income Tax Considerations".

### **Right to Dissent**

New Age Farm Shareholders will have the right to dissent from the Plan of Arrangement as provided in Section 237 to 247 of the Act. Any New Age Farm Shareholder who dissents will be entitled to be paid in cash the fair value for their New Age Farm Shares held so long as such Dissenting Shareholder (i) does not vote any of his New Age Farm Shares in favour of the Arrangement Resolution, (ii) provides to the Company

### **Stock Exchange Listings**

The New Age Farm Shares are currently listed and traded on the Exchange and will continue to be listed on the Exchange following completion of the Arrangement.

### **Information Concerning the Company and NHS after the Arrangement**

Following completion of the Arrangement, the Company will continue to carry on its primary business activities. The Company's common shares will continue to be listed on the Exchange. Each New Age Farm Shareholder will continue to be a shareholder of the Company with each currently held New Age Farm Share representing one New Share in the capital of the Company, and each New Age Farm Shareholder on the Share Distribution Record Date will receive its pro-rata share of the NHS Shares to be distributed to the New Age Farm Shareholders under the Arrangement. See "The Company after the Arrangement" for a summary description of the Company, assuming completion of the Arrangement,

### **Selected Unaudited Pro-Forma Consolidated Financial Information for the Company**

The following selected unaudited pro-forma consolidated financial information for the Company is based on the assumptions described in the notes to the Company's unaudited pro-forma consolidated balance sheet as June 30, 2016, attached to this Circular as

New Age Farm Shareholders should carefully review the tax considerations applicable to them under the Arrangement and are urged to consult their own legal, tax and financial advisors in regard to their particular circumstances.

written objection to the Plan of Arrangement at the Meeting, or to the Company's head office at 106-1641 Lonsdale Avenue, North Vancouver, BC, before the Meeting or at or before any postponement(s) or adjournment(s) thereof, and (iii) otherwise complies with the requirements of Section 237 to 247 of the Act. See "**Error! Reference source not found.**"

Following completion of the Arrangement the Company intends to seek a listing of the NHS Shares on the Exchange.

including selected pro-forma unaudited financial information for the Company.

Following completion of the Arrangement, NHS will be a privately held company, the shareholders of which will be the holders of New Age Farm Shares on the Share Distribution Record Date. See "NHS After the Arrangement – Share and Loan Capital of NHS". NHS will hold the Langley Property. See "NHS After the Arrangement" for a description of the Property, corporate structure and business, including selected pro-forma unaudited financial information of NHS assuming completion of the Arrangement.

Schedule "E". The pro-forma consolidated balance sheet has been prepared based on the assumption that, among other things, the Arrangement occurred on June 30, 2016.



**Pro-forma as at  
June 30, 2016 on  
completion of the  
Arrangement  
(CAD)**

	<b>(unaudited)</b>
Cash and cash equivalents	\$ 84,602
Loans receivable from NHS	
Loans receivable from New Age Farm	
Due from related parties	\$25,000
<b>Prepayments on facilities</b>	<b>1,192,572</b>
<b>Investment in NHS</b>	
<b>Property, plant &amp; equipment</b>	<b>658,885</b>
Total assets	<b>\$ 1,961,059</b>
Current liabilities	
Accounts payable	\$ 78,099
Accrued liabilities	753,753
GST payable	-
Securities deposit received	-
Due to related party	121,376
Loans payable to New Age	-
Loans payable to NHS	
Loans payable	1,154,300
Secured notes payable	-
Secured convertible debt	-
Current portion of seller note payable	7,293
Current portion of mortgage	-
Second mortgage	-
<b>Second mortgage</b>	-
<b>Long term portion of seller note payable</b>	<b>88,912</b>
<b>Long term portion of mortgage</b>	-
	<b>2,203,733</b>
<b>Shareholders' equity</b>	
Equity portion of convertible debt	-
Share capital – common shares	3,962,029
Share capital – preferred shares	
Share capital - RTO	3,441,342
Contributed surplus	1,481,300
Retained earnings (deficit)	(9,127,345)
Total liabilities and shareholders' equity	<b>\$ 1,961,059</b>

**Selected Unaudited Pro-Forma Consolidated Financial Information for NHS**

The following selected unaudited pro-forma consolidated financial information for NHS is based on the assumptions described in the notes to the NHS unaudited pro-forma consolidated balance sheet as at June 30, 2016 , attached to this Circular as **Error!**

**Reference source not found..** The pro-forma consolidated balance sheet has been prepared based on the assumption, among other things, that the Arrangement had occurred on June 30, 2016.

	<b>NHS Industries Ltd. June 30, 2016 (CAD)</b>	<b>Pro Forma NHS Industries Ltd. June 30, 2016 on completion of the Arrangement (CAD)</b>
	<b>(unaudited)</b>	
Cash and cash equivalents	\$ 683	683
Loans receivable from NHS	-	
Loans receivable from New Age Farm	471,612	
Due from related parties	176,120	
<b>Prepayments on facilities</b>	-	
<b>Investment in NHS</b>		
<b>Property, plant &amp; equipment</b>	1,218,644	<b>1,218,644</b>
Total assets	<b>\$ 1,867,059</b>	<b>\$ 1,219,327</b>
<b>Current liabilities</b>		
Accounts payable	\$ 8,900	\$ -
Accrued liabilities	17,500	17,500
GST payable	-	8,900
Securities deposit received	7,000	7,000
Due to related party		
Loans payable to New Age		
Loans payable to NHS		
Loans payable		
Secured notes payable	330,000	
Secured convertible debt	497,737	
Current portion of seller note payable		
Current portion of mortgage	18,922	18,922
Second mortgage		
<b>Second mortgage</b>	700,000	<b>700,000</b>
<b>Long term portion of seller note payable</b>	-	-
<b>Long term portion of mortgage</b>	629,204	<b>629,204</b>
	<b>2,209,263</b>	<b>1,381,526</b>
<b>Shareholders' equity</b>		
Equity portion of convertible debt	58,258	58,258
Share capital – common shares	1,540,183	1,720,188
Share capital – preferred shares		
Share capital - RTO		
Contributed surplus	234,108	234,108
Retained earnings (deficit)	(2,174,753)	(2,174,753)
<b>Total liabilities and shareholders' equity</b>	<b>\$ 1,867,059</b>	<b>\$ 1,219,327</b>

**Risk Factors**

In considering whether to vote for the approval of the Arrangement, New Age Farm Shareholders should be aware that there are various risks, including those summarized below and described elsewhere in this Circular. New Age Farm Shareholders should carefully consider these risk factors, together with other information included in this Circular, before deciding whether to approve the Arrangement.

NHS will have, upon completion of the Arrangement, the Langley Property, which is currently in need of upgrades. There is no assurance that proposed upgrades and improvements to the Langley Property, or plans to lease the property to growers and other agricultural users will be successful. NHS has

minimal sources of revenue and will fund its business activities primarily from its working capital. The agribusiness land bank model proposed for NHS is new and untested and it will be necessary for NHS to raise additional funds to carry out further development of the Langley Property and to enable NHS to acquire any additional agricultural properties for its land bank. NHS may not be able to raise such funds on terms acceptable to it or at all, and if it does, the holders of NHS Shares may be diluted in their percentage shareholding in NHS. NHS's operations will be subject to regulatory and environmental control by, and require licenses, permits, and approvals from governmental bodies over which NHS has no control. See "**Error! Reference source not found.**




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### ***General Proxy Information***

The information contained in this Information Circular, unless otherwise indicated, is as of August 31, 2016.

**This Information Circular is being mailed by the management of the Company to everyone who was a shareholder of record of the Company on July 29, 2016 (the “Record Date”), which is the date that has been fixed by the Board of Directors of the Company (the “Board”) as the record date to determine the shareholders who are entitled to receive notice of and to vote at the Meeting.**

The Company is mailing this Information Circular in connection with the solicitation of proxies by and on behalf of management for use at the 2015 annual meeting of the shareholders of the Company that is to be held on Tuesday, September 27, 2016 at 10:00 am. (Vancouver time) in the boardroom at Unit 114B – 8988 Fraserton Court Burnaby, BC V5J 5H8. The solicitation of proxies will be primarily by mail. Certain employees or directors of the Company may also solicit proxies by telephone, email or in person. The cost of solicitation will be borne by the Company.

The Company is not sending proxy-related materials using notice and access this year. Rather, the Meeting Materials (as defined below) are being sent to both registered and non-registered owners of the Company’s common shares (each a “Share”) in accordance with National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“NI 54-101”) and arrangements have been made with clearing agencies, brokerage houses and other financial intermediaries to deliver proxy solicitation materials to the beneficial owners of the Shares. The Company may pay the reasonable costs incurred by such persons in connection with such delivery.

*If you are a non-registered owner, and the Company or its agent has sent these materials directly to you, your name and address and information about your holdings of Shares have been obtained in accordance with applicable securities laws from the Intermediary (as defined below) holding the Shares on your behalf. By choosing to send these materials to you directly, the Company (and not the Intermediary holding on your behalf) has assumed responsibility for: (i) delivering these materials to you; and (ii) executing proper voting instructions. Please return your voting instructions as specified in the request for voting instructions or form of proxy delivered to you.*

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### ***Quorum***

A simple majority of affirmative votes cast in person or by proxy at the Meeting is required to pass the resolution(s) described herein as ordinary resolutions and an affirmative vote of 66 and 2/3rds of the votes cast in person or by proxy at the Meeting is required to pass the resolution(s) described herein as special resolutions.

Under the Company’s Articles, two persons who are, or who represent by proxy, shareholders who, in the aggregate, hold at least 5% of the issued shares entitled to vote at the Meeting must be present at the Meeting before any action may validly be taken at the Meeting. If such a quorum is not present in person or by proxy, the Company will reschedule the Meeting.

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### ***Currency***

In this Circular, except where otherwise indicated, all dollar amounts are expressed in the lawful currency of Canada.

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***How a Vote is Passed***

Voting at the Meeting will be by a show of hands, each shareholder having one vote, unless a poll is requested or otherwise required, in which case each shareholder is entitled to one vote for each share held. In order to approve a motion proposed at the Meeting a majority of greater than 50% of the votes cast will be required (an "ordinary resolution") unless the motion requires a special resolution in which case a majority of 66 2/3% of the votes cast will be required (a "special resolution").

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***Who Can Vote?***

If your name appears on the Company's central securities register maintained by Integral Transfer Agency ("**Integral**"), the Company's registrar and transfer agent, as of the close of business on July 29, 2016, the "**Record Date**", you are entitled to attend and vote at the Meeting. Each Share is entitled to one vote. If your shares are registered in the name of a "nominee" (usually a bank, trust company, securities dealer or other financial institution) you should refer to the section entitled "*Non-Registered Shareholders*", below.

It is important that your shares be represented at the Meeting regardless of the number of shares you hold. If you will not be attending the Meeting in person, the Company invites you to complete, date, sign, and return your form of proxy as soon as possible so that your shares will be represented.

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***How to Vote***

If you are a registered shareholder and eligible to vote, you can vote your shares in person at the Meeting or by signing and returning the accompanying form of proxy (the "**Proxy**") by mail in the return envelope provided or vote using the Internet as indicated on the form. Please see "*Registered Shareholders*" below.

If your shares are not registered in your name but are held by a nominee (usually a bank, trust company, securities broker or other financial institution), please see "*Non-Registered Shareholders*" below.

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***Registered Shareholders***

You are a registered shareholder if your shares are registered in your name on the Company's central securities register maintained by Integral. Registered Shareholders may wish to vote by Proxy whether or not they are able to attend the Meeting in person. Registered Shareholders electing to submit a Proxy may do so by completing, dating and signing the enclosed form of Proxy and returning it to the Company's transfer agent, Integral Transfer Agent, 100 Queen St East, Suite 203, Toronto, ON M5C 1S6 (Facsimile: 1-866-695-2204) not later than 48 hours, excluding Saturdays, Sundays and holidays, prior to the time of the Meeting or any adjournment(s) or postponement(s) of the Meeting.

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***Voting in Person***

If you plan to vote in person at the Meeting do NOT complete and return the Proxy. Instead, you will need to register with Integral when you arrive at the Meeting and your vote will be taken and counted at the Meeting. If your Shares are registered in the name of a corporation, a duly authorized officer of the corporation may attend on its behalf but documentation indicating such officer's authority should be presented at the Meeting.

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***Voting by Proxy***

If you do not come to the Meeting, you can still make your votes count by voting by mail or fax (*see proxy for instructions*) or by appointing someone who will be there to act as your proxyholder. You can either tell that person how you want to vote or you can let him or her decide for you. You can do this by completing a form of proxy.

**What is a Proxy?**

A form of proxy is a document that authorizes someone to attend the Meeting and cast your votes for you. A form of proxy is enclosed with this Information Circular. You should use it to appoint a proxyholder, although you can also use any other legal form of proxy.

**In order to be valid, you must return the completed form of proxy to the Company's transfer agent, Integral Transfer Agent, 100 Queen St East, Suite 203, Toronto, ON M5C 1S6 (Facsimile: 1-866-695-2204) not later than 48 hours, excluding Saturdays, Sundays and holidays, prior to the time of the Meeting or any adjournment**

**You May Choose Your Own Proxyholder**

**YOU CAN CHOOSE ANY INDIVIDUAL TO BE YOUR PROXYHOLDER. IT IS NOT NECESSARY FOR THE PERSON WHOM YOU CHOOSE TO BE A SHAREHOLDER. TO MAKE SUCH AN APPOINTMENT, SIMPLY FILL IN THE PERSON'S NAME IN THE BLANK SPACE PROVIDED IN THE ENCLOSED FORM OF PROXY.**

To vote your shares, your proxyholder must attend the Meeting. If you do not fill a name in the blank space in the enclosed form of proxy, the persons named in the form of proxy will be deemed to be appointed to act as your proxyholder. These persons are directors and/or officers of the Company (the "**Management Proxyholders**").

**Instructing Your Proxy**

**You may indicate on your form of proxy how you wish your proxyholder to vote your shares. To do this, simply mark the appropriate boxes on the form of proxy. If you do this, your proxyholder MUST vote your shares according to your instructions.**

**If you do not give any instructions as to how to vote on a particular issue to be decided at the Meeting, your proxyholder can vote your shares as he or she thinks fit.**

The Proxy, when properly completed and delivered and not revoked, confers discretionary authority upon the person appointed proxy thereunder to vote with respect to amendments or variations of matters identified in the Notice of Meeting and other matters which may properly come before the Meeting. **It is the intention of the persons designated in the Proxy to vote in accordance with their best judgement on such matters or business.** At the time of printing of this Information Circular, management of the Company is not aware that any such amendments, variations or other matters are to be presented for action at the Meeting.

**Revoking your Proxy if you Change your Mind**

If you want to revoke your proxy after you have delivered it, you can do so at any time before it is used. You may do this by

- (a) attending the Meeting and voting in person;
- (b) signing a proxy bearing a later date;
- (c) signing a written statement which indicates, clearly, that you want to revoke your proxy and delivering this signed written statement to the Company at Unit 114B – 8988 Fraserton Court Burnaby, BC V5J 5H8, Attention: Lorraine Pike; or
- (d) any other manner permitted by law.

Your proxy will only be revoked if a revocation is received by 5:00 in the afternoon (Vancouver time) on the last business day before the day of the Meeting, or any adjournment thereof, or delivered to the person presiding at the Meeting before it (or any adjournment) commences. If you revoke your proxy and do not replace it with another that is deposited with us before the deadline, you can still vote your shares but to do so you must attend the Meeting in person.

**Only registered shareholders may revoke a proxy. If your shares are not registered in your own name and you wish to change your vote, you must, at least 7 days before the Meeting, arrange for your nominee to revoke your proxy on your behalf (see below under “*Non-Registered Shareholders*”).**

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***Non-Registered Shareholders***

Only registered shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Some shareholders of the Company are “non-registered shareholders” (“**Non-Registered Holders**”) because the shares they own are not registered in their names but are instead registered in the name of an intermediary (an “**Intermediary**”) usually a brokerage firm, bank, or trust company through which they purchased the shares. Sometimes the shares are held in the name of a clearing agency (such as The Canadian Depository for Securities Limited (“CDS”) of which the Intermediary is a participant or in the United States, under the name of Cede & Co. as nominee for The Depository Trust Company which acts as depository for many U.S. brokerage firms and custodian banks.

In accordance with applicable securities law requirements, the Company has distributed copies of the Notice of Meeting, this Information Circular and the Proxy or voting instruction form, as applicable, (collectively, the “**Meeting Materials**”) to the clearing agencies and Intermediaries for onward distribution to Non-Registered Holders.

Intermediaries are required to forward the Meeting Materials to Non-Registered Holders and seek voting instructions unless a Non-Registered Holder has waived the right to receive them. Intermediaries often use service companies to forward the Meeting Materials to Non-Registered Holders. Generally, Non-Registered Holders who have not waived the right to receive Meeting Materials will either:

- (a) be given a form of proxy **which has already been signed by the Intermediary** (typically by a facsimile, stamped signature), which is restricted as to the number of Shares beneficially owned by the Non-Registered Holder but which is otherwise not completed. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the Non-Registered Holder when submitting the proxy. In this case, the Non-Registered Holder who wishes to submit a proxy should otherwise properly complete the form of proxy and deliver it to **Integral** as provided above; or
- (b) more typically, be given a voting instruction form **which is not signed by the Intermediary**, and which, when properly completed and signed by the Non-Registered Holder and **returned to the Intermediary or its service company**, will constitute voting instructions (often called a “**voting instruction form**” or “**VIF**”) which the Intermediary must follow. Typically, the VIF will consist of a one page pre-printed form. The Non-Registered Holder must properly complete and sign the VIF and submit it to the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company.

In either case, the purpose of these procedures is to permit Non-Registered Holders to direct the voting of the Shares they beneficially own. However, without specific voting instructions, Intermediaries and their agents and nominees are prohibited from voting shares for their clients. **Accordingly, each Non-Registered Shareholder should ensure that voting instructions are communicated to the appropriate party well in advance of the Meeting.**

Should a Non-Registered Holder who receives one of the above forms wish to vote at the Meeting in person (or have another person attend and vote on behalf of the Non-Registered Holder), the Non-Registered Holder should strike out the persons named in the form of proxy or VIF and insert the name of such Non-Registered Holder or such other person’s name in the blank space provided. **In either case, Non-Registered Holders should carefully follow the instructions of their Intermediary, including those regarding when and where the proxy or VIF is to be delivered.**

Every Intermediary has its own instructions on how to return the VIF; however, generally, you can submit your VIF as follows:

***By Mail or Fax***

Complete the enclosed VIF, sign and return it in the envelope provided or by fax to (416) 595 - 9593.

***By the Internet***

If you want to submit your voting instructions using the Internet, see the enclosed VIF for details.

***By Appointing Someone Else***

You may also appoint someone else, who need not be a shareholder of the Company, to attend the Meeting and vote for you. Follow the instructions on the enclosed VIF. If you are voting by instruction, you are subject to an earlier deadline so that your nominee has enough time to submit your instructions to us. Every Intermediary has its own procedures to follow, therefore please read your VIF carefully.

***Voting in Person***

If you plan to vote in person at the Meeting:

- nominate yourself as appointee by printing your name in the space provided on the VIF. Your vote will be counted at the Meeting so do NOT complete the voting instructions on the form;
- sign and return the VIF, following the instructions provided by your Intermediary; and
- register with the transfer agent, Integral, when you arrive at the Meeting.

You may also nominate yourself as proxyholder online, if available, by typing your name in the “Appointee” section on the electronic ballot. If you bring your VIF to the Meeting, your vote will NOT count. Your vote can only be counted if you have returned the VIF in accordance with the instructions above and attend the Meeting and vote in person.

***Your Voting Instructions***

If you do not specify how you want to vote, the persons named in the VIF as appointees will vote FOR each item of business. If you appointed someone else to attend the Meeting and vote on your behalf, he or she can vote as they see fit.

***Revoking your Voting Instructions***

A Non-Registered Holder may revoke a VIF or a waiver of the right to receive the Meeting Materials and to vote which has been given to an Intermediary at any time by written notice to the Intermediary provided that an Intermediary is not required to act on a revocation of a VIF or of a waiver of the right to receive Meeting Materials and to vote which is not received by the Intermediary at least seven (7) days prior to the Meeting.

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***United States Shareholders***

This solicitation of proxies involves securities of a corporation incorporated in Canada and is being effected in accordance with the corporate laws of the Province of British Columbia, Canada and securities laws of the provinces of Canada. The proxy solicitation rules under the United States *Securities Exchange Act of 1933*, as amended, are not applicable to the Company or this solicitation. Shareholders should be aware that disclosure and proxy solicitation requirements under the securities laws of the provinces of Canada differ from the disclosure and proxy solicitation requirements under United States securities laws. The enforcement by shareholders of civil liabilities under United States federal securities laws may be affected adversely by the fact that the Company is incorporated under the *Business Corporations Act* (British Columbia), some of its directors and its executive officers are residents of Canada and a significant portion of its assets and the assets of such persons are located outside the United States. Shareholders may not have standing to bring a claim against a foreign corporation or its officers or directors in a foreign court for violations of United States federal securities laws. It may be difficult to compel a foreign corporation and its officers and directors to subject themselves to a judgment by a United States court.



## ***HOW THE MANAGEMENT PROXYHOLDERS WILL VOTE***

If you have appointed the Management Proxyholders as your proxyholder, they will, unless you give other instructions, vote your shares at the Meeting as follows:

- ✓ **FOR** the election of the proposed nominees as directors;
- ✓ **FOR** the appointment of Adam Sung Kim Ltd., Chartered Accountant, as the auditor of the Company;
- ✓ **FOR** the resolution to authorize the directors to fix the remuneration to be paid to the auditor;
- ✓ **FOR** the Arrangement Resolution
- ✓ **FOR** the approval and ratification of the NHS Stock Option Plan.

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## **PART 2 - VOTING SHARES AND THE PRINCIPAL HOLDERS OF VOTING SHARES**

### ***Outstanding New Age Farm Shares***

The Company has only one class of shares entitled to be voted at the Meeting, namely, common shares without par value. All issued Shares are entitled to be voted at the Meeting and each has one vote. As of July 29, 2016 there were 64,217,259 Shares issued and outstanding. Only those shareholders of record on July 29, 2016 will be entitled to vote at the Meeting or any adjournment thereof.

To the knowledge of the directors and executive officers of the Company, only the following person beneficially owns, or exercises control or direction, directly or indirectly, over Shares carrying 10% or more of the voting rights attached to all outstanding Shares of the Company which have the right to vote in all circumstances:

<b>Name and Municipality of Residence</b>	<b>Number of Shares</b>	<b>Percentage of Issued and Outstanding Shares</b>
Carman Parente North Vancouver, BC	16,772,294 <sup>(1)</sup> (2)	26.12%

(1) 15,270,372 shares are held in the name of 567147 BC Ltd., a company 100% owned and controlled by Mr. Parente, and (2) This information has been extracted from insider reports filed by Mr. Parente available through the Internet at [www.sedi.ca](http://www.sedi.ca).

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## **PART 3 - THE BUSINESS OF THE ANNUAL GENERAL MEETING**

### ***Financial Statements***

The audited consolidated financial statements of the Company for the year ended December 31, 2015 will be placed before you at the Meeting. A copy of these financial statements, together with the auditor's report thereon, and management's discussion and analysis, are available for viewing under the Company's profile on SEDAR, [www.sedar.com](http://www.sedar.com). Future financial statements will be mailed to those shareholders who return the request for annual and interim financial statement return card included with this Information Circular. See Part 9 "OTHER INFORMATION" below.

### ***Election of Directors***

#### ***Number of Directors***

Management proposes to nominate the three persons named under the heading "Nominees for Election" below for election as directors of the Company (the "**Nominees**"). The term of office of each of the Nominees proposed for election as a director will expire at the Meeting, and each of them, if elected, will serve until the close of the next annual general meeting, unless he resigns or otherwise vacates office before that time or he becomes disqualified to act as a director in accordance with the Articles of the Company. New Age Farm currently has three (3) directors.

**Nominees for Election**

The following information relating to the nominees for directors is based partly on the Company's records and partly on information received by the Company from the nominees, it states the name of each person proposed to be nominated by management for election or re-election as a director, all offices of the Company now held by him, his principal occupation, the period of time for which he has been a director of the Company, his committee memberships, the number of common shares of the Company beneficially owned by him, directly or indirectly, or over which he exercises control or direction, other securities of the Company that he owns (options, warrants, etc) and other directorships, as at the date of this Information Circular.

While management does not contemplate that the Nominees will be unable to serve as directors, if prior to the Meeting a vacancy occurs in this slate of Nominees for any reason, the management representatives designated in the Proxy solicited in respect of the Meeting will have the discretionary authority to vote for the election of any other person as director. Proxies received by the directors on which no designation is made will be voted for the Nominees for election as directors or any substitute nominee thereof as may be determined by management, if necessary. The Company has an audit committee, the members of which are indicated below.

*-This space intentionally left blank-*

<b>Carman Parente<sup>1,2,3</sup></b> <b>BC, Canada</b> <i>President, CEO and Director</i>  Director since September 27, 2013 (incorporation)  <b>Non-Independent</b>	Mr. Parente has been President and CEO of New Age Farm since its inception in 2013. From 2011 to 2013, Mr. Parente was President and Director of Five Nines Ventures Ltd., a publicly traded mining company listed on the CSE. He resigned in order to devote more time to New Age Farm. In 2007, Mr. Parente founded and became the President of NHS Industries Inc., now a fully owned subsidiary of the Company, which owns a five-and-one-half acre greenhouse growing facility. In 2005, Mr. Parente founded Natural Health Solutions, Inc., and has served as its President since that time; the company manufactures and distributes natural health supplements and nutraceuticals across Canada.				
	<b>Board and Committees</b>		<b>Other Directorships</b>		
	Director of the Board Member Audit Committee		Advanced New Frontier Oil & Gas Corp.		
	<b>Securities Held</b>				
	1,501,922 <sup>4</sup> common shares 15,270,372 <sup>5</sup> common shares				
	<b>Options Details</b>				
<b>Date granted</b>	<b>Expiry Date</b>	<b>Exercise Price</b>	<b>Unexercised Options</b>	<b>Value of in-the-money options</b>	
N/A	N/A	N/A	N/A	N/A	

<sup>1</sup> Member of Audit Committee

<sup>2</sup> In June 2008, Mr. Parente joined the board of directors and management team of Carbon Products Industries Inc. (“CPI”), a company registered in the State of Nevada that trades on the Over the Counter (“OTC”) markets in the United States. CPI is a reporting issuer under British Columbia securities legislation. Mr. Parente was engaged with the mandate to assist that company with an audit and balance sheet cleanup with the ultimate goal being the funding and setup of operations to build CPI into a viable operation. Fernandez Young LLP was engaged to initiate the audit and prepare business models. Unfortunately, this attempt was unsuccessful due to the discovery that the issues were more serious than originally expected, coupled with the 2008 economic downturn that completely hampered CPI’s ability to raise funds. Mr. Parente did not sell any shares of CPI during this process. On August 18, 2009, the BCSC cease traded CPI for failure to file certain records required under NI 51-102. Such cease trade is still in effect as of the date of this Listing Statement. Mr. Parente has continued to try to remedy the cease trade order, including contacting Fernandez Young LLP in January 2011 to reattempt the corporate reorganization of CPI and entered discussions with the law firm of Randolph Linehan & Associates of Rancho Mirage, CA, to represent CPI. During this time he attempted unsuccessfully to obtain CIP’s historic tax records from the U.S. Internal Revenue Services. As of the date of this Listing Statement, CPI remains cease traded by the BCSC and legal assistance has been sought regarding a potential dissolution of CPI. Mr. Parente resigned from CPI in November 2013.

<sup>3</sup> NT Mining Corporation (“NT”) is a company registered in the State of Nevada that trades on the OTC market in the United States. NT is a reporting issuer under British Columbia securities legislation. At the time Mr. Parente joined the board of directors of NT, it had already been cease traded by the BCSC; such cease trade order having been issued on August 18, 2009. After joining NT, Mr. Parente was successful in obtaining a full revocation of such cease trade order on December 27, 2012. Mr. Parente resigned from NT in November 2013.

<sup>4</sup> Shares directly owned

<sup>5</sup> Shares over which the director has control or direction

<b>Anthony Chan<sup>1</sup></b> <b>BC, Canada</b>  <i>CFO and Director</i> Vice President Exploration, Director  Director since April 18, 2014  <b>Non-Independent</b>	Mr. Chan is a chartered accountant and has been the principal of his own chartered accountancy firm since 2004, providing audit services and financial consulting services to companies listed on the CSE and the TSX Venture Exchange.															
	<table border="1"> <thead> <tr> <th colspan="2">Board and Committees</th> <th colspan="3">Other Directorships</th> </tr> </thead> <tbody> <tr> <td>Director of the Board</td> <td></td> <td colspan="3">Canpac Investments Corp.</td> </tr> <tr> <td>Member Audit Committee</td> <td></td> <td colspan="3"></td> </tr> </tbody> </table>	Board and Committees		Other Directorships			Director of the Board		Canpac Investments Corp.			Member Audit Committee				
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	Director of the Board		Canpac Investments Corp.													
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	<b>Securities Held</b>	300,000 common shares														
<b>Options Details</b>																
<table border="1"> <thead> <tr> <th>Date granted</th> <th>Expiry Date</th> <th>Exercise Price</th> <th>Unexercised Options</th> <th>Value of in-the-money options</th> </tr> </thead> <tbody> <tr> <td>N/A</td> <td>N/A</td> <td>N/A</td> <td>N/A</td> <td>N/A</td> </tr> </tbody> </table>	Date granted	Expiry Date	Exercise Price	Unexercised Options	Value of in-the-money options	N/A	N/A	N/A	N/A	N/A						
Date granted	Expiry Date	Exercise Price	Unexercised Options	Value of in-the-money options												
N/A	N/A	N/A	N/A	N/A												
<b>C. Lorraine Pike<sup>2,3</sup></b> <b>BC, Canada</b>  <i>Corporate Secretary and Director</i>  Director since December, 2015  <b>Non-Independent</b>	Ms. Pike has more than 20 years' experience in administration and corporate governance. She is an experienced governance professional and has been corporate secretary to a number of companies in the last 10 years. She holds a Bachelor of Commerce degree in management and leadership as well and as a certificate as a corporate and securities paralegal.															
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Date granted	Expiry Date	Exercise Price	Unexercised Options	Value of in-the-money options												
Sep 8, 2014	Sep 8, 2019	\$0.05	50,000	nil												
May 5, 2015	May 5, 2020	\$0.20	250,000	nil												

The Company's management recommends that the shareholders vote in favour of the election of the proposed nominees as directors of the Company for the ensuing year.

**Unless you give instructions otherwise, the Management Proxyholders intend to vote FOR the nominees named in this Circular.**

<sup>1</sup> Member of Audit Committee

<sup>2</sup> See Note 1

<sup>3</sup> In April 2013, Ms. Pike was appointed corporate secretary of Barkerville Gold Mines Ltd. a company which was cease traded at the time of her appointment. The cease trade was revoked on July 15, 2013.

### **Corporate Cease Trade Orders or Bankruptcy**

Save and except as explained above, as of the date of this Circular, no proposed nominee for election as a director of the Company is, or has been, within ten years before the date of this Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity:

- (a) was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days;
- (b) was subject to an event that resulted, after the director or executive officer ceased to be director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period or more than 30 consecutive days; or
- (c) within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

### **Penalties or Sanctions**

Save and except as explained above, as of the date of this Circular, no proposed nominee for election as a director of the Company is, or has been, subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority or been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely to be considered important to a reasonable investor making an investment decision.

### **Personal Bankruptcy**

As of the date of this Circular, no proposed nominee for election as a director of the Company has, within the ten years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

### **Conflicts of Interest**

The directors of the Company are required by law to act honestly and in good faith with a view to the best interest of the Company and to disclose any interests which they may have in any project or opportunity of the Company. If a conflict of interest arises at a meeting of the board of directors, any director in a conflict will disclose his interest and abstain from voting on such matter. In determining whether or not the Company will participate in any project or opportunity, that directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

Except as disclosed in this Information Circular, the financial statements and public releases and filings, to the best of the Company's knowledge, there are no known existing or potential conflicts of interest among the Company and its promoters, directors, officers or other members of management as a result of their outside business interests except that certain of the directors, officers, promoters and other members of management may from time to time serve as directors, officers, promoters and members of management of other public companies, and therefore it is possible that a conflict may arise between their duties as a director, officer, promoter or member of management of those other companies.

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### ***Appointment of the Auditor***

Adam Sung Kim Ltd., Chartered Accountant, has served as the Company's auditor since incorporation in 2013. See also Part 7 "AUDIT COMMITTEE – External Auditor Service Fees".

**Unless you give instructions otherwise, the Management Proxyholders intend to vote FOR the appointment of Adam Sung Kim Ltd., to serve as auditor of the Company until the next annual meeting of the Company's shareholders and FOR the proposed resolution to authorize the directors of the Company to fix the auditor's remuneration.**

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***Named Executive Officers***

As defined under applicable securities legislation, the Company had two "Named Executive Officers" during the financial year ended December 31, 2015 as set out below:

Carman Parente - President and Chief Executive Officer since incorporation on September 27, 2013  
 Anthony Chan - Chief Financial Officer since April 18, 2014

**Definitions: For the purpose of this Information Circular:**

"**CEO**" means an individual who acted as chief executive officer of the Company, or acted in a similar capacity, for any part of the most recently completed financial year;

"**CFO**" means an individual who acted as chief financial officer of the Company, or acted in a similar capacity, for any part of the most recently completed financial year;

"**closing market price**" means the price at which the Company's security was last sold, on the applicable date,

- a) in the security's principal marketplace in Canada, or
- b) if the security is not listed or quoted on a marketplace in Canada, in the security's principal marketplace;

"**company**" includes other types of business organizations such as partnerships, trusts and other unincorporated business entities;

"**equity incentive plan**" means an incentive plan, or portion of an incentive plan, under which awards are granted and that falls within the scope of IFRS 2 *Share-based Payment*;

"**external management company**" includes a subsidiary, affiliate or associate of the external management company;

"**grant date**" means a date determined for financial statement reporting purposes under IFRS 2 *Share-based Payment*;

"**incentive plan**" means any plan providing compensation that depends on achieving certain performance goals or similar conditions within a specified period;

"**incentive plan award**" means compensation awarded, earned, paid, or payable under an incentive plan;

"**NEO**" or "**named executive officer**" means each of the following individuals:

- a) a CEO;
- b) a CFO;
- c) each of the three most highly compensated executive officers of the Company, including any of its subsidiaries, or the three most highly compensated individuals acting in a similar capacity, other than the
- d) CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000, as determined in accordance with subsection 1.3(6) of National Instrument 51-102, for that financial year; and
- e) each individual who would be an NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the company or its subsidiaries, nor acting in a similar capacity, at the end of that financial year;

"**non-equity incentive plan**" means an incentive plan or portion of an incentive plan that is not an equity incentive plan;

"**option-based award**" means an award under an equity incentive plan of options, including, for greater certainty, share options, share appreciation rights, and similar instruments that have option-like features;

"**plan**" includes any plan, contract, authorization, or arrangement, whether or not set out in any formal document, where cash, securities, similar instruments or any other property may be received, whether for one or more persons;

"**replacement grant**" means an option that a reasonable person would consider to be granted in relation to a prior or potential cancellation of an option;

"**repricing**" means, in relation to an option, adjusting or amending the exercise or base price of the option, but excludes any adjustment or amendment that equally affects all holders of the class of securities underlying the option and occurs through the operation of a formula or mechanism in, or applicable to, the option; and

"**share-based award**" means an award under an equity incentive plan of equity-based instruments that do not have option-like features, including, for greater certainty, common shares, restricted shares, restricted share units, deferred share units, phantom shares, phantom share units, common share equivalent units, and stock.

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## ***Compensation Discussion and Analysis***

### **Goals and Objectives**

Given the Company's current size and stage of development, the Board has not appointed a compensation committee and accordingly the Board as a whole is responsible for determining the compensation (including long-term incentive in the form of stock options) to be granted to the Company's executive officers and directors to ensure that such arrangements reflect the responsibilities and risks associated with each position. Management directors are required to abstain from voting in respect of their own compensation thereby providing any independent members of the Board with considerable input as to executive compensation.

The Board reviews, on an annual basis, the corporate goals and objectives relevant to executive compensation, evaluates each executive officer's performance in light of those goals and objectives and sets the executive officer's compensation level based, in part, on this evaluation. The Board takes into consideration the Company's overall performance, shareholder returns, and the awards given to executive officers in past years. The Board also considers the value of similar incentive awards to executive officers at comparable listed companies, however, as of the date of this Information Circular, no specific companies or selection criteria for the establishment of a benchmark group have been identified by the Board.

### **Executive Compensation Program**

The Board's compensation philosophy is aimed at attracting and retaining quality and experienced people which is critical to the success of the Company and may include a "pay-for-performance" element which supports the Company's commitment to delivering strong performance for the Shareholders. We believe that adequate and appropriate compensation for our executive officers is key to ensuring the continuity of high quality management who will provide strong leadership and stewardship for the Company.

The Board and its committees must also address the risks associated with the overall executive compensation program. The Audit Committee is responsible for assessing the risks which may arise from the Company's compensation policies and practices and as of the date of this Information Circular they have completed an initial risk assessment with respect to base fees and incentive option grants and the risks they have identified are addressed under their respective headings. The committees intend to conduct a review and report to the Board more fully on these risks and on ways to mitigate these risks as required.

Executive compensation is comprised of three elements: base fees (may be consulting fees) or salary, short-term incentive compensation (discretionary cash bonuses) and long-term incentive compensation (stock options).

At the present time, the compensation program is designed to reward the following objectives:

1. The ongoing day-to-day commitment of our executive team in managing the Company's affairs, fulfilling their job responsibilities, and advancing its business plan. This objective is covered by the base fees paid to our two NEO's; see *Management Contracts* for further details; and
2. The commitment to long-term growth and increased shareholder value as determined through the Company's share price. This objective is covered through the awarding of stock options under our Stock Option Plan. Full details of options awarded to our NEO's is set out under *Incentive Plan Awards*.

### **Base Fees and Discretionary Bonuses**

Base fees or salaries are compensation for ongoing job responsibilities and reflect the level of skills, experience, expertise, and capabilities demonstrated by the executive officers. Executive officers and the board of directors, meet to determine what both sides consider to be fair and reasonable base fees. The board of directors must give final approval of these compensation arrangements. When considering the base compensation to be paid to executive officers the Company must consider the risk that, if the compensation is not adequate, it might result in a high turnover rate of executive officers which could be detrimental to the Company. As an early stage enterprise, however, it is

necessary to strike a balance in this regard so that the compensation is not so high that the Company is unable to meet its obligations to its executive officers over the long term which could result in loss of that officer and the corporate knowledge and expertise that officer represents.

Executive officers are also eligible to receive discretionary bonuses as determined by the Board based on each officer's responsibilities, his achievement of individual and corporate objectives, and the Company's financial performance. Cash bonuses are intended to reward the executive officers for meeting or exceeding individual and corporate performance objectives set by the Board. As at the date of this Circular, the Company has not paid out any such bonuses and has not set any objectives whereby our executive officers might earn such bonuses at this time. It is the intention of the Compensation Committee to review this element of New Age Farm's compensation program during fiscal 2015 to determine the impact, including the benefits and risks that offering short-term incentives to our executives would have on the overall performance of the Company and its management team.

Stock options are an important part of the Company's long-term incentive strategy for its officers, permitting them to participate in any appreciation of the market value of the Company's shares over a stated period of time, and are intended to reinforce commitment to long-term growth and shareholder value. Stock options reward overall corporate performance as measured through the price of the Company's shares and enables executives to acquire and maintain an ownership position in the Company. In May 2015, the Board awarded 250,000 stock options at an exercise price of \$0.20 per share, expiring May, 5, 2020 to a director.

### **Option Based Awards**

Executive officers of the Company, as well as directors, employees and consultants, are eligible to participate in the Company's Stock Option Plan to receive grants of stock options. The Board as a whole approves individual stock option grants and the size of the option grant is dependent on, among other things, each officer's level of responsibility, authority, and importance to the Company and the degree to which an officer's long-term contribution to the Company is crucial to its overall long-term success.

Periodic stock option grants ensure that the number of options granted to any particular officer is commensurate with the officer's level of ongoing responsibility within the Company. Before considering further grants, the Board will evaluate the number of options already granted to that officer, the exercise price of the options, and the term remaining on those options. In granting options, the Board might also reference the number of stock options granted to officers of other publicly traded companies that, similar to the Company, are involved in the agricultural land banking industry; or those of other publicly traded Canadian companies of a comparable size to that of the Company in respect of assets. In addition, the Board may consider the effort, time, responsibility, ability, experience, and level of commitment of the executive officer in determining the level of incentive stock option compensation.

Option grants may include vesting provisions thereby encouraging officers to put forth their best efforts to improve the overall performance of the Company, thus increasing share price. In considering the periods for vesting of stock options and for overall stock option grants, the Board must take into account whether these periods could lead to unnecessary or inappropriate risk-taking or short-term decision making. With these considerations in mind, options are generally granted for periods greater than five years thereby encouraging the Board and Management to think of building value over the long-term rather than to take short-term risks. See Incentive Plan Awards below.

Options are usually priced at the closing trading price of the Company's shares on the business day immediately preceding the date of grant and the current policy of the Board is that options expire two to ten years from the date of grant. The Company does not have a policy in place whereby a director or executive officer is allowed to purchase financial instruments that are designed to hedge or offset a decrease in the market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or director.

The Company has a formalized stock option plan for the granting of incentive stock options to its officers, employees, consultants, and Directors.



### **Benefits and Perquisites**

In general, the Company will provide a specific benefit or perquisite when it provides competitive value and promotes retention of executives, or when the perquisite provides shareholder value, such as ensuring the health of executives. The limited perquisites the Company provides its executives may include a parking allowance or a fee for each Board or Audit Committee meeting attended, to assist with their out-of-pocket costs, such benefits and perquisites are set out, respectively, in the Summary Compensation Table below.

### **Performance Goals and Executive Team**

The executive team is comprised of Carman Parente, President and CEO and Anthony Chan, CFO.

As founder of the Company, Mr. Parente was the first to be appointed to the position of President and CEO and has entered into a consulting agreement with the Company to provide services on an ongoing basis to develop the Company's business plan and meet certain strategic goals. In the year ended December 31, 2015 Mr. Parente achieved certain key objectives including the acquisition of additional property for the Company's growing agricultural land banking business and entering into lease agreements with tenant-growers for its Sumas, WA and Oroville, WA property. Under the terms of the consulting agreement Mr. Parente has accrued consulting fees in the amount of \$330,000 for the last fiscal year, as set out in the *Summary Compensation Table*, below. Mr. Parente devotes the majority of his time to the affairs of the Company.

Mr. Chan, appointed CFO in April 2014, has accrued fees of \$90,000 in the year ended December 31, 2015 under the terms of his consulting contract which came into effect on May 1, 2015. Mr. Chan is a consultant who provides approximately 50% of his time to his duties with New Age Farm. As the CFO, Mr. Chan is the executive responsible for ensuring the financial health of the Company through financial and risk management, the development of a financial and operational strategy, and the ongoing monitoring of systems designed to preserve the Company's assets and report accurate financial results.

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### ***Management Contracts***

The directors and executive officers perform all management functions of the Company and the Company has no management agreements or arrangements with any other persons to perform or provide these functions.

Effective May 1, 2015, each of Carman Parente, President & CEO and Anthony Chan, CFO; entered into a management consulting agreement (each a "Management Consulting Agreement") with the Company.

The Agreements set out the following fees payable:

<b>NEO</b>	<b>Consulting Fee</b>	<b>Additional Amounts</b>
Carman Parente	\$ 15,000 per month	The CEO, to ensure the Company's ability to finance its obligations and operations, personally guaranteed a loan for the Company and granted priority over his secured loans with the Company, was granted the following bonus: (a) an accrual, separate and apart from the accrual of section 4.1, of \$150,000 payable upon invoice; and (b) 3,500,000 five year warrants (expiring May 1, 2020) at an exercise price of \$0.15 per share.
Anthony Chan	\$ 7,500 per month	Under the terms of the Management Consulting Agreement the CFO will receive a signing bonus in the amount 1,000,000 warrants at an exercise price of \$0.15 per share, expiring May 1, 2020.

The Agreements both contain the same clauses and provisions with respect the length of the agreement, termination, and change of control. Each of the Agreements is for a three-year term (May 1, 2015 to May 1, 2018) and will renew

automatically for subsequent one year terms. Either party may terminate the Agreement by notifying the other party in writing at least 30 calendar days prior to the end of the term of the Management Consulting Agreement of its intent not to renew. The agreements contain provisions for dismissal without cause or on change of control as set out in the table below:

Why Terminated	Obligation
Terminated with cause	<p>The Consultant will be paid any monies owed for services already performed and will be paid the termination fee (the “Termination Fee”) as set out in the Management Consulting Agreement, which is comprised of</p> <p>(a) at the Company’s election grant of a one year term to exercise vested options with a right to employ ‘net exercise’ or buy-out of any vested stock options for a price equal to the fair market value of the Company’s shares, determined for the 10 days preceding termination and as determined in accordance with accounting principles, multiplied by the number of share options vested less the exercise price thereof; and</p> <p>(b) one year’s average compensation per year of service (including the pro rata amount for partial years) if the Officer is terminated without cause.</p> <p>In the event that the NEO is terminated for cause, he will have the right to receive the Termination Fee regardless of the reason for termination, but, and only, without prejudice to any rights of counter-claim in the event of damages for fraud and without prejudice to the right to recovery for such in the event of judgement (which may not be deducted from Termination Fee amounts payable but may only be recovered once adjudged).</p>
Terminated without cause	The NEO will be entitled to the Termination Fee.
Terminated due to change in control the Company or its assets are sold for cash or stock	The NEO will be entitled to receive the Termination Fee multiplied by a factor of two (2) and two (2%) percent of the aggregate value of a sale of the Company or the company assets.

If the agreements were to be terminated effective as of the date of this Information Circular the Company would be required to pay the following amounts to the NEOs:

NEO	Amount Due on Termination
Carman Parente	\$ 300,000
Anthony Chan	\$ 180,000

### **Summary Compensation Table**

The following table sets out certain information respecting the compensation paid to the CEO and CFO, since the Company’s inception. As at December 31, 2015 no officers, other than as set out below, had a total compensation of more than \$150,000 per year. These individuals are referred to collectively as the “Named Executive Officers” or “NEOs.”

Amounts reported in the tables that follow are in CAD dollars and further details and explanations as may be required are provided in the footnotes on each page.

**Summary Compensation Table (continued)**

Name and principal position	Year	Salary	Share based Awards	Option Based Awards <sup>1</sup>	Non-equity incentive plan compensation		Pension Value	All other Compensation (\$)	Total Compensation (\$)
					Annual Incentive Plans	Long-Term Incentive Plans			
Carman Parente <sup>2</sup> <i>President and CEO</i>	2015	-nil-	-nil-	-nil- <sup>3</sup>	-nil-	-nil-	-nil-	\$781,500 <sup>4</sup>	\$781,500
	2014	-nil-	-nil-	-nil- <sup>5</sup>	-nil-	-nil-	-nil-	\$251,000 <sup>6</sup>	\$251,000
	2013	-nil-	-nil-	-nil-	-nil-	-nil-	-nil-	-nil-	-nil-
Anthony Chan <sup>7</sup> <i>CFO</i>	2015	-nil-	-nil-	-nil- <sup>8</sup>	-nil-	-nil-	-nil-	\$243,000 <sup>9</sup>	\$243,000
	2014	-nil-	-nil-	\$14,400 <sup>10</sup>	-nil-	-nil-	-nil-	\$128,500 <sup>11</sup>	\$142,900
	2013	-nil-	-nil-	-nil-	-nil-	-nil-	-nil-	-nil-	-nil-

<sup>1</sup> Refers to options granted under the New Age Farm Stock Option Plan and is based on the weighted average fair value of stock options granted during the applicable fiscal year. The fair value of the options granted annually is obtained by multiplying the number of options granted by their value established according to the Black Scholes option pricing model assuming the following:

	2015	2014	2013
Risk-free interest rate	0.6 to 0.77%	1.47%	n/a
Expected life	5	5	n/a
Expected volatility	100%	100%	n/a
Dividend yield	0	0	n/a

<sup>2</sup> Mr. Parente is the founding President and CEO of New Age Farm, appointed at incorporation on September 27, 2013.

<sup>3</sup> Mr. Parente was granted 900,000 stock options on September 8, 2014. These options were subsequently cancelled by the Company on November 17, 2014.

<sup>4</sup> Mr. Parente received \$330,000 in consulting fees and \$24,000 in director fees and 3,500,000 warrants with a fair value of \$451,500 in the year ended December 31, 2015.

<sup>5</sup> Mr. Parente was granted 900,000 stock options on September 8, 2014. These options were subsequently cancelled by the Company on November 17, 2014.

<sup>6</sup> Mr. Parente received \$245,000 in consulting fees pursuant to a consulting contract and \$6,000 in director fees in the year ended December 31, 2015.

<sup>7</sup> Mr. Chan was appointed CFO on April 18, 2014.

<sup>8</sup> Mr. Parente was granted 900,000 stock options on September 8, 2014. These options were subsequently cancelled by the Company on November 17, 2014.

<sup>9</sup> Mr. Chan received \$90,000 in consulting fees pursuant to a consulting contract, \$24,000 in director fees and 1,000,000 warrants with a fair value of \$129,000 in the year ended December 31, 2015.

<sup>10</sup> Mr. Chan was granted 900,000 options on September 8, 2014. He subsequently exercised 100% of such options.

<sup>11</sup> Mr. Chan received \$122,500 in consulting fees pursuant to a consulting contract and \$6,000 in director fees in the year ended December 31, 2014.

### Incentive Plan Awards

#### Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth particulars of all option-based and share-based awards outstanding for each Named Executive Officer at December 31, 2015. The closing price of New Age Farm's common shares on December 31, 2015, the last trading day of the fiscal year was \$0.03.

Name	Option-based Awards				Share-based Awards <sup>1</sup>		
	Number of Securities underlying unexercised options (#)	Option exercise price (\$)	Option Expiration Date	Value of unexercised in-the-money-options (\$) <sup>2</sup>	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Carman Parente <i>President and CEO</i>	-nil- <sup>3</sup>	n/a	n/a	n/a	n/a	n/a	n/a
Anthony Chan <i>CFO</i>	700,000 <sup>4</sup>	\$0.05	Sept 8, 2019	NIL	n/a	n/a	n/a
<b>TOTAL</b>	700,000						

#### Notes

1. The Company has not granted any share-based awards.
2. Based on the difference between the closing price of the Company's Common Shares on the Canadian Securities Exchange on December 31, 2015 (being the last day the Company's shares traded during the fiscal year ended December 31, 2015) of \$0.03, and the stock option exercise price, multiplied by the number of Common Shares under option. These options were in-the-money as of December 31, 2015.
3. Mr. Parente was granted 900,000 stock options on September 8, 2014. These options were subsequently cancelled by the Company on November 17, 2014.
4. Mr. Chan exercised all these options subsequent to the year end of December 31, 2015.

#### Value Vested or Earned During the Year

The following table sets out the value of incentive plan awards vested or earned by the Named Executive Officers during the financial year ended December 31, 2015. The closing price of New Age Farm's common shares on December 31, 2015, the last trading day of the fiscal year was \$0.03. The option-based awards were granted under the Company's Stock Option Plan.

Name	Option-based awards- Value vested during the year (\$) <sup>1</sup>	Share awards – Value during the year on vesting (\$) <sup>2</sup>	Non-equity incentive plan compensation-Pay-out during the year (\$) <sup>3</sup>
Carman Parente <i>President and CEO</i>	n/a	n/a	n/a
Anthony Chan <i>CFO</i>	NIL	n/a	n/a

## Notes

1. All options granted during the year ended December 31, 2015 were fully vested upon grant.
2. The Company has not granted any share-based awards.
3. The Company did not pay any non-equity incentive plan compensation during the year ended December 31, 2015.

Value is calculated for options vested during the year on each vesting date. All options granted during the year ended December 31, 2015 were fully vested upon grant. The value is calculated by multiplying the number of shares which may be acquired on exercise on the vesting date by the difference, if any, between the market value of the securities underlying the options on the vesting date and the exercise price of the options. None of the vested options held by Named Executive Officers were exercised during the financial year ended December 31, 2015 and as of the date of this Information Circular, all vested options are in the money.

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***Pension Plan Benefits***

The Company does not have any pension, retirement or deferred compensation plans, including defined contribution plans.

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***Termination and Change of Control Benefits***

The Company did not have any termination or change of control benefits in place for its Named Executive Officers at December 31, 2015 our most recent year-end. The Company entered into management contracts effective May 1, 2015 which agreements do outline provisions relating to termination and change of control; a summary of the terms of these consulting agreements is provided under *Management Contracts*.

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***Compensation of Directors***

All directors of the Company are paid directors' fees of \$2000 per month. In addition, directors are entitled to be reimbursed for reasonable expenditures incurred in performing their duties as directors. Directors may also receive bonuses from time to time which the Company awards to directors for serving in their capacity as a member of the board.

Directors are entitled to participate in the Company's stock option plan, which is designed to give each option holder an interest in preserving and maximizing shareholder value over the longer term. Individual grants are determined by an assessment of each individual director's current and expected future performance, level of responsibilities and the importance of their position and contribution to the Company.

Effective May 1, 2015, the Company entered into a consulting agreement with its non-management director, wherein he was paid a monthly services fee of \$2,000 per month for general corporate, administrative, technical and management services as is consistent with the normal provision of services by a director and advisor (the "Director Consulting Agreement"). In addition, the Director Consulting Agreement provides that the director will receive a signing bonus in the amount 1,000,000 warrants at an exercise price of \$0.15 per share, expiring May 1, 2020. The termination provisions for the Director Consulting Agreement are the same as those of the Management Consulting Agreements (see "*Management Contracts*"). This director resigned effective December 1, 2015 and his contract was terminated.

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**Director Compensation Table**

This table sets forth information regarding the compensation paid to the Company's non-management director, other than directors who are also Named Executive Officers listed in the "Summary Compensation Table" above, during the fiscal year ended December 31, 2015.

Name	Fees earned (\$)	Share-based awards (\$)	Option-based awards <sup>1</sup> (\$)	Non-equity incentive plan compensation (\$)	Pension (\$)	All other compensation (\$)	Total (\$)
Peter Jensen <sup>2</sup> <i>Director</i>	\$22,000 <sup>3</sup>	-nil-	-nil-	-nil-	-nil-	\$151,000 <sup>4</sup>	\$173,000

1. Refers to options granted under the New Age Farm Stock Option Plan and is based on the weighted average fair value of stock options granted during the applicable fiscal year. The fair value of the options granted annually is obtained by multiplying the number of options granted by their value established according to the Black Scholes option pricing model assuming the following:

	2015	2014	2013
Risk-free interest rate	0.6 to 0.77%	1.47%	n/a
Expected life	5	5	n/a
Expected volatility	100%	100%	n/a
Dividend yield	0	0	n/a

2. Mr. Jensen was appointed to the Board on April 18, 2014 and resigned effective December 1, 2015.  
3. Mr. Jensen received \$22,000 in directors' fees (\$2,000 per month for January through November 2015).  
4. Mr. Jensen received \$22,000 in consulting fees pursuant to a consulting contract and 1,000,000 warrants with a fair value of \$129,000 in the year ended December 31, 2015.

**Outstanding Share-Based Awards and Option-Based Awards**

The following table sets forth particulars of all option-based and share-based awards outstanding for each director, who was not a Named Executive Officer, at December 31, 2015:

Name	Option-based Awards				Share-based Awards <sup>1</sup>		
	Number of Securities underlying unexercised options (#)	Option exercise price (\$)	Option Expiration Date	Value of unexercised in-the-money-options (\$) <sup>2</sup>	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Peter Jensen <sup>2</sup> <i>Director</i>	400,000	\$0.05	Mar 1/16	-nil-	n/a	n/a	n/a
C. L. Pike <sup>3</sup> <i>Director</i>	250,000 50,000	\$0.05 \$0.20	Sep 8/19 May 5/20	-nil- -nil-	n/a n/a	n/a n/a	n/a n/a
<b>TOTAL</b>	700,000						

<sup>1</sup> The Company has not granted any share-based awards.

<sup>2</sup> Based on the difference between the closing price of the Company's Common Shares on the Canadian Securities Exchange on December 31, 2015 (being the last day the Company's shares traded during the fiscal year ended December 31, 2015) of \$0.03, and the stock option exercise price, multiplied by the number of Common Shares under option. These options were in-the-money as of December 31, 2015.

<sup>3</sup> Ms. Pike was appointed director in December 2015 to fill the vacancy left by Mr. Jensen's resignation.

**Incentive Plan Awards – Value Vested or Earned During the Year**

The following table sets forth particulars of the value of option-based awards and share-based awards which vested during the year ended December 31, 2015, and the value of non-equity incentive plan compensation earned during the year ended December 31, 2015 for each director of the Company who was not a Named Executive Officer:

<b>Name</b>	<b>Option-based awards- Value vested during the year (\$)</b>	<b>Share awards – Value during the year on vesting (\$)<sup>1</sup></b>	<b>Non-equity incentive plan compensation-Pay- out during the year (\$)<sup>2</sup></b>
Peter Jensen <i>Director</i>	n/a	n/a	n/a
C. Lorraine Pike <i>Director</i>	-nil-	n/a	n/a

**PART 5 – SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS**

At present, the Company's only equity compensation plan is its "rolling" stock option plan for directors, officers, employees and consultants of New Age Farm (the "**Stock Option Plan**"), which was initially approved by the shareholders of the Company's former parent and revised effective September 5, 2014. A "rolling" stock option plan is one in which the total number of shares reserved for issuance under the plan may not exceed, at any given time, more than 10% of the Company's issued and outstanding common shares.

The following information is as of December 31, 2015, the Company's most recently completed financial year:

<b>Plan Category</b>	<b>Number of securities to be issued upon exercise of outstanding options<sup>3</sup>, warrants and rights</b>	<b>Weighted-average exercise price of outstanding options, warrants and rights</b>	<b>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))</b>
Equity compensation plans approved by securityholders	3,400,000	\$0.15	2,721,475
Equity Compensation plans not approved by securityholders	n/a	n.a	n/a
Total:	3,400,000		

<sup>1</sup> See Note 1

<sup>2</sup> The Company did not pay any non-equity incentive plan compensation during the year ended December 31, 2015

<sup>3</sup> The Company has a 10% rolling stock option plan, a copy of which is available upon request.

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**PART 6– WARRANTS ISSUED TO NEOs AND DIRECTORS SUBSEQUENT TO THE YEAR END**

The Company issued warrants to its officers and directors subsequent to the year end as retention bonuses as follows:

- To Carman Parente, President & CEO and a director, 2,000,000 warrants exercisable at \$0.05 per warrant share for a period of five years from date of grant;
- To Anthony Chan, CFO and a director, 1,000,000 warrants exercisable at \$0.05 per warrant share for a period of five years from date of grant; and
- To C. Lorraine Pike, a director, 400,000 warrants exercisable at \$0.05 per warrant share for a period of five years from date of grant.

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**PART 7 – THE AUDIT COMMITTEE**

National Instrument 52-110 Audit Committees of the Canadian Securities Administrators (“NI 52-110”) requires the Company, as a venture issuer, to disclose annually in its Circular certain information concerning the constitution of its audit committee and its relationship with its external auditor as set forth below.

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***The Audit Committee Charter***

The Company’s audit committee is governed by an audit committee charter, the text of which is attached as Exhibit “A” to this Information Circular.

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***Composition of Audit Committee***

The audit committee is comprised of three directors: C. Lorraine Pike (Chair), Anthony Chan and Carman Parente. No member of the committee is considered “independent” as that term is defined in applicable securities legislation. Carman Parente is the Chief Executive Officer and Anthony Chan is the Chief Financial Officer of the Company and therefore neither of these members is independent. Mr. Jensen receives a regular management fee and therefore not independent.

All three audit committee members have the ability to read and understand financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company’s financial statements and are therefore considered “financially literate”.

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***Relevant Education and Experience***

All of the audit Committee members are businessmen with experience in financial matters; each has an understanding of accounting principles used to prepare financial statements and varied experience as to the general application of such accounting principles, as well as the internal controls and procedures necessary for financial reporting, garnered from working in their individual fields of endeavour.

In addition, members of the Audit Committee have knowledge of the role of an audit committee in the realm of reporting companies from their years of experience as directors of public and private companies.

Name	Determination of Independence and Financial Literacy
<b>C. Lorraine Pike</b> <i>Audit Committee Chair</i> Non-Independent	Ms. Pike also serves as Corporate Secretary of the Company. Aside from director fees and pay-as-you-go fees for services provided in her role as Corporate Secretary contract fees, Ms. Pike does not receive regular compensation from the Company. Based on receipt of regular services fees, she is deemed to be non-independent. Ms. Pike is an independent business consultant specializing in corporate administration and governance and holds a Bachelor of Commerce degree. She has been involved in all aspects of financial decision-making and brings a level of knowledge and range of business experience that will assist the committee in its oversight role and assist it in making informed decisions.



Name	Determination of Independence and Financial Literacy
<b>Carman Parente</b> <i>Audit Committee Member</i> Non-Independent (senior officer)	As CEO, Mr. Parente is not independent. Mr. Parente is a businessman who has founded and managed a number of enterprises, including New Age Farm. He has many years of experience in asset and business management and development in both public companies and the private sector. His background as a member of multiple boards over the last several years provides him with a foundation that will bring valuable insight to this committee.
<b>Anthony Chan</b> <i>Audit Committee Member</i> Non-Independent (senior officer)	As CFO, Mr. Chan is not independent. Mr. Chan is a chartered professional accountant and principal of his own chartered accountancy firm. He has over 20 years' experience in the financial reporting and audit of publicly traded companies. He has expert knowledge of the accounting principles used to prepare financial statements and the general application of such accounting principles, as well as the internal controls and procedures necessary for robust financial reporting.

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### *Audit Committee Oversight*

Since the commencement of the Company's most recently completed financial year ended December 31, 2015, the Board has not failed to adopt a recommendation of the audit committee to nominate or compensate an external auditor.

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### *Reliance on Certain Exemptions*

Since the effective date of NI 52-110, the Company has not relied on the exemptions contained in sections 2.4 or 8 of NI 52-110. Section 2.4 provides an exemption from the requirement that the audit committee must pre-approve all non-audit services to be provided by the auditor, where the total amount of fees related to the non-audit services are not expected to exceed 5% of the total fees payable to the auditor in the fiscal year in which the non-audit services were provided. Section 8 permits a company to apply to a securities regulatory authority for an exemption from the requirements of NI 52-110, in whole or in part.

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### *Pre-Approval Policies and Procedures*

The Committee has adopted specific policies and procedures for the engagement of non-audit services as described in the Company's Audit Committee Charter attached as Schedule "A" to this Circular.

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### *External Audit Service Fees (by Category)*

In the following table, "audit fees" are fees billed by the Company's external auditor for services provided in auditing the Company's annual financial statements for the subject year. "Audit-related fees" are fees not included in audit fees that are billed by the auditor for assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements. "Tax fees" are fees billed by the auditor for professional services rendered for tax compliance, tax advice, and tax planning. "All other fees" are fees billed by the auditor for products and services not included in the foregoing categories.

The fees paid by the Company to its external auditor, Adam Sung Kim Ltd, Chartered Accountant, for services rendered to the Company since incorporation, by category, are as follows:

Financial Year Ending	Audit Fees	Audit-Related Fees	Tax Fees	All Other Fees
December 31, 2015	\$14,000	-nil-	-nil-	-nil-
December 31, 2014	\$14,000	-nil-	-nil-	-nil-

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### ***Reliance on Exemption***

As the Company is a "Venture Issuer" pursuant to relevant securities legislation, the Company is relying on the exemption in Section 6.1 of National Instrument 52-110 – Audit Committees from the requirement of Parts 3 (Composition of the Audit Committee) and 5 (Reporting Obligations) of National Instrument 52-110.

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### **PART 8 - CORPORATE GOVERNANCE**

Corporate governance relates to the activities of the board of directors of the Company (the "Board"), the members of which are elected by, and are accountable to, the shareholders, and takes into account the role of the individual members of management who are appointed by the Board and who are charged with the day to day management of the Company. The Board and senior management consider good corporate governance to be central to the effective and efficient operation of the Company.

National Policy 58-201 *Corporate Governance Guidelines* ("NP 58-201") establishes corporate governance guidelines which apply to all public companies. The Company has reviewed its own corporate governance practices in light of these guidelines. In certain cases, the Company's practices comply with the guidelines, however, the Board considers that some of the guidelines are not suitable for the Company at its current stage of development and therefore these guidelines have not been adopted.

National Instrument 58-101 - *Disclosure of Corporate Governance Practices* ("NI 58-101") also requires the Company to disclose annually in its Circular certain information concerning its corporate governance practices. As a "venture issuer" the Company is required to make these disclosures with reference to the requirements of Form 58-101F2, this disclosure is provided below.

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### ***Board of Directors***

The Board is responsible for approving long-term strategic plans and annual operating plans and budgets recommended by management. Board consideration and approval is also required for material contracts and business transactions, and all debt and equity financing transactions.

The Board delegates to management responsibility for meeting defined corporate objectives, implementing approved strategic and operating plans, carrying on the Company's business in the ordinary course, managing the Company's cash flow, evaluating new business opportunities, recruiting staff and complying with applicable regulatory requirements. The Board also looks to management to furnish recommendations respecting corporate objectives, long-term strategic plans, and annual operating plans.

### **Structure and Composition**

The Board is currently composed of three directors. All of the proposed nominees for election as directors at the Meeting are currently directors of the Company. National Policy 58-201 - Corporate Governance Guidelines suggests that the board of directors of every listed company should be constituted with a majority of individuals who qualify as "independent" directors under appropriate securities legislation. In determining whether a director is independent, the Board chiefly considers whether the director has a relationship which could, or could be perceived to interfere with the director's ability to objectively assess the performance of management.

The Company has determined independence as follows:

Name	Independent	Determination of Independence
<b>Carman Parente</b> <i>President &amp; CEO</i>	No	Mr. Parente, as President and CEO of the Company, is an “inside” or management director and accordingly is considered “non-independent”.
<b>Anthony Chan</b> <i>CFO</i>	No	Mr. Chan, as CFO of the Company, is an “inside” or management director and accordingly is considered “non-independent”.
<b>Lorraine Pike</b>	No	Ms. Pike is an outside director who provides consulting and administrative and governance services and is therefore considered “non-independent”, and has no ongoing interest or relationship with the Company other than current shareholdings and stock options in the Company and serving as a director.

### **Mandate of the Board**

The mandate of the Board is to manage or supervise the management of the business and affairs of the Company and to act with a view to the best interests of the Company. In fulfilling its mandate, the Board, among other matters, is responsible for reviewing and approving the Company’s overall business strategies and its annual business plan, reviewing and approving the annual corporate budget and forecast, reviewing and approving significant capital investments outside the approved budget; reviewing major strategic initiatives to ensure that the Company’s proposed actions accord with shareholder objectives; reviewing succession planning; assessing management’s performance against approved business plans and industry standards; reviewing and approving the reports and other disclosure issued to shareholders; ensuring the effective operation of the Board; and safeguarding shareholders’ equity interests through the optimum utilization of the Company’s capital resources. The Board also takes responsibility for identifying the principal risks of the Company’s business and for ensuring these risks are effectively monitored and mitigated to the extent reasonably practicable. At this stage of the Company’s development, the Board does not believe it is necessary to adopt a written mandate, as sufficient guidance is found in the applicable corporate and securities legislation and regulatory policies. However, the Board intends to review this position and if it deems it appropriate, the Board will move to develop a formal written mandate.

In keeping with its overall responsibility for the stewardship of the Company, the Board is also responsible for the integrity of the Company’s internal control and management information systems and for the Company’s policies respecting corporate disclosure and communications.

The Board delegates to management, through the Chief Executive Officer and the Chief Financial Officer, responsibility for meeting defined corporate objectives, implementing approved strategic and operating plans, carrying on the Company’s business in the ordinary course, managing the Company’s cash flow, evaluating new business opportunities, recruiting staff and complying with applicable regulatory requirements. The Board also looks to management to furnish recommendations respecting corporate objectives, long-term strategic plans, and annual operating plans.

### **Orientation and Continuing Education**

There is no formal orientation or training program for new members of the Board, and the Board considers this to be appropriate, given the Company’s size and current level of operation.

New directors are briefed on strategic plans, short, medium and long term corporate objectives, business risks and mitigation strategies, corporate governance guidelines and existing company policies and have the opportunity to become familiar with the Company by meeting with the other directors and with the executive officers. Orientation activities are tailored to the particular needs and experience of each director and the overall needs of the Board.

The skills and knowledge of the Board as a whole is such that the Board believes no formal continuing education process is

currently required. The Board is comprised of individuals with varying backgrounds, who have, both collectively and individually, extensive experience in running and managing public companies. Board members are encouraged to communicate with management, auditors and technical consultants to keep themselves current with industry trends and developments and changes in legislation, with management's assistance. Board members have full access to the Company's records.

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### ***Ethical Business Conduct***

The Board expects management to operate the business of the Company in a manner that enhances shareholder value and is consistent with the highest level of integrity. Management is expected to execute the Company's business plan and to meet performance goals and objectives. The Board monitors the ethical conduct of the Company and ensures that it complies with applicable legal and regulatory requirements, such as those of relevant securities commissions and stock exchanges but, to date, has not adopted a formal written Code of Business Conduct and Ethics.

The Board is of the view that the fiduciary duties placed on individual directors by the Company's governing corporate and securities legislation and the common law, as well as the restrictions placed by applicable corporate legislation on the individual director's participation in decisions of the Board in which the director has an interest, are sufficient, at present, to ensure that the Board operates independently of management and in the best interests of the Company and its shareholders. In addition, the current limited size of the Company's operations and the small number of officers and consultants allow the independent members of the Board to monitor on an ongoing basis the activities of management and to ensure that the highest standard of ethical conduct is maintained. As the Company grows in size and scope, the Board anticipates that it will formulate and implement a formal Code of Business Conduct and Ethics.

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### ***Nomination of Directors***

Given its current size and stage of development, the Board has not appointed a nominating committee and these functions are currently performed by the Board as a whole. Nominees are generally the result of recruitment efforts by Board members and proposed directors' credentials are reviewed in advance of a Board meeting with one or more members of the Board prior to the proposed director's nomination.

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### ***Compensation***

At this time, the Company does not believe its size and limited scope of operations requires a formal compensation committee and the Board as a whole is responsible for determining all forms of compensation (including long-term incentive in the form of stock options) to be granted to the Company's executive officers and to the directors to ensure such arrangements reflect the responsibilities and risks associated with each position.

When determining the compensation of its executive officers in the future, the Board will consider: i) recruiting and retaining executives critical to the success of the Company and the enhancement of shareholder value; ii) providing fair and competitive compensation; iii) balancing the interests of management and the Company's shareholders; and iv) rewarding performance, both on an individual basis and with respect to operations in general. In order to achieve these objectives, it is the Board's intention that compensation paid to its executive officers should consist of three components: i) base salary; ii) discretionary annual bonus based on actual performance relative to pre-set annual operation targets; and iii) long-term incentive in the form of stock options. See Part 4 "EXECUTIVE COMPENSATION – Compensation Discussion and Analysis" above.

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### ***Other Board Committees***

At the present time, the Board of Directors of the Company has appointed only an audit committee. For further information regarding the mandate of the Company's audit committee, its specific authority, duties and responsibilities, as well as the Audit Committee Charter, see "AUDIT COMMITTEE" in this Information Circular.

As the Company grows, and its operations and management structure become more complex, the Board may find it appropriate to constitute formal standing committees, such as a Corporate Governance Committee, Compensation Committee and Nominating Committee, and to ensure that such committees are governed by written charters and are composed of at least a majority of independent directors.

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***Assessments***

The Board has not implemented a process for assessing its effectiveness. As a result of the Company's size, its stage of development and the limited number of individuals on the Board, the Board considers a formal assessment process to be inappropriate at this time. The Board plans to continue evaluating its own effectiveness on an ad hoc basis.

The Board also monitors but does not formally assess the performance or contribution of individual Board members or committee members.

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**PART 9 - THE ARRANGEMENT**

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***The Arrangement***

The Arrangement has been proposed to facilitate the separation of the Company's United States based business activities from its Canadian operations. Pursuant to the Arrangement, New Age Farm currently has a wholly-owned Canadian subsidiary, namely NHS Industries Ltd., which holds the Langley Property and will spin off with the Langley Property as its main asset thereby making NHS a separate company with its own management, shareholders and business operations.

Following the Arrangement, the Company will continue to carry on its primary business activities. Each New Age Farm Shareholder will, immediately after the Effective Date, hold one New Share for each New Age Farm Share held immediately prior to the Arrangement, which will be identical in every respect to the present New Age Farm Shares, and each New Age Farm Shareholder on the Share Distribution Record Date will receive its *pro-rata* share of the New Age Farm Class A Preferred Shares and will receive its *pro-rata* share of the Post Consolidation NHS Shares that are acquired by the Company. See "Details of the Arrangement" and "NHS after the Arrangement — Selected Unaudited *Pro-forma* Financial Information of NHS".

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***Reasons for the Arrangement***

The board has determined that the Company should concentrate its efforts on its primary business activities. To this end, the board approved a reorganization of the Company pursuant to the Arrangement as described in this Circular. The Board is of the view that the Arrangement will benefit the Company and the New Age Farm Shareholders. It has reached this conclusion because the Company has multiple properties located in different jurisdictions that service different clientele operating under different regulations and it needs to examine its strategic plan and capabilities to best meet those needs. In so doing, the Company has determined that it must focus its management and financial resources on the needs of its primary property in the United States which in turn will result in a lack of adequate resources to meet the needs of its Canadian operations as follows:

1. the Company believes that after the separation each company will be better able to pursue its own specific operating strategies without being subject to the financial constraints of the other business;
2. the separation means that each company will have the flexibility to implement its own unique growth strategies, allowing both organizations to refine and refocus their business mix paying particular attention to the nature of their clients and the legal and licensing requirements under which they operate;
3. the resulting businesses can focus on projects specific to that company, they will be more readily understood by public investors, allowing each company to be in a better position to raise capital and align management and employee incentives with the interests of shareholders;
4. the separation of NHS as a separate entity will facilitate separate fund-raising, growth and development strategies for the Langley Property that are required to move it forward;
5. following the Arrangement, management of the Company will be free to focus entirely on its strategic plan and new management for NHS will be established which has knowledge and expertise specific to the NHS assets; and
6. the separation of NHS will give New Age Farm Shareholders a direct interest in a new agri-business that will focus on and pursue the development and growth of turnkey agricultural business services to small scale agri-businesses at the Langley Property as well as potentially acquiring and exploring new properties in Canada that will be suitable for the turnkey agri-service land bank concept.

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***Recommendation of Directors***

The board approved the Arrangement and authorized the submission of the Arrangement to the New Age Farm Shareholders and for approval. **The board has concluded that the Arrangement is in the best interests of the Company and the New Age Farm Shareholders, and recommends that the New Age Farm Shareholders vote FOR the Arrangement Resolution at the Meeting.** In reaching this conclusion, the board considered the benefits to the Company and the New age Farm Shareholders, as well as the financial position, opportunities, and the outlook for the future potential and operating performance of the Company and NHS.

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***Fairness of the Arrangement***

The board has determined that the Arrangement is fair to the New Age Farm Shareholders based upon the following factors, among others:

1. the procedures by which the Arrangement will be approved, including the requirement for 66 and 2/3 New Age Farm Shareholder approval;
2. the possibility of pursuing a proposed listing of the NHS Shares on the Canadian Securities Exchange;
3. the opportunity for New Age Farm Shareholders who are opposed to the Arrangement, upon compliance with certain conditions, to dissent from the approval of the Arrangement in accordance with the Interim Order, and to be paid fair value for their New Age Farm Shares; and
4. each New Age Farm Shareholder on the Share Distribution Record Date will participate in the Arrangement on a pro-rata basis and, upon completion of the Arrangement, will continue to hold substantially the same pro-rata interest that such New Age Farm Shareholder held in the Company prior to completion of the Arrangement and substantially the same pro-rata interest in NHS through its direct holdings of NHS Shares.

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### *Details of the Arrangement*

*The following description of the Arrangement is qualified in its entirety by reference to the full text of the Arrangement Agreement, a copy of which is annexed as Schedule “B” to this Circular, and the Plan of Arrangement, which is attached as Schedule A to the Arrangement Agreement. Each of these documents should be read carefully in its entirety.*

Pursuant to the Plan of Arrangement, save and except for Dissenting Shares, the following principal steps will occur, and be deemed to occur, in the following chronological order as part of the Arrangement:

1. NHS will transfer the NHS Transferred Liabilities to New Age Farm;
2. All of the NHS Transferred Liabilities will be converted into shares of NHS to be issued to New Age Farm at a deemed share price to be agreed between New Age Farm and NHS provided that the minimum deemed share price shall not be below \$0.03 per share and the maximum deemed share price will not exceed \$0.10 per share;
3. Following the conversion of the NHS Transferred Liabilities into shares of NHS, NHS shall effect a Consolidation of the NHS Shares as of the Share Distribution Record Date on the basis of one (1) new NHS Share for up to five (5) old NHS Shares;
4. The post-Consolidation NHS Shares shall be transferred to the New Age Farm Shareholders as of the Share Distribution Record Date pursuant to step §(e) below (the “**Distributed NHS Shares**”) on a pro-rata basis based on the actual number of New Age Farm Shares and the NHS Shares issued and outstanding as of the Share Distribution Record Date;
5. The authorized share capital of New Age Farm will be changed by:
  - a. Altering the identifying name of the New Age Farm Shares to class “A” common shares without par value, being the New Age Farm Class A Shares;
  - b. Creating a class consisting of an unlimited number of common shares without par value (the “**New Shares**”); and
  - c. Creating a class consisting of an unlimited number of class “A” preferred shares without par value, having the rights and restrictions described in Schedule “A” to the Plan of Arrangement, being the New Age Farm Class A Preferred Shares;
6. Each issued New Age Farm Class A Share will be exchanged for one New Share and one New Age Farm Class A Preferred Share and, subject to the exercise of a right of dissent, the holders of the New Age Farm Class A Shares will be removed from the central securities register of New Age Farm and will be added to the central securities register as the holders of the number of New Shares and New Age Farm Class A Preferred Shares that they have received on the exchange;
7. All of the issued New Age Farm Class A Shares will be cancelled with the appropriate entries being made in the central securities register of New Age Farm and the aggregate paid up capital (as that term is used for purposes of the Tax Act) of the New Age Farm Class A Shares immediately prior to the Share Distribution Record Date will be allocated between the New Shares and the New Age Farm Class A Preferred Shares so that the aggregate paid up capital of the New Age Farm Class A Preferred Shares equals the aggregate fair market value of the Distributed NHS Shares as of the Share Distribution Record Date, and each New Age Farm Class A Preferred Share so issued will be issued by New Age Farm at an issue price equal to the aggregate fair market value of the Distributed NHS Shares as of the Share Distribution Record Date divided by the number of issued New Age Farm Class A Preferred Shares, such aggregate fair market value of the Distributed NHS Shares to be determined as at the Share Distribution Record Date by resolution of the board of directors of New Age Farm;
8. New Age Farm will redeem the issued New Age Farm Class A Preferred Shares for consideration consisting solely of the Distributed NHS Shares such that each holder of New Age Farm Class A Preferred Shares as of the Share Distribution Record Date will, subject to the rounding of fractions and the exercise of rights of dissent, receive that

number of post-Consolidation NHS Shares, on a pro-rata basis, based on the total number of New Age Farm Class A Preferred Shares and the total number of post-Consolidation NHS Shares issued and outstanding;

9. The name of each holder of New Age Farm Class A Preferred Shares will be removed as such from the central securities register of New Age Farm, and all of the issued New Age Farm Class A Preferred Shares will be cancelled with the appropriate entries being made in the central securities register of New Age Farm;
10. The Distributed NHS Shares transferred, on a pro-rata basis, to the holders of the New Age Farm Class A Preferred Shares pursuant to step §(e) above will be registered in the names of the former holders of New Age Farm Class A Preferred Shares and appropriate entries will be made in the central securities register of NHS;
11. The New Age Farm Class A Shares and the New Age Farm Class A Preferred Shares, none of which will be allotted or issued once the steps referred to in steps §(c), §(e) and §(f) above are completed, will be cancelled and the authorized share structure of New Age Farm will be changed by eliminating the New Age Farm Class A Shares and the New Age Farm Class A Preferred Shares therefrom, leaving only the New Shares comprising the authorized share capital of New Age Farm;
12. The Notice of Articles and Articles of New Age Farm will be amended to reflect the changes to its authorized share structure made pursuant to this Plan of Arrangement;
13. After the Effective Date:
  - (i) Holders of New Age Farm Share Commitments, upon the exercise of such options or warrants entitling them to receive New Age Farm Shares, shall not be entitled to receive any Distributed NHS Shares;
  - (ii) Notwithstanding §3.1(e) and §3.1(j), no fractional post-Consolidation NHS Shares shall be distributed to the New Age Farm Shareholders or the holders of New Age Farm Share Commitments and as a result all fractional share amounts arising under such sections shall be rounded down to the nearest whole number. Any Distributed NHS Shares not distributed as a result of this rounding down shall be dealt with as determined by the board of directors of New Age Farm in its absolute discretion.

For information concerning the number of outstanding New Age Farm Share Commitments as at the date hereof, see “The Company after the Arrangement – Changes in Share Capital”.

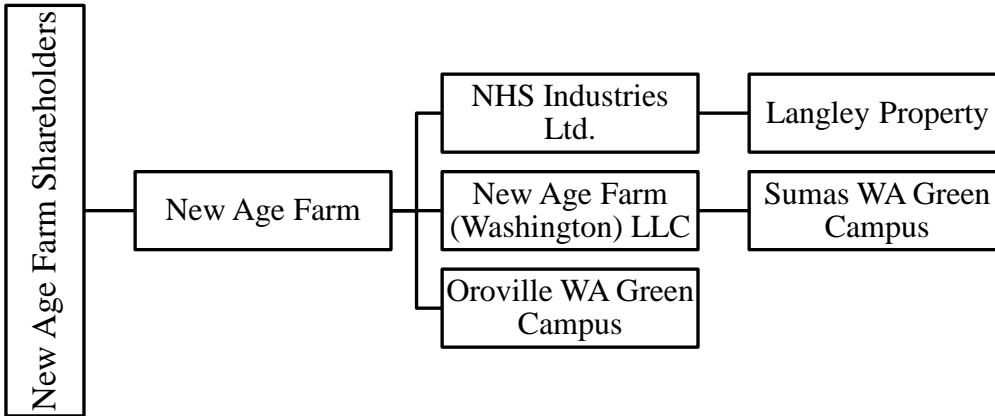
In addition to the principal steps of the Arrangement occurring in the chronological order set out above, the time of the redemption of the New Age Farm Class A Preferred Shares set out in step §(e) above will be deemed to occur immediately on the Effective Date.

The effects of the Arrangement with respect to New Age Farm and NHS are summarized by the following New Age Farm diagram.

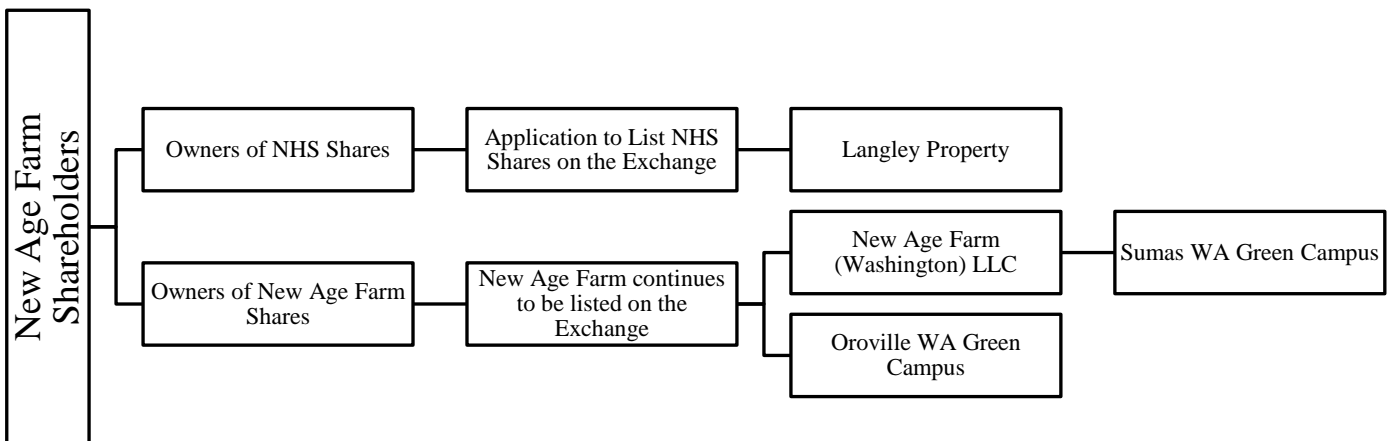


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*Effect of the Arrangement*



**Figure 1 New Age Farm before the Arrangement**



**Figure 2 New Age Farm and NHS after the Arrangement**

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*Authority of the Board*

By passing the Arrangement Resolution, the New Age Farm Shareholders will also be giving authority to the board to use its best judgment to proceed with, and cause the Company to complete the Arrangement, without any requirement to seek or obtain any further approval of the New Age Farm Shareholders.

The Arrangement Resolution also provides that the Plan of Arrangement may be amended by the board before or after the Meeting without further notice to New Age Farm Shareholders. The board has no current intention to amend the Plan of Arrangement, however, it is possible that the board may determine that it is appropriate that amendments be made.

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### ***Conditions to the Arrangement***

The Arrangement Agreement provides that the Arrangement will be subject to the fulfillment of certain conditions, including the following:

1. the Arrangement Agreement must be approved by the New Age Farm Shareholders at the Meeting in the manner referred to under “Shareholder Approval”;
2. all other consents, orders, regulations, and approvals, including regulatory and judicial approvals and orders, required, necessary or desirable for the completion of the Arrangement must have been obtained or received, each in a form acceptable to the Company and NHS; and
3. the Arrangement Agreement must not have been terminated.

If any of the conditions set out in the Arrangement Agreement are not fulfilled or performed, the Arrangement Agreement may be terminated, or in certain cases, the Company or NHS, as the case may be, may waive the condition in whole or in part. As soon as practicable after the fulfillment of the conditions contained in the Arrangement Agreement, the board intends to cause a copy of the resolution to be filed with the Registrar under the Act, together with such other material as may be required by the Registrar, in order that the Arrangement will become effective.

Management of the Company believes that all material consents, orders, regulations, approvals or assurances required for the completion of the Arrangement will be obtained in the ordinary course upon application therefore.

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### ***Shareholder Approval***

#### ***New Age Farm Shareholder Approval***

In order for the Arrangement to become effective, the Arrangement Resolution must be passed, with or without variation, by a special resolution of at least 66 and 2/3rds of the eligible votes cast in respect of the Arrangement Resolution by New Age Farm Shareholders present in person or by proxy at the Meeting.

#### ***Shareholder Approval for NHS***

The Company, being the sole shareholder of NHS, has approved the Arrangement by consent resolution.

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### ***Proposed Timetable for Arrangement***

The anticipated timetable for the completion of the Arrangement and the key dates proposed are as follows:

Meeting: September 27, 2016

Share Distribution Record Date: To be determined

Effective Date: To be determined

Mailing of certificates for NHS Shares: To be determined

Notice of the actual Share Distribution Record Date and Effective Date will be given to the New Age Farm Shareholders through one or more press releases. The boards of directors of the Company and NHS, respectively, will determine the Effective Date depending upon satisfaction that all of the conditions to the completion of the Arrangement are satisfied.

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***NHS Share Certificates and Certificates for New Shares***

After the Share Distribution Record Date, the share certificates representing, on their face, New Age Farm Shares will be deemed to represent only New Shares with no right to receive NHS Shares. Before the Share Distribution Record Date, the share certificates representing, on their face, New Age Farm Shares, will be deemed under the Plan of Arrangement to represent New Shares and an entitlement to receive NHS Shares in accordance with the terms of the Arrangement. As soon as practicable after the Effective Date, share certificates representing the appropriate number of NHS Shares will be sent to all New Age Farm Shareholders of record on the Share Distribution Record Date.

**No new share certificates will be issued for the New Shares created under the Arrangement and therefore holders of New Age Farm Shares must retain their certificates as evidence of their ownership of New Shares.** Certificates representing, on their face, New Age Farm Shares will constitute good delivery in connection with the sale of New Shares completed through the facilities of the Exchange after the Effective Date.

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***Relationship between the Company and NHS after the Arrangement***

On completion of the Arrangement, Carman Parente, a current director of the Company, will be a director of NHS. It is expected that Mr. Parente will serve as the President of NHS until such time as NHS appoints new officers. See “NHS after the Arrangement — Directors and Officers of NHS”.

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***Effect of Arrangement on Outstanding New Age Farm Share Commitments***

New Age Farm Share Commitments which are outstanding on the Effective Date will NOT be entitled to receive NHS Shares. Any entitlement to a fraction of a NHS Share resulting from the exercise of a New Age Farm Share Commitment will be cancelled without compensation.

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***Resale of New Shares and NHS Shares***

***Exemption from Canadian Prospectus Requirements and Resale Restrictions***

The issue of New Shares and NHS Shares pursuant to the Arrangement will be made pursuant to exemptions from the registration and prospectus requirements contained in applicable provincial securities legislation in Canada. Under applicable provincial securities laws, such NHS Shares may be subject to resale restrictions. In addition, existing hold periods on any New Age Farm Shares in effect on the Effective Date will be carried forward to the New Shares.

**The foregoing discussion is only a general overview of the requirements of Canadian securities laws for the resale of the New Shares and the NHS Shares received upon completion of the Arrangement. All holders of New Age Farm Shares are urged to consult with their own legal counsel to ensure that any resale of their New Shares or NHS Shares complies with applicable securities legislation.**

***Application of United States Securities Laws***

The New Shares and the NHS Shares to be issued to the New Age Farm Shareholders under the Arrangement have not been registered under the U.S. Securities Act, or under the securities laws of any state of the United States. New Age Farm Shareholders resident in the US are urged to consult with their own legal counsel to ensure that any resale of their New Shares or NHS Shares complies with applicable securities legislation.

**U.S. Resale Restrictions – Securities Issued to New Age Farm Shareholders**

NHS Shares to be issued to a New Age Farm Shareholder who is an “affiliate” of either the Company or NHS prior to the Arrangement or who will be an “affiliate” of NHS after the Arrangement will be subject to certain restrictions on resale imposed by the U.S. Securities Act. Pursuant to Rule 144 under the U.S. Securities Act, an “affiliate” of an issuer for the purposes of the U.S. Securities Act is a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such issuer.

**The foregoing discussion is only a general overview of certain requirements of United States securities laws applicable to the securities received upon completion of the Arrangement. All holders of securities received in connection with the Arrangement are urged to consult with counsel to ensure that the resale of their securities complies with applicable securities legislation.**

**Additional Information for U.S. Security Holders**

**THE SECURITIES ISSUABLE IN CONNECTION WITH THE ARRANGEMENT HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SEC OR SECURITIES REGULATORY AUTHORITIES IN ANY STATE, NOR HAS THE SEC OR THE SECURITIES REGULATORY AUTHORITIES OF ANY STATE PASSED ON THE ADEQUACY OR ACCURACY OF THIS CIRCULAR AND ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.**

This Circular has been prepared in accordance with the applicable disclosure requirements in Canada. Residents of the United States should be aware that such requirements are different than those of the United States applicable to proxy statements under the U.S. Exchange Act. Likewise, information concerning the Company and NHS has been prepared in accordance with Canadian standards, and may not be comparable to similar information for United States companies.

Financial statements included herein have been prepared in accordance with international financial reporting standards and are subject to auditing and auditor independence standards in Canada, and thus may not be comparable to financial statements of United States companies. New Age Farm Shareholders should be aware that the acquisition of the securities described herein may have tax consequences, both in the United States and in Canada.

The enforcement by investors of civil liabilities under the United States federal securities laws may be affected adversely by the fact that the Company and NHS are incorporated or organized under the laws of a foreign country, that some or all of their officers and directors and any experts named herein may be residents of a foreign country, and that all or a substantial portion of the assets of the Company (including the Assets) and NHS and said persons may be located outside the United States.

**Expenses of Arrangement**

Pursuant to the Arrangement Agreement, the costs relating to the Arrangement, including without limitation, financial, advisory, accounting, and legal fees will be borne by the party incurring them. The costs of the Arrangement to the Effective Date will be borne by the Company and NHS.

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**Income Tax Considerations**

**Certain Canadian Federal Income Tax Considerations**

The following fairly summarizes the principal Canadian federal income tax considerations relating to the Arrangement applicable to a New Age Farm Shareholder (in this summary, a “**Holder**”) who, at all material times for purposes of the Tax Act:

- holds all New Age Farm Shares, and will hold all New Shares or NHS Shares solely as capital property;
- deals at arm's length with New Age Farm and NHS;
- is not "affiliated" with the Company or NHS;
- is not a "financial institution" for the purposes of the mark-to-market rules in the Tax Act; and
- has not acquired New Age Farm Shares on the exercise of an employee stock option.

New Age Farm Shares, New Shares, and NHS Shares generally will be considered to be capital property of the Holder unless the Holder holds the shares in the course of carrying on a business or acquired them in a transaction considered to be an adventure in the nature of trade.

This summary is based on the current provisions of the Tax Act, the regulations there under (the "**Regulations**") and management's understanding of the current administrative practices and policies of the Canada Revenue Agency (the "**CRA**"). This summary does not take into account any provincial, territorial, or foreign income tax considerations, which may differ from the Canadian federal income tax considerations discussed below. An advance income tax ruling will not be sought from the CRA in respect of the Arrangement.

**This summary is of a general nature only, and is not exhaustive of all possible Canadian federal income tax considerations. This summary is not intended to be, and should not be construed to be, legal or tax advice to any New Age Farm Shareholder. Accordingly, New Age Farm Shareholders should each consult their own tax and legal advisers for advice as to the income tax consequences of the Arrangement applicable to them in their particular circumstances.**

#### **Holders Resident in Canada**

The following portion of the summary is applicable only to Holders (each, in this portion of the summary, a "**Resident Holder**") who are, or are deemed to be, residents in Canada for the purposes of the Tax Act.

#### **Exchange of New Age Farm Shares for New Shares and New Age Farm Class A Preferred Shares**

A Resident Holder whose New Age Farm Class A Shares (the re-designated New Age Farm Shares) are exchanged for New Shares and New Age Farm Class A Preferred Shares pursuant to the Arrangement will not realize any capital gain or loss as a result of the exchange. The Resident Holder will be required to allocate the adjusted cost base ("**ACB**") of the Holder's New Age Farm Shares, determined immediately before the Arrangement, pro-rata to the New Shares and New Age Farm Class A Preferred Shares received on the exchange based on the relative fair market values of those New Shares and New Age Farm Class A Preferred Shares immediately after the exchange.

#### **Redemption of New Age Farm Class A Preferred Shares**

Pursuant to the Arrangement, the paid-up capital of the New Age Farm Class A Shares immediately before their exchange for New Shares and New Age Farm Class A Preferred Shares will be allocated to the New Age Farm Class A Preferred Shares to be issued on the exchange to the extent of an amount equal to the fair market value of the NHS Shares to be distributed and the balance of such paid-up capital will be allocated to the New Shares to be issued on the exchange.

The Company expects that the fair market value of the NHS Shares to be so distributed will be materially less than the paid-up capital of the New Age Farm Class A Preferred Shares immediately before the exchange. Accordingly, the Company is not expected to be deemed to have paid, and no Resident Holder is expected to be deemed to have received, a dividend as a result of the distribution of NHS Shares on the redemption of the New Age Farm Class A Preferred Shares pursuant to the Arrangement.

Each Resident Holder whose New Age Farm Class A Preferred Shares are redeemed for NHS Shares pursuant to the Arrangement will realize a capital gain (capital loss) equal to the amount, if any, by which the fair market value of the NHS Shares, less reasonable costs of disposition, exceed (are exceeded by) their ACB immediately before the redemption. Any capital gain or loss so arising will be subject to the usual rules applicable to the taxation of capital gains and losses described below (see “Holders Resident in Canada — Taxation of Capital Gains and Losses”).

The cost to a Resident Holder of New Age Class A Preferred Shares acquired on the exchange will be equal to the fair market value of the NHS Shares at the time of their distribution. As a result, the Resident Holder is not expected to realize any net capital gain on the deemed disposition of the New Age Farm Class A Preferred Shares.

### **Disposition of New Shares and NHS Shares**

A Resident Holder who disposes of a New Share or an NHS Share will realize a capital gain (capital loss) equal to the amount by which the proceeds of disposition of the share, less reasonable costs of disposition, exceed (are exceeded by) the ACB of the share to the Resident Holder determined immediately before the disposition. Any capital gain or loss so arising will be subject to the usual rules applicable to the taxation of capital gains and losses described below. See “Holders Resident in Canada — Taxation of Capital Gains and Losses”.

### **Taxation of Capital Gains and Losses**

A Resident Holder who realizes a capital gain (capital loss) in a taxation year must include one-half of the capital gain (“taxable capital gain”) in income for the year, and may deduct one-half of the capital loss (“allowable capital loss”) against taxable capital gains realized in the year, and to the extent not so deductible, against taxable capital gains arising in any of the three preceding taxation years or any subsequent taxation year.

The amount of any capital loss arising from a disposition or deemed disposition of a New Age Farm Class A Preferred Share, New Share, or an NHS Share by a Resident Holder that is a corporation may, to the extent and under circumstances specified in the Tax Act, be reduced by the amount of certain dividends received or deemed to be received by the corporation on the share. Similar rules may apply if the corporation is a member of a partnership or beneficiary of a trust that owns shares, or where a partnership or trust of which the corporation is a member or beneficiary is a member of a partnership or a beneficiary of a trust that owns shares.

A Resident Holder that is a “Canadian-controlled private corporation” for the purposes of the Tax Act may be required to pay an additional 6 $\frac{2}{3}$ % refundable tax in respect of any net taxable capital gain that it realizes on disposition of a New Age Farm Class A Preferred Share, New Share or an NHS Share.

### **Taxation of Dividends**

A Resident Holder who is an individual will be required to include in income any dividend that the Resident Holder receives, or is deemed to receive, on New Shares or NHS Shares, and will be subject to the gross-up and dividend tax credit rules applicable to taxable dividends received from taxable Canadian corporations.

A Resident Holder that is a corporation will be required to include in income any dividend that it receives or is deemed to be received on New Shares or NHS Shares, and generally will be entitled to deduct an equivalent amount in computing its taxable income. A “private corporation” (as defined in the Tax Act) or any other corporation controlled or deemed to be controlled by or for the benefit of an individual or a related group of individuals may be liable under Part IV of the Tax Act to pay a refundable tax of 33 $\frac{1}{3}$ % on any dividend that it receives or is deemed to be received on New Shares or NHS Shares, to the extent that such dividends are deductible in computing the corporation's taxable income. Any such Part IV tax will be refundable to it at the rate of \$1 for every \$3 of taxable dividends that it pays on its shares.

### **Alternative Minimum Tax on Individuals**

A capital gain realized, or deemed to be realized, by a Resident Holder who is an individual (including certain trusts and estates) may give rise to liability to alternative minimum tax under the Tax Act.

### **Dissenting Resident Holders**

A Resident Holder who validly exercises Dissent Rights (a “**Resident Dissenter**”) and consequently is paid the fair value for the Resident Dissenter's New Age Farm Shares, in accordance with the Arrangement, will be deemed to have received a dividend equal to the amount, if any, by which the payment exceeds the paid-up capital of the Resident Dissenter's New Age Farm Shares. Any such deemed dividend will be subject to tax as discussed above under “**Holder's Resident in Canada — Taxation of Dividends**”. The Resident Dissenter will also realize a capital gain (capital loss) equal to the amount, if any, by which the payment, less the deemed dividend (if any) and less reasonable costs of disposition, exceeds (is exceeded by) the ACB of the shares. The Resident Dissenter will be required to include any resulting taxable capital in income, and to deduct any resulting allowable capital loss, in accordance with the usual rules applicable to capital gains and losses. See “**Holder's Resident in Canada – Taxation of Capital Gains and Losses**”.

The Resident Dissenter must also include in income any interest awarded by a court to the Resident Dissenter.

### **Eligibility for Investment**

New Age Farm Class A Preferred Shares and New Shares will be qualified investments under the Tax Act for trusts governed by registered retirement savings plans, registered retirement income funds, deferred profit sharing plans, and registered education savings plans (“**Registered Plans**”) at any particular time provided that, at that time, either the shares are listed on a “designated stock exchange” or New Age Farm is a “public corporation”, as defined for the purposes of the Tax Act.

NHS Shares will be qualified investments under the Tax Act for Registered Plans at any particular time provided that, at that time, the NHS Shares are listed on a “designated stock exchange” or NHS is a “public corporation”, as so defined.

### **Holder's Not Resident in Canada**

The following portion of this summary is applicable only to Holder's (each in this portion of the summary a “**Non-resident Holder**”) who:

- have not been, are not, and will not be resident or deemed to be resident in Canada for purposes of the Tax Act;
- do not and will not, and are not and will not be deemed to, use or hold New Age Farm Shares, New Shares, New Age Farm Class A Preferred Shares, or NHS Shares in connection with carrying on a business in Canada; and
- whose New Age Farm Class A Shares (the re-designated New Age Farm Shares), New Age Farm Class A Preferred Shares, New Shares, and NHS Shares will not at the Effective Date under the Arrangement, or at any material time thereafter, constitute “taxable Canadian property” for the purposes of the Tax Act.

Generally, a New Age Farm Class A Share, New Age Farm Class A Preferred Share, New Share, or NHS Share, as applicable, owned by a Non-resident Holder will not be taxable Canadian property of the Non-resident Holder at a particular time provided that, at that time, (i) the share is listed on a designated stock exchange (which includes the Exchange), (ii) neither the Non-resident Holder, nor persons with whom the Non-resident Holder does not deal at arm's length alone, or in any combination, has owned 25% or more of the shares of any class or series in the capital of the issuing corporation within the previous five years,

and (iii) the share was not acquired in a transaction as a result of which it was deemed to be taxable Canadian property of the Non-resident Holder.

Special rules, which are not discussed in this summary, may apply to a Non-resident Holder that is an insurer carrying on business in Canada.

### **Capital Gains and Capital Losses on Share Exchanges and Subsequent Dispositions of Shares**

A Non-resident Holder who participates in the Arrangement will not be subject to tax under the Tax Act on any capital gain realized on the exchange of New Age Farm Class A Shares (the re-designated New Age Farm Shares) for New Shares and New Age Farm Class A Preferred Shares, nor on the redemption of New Age Farm Class A Preferred Shares in consideration for NHS Shares.

Similarly, any capital gain realized by a Non-resident Holder on the subsequent disposition or deemed disposition of a New Share or NHS Share acquired pursuant to the Arrangement will not be subject to tax under the Tax Act, provided either that the shares do not constitute taxable Canadian property of the Non-resident Holder at the time of disposition, or an applicable income tax treaty exempts the capital gain from tax under the Tax Act.

Non-resident Holders will be exempt from the reporting and withholding obligations of §116 of the Tax Act in respect of the disposition of New Age Farm Class A Shares and New Age Farm Class A Preferred Shares pursuant to the Arrangement.

### **Deemed Dividends on the Redemption of New Age Farm Class A Preferred Shares**

For the reasons set above under "Holders Resident in Canada — Redemption of New Age Class A Preferred Shares", the Company expects that no Non-Resident Holder will be deemed to have received a dividend on the redemption of New Age Class A Preferred Shares for NHS Shares.

### **Taxation of Dividends**

A Non-resident Holder to whom a dividend on a New Share or NHS Share is or is deemed to be paid, or credited, will be subject to Canadian withholding tax under the Tax Act at the rate of 25% of the gross amount of the dividend, unless reduced by an applicable income tax treaty, if any.

### **Dissenting Non-resident Holders**

A Non-resident Holder who validly exercises Dissent Rights (a "Non-resident Dissenter") and consequently is paid the fair value for the Non-resident Dissenter's New Age Farm Shares in accordance with the Arrangement, will be deemed to have received a dividend equal to the amount, if any, by which the payment exceeds the paid-up capital of the Non-resident Dissenter's New Age Farm Shares. Any such deemed dividend will be subject to tax as discussed above under "Holders Not Resident in Canada — Taxation of Dividends". The Non-resident Dissenter will not be subject to tax under the Tax Act on any capital gain that may arise in respect of the resulting disposition of the New Age Farm Shares.

The Non-resident Holder will also be subject to Canadian withholding tax on that portion of any such payment that is on account of interest at the rate of 25%, unless reduced by an applicable income tax treaty, if any.



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## PART 10 – APPROVAL OF THE NHS STOCK OPTION PLAN

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### *Purpose of the NHS Stock Option Plan*

The purpose of the NHS Stock Option Plan is to provide an incentive to NHS's directors, officers, employees, management companies, and consultants to continue their involvement with NHS, to increase their efforts on NHS's behalf, and to attract new qualified employees, while at the same time reducing the cash compensation the Company would otherwise have to pay. The NHS Stock Option Plan is also intended to assist in aligning management and employee incentives with the interests of shareholders.

### *Terms of the Stock Option Plan*

A full copy of the Stock Option Plan will be available at the Annual General Meeting for review by shareholders. Shareholders may also obtain copies of the Stock Option Plan from the Company prior to the meeting on written request. The following is a summary of the material terms of the Stock Option Plan:

**Number of Shares Reserved.** The number of common shares which may be issued pursuant to options granted under the Stock Option Plan will not exceed 10% of the issued and outstanding common shares.

**Maximum Term of Options.** The term of any options granted under the Stock Option Plan is fixed by the Board of Directors and may not exceed ten years from the date of grant. The options are non-assignable and non-transferable.

**Exercise Price.** The exercise price of options granted under the Stock Option Plan is determined by the Board of Directors, provided that it is not less than the price permitted by the CSE or such other exchange on which the shares may be listed.

**Amendment.** The Board of Directors may amend the Stock Option Plan at any time; however, an amendment may not be made without shareholder approval if shareholder approval is necessary to comply with applicable regulatory requirements.

**Vesting.** The Board of Directors may determine vesting terms, if any.

**Termination.** Any options granted under the Stock Option Plan will terminate at the end of the period of time (to be determined in each instance by the Board of Directors at the time of grant), that cannot be in excess of one year after the option holder ceases to act as a director, officer, employee or consultant of NHS or any of its affiliates, unless he or she ceases to act on account of death, disability or termination of employment with cause. If a cessation is on account of disability or death, the options terminate on the first anniversary of the cessation, and if it is on account of termination of employment with cause, the options terminate immediately.

**Administration.** The Stock Option Plan is administered by the Board of Directors of the Company and the Compensation Committee or an employee or senior officer to which such authority is delegated by the Board from time to time.

**Board Discretion.** The Stock Option Plan provides that, generally, the number of shares subject to each option, the exercise price, the expiry time, the extent to which such option is exercisable, including vesting schedules, and other terms and conditions relating to such options will be determined by the Board of Directors of the Company or senior officer or employee to which such authority is delegated by the Board from time to time and in accordance with exchange requirements.

The New Age Farm Shareholders will be asked at the Meeting to approve, ratify, and affirm by ordinary resolution the NHS Option Plan Resolution in substantially the form of resolution set out in Schedule “C” attached to this Circular. A full copy of the NHS Stock Option Plan is available to New Age Farm Shareholders upon request and will be available at the Meeting.

**The Board unanimously recommends that shareholders vote FOR the NHS Stock Option Plan Resolution.**

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***Dissenters' Rights***

The Act does not contain a provision requiring the Company to purchase New Age Farm Shares from New Age Farm Shareholders who dissent from the Arrangement. However, pursuant to the terms of the Interim Order and the Plan of Arrangement, the Company has granted the New Age Farm Shareholders who object to the Arrangement Resolution the right to dissent (the “**Dissent Right**”) in respect of the Arrangement. A Dissenting Shareholder will be entitled to be paid in cash the fair value of the Dissenting Shareholder's New Age Farm Shares so long as the dissent procedures are strictly adhered to. The Dissent Right is granted in Article 5 of the Plan of Arrangement. **A registered Dissenting Shareholder who intends to exercise the Dissent Right is referred to the full text of Sections 237 to 247 of the Act which is attached as Schedule “D” to this Circular.**

A New Age Farm Shareholder who wishes to exercise his or her Dissent Right must give written notice of his or her dissent (a “**Notice of Dissent**”) to the Company at its head office at 106, 1641 Lonsdale Avenue, Vancouver, British Columbia, V7M 2J5, marked to the attention of the Corporate Secretary, by either delivering the Notice of Dissent to the Company at least two days before the Meeting or by mailing the Notice of Dissent to the Company by registered mail post marked not later than two days before the Meeting.

The giving of a Notice of Dissent does not deprive a Dissenting Shareholder of his or her right to vote at the Meeting on the Arrangement Resolution. However, the procedures for exercising Dissent Rights given in Schedule “D” must be strictly followed as a vote against the Arrangement Resolution or the execution or exercise of a proxy voting against the Arrangement Resolution does not constitute a Notice of Dissent.

New Age Farm Shareholders should be aware that they will not be entitled to exercise a Dissent Right with respect to any New Age Farm Shares if they vote (or instruct or are deemed, by submission of any incomplete proxy, to have instructed his or her proxy holder to vote) in favour of the Arrangement Resolution. A Dissenting Shareholder may, however, vote as a proxy for a New Age Farm Shareholder whose proxy requires an affirmative vote on the Arrangement Resolution, without affecting his or her right to exercise the Dissent Right.

In the event that a New Age Farm Shareholder fails to perfect or effectively withdraws its claim under the Dissent Right or forfeits its right to make a claim under the Dissent Right, each New Age Farm Share held by that New Age Farm Shareholder will thereupon be deemed to have been exchanged in accordance with the terms of the Arrangement as of the Effective Date.

**New Age Farm Shareholders who wish to exercise Dissent Rights should review the dissent procedures described in Schedule “D” and seek legal advice, as failure to adhere strictly to the Dissent Right requirements will result in the loss or unavailability of any right to dissent.**

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**PART 12 – RISK FACTORS**

In evaluating the Arrangement, New Age Farm Shareholders should carefully consider, in addition to the other information contained in this Circular, the following risk factors associated with New Age Farm, and NHS. These risk factors are not a definitive list of all risk factors associated with New Age Farm and the business to be carried out by NHS.

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***General and Industry Risks***

In the normal course of business, the Company will concentrate its business activities on the acquisition of additional land packages in the United States in jurisdictions that have legalized recreational marijuana, and in the build out of turn key Green Campus facilities for its tenant growers. The Company will be subject to the risks and uncertainties common to the cultivation of legalized marijuana in particular, and to agriculture in general, to the risks and high costs associated with land acquisition and development and the risks inherent in leasing real estate. These risks include the possibility for crop failure due to any number of factors, the high cost of land and infrastructure costs, being unable to collect rent and fees from tenant-growers, the cost of maintenance and repairs, the cost of compliance in a regulated industry such as legalized marijuana, potential changes to legislation, other potential taxation issues, competition from similar companies in the agricultural services industry and economic uncertainty.

In the normal course of business, NHS will concentrate its business activities on the development and upgrading of the Langley Property and the acquisition of additional land packages in Canada suitable for growing high value, high intensity crops. The Company will be subject to the risks and uncertainties common to the cultivation of these crops, and to agriculture in general, to the risks and high costs associated with land acquisition and development and the risks inherent in leasing real estate. These risks include a shortage of potential tenants, the possibility for crop failure due to any number of factors, the high cost of land and infrastructure costs, being unable to collect rent and fees from tenants, the cost of maintenance and repairs, the cost of compliance, potential changes to legislation, other potential taxation issues, competition from similar companies in the agricultural services industry and economic uncertainty.

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***Risks related to New Age Farm and NHS*****Government Regulation**

Although the activities of New Age Farm and NHS 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, marketing or commercialization. Amendments to current laws and regulations governing the securities law or more stringent implementation thereof could have a substantial adverse impact on New Age Farm and NHS.

**Uninsured Risks**

New Age Farm, and NHS may carry insurance to protect against certain risks in such amounts as they consider adequate. Risks not insured against include key person insurance, as New Age Farm and NHS heavily rely on their officers.

**Conflicts of Interest**

Certain directors of New Age Farm and NHS 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 New Age Farm and NHS will be made in accordance with their duties and obligations to deal fairly and in

good faith with New Age Farm and NHS 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 New Age Farm and NHS are at the early stage startup stage, they may continue to have negative operating cash flows. Without the injection of further capital and the development of revenue streams from their businesses, New Age Farm and NHS may continue to have negative operating cash flows until they can be sufficiently developed to commercialize.

### **Risks Related as a Going Concern**

The ability of New Age Farm and NHS to each continue as a going concern is uncertain and dependent upon their ability to achieve profitable operations, obtain additional capital, and receive continued support from their shareholders. Management of New Age Farm and NHS 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**

New Age Farm and NHS rely heavily on their officers. The loss of their services may have a material adverse effect on the business of New Age Farm and NHS. There can be no assurance that one or all of the employees of, and contractors engaged by, New Age Farm and NHS will continue in the employ of, or in a consulting capacity to, New Age Farm and NHS 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, New Age Farm and NHS who have access to confidential information will not disclose the confidential information.

### **Uncertainty Regarding Penetration of the Target Market**

The commercial success of the business of New Age Farm and NHS, as compared with their competitors, depends on the acceptance by their potential clients or customers in the respective industries or sectors. Market acceptance will largely depend on the reputation, marketing strategy, and services and performance of New Age Farm and NHS. The success of New Age Farm and NHS will depend on the ability to commercialize their products and services and to expand their network clients or market share. New Age Farm and NHS will need to expand their marketing and sales operations and establish business relations with other professional services providers and clients in a timely manner.

In order to meet their business objectives, New Age Farm and NHS will have to ensure that their services are professional, reliable and cost-effective, and bring the expected return. There can be no assurance that the business and services of New Age Farm and NHS will be accepted and recommended.

### **Operating History and Expected Losses**

New Age Farm and NHS expect to make investments in order to develop their services, increase marketing efforts, and improve their operations. As a result, startup operating losses are expected and such losses may be greater than anticipated, which could have a significant effect on the long-term viability of New Age Farm and NHS.

### **Reliance on Joint Ventures, License Assignors and Other Parties**

The nature of the operations of New Age Farm and NHS require them to enter into various agreements with partners, joint venture partners, other businesses partners, equipment suppliers in the business world, government agencies, licensors, licensees, and other parties for the successful operation of their businesses and the successful marketing of their services.

There is no guarantee that those with whom New Age Farm and NHS need to deal will not adopt other services providers or that they will not develop alternative business strategies, acting either alone or in conjunction with other parties, including the competitors of New Age Farm and NHS in preference to those of New Age Farm and NHS.

### **Growth Management**

In executing the business plan of New Age Farm and NHS for the future, there will be significant pressure on management, operations, and technical resources. New Age Farm and NHS anticipate that their operating and personnel costs will increase in the future. In order to manage their growth, New Age Farm and NHS 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 services provided by New Age Farm and NHS in the various businesses can be subject to a number of challenges and requirements, and can be subject to the regulations and standards imposed by applicable regulatory agencies. There can be no assurance that New Age Farm and NHS will be able to comply with all regulations concerning their businesses.

### **Potential Liability**

New Age Farm and NHS are subject to the risk of potential liability claims with respect to their businesses. 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 New Age Farm and NHS. There is no guarantee that New Age Farm and NHS 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 New Age Farm and NHS with adequate protection against potential liability.

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## **PART 13 – THE COMPANY AFTER THE ARRANGEMENT**

The following is a description of the Company assuming completion of the Arrangement.

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### ***Name, Address and Incorporation***

The Company was incorporated as 0981624 B.C. Ltd. pursuant to the provisions of the *Business Corporations Act* (British Columbia) on September 27, 2013, as a private company and a wholly-owned subsidiary of Five Nines Ventures Ltd. (“**Five Nines**”). On October 7, 2013, Five Nines entered into an arrangement agreement with the Company. The arrangement agreement contemplated the spinout of the subsidiaries from the parent company, resulting in the Company becoming a reporting issuer and acquiring an asset from Five Nines in exchange for 2,433,667 common shares of the Company. Pursuant to the arrangement agreement, New Age Farm received an assignment of Five Nines’ interest in a letter of intent with NHS Industries Ltd. and \$5,000 in cash. NHS Industries Ltd. was incorporated under the Act under the name “0627073 B.C. Ltd.” on May 4, 2001 and changed its name to “NHS Industries Ltd.” on September 17, 2010.

On April 10, 2014, the Company changed its name to New Age Farm Inc. On April 30, 2014, the Issuer entered into a definitive acquisition agreement with NHS Industries Ltd. such that New Age Farm incorporated a wholly owned subsidiary, 0998955 B.C. Ltd. (“BC0998955”), and entered into a definitive amalgamation agreement such that NHS would amalgamate with BC0998955, and form a new company in exchange for 100% of the shares of NHS. On completion of the amalgamation on August 13, 2014, each common share of NHS was exchanged for one (1) common share of New Age Farm. An aggregate total of 33,159,424 common shares of the Issuer were issued to shareholders of NHS to complete the acquisition.

New Age Farm is currently a reporting issuer in each of the provinces of British Columbia, Alberta, and Ontario, and its common shares have been listed on the Canadian Securities Exchange since August 18, 2014.

Upon completion of the proposed Arrangement, New Age Farm will continue to develop the U.S. branch of its business, including the build out of the Sumas and Oroville Green Campuses.

New Age Farm's principal executive office is located at 106, 1641 Lonsdale Avenue, North Vancouver, British Columbia, Canada, V7M 2J5. The Company's registered and records office address is 510-535 Thurlow Street, Vancouver, British Columbia, Canada, V6E 3L2.

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### ***Directors and Officers***

The board of directors of the Company consists of a minimum of three directors. The directors of the Company from time to time will be empowered to determine the number of directors of the Company and the number of directors to be elected at future annual or special meetings of shareholders. The directors of the Company after the completion of the Arrangement will continue to be Carman Parente, Anthony Chan and Peter Jensen. Mr. Carman Parente will be re-appointed as the President and Chief Executive Officer, and Mr. Chan will remain as the Chief Financial Officer of the Company.

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### ***Business of the Company – Three-year history***

#### **2013**

September 27	New Age Farm incorporated under the name "0981624 B.C. Ltd." as a wholly owned subsidiary of Five Nines Ventures Inc.
October 7	New Age Farm enters into an Arrangement Agreement with Five Nines on October 7, 2013
December 10	Shareholders of Five Nines approve arrangement an annual and special meeting of shareholders
December 16	Five Nines receives final court approval
December 13	New Age Farm Shares distributed to the shareholders of Five Nines
	New Age Farm becomes a reporting issuer in British Columbia, Alberta and Ontario

#### **2014**

April 10	0981624 B.C. Ltd. changes its name to New Age Farm Inc.
April 30	New Age Farm enters into definitive agreement with NHS
August 13	New Age Farm completes amalgamation with NHS and 0998955 B.C. Ltd and NHS becomes the parent of New Age Farm for accounting purposes (commonly referred to as a "reverse takeover") New Age Farm, as the legal parent, will carry on the business of NHS  Through NHS, New Age Farm owns a 5.5 acre site (the "Site") in Langley, British Columbia that is fully Agricultural Land Reserve-approved for an agribusiness and is home to greenhouses that provide 48,000 square feet of growing area under glass that provide year round growing capability and that also houses over 80,000 cubic yards of peat soil for planting. The current facilities use approximately 1.5 acres of the Site.
August 18	New Age Farm Shares begin trading on the Canadian Securities Exchange
September 8	New Age Farm grants stock options
November 5	New Age Farm enters purchase agreement for the Sumas Green Campus, a 2.69 acre parcel of land in Whatcom County, Washington State for a total purchase price of US\$289,000 New Age Farm incorporates its US subsidiary, New Age Farm Washington LLC
November 10	New Age Farm completes debt settlement and issues shares

- November 17 New Age Farm grants stock options
- December 15 New Age Farm enters into its first lease agreement with a private Washington State Tier Three licensee to lease up to 21,000 square feet of I-502-compliant space from New Age Farm Washington LLC

### **2015**

- February 20 New Age Farm enters into its second lease agreement with a private Washington State Tier Three licensee to lease up to 21,000 square feet of I-502-compliant space from New Age Farm Washington LLC
- March 3 New Age Farm closes escrow on the Sumas Green Campus Property and enters into a second mortgage agreement on the Langley Property (the “Mortgage”) in the amount of CAD\$400,000 and issues bonus shares
- March 11 New Age Farm completes private placement financing
- March 23 New Age Farm grants stock options
- March 27 New Age Farm added to the CSE Composite Index
- April 15 New Age Farm issues warrants, completes a shares for debt arrangement and issues convertible debt
- May 4 New Age Farm Shares are made eligible for book-entry delivery and depository services of The Depository Trust Company to facilitate electronic settlement of transfers of its common shares in the United States.
- June 11 New Age Farm Shares approved for trading on the Frankfurt Stock Exchange under the symbol ONF and with identifying number, or WKN, A12C9F
- June 16 New Age Farm completes private placement
- July 16 New Age Farm begins construction at the Sumas Green Campus of the required eight foot high security fencing for the complete facility perimeter and submits municipal permitting requests for required site elevations and infilling
- July 20 New Age Farm receives a completed geotechnical report with respect to site preparation and soil stability at the Langley Property recommending a multi-stage approach to the site preparation for the planned LEED certified warehouse and sustainable greenhouse modernization.  
New Age Farm issues requests for tenders have been issued for the first phase of the recommendations in the geotechnical report.
- October 10 New Age Farm completes perimeter fencing at the Sumas Green Campus.
- October 27 New Age Farm enters into negotiations to acquire an additional 3.9 acre property located in Oroville, Washington (the “Oroville Property”) that is Washington State I-502-compliant and is capable of housing up to three additional tier three licensees of up to one acre per tenant.

### **2016**

- April 5 New Age Farm completes the acquisition of the Oroville Property
- April 19 New Age Farm enters into a refinanced second mortgage agreement on its Langley, BC property (the “Mortgage”) in the amount of CAD\$700,000 from a private lender (the “Lender”). The principal amount of the Mortgage is \$700,000 and bears interest at the rate of 10% per year with a term of five years. Proceeds of the Mortgage will be used towards paying out the prior second mortgage of \$400,000 and the balance for general working capital purposes. The Company may pre-pay the Mortgage on payment of a three month interest penalty.
- May 3 New Age Farm enters into a long term lease agreement with a third licensed I - 502 tenant-grower to lease a portion of the Company’s Oroville property in eastern Washington state.

May 11	New Age Farm's third announced licensed I-502 tenant-grower for the Company's Oroville property receives their final production approval from the Washington State Liquor Control Board to commence operations.
May 17	New Age Farm enters into a long term lease agreement with a fourth licensed I - 502 tenant-grower to lease a portion of the Company's Oroville property in eastern Washington state.
June 1	New Age Farm completes its first build out at its Oroville, WA property planting of a first crop is underway.

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### ***Business of the Company Following the Arrangement***

As of the date of the Circular, and assuming completion of the arrangement, the Company will focus on its U.S. operations, including completing the build out of the Oroville Property, and the Sumas Green Campus in preparation for tenant-grower occupancy and will continue to seek out and acquire suitable U.S. properties for its agricultural land bank in jurisdictions that have legalized recreational marijuana.

The financing, marketing, and promotion of the Company's business are subject to a number of factors, including laws and regulations in the areas of taxation, marijuana licensing, technology advancements, hiring qualified people, and obtaining necessary services in jurisdictions where the Company operates. The current trends relating to these factors are favourable but could change at any time and negatively affect the Company's operations and business. Other than as disclosed herein, the Company is not aware of any trends, uncertainties, demands, commitments or events which are reasonably likely to have a material effect on the Company's business, financial condition or results of operations.

After spinning out the Canadian operations operated by NHS, there will be two separate and distinct yet parallel businesses each able to focus on its own strategic goals and objectives tailored to its particular market. The Company's short-term objective for the next 12 months is to complete the build out of the Sumas Green Campus and move its first tenants into the facility.

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### ***Description of Share Capital***

The authorized share capital of the Company consists of an unlimited number of common shares, of which 61,014,759 common shares are currently issued and outstanding.

New Age Farm Shareholders are entitled to receive notice of any meeting of New Age Farm Shareholders and to attend and vote thereat, except at those meetings where only the holders of shares of another class or of a particular series are entitled to vote. Each New Age Farm Share entitles its holder to one vote at meetings at which they are entitled to attend and vote. The holders of New Age Farm Shares are entitled to receive, on a pro-rata basis, such dividends as the board may declare out of funds legally available for the payment of dividends. On the dissolution, liquidation, winding-up or other distribution of the assets of the Company, New Age Farm Shareholders are entitled to receive on a pro-rata basis all of the assets of the Company remaining after payment of all of the Company's liabilities and subject to the prior rights attached to any preferred shares of New Age Farm to receive a return of capital and unpaid dividends. The New Age Farm Shares carry no preemptive or conversion rights.

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### ***Changes in Share Capital***

As at July 29, 2016, the Company had 61,014,759 common shares issued and outstanding. The Company has issued common shares since the start of trading on the CSE as follows:



Date of Issue	Number of Common Shares Issued	Share Price	Description
18-Aug-14	36,848,091	various	Shares issued and outstanding as at the start of trading on August 18, 2014
9-Oct-14	100,000	\$0.05	Issued pursuant to an option exercise
10-Nov-14	1,000,000	\$0.07	Issued pursuant to a debt settlement
10-Nov-14	1,000,000	\$0.07	Issued pursuant to a debt settlement
17-Feb-15	178,000	\$0.08	Issued pursuant to an option exercise
27-Feb-15	1,000,001	\$0.05	Issued pursuant to an option exercise
3-Mar-15	1,000,000	\$0.15	Issued pursuant to Mortgage
11-Mar-15	4,600,000	\$0.10	Issued pursuant to a private placement
24-Mar-15	200,000	\$0.08	Issued pursuant to an option exercise
7-Apr-15	200,000	\$0.15	Issued pursuant to a warrant exercise
9-Apr-15	6,000,000	\$0.15	Issued in connection with finders' fees
15-Apr-15	600,000	\$0.15	Issued pursuant to a warrant exercise
30-Apr-15	5,500,000	\$0.15	Issued pursuant to a debt settlement
1-May-15	100,000	\$0.15	Issued pursuant to a warrant exercise
1-Jun-15	100,000	\$0.15	Issued pursuant to a warrant exercise
17-Jun-15	1,666,667	\$0.15	Issued pursuant to a private placement
2-Jul-15	100,000	\$0.15	Issued pursuant to a warrant exercise
5-Aug-15	100,000	\$0.15	Issued pursuant to a warrant exercise
10-Sep-15	100,000	\$0.15	Issued pursuant to a warrant exercise
24-Sep-15	522,000	\$0.08	Issued pursuant to an option exercise
5-Oct-15	100,000	\$0.15	Issued pursuant to a warrant exercise
9-Dec-15	200,000	\$0.15	Issued pursuant to a warrant exercise
1-Feb-16	200,000	\$0.15	Issued pursuant to a warrant exercise
1-Apr-16	700,000	\$0.05	Issued pursuant to an option exercise
15-Apr-16	500,000	\$0.05	Issued pursuant to a debt settlement
25-Apr-16	1,102,500	\$0.05	Issued pursuant to a debt settlement
27-Apr-16	500,000	\$0.05	Issued pursuant to a debt settlement
	64,217,259		

As at July 29, 2016, the Company has the following share commitments issued and outstanding.

### *Options*

Date of Grant	Number of Options	Exercise Price	Expiry Date
8-Sep-14	50,000	\$0.05	8-Sep-19
4-May-15	250,000	\$0.20	4-May-20
	300,000		

### *Warrants*

Date of Issue	Number of Warrants	Exercise Price	Expiry Date
7-Apr-15	6,500,000	\$0.15	7-Apr-20
13-May-16	7,000,000	\$0.05	13-May-21
	13,500,000		

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**Convertible Debt**

Date of Issue	Number of Warrants	Exercise Price	Expiry Date
1-Apr-15	3,318,246	\$0.15	n/a

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**Dividend Policy**

New Age Farm has not paid dividends since incorporation. New Age Farm currently intends to retain all available funds, if any, for use in its business.

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**Trading Price and Volume**

The New Age Farm Shares are listed for trading on the Canadian Securities Exchange.

Month	High \$	Low \$	Volume
August 2016	.04	.02	3,940,350
July 2016	.03	.015	2,395,086
June 2016	.055	.025	5,906,000
May 2016	.07	.03	2,337,962
April 2016	.05	.02	1,174,800
March 2016	.025	.015	357,250
February 2016	.025	.02	817,400
January 2016	.03	.02	882,500
December 2015	.055	.02	1,864,340
November 2015	0.06	0.045	711,590
October 2015	0.075	0.04	525,650
September 2015	0.11	0.05	250,300
August 2015	0.1	0.05	113,200
July 2015	0.17	0.065	459,000
June 2015	0.24	0.13	287,800
May 2015	0.23	0.14	154,300
April 2015	0.25	0.15	338,200
March 2015	0.175	0.15	724,550
February 2015	0.22	0.1	2,618,700
January 2015	0.2	0.08	65,000
December 2014	0.145	0.06	44,000
November 2014	0.15	0.08	52,101
October 2014	0.085	0.05	30,000

***Selected Pro-Forma Unaudited Financial Information  
for the Company***

The following selected *pro-forma* unaudited financial information for the Company is based on the assumptions described in the notes to the Company's *pro-forma* unaudited balance sheet as at June 30, 2016, attached to this Circular as Schedule "E". The *pro-forma* unaudited balance sheet has been prepared based on the assumption that, among other things, the Arrangement occurred on June 30, 2016. The *pro-forma* unaudited balance sheet has been derived from the the unaudited interim consolidated financial statements of the Company as at June 30, 2016, giving effect to the Arrangement. The *pro-forma* unaudited balance sheet is not intended to reflect the financial position that would have resulted if the events reflected therein had occurred on the dates indicated. In addition, the *pro-forma* unaudited balance sheet is not necessarily indicative of the financial position that may be attained in the future. The *pro-forma* unaudited balance sheet should be read in conjunction with the Company's unaudited interim consolidated financial statements dated as at June 30, 2016 which are appended to this Circular as Schedule "F".

	<b>Pro Forma New Age Farm Inc. June 30, 2016</b>
<b>Assets</b>	
<b>Current</b>	
Cash and cash equivalents	\$ 84,602
Loans receivable from NHS	-
Loans receivable from New Age	-
Due from related parties	25,000
	<b>109,602</b>
<b>Prepayments on facilities</b>	<b>1,192,572</b>
<b>Investment in NHS</b>	-
<b>Property, plant &amp; equipment</b>	<b>658,885</b>
	<b>\$ 1,961,059</b>
<b>Liabilities And Shareholders' Equity</b>	
<b>Current</b>	
Accounts payable	\$ 78,099
Accrued liabilities	753,753
GST payable	-
Securities deposit received	-
Due to related party	121,376
Loans payable to New Age	-
Loans payable to NHS	-
Loans payable	1,154,300
Secured notes payable	-
Secured convertible debt	-
Current portion of seller note payable	7,293
Current portion of mortgage	-
Second mortgage	-
	<b>2,114,821</b>
<b>Second mortgage</b>	-
<b>Long term portion of seller note payable</b>	<b>88,912</b>
<b>Long term portion of mortgage</b>	-
	<b>2,203,733</b>

<b>Shareholders' Equity</b>	
Equity portion of convertible debt	-
Share capital – common shares	3,962,029
Share capital – preferred shares	
Share capital - RTO	3,441,342
Contributed surplus	1,481,300
Retained earnings (deficit)	(9,127,345)
	(242,674)
	<b>\$ 1,961,059</b>

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***The Company's Audited Financial Statements***

The Company's audited financial statements for the years ended December 31, 2014 and December 31, 2015 and its most recent MD&A for the period ended June 30, 2016 and dated as at August 24, 2016 are available on SEDAR at [www.SEDAR.com](http://www.SEDAR.com).

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***Material Contracts***

The following are the contracts material to New Age Farm

1. The Arrangement Agreement;
2. The New Age Farm Stock Option Plan;
3. The NHS Stock Option Plan;
4. Mortgage with Blue Shore Financial;
5. Second Mortgage on Langley Property;
6. Convertible Note with CEO of New Age Farm.

The material contracts described above may be inspected at the registered office of New Age Farm at 501-535 Thurlow St, Vancouver, BC, during normal business hours prior to the Meeting and for a period of thirty days thereafter.

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**PART 14 – NHS AFTER THE ARRANGEMENT**

The following is a description of NHS assuming completion of the Arrangement.

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***Name, Address and Incorporation***

NHS Industries Ltd. was incorporated under the Act under the name “0627073 B.C. Ltd.” on May 4, 2001 and changed its name to “NHS Industries Ltd.” on September 17, 2010. NHS is currently a private company and the subsidiary of New Age Farm. The head office is located at 106-1641 Lonsdale Ave, North Vancouver, BC, and its registered and records office is located at the same address.

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***Inter-corporate Relationships***

NHS does not have any subsidiaries.

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### ***Significant Acquisition and Dispositions***

There are no significant acquisitions or dispositions, completed or probable, for which financial statements would be required under applicable securities legislation, save pursuant to the Arrangement described herein. Details of the Arrangement are provided under “The Arrangement”. The Arrangement, if successfully completed, will result in NHS spinning out from its legal parent, New Age Farm, and holding the Langley Property. The future operating results and financial position of NHS cannot be predicted. Shareholders may review the New Age Farm and NHS *pro-forma* unaudited balance sheet as at June 30, 2016, attached as Schedule “E” and Schedule “F” hereto respectively.

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### ***Trends***

Other than as disclosed in this Circular, NHS 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.

The success of NHS is largely dependent upon factors beyond NHS control, such as the weather, construction costs and availability of contractors, and acquiring suitable tenants able to pay the required rent for the use of the facilities. See “Risk Factors”.

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### ***General Development of NHS’ Business***

NHS has been in operation since 2001. Since that time, NHS operated numerous real estate-based ventures that were brought to completion and/or sold to other parties. Over the past three years, management of NHS has identified multiple opportunities and challenges and in the process has identified credible prospects for realizing millions of dollars of potential cash flow from its current operations.

Following the Arrangement, NHS will own the 5.5 acre Langley Property that is fully Agricultural Land Reserve-approved for an agribusiness. The Site is home to greenhouses that provide 48,000 square feet of growing area under glass that provide year round growing capability and also houses over 80,000 cubic yards of peat soil for planting. The current facilities use approximately 1.5 acres of the Langley Property and include the equipment listed in Table 2, below.

**Table 1 Current Facility Summary**

<b>Current Facility Summary</b>	
Location	Langley, BC
Area	5.5 acres
Greenhouses	48,000 square feet
Soil inventory	80,000 cubic yards peat soil
Land available for expansion	4 acres

**Table 2 Existing Equipment**

<b>Existing Equipment</b>
180 table top growing area
600 amp 3 phase electrical power x 2
8,000 square feet of 400 watt integrated lighting
12,000 square feet of overhead water system
29,000 square feet of hot water piping for heating

To date, the Company has spent \$650,000 toward the development of the Langley Property business facilities, in addition to the cost of the Langley Property, and estimates that the replacement cost of the existing equipment noted above is approximately \$2,000,000. Following completion of the Arrangement, NHS intends to follow through on the plan to develop the site to include an operating kitchen, a warehouse space, and a cold storage facility.

Pursuant to the Arrangement, New Age Farm will accept the NHS Liabilities and agrees to the conversion of the NHS Liabilities into shares of NHS thereby making New Age Farm the sole shareholder of NHS and acquitting the NHS Liabilities. The shares will be distributed to the New Age Farm Shareholders who hold New Age Farm Shares on the Share Distribution Record Date. Completion of the Arrangement is subject to the approval of the Arrangement by the New Age Farm Shareholders.

**(i) Selected Pro-Forma Unaudited Financial Information of NHS**

The following is a summary of certain financial information on a *pro-forma* basis for NHS as at June 30, 2016, assuming completion of the Arrangement as of such date, and should be read in conjunction with the *pro-forma* unaudited balance sheet of June 30, 2016, appended to this Circular as Schedule "E". This *pro-forma* unaudited balance sheet was prepared as if the Arrangement had occurred on June 30, 2016, taking into account the assumptions stated therein. The *pro-forma* unaudited balance sheet is not necessarily reflective of the financial position that would have resulted if the events described therein had occurred on June 30, 2016. In addition, the *pro-forma* unaudited balance sheet is not necessarily indicative of the financial position that may be attained in the future.

	<b>Pro Forma NHS Industries Ltd. June 30, 2016</b>
<b>Assets</b>	
<b>Current</b>	
Cash and cash equivalents	\$ 683
Loans receivable from NHS	-
Loans receivable from New Age	-
Due from related parties	-
<b>Prepayments on facilities</b>	-
<b>Investment in NHS</b>	-
<b>Property, plant &amp; equipment</b>	<b>1,218,644</b>
	<b>\$ 1,219,327</b>
<b>Liabilities And Shareholders' Equity</b>	
<b>Current</b>	
Accounts payable	\$ -
Accrued liabilities	17,500
GST payable	8,900
Securities deposit received	7,000
Due to related party	-
Loans payable to New Age	-
Loans payable to NHS	-
Loans payable	-
Secured notes payable	-
Secured convertible debt	-
Current portion of seller note payable	-
Current portion of mortgage	18,922
Second mortgage	-

	52,322
<b>Second mortgage</b>	<b>700,000</b>
<b>Long term portion of seller note payable</b>	-
<b>Long term portion of mortgage</b>	<b>629,204</b>
	<b>1,381,526</b>
<b>Shareholders' Equity</b>	
Equity portion of convertible debt	58,258
Share capital – common shares	1,720,188
Share capital – preferred shares	
Share capital - RTO	-
Contributed surplus	234,108
Retained earnings (deficit)	(2,174,753)
	(162,199)
	<b>\$ 1,219,327</b>

### *Dividends*

NHS does not anticipate paying any dividends on its common shares in the short or medium term. Any decision to pay dividends on the NHS Shares in the future will be made by the board of directors of NHS on the basis of the earnings, financial requirements, and other conditions existing at such time.

### *Business of NHS Following the Arrangement*

#### *General*

NHS will carry forward the original business plan for the Langley Property which includes formulating innovative proposals for small scale agricultural facilities for exploring multiple avenues for cash flow processes.

The Langley Property will be upgraded to include:

- LEED, Leadership in Energy & Environmental Design, certified greenhouses for growing high yield, high intensity crops. LEED is a green building certification program that recognizes best-in-class building strategies and practices.
- Leading edge water management features including the use of:
  - water conservation that re-uses water thus saving money and helping the environment at the same time;
  - storm water mitigation to control water retention and drainage thereby reducing flow into drainage systems and helping avoid or reduce flooding; and
  - Permeable materials to allow water to drain into the ground and replenish the water table.
- Geothermal energy to heat and cool the greenhouse facility; using natural heat found several feet underground will result in cost savings and lower greenhouse emissions over conventional heating and cooling. Other distinct advantages include accelerated germination, rooting and plant growth, and the ability to create different temperature zones for growing flexibility.
- Solar hot water heating that will increase the energy efficiency of the greenhouse systems; roof panels heat liquid that runs through tubes inside a water storage tank, providing naturally pre-heated water and requiring less energy.



**Figure 3 the Langley Green Campus**

These green initiatives will result in an energy efficient, specialized set of greenhouse, production and warehousing facilities ideally suited to the propagation of medical marijuana by licensed growers. The facilities will blend in with the surrounding area, retaining a country feel while being functional and efficient.

The Langley Property's warehouse and processing facility (the "Facility") will complement the existing greenhouse complex and meet a growing demand in the Metro Vancouver and Fraser Valley areas to help smaller growers become more efficient and productive, to implement value-added product lines, and to reduce waste. Once completed, the Facility will have multiple operating modules to process food into value-added items. Users will be able to employ one or more modules as their needs dictate. The anticipated modules will complement the most common product categories that are most likely to produce steady and consistent revenues. These are:

**Table 3 Product Categories**

Chocolate/confectionary	Bakery
Sauces & seasonings	Spices
Snacks	Desserts
Sweet spreads	Savoury spreads
Breakfast cereals	Fruits & vegetables
Veggies for baby food	Veggie aspect of seniors foods
Pasta sauces	Honey-based products

Clients can process fruits, vegetables, herbs and flowers that are produced on their small farms and operations using different modules to create product. Clients may also grow their produce using NHS' greenhouse facilities. Fruits, vegetables, herbs and flowers can also be used in secondary modules to produce bulk powders, whole leaves, extracts and sprays. Clients will have the option of running their own processes under the supervision of NHS staff or NHS will do the processing for them.

NHS will offer a variety of support functions to help bring clients' products to market; these will include brand identification, labelling, packaging, distribution, and marketing assistance. NHS intends to engage qualified and experienced staff to assist clients in the use of the different modules, to ensure that high safety and sanitation standards are met, and to provide supervision in the use of the facilities and equipment to ensure a high quality experience for each client user.

The proposed Facility will cover an area of approximately 30,000 square feet and will include a full commercial kitchen, warehouse space, and a cold storage facility.

**Table 4 Facility Area**

Space	Area (Feet <sup>2</sup> )
Storage/Washrooms	1,000
Cold Storage	2,000
Kitchen	2,000
Temporary Raw Material Storage	2,000
Loading Dock	2,000
Warehouse	22,000
Other (office area)	1,000
<b>Total Development</b>	<b><u>30,000</u></b>



### ***Liquidity and Capital Resources***

NHS will be a startup company and as at completion of the Arrangement its only regular source of income will be the rent collected on the leased portion of the property, which currently generates revenues of \$84,000 per year. It may also earn interest income on funds invested in short-term deposits. NHS will assume the mortgages on the Langley Property. As a result, NHS' ability to conduct operations, including the development of the Facility at the Langley Property, is based on its current cash and its ability to raise funds, primarily from equity sources, and there can be no assurance that NHS will be able to do so.

Other sources of potential income are set out in the tables below.

**Table 5 Revenue Sources from Planned Infrastructure**

<b>Revenue from Planned Infrastructure</b>	
Fill Site Fees (\$49 - \$79/15yd truck load	\$ 250,000
Warehousing 3,000 skids @ \$20/month/skid	720,000
Commercial Kitchen / Processing	250,000
	\$ 1,220,000

**Table 6 Existing and Planned Revenue Sources**

<b>Revenue Source</b>	<b>Existing</b>	<b>Planned</b>
Direct fee for processing		✓
Storage fees for freezing, cooler or dry storage		✓
Logistics assistance		✓
Marketing/business assistance		✓
Event rentals		✓
Consulting fees		✓
Greenhouse Growing	✓	
Peat Soil Sales	✓	

As of the date of this Listing Statement, the Langley Property has 48,000 square feet of greenhouse space and 80,000 cubic yards of peat soil on site, ready to generate revenue.

Table 7 sets out the minimum and maximum estimated revenue potential from these sources. The rental property will continue to generate revenue.

**Table 7 Revenue Sources from Existing Infrastructure**

<b>Revenue from Existing Infrastructure</b>				
	<b>Min</b>		<b>Max</b>	
Rental property	\$	84,000	\$	84,000
48,000 ft <sup>2</sup> Greenhouses capable of growing 2,400,000 four inch potted plants @ \$1.20 gross profit per plant		2,880,000		2,880,000
80,000 yd <sup>3</sup> of peat soil (bulk @ \$30/yd. or bagged in 20 litre bags @ \$80/yd.)		2,400,000		6,400,000
	\$	5,364,000	\$	9,364,000

Future infrastructure will be immediately capable of generating revenue as it is built or implemented.

See “Selected Pro–forma Unaudited Financial Information” for information concerning the financial assets of NHS resulting from the Arrangement.

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***Results of Operations***

NHS has not carried out any commercial operations at the Langley Property to date.

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***Available Funds***

The estimated unaudited pro–forma working capital deficiency of NHS at June 30, 2016, is approximately \$51,639, upon completion of the Arrangement.

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***Share Capital of NHS***

The following table represents the share capitalization of NHS as at June 30, 2016, both prior to and assuming completion of the Arrangement.

<b>Share Capital</b>	<b>Authorized</b>	<b>Prior to the Completion of The Arrangement</b>	<b>After Completion of the Arrangement</b>
Common Shares	Unlimited	34,414,424	8,082,918 <sup>(2)</sup>

**NOTES:**

(1) Subject to Consolidation by up to 1 Post Consolidation NHS Share for each pre-consolidation NHS Share..

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NHS is authorized to issue an unlimited number of common shares without par value, of which approximately 8,082,918 common shares will be issued and outstanding following completion of the Arrangement.

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***Common Shares***

Holders of NHS Shares are entitled to: (a) receive notice of and attend any meetings of shareholders of NHS and are entitled to one vote for each NHS Share held, except at meetings at which only holders of a specified class are entitled to vote; (b) the right to receive, subject to the prior rights and privileges attaching to any other class of shares of NHS, including without limitation the rights of the holders of preferred shares, any dividend declared by NHS; and (c) the right to receive, subject to the prior rights and privileges attaching to any other class of NHS shares, including without limitation the holders of preferred shares, the remaining property and assets of NHS upon dissolution. Subject to the provisions of the Act, NHS may by special resolution fix, from time to time before the issue thereof, the designation, rights, privileges, restrictions, and conditions attaching to each series of NHS Shares including, without limiting the generality of the foregoing, any voting rights, the rate or amount of dividends or the method of calculating dividends, the dates of payment thereof, the terms and conditions of redemption, purchase and conversion if any, and any sinking fund or other provisions. No special right or restriction attached to any issued shares shall be prejudiced or interfered with unless all shareholders holding shares of each class whose special right or restriction is so prejudiced or interfered with consent thereto in writing, or unless a resolution consenting thereto is passed at a separate class meeting of the holders of the shares of each such class by the majority required to pass a special resolution, or such greater majority as may be specified by the special rights attached to the class of shares of the issued shares of such class.

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***Fully Diluted Share Capital of NHS***

***Fully Diluted Share Capital of NHS***

The *pro-forma* fully diluted share capital of NHS, assuming completion of the Arrangement and the exercise of all NHS options and warrants, is set out below:

<b>Designation of NHS Securities</b>	<b>Number of NHS Shares</b>	<b>Percentage of Total</b>
NHS Shares distributed to the New Age Farm Shareholders	8,082,918	100%
Options exercised	Nil	
Warrants exercised	Nil	
Convertible debt exercised	Nil	
<b>Total</b>	<b>8,082,918</b>	<b>100%</b>

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***Prior Sales of Securities of NHS***

As at July 29, 2016 NHS had 34,414,424 common shares issued and outstanding

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***Options and Warrants***

***Stock Options***

The New Age Farm Shareholders will be asked at the Meeting to approve the NHS Option Plan. See “Approval of the NHS Stock Option Plan”. As of the Effective Date, assuming approval of the NHS Option Plan by the New Age Farm Shareholders, there will be approximately 808,292 Post Consolidation NHS Shares available for issuance under the NHS Option Plan. As of the date of this Circular, NHS has not granted any options under the NHS Option Plan.

***Convertible Securities***

No convertible securities of NHS will be outstanding as of the Effective Date.

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***Principal Shareholders of NHS***

To the knowledge of the directors and executive officers of the Company, no person or company will hold, directly or indirectly, as of the Effective Date or will have control or direction over, or a combination of direct or indirect beneficial ownership of and control or direction over, voting securities that will constitute more than 10% of the issued NHS Shares, other than Carman Parente, who shall own 2,111,133 NHS Shares, representing 26% of the expected issued and outstanding NHS Shares as of the Effective Date.

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***Directors and Officers of NHS***

The following table sets out the names of the current and proposed directors and officers of NHS, the municipalities of residence of each, all offices currently held by each of them, their principal occupations within the five preceding years, the period of time for which each has been a director or executive officer of NHS, and the number and percentage of NHS Shares to be beneficially owned by each, directly or indirectly, or over which control or direction will be exercised, upon completion of the Arrangement.

<b>Carman Parente<sup>1, 2, 3</sup></b> <b>BC, Canada</b> <i>President, CEO and Director</i>  Director since September 27, 2013 (incorporation)  <b>Non-Independent</b>	Mr. Parente has been President and CEO of New Age Farm since its inception in 2013. From 2011 to 2013, Mr. Parente was President and Director of Five Nines Ventures Ltd., a publicly traded mining company listed on the CSE. He resigned in order to devote more time to New Age Farm. In 2007, Mr. Parente founded and became the President of NHS Industries Inc., now a fully owned subsidiary of the Company, which owns a five-and-one-half acre greenhouse growing facility. In 2005, Mr. Parente founded Natural Health Solutions, Inc., and has served as its President since that time; the company manufactures and distributes natural health supplements and nutraceuticals across Canada.				
	<b>Board and Committees</b>		<b>Other Directorships</b>		
	Director of the Board Member Audit Committee		Advanced New Frontier Oil & Gas Corp.		
	<b>Securities Held</b>				
	1,501,922 <sup>4</sup> common shares 15,270,372 <sup>5</sup> common shares				
	<b>Options Details</b>				
	<b>Date granted</b>	<b>Expiry Date</b>	<b>Exercise Price</b>	<b>Unexercised Options</b>	<b>Value of in-the-money options</b>
N/A	N/A	N/A	N/A	N/A	

<sup>1</sup> Member of Audit Committee

<sup>2</sup> In June 2008, Mr. Parente joined the board of directors and management team of Carbon Products Industries Inc. (“CPI”), a company registered in the State of Nevada that trades on the Over the Counter (“OTC”) markets in the United States. CPI is a reporting issuer under British Columbia securities legislation. Mr. Parente was engaged with the mandate to assist that company with an audit and balance sheet cleanup with the ultimate goal being the funding and setup of operations to build CPI into a viable operation. Fernandez Young LLP was engaged to initiate the audit and prepare business models. Unfortunately, this attempt was unsuccessful due to the discovery that the issues were more serious than originally expected, coupled with the 2008 economic downturn that completely hampered CPI’s ability to raise funds. Mr. Parente did not sell any shares of CPI during this process. On August 18, 2009, the BCSC cease traded CPI for failure to file certain records required under NI 51-102. Such cease trade is still in effect as of the date of this Listing Statement. Mr. Parente has continued to try to remedy the cease trade order, including contacting Fernandez Young LLP in January 2011 to reattempt the corporate reorganization of CPI and entered discussions with the law firm of Randolph Linehan & Associates of Rancho Mirage, CA, to represent CPI. During this time he attempted unsuccessfully to obtain CIP’s historic tax records from the U.S. Internal Revenue Services. As of the date of this Listing Statement, CPI remains cease traded by the BCSC and legal assistance has been sought regarding a potential dissolution of CPI. Mr. Parente resigned from CPI in November 2013.

<sup>3</sup> NT Mining Corporation (“NT”) is a company registered in the State of Nevada that trades on the OTC market in the United States. NT is a reporting issuer under British Columbia securities legislation. At the time Mr. Parente joined the board of directors of NT, it had already been cease traded by the BCSC; such cease trade order having been issued on August 18, 2009. After joining NT, Mr. Parente was successful in obtaining a full revocation of such cease trade order on December 27, 2012. Mr. Parente resigned from NT in November 2013.

<sup>4</sup> Shares directly owned

<sup>5</sup> Shares over which the director has control or direction

<b>Anthony Chan<sup>1</sup></b> <b>BC, Canada</b>  <i>CFO and Director</i> Vice President Exploration, Director  Director since April 18, 2014  <b>Non-Independent</b>	Mr. Chan is a chartered accountant and has been the principal of his own chartered accountancy firm since 2004, providing audit services and financial consulting services to companies listed on the CSE and the TSX Venture Exchange.				
	<b>Board and Committees</b>		<b>Other Directorships</b>		
	Director of the Board Member Audit Committee		Canpac Investments Corp.		
	<b>Securities Held</b>				
	300,000 common shares				
	<b>Options Details</b>				
	<b>Date granted</b>	<b>Expiry Date</b>	<b>Exercise Price</b>	<b>Unexercised Options</b>	<b>Value of in-the-money options</b>
	N/A	N/A	N/A	N/A	N/A
<b>C. Lorraine Pike<sup>2,3</sup></b> <b>BC, Canada</b>  <i>Corporate Secretary and</i> <i>Director</i>  Director since December, 2015  <b>Non-Independent</b>	Ms. Pike has more than 20 years' experience in administration and corporate governance. She is an experienced governance professional and has been corporate secretary to a number of companies in the last 10 years. She holds a Bachelor of Commerce degree in management and leadership as well and as a certificate as a corporate and securities paralegal.				
	<b>Board and Committees</b>		<b>Other Directorships</b>		
	Director of the Board Chair Audit Committee		n/a		
	<b>Securities Held</b>				
	500,000 common shares				
	<b>Options Details</b>				
	<b>Date granted</b>	<b>Expiry Date</b>	<b>Exercise Price</b>	<b>Unexercised Options</b>	<b>Value of in-the-money options</b>
	Sep 8, 2014	Sep 8, 2019	\$0.05	50,000 <sup>4</sup>	nil
	May 5, 2015	May 5, 2020	\$0.20	250,000	nil

### Corporate Cease Trade Orders or Bankruptcy

Save and except as explained above, as of the date of this Circular, no proposed nominee for election as a director of the Company is, or has been, within ten years before the date of this Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity:

- (a) was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days;

<sup>1</sup> Member of Audit Committee

<sup>2</sup> See Note 1

<sup>3</sup> In April 2013, Ms. Pike was appointed corporate secretary of Barkerville Gold Mines Ltd ("BGM") a company which was cease traded at the time of her appointment. The cease trade was revoked on July 15, 2013.

- (b) was subject to an event that resulted, after the director or executive officer ceased to be director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period or more than 30 consecutive days; or
- (c) within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

### **Penalties or Sanctions**

Save and except as explained above, as of the date of this Circular, no proposed nominee for election as a director of the Company is, or has been, subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority or been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely to be considered important to a reasonable investor making an investment decision.

### **Personal Bankruptcy**

As of the date of this Circular, no proposed nominee for election as a director of the Company has, within the ten years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

### **Conflicts of Interest**

The directors of the Company are required by law to act honestly and in good faith with a view to the best interest of the Company and to disclose any interests which they may have in any project or opportunity of the Company. If a conflict of interest arises at a meeting of the board of directors, any director in a conflict will disclose his interest and abstain from voting on such matter. In determining whether or not the Company will participate in any project or opportunity, that directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

Except as disclosed in this Information Circular, the financial statements and public releases and filings, to the best of the Company's knowledge, there are no known existing or potential conflicts of interest among the Company and its promoters, directors, officers or other members of management as a result of their outside business interests except that certain of the directors, officers, promoters and other members of management may from time to time serve as directors, officers, promoters and members of management of other public companies, and therefore it is possible that a conflict may arise between their duties as a director, officer, promoter or member of management of those other companies.

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### ***Management of NHS***

The following is a description of the individuals who will be directors and officers of NHS following the completion of the Arrangement:

**Carman Parente, President and Director.** Mr. Parente has been President and CEO of New Age Farm since its inception in 2013. From 2011 to 2013, Mr. Parente was President and Director of Five Nines Ventures Ltd., a publicly traded mining company listed on the CSE. He resigned in order to devote more time to New Age Farm. In 2007, Mr. Parente founded and became the President of NHS Industries Inc., now a fully owned subsidiary of the Company, which owns a five-and-one-half acre greenhouse growing facility. In 2005, Mr. Parente founded Natural Health Solutions, Inc., and has served as its President since that time; the company manufactures and distributes natural health supplements and nutraceuticals across Canada.

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***Corporate Cease Trade Orders or Bankruptcies***

No director, officer, promoter or other member of management of NHS is, or within the ten years prior to the date of this Circular has been, a director, officer, promoter or other member of management of any other issuer that, while that person was acting in the capacity of a director, officer, promoter or other member of management of that issuer, was the subject of a cease trade order or similar order or an order that denied the issuer access to any statutory exemptions for a period of more than thirty consecutive days, was declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or has been subject to or appointed to hold the assets of that director, officer or promoter.

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***Penalties or Sanctions***

No director, officer, promoter or other member of management of NHS has, during the ten years prior to the date of this Circular, been subject to any penalties or sanctions imposed by a court or securities regulatory authority relating to trading in securities, promotion, formation or management of a publicly traded company, or involving fraud or theft.

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***Personal Bankruptcies***

No director, officer, promoter or other member of management of NHS has, during the ten years prior to the date of this Circular, been declared bankrupt or made a voluntary assignment into bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or has been subject to or instituted any proceedings, arrangement, or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold his or her assets.

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***Conflicts of Interest***

The directors of NHS are required by law to act honestly and in good faith with a view to the best interest of NHS and to disclose any interests which they may have in any project or opportunity of NHS. If a conflict of interest arises at a meeting of the board of directors, any director in a conflict will disclose his interest and abstain from voting on such matter. In determining whether or not NHS will participate in any project or opportunity, that director will primarily consider the degree of risk to which NHS may be exposed and its financial position at that time.

Except as disclosed in this Circular, to the best of the Company's knowledge, there are no known existing or potential conflicts of interest among NHS and its promoters, directors, officers or other members of management as a result of their outside business interests except that certain of the directors, officers, promoters and other members of management serve as directors, officers, promoters, and members of management of other public companies, and therefore it is possible that a conflict may arise between their duties as a director, officer, promoter or member of management of such other companies.

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***Executive Compensation of NHS***

The executive officers of NHS (the “**Executive Officers**”) are:

Carman Parente – President and CEO

NHS does not have an employment contract with any of its Executive Officers pursuant to which the Executive Officers will be compensated for their services as executive officers of NHS.

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***Indebtedness of Directors and Executive Officers of NHS***

No individual who is, or at any time from the date of NHS's incorporation to the date hereof was, a director or executive officer of NHS, or an associate or affiliate of such an individual, is or has been indebted to NHS.

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***NHS' Auditor***

Adam Kim Sung Ltd., Chartered Accountant ("AKS"), is the auditor of NHS.

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***NHS' Material Contracts***

The following are the contracts which are material to NHS:

1. the Arrangement Agreement;
2. the NHS Option Plan.

The material contracts described above may be inspected at the registered office of NHS at, 106-1641 Lonsdale Avenue, North Vancouver, British Columbia, during normal business hours prior to the Meeting and for a period of thirty days thereafter.

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***Promoters***

The Company is the promoter of NHS.  
Carman Parente is a promoter of NHS.

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***Transfer Agent and Registrar***

NHS' transfer agent is yet to be determined.

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***Legal Proceedings***

There are no pending legal proceedings to which the Company or NHS are likely to be subject.



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**PART 15 – OTHER INFORMATION**

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***Indebtedness of Directors and Executive Officers***

No one director or executive officer, former director or executive officer, or proposed nominee for election as a Director of the Company, or any associate or affiliate of the foregoing was indebted to the Company in the last completed financial year.

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***Interest of Certain Persons in Matters to be Acted upon At the Meeting***

None of the directors or executive officers of the Company, no proposed nominee for election as a director of the Company, none of the persons who have been directors or executive officers of the Company since the commencement of the Company's last completed financial year, none of the other insiders of the Company and no associate or affiliate of any of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting (other than the election of the directors, the appointment of auditors and approval of the stock option plan).

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***Interest of Informed Persons in Material Transactions***

Other than disclosed elsewhere in this Information Circular, no informed person (as defined below), proposed nominee for election as a director, or any associate or affiliate of any informed person or proposed nominee, has had a material interest, direct or indirect, in any transaction with the Company or any of its subsidiaries or in any proposed transaction since the beginning of the last completed financial year that has materially affected the Company or any of its subsidiaries.

For the above purposes, "informed person" means: (a) a director or executive officer of the Company; (b) a director or executive officer of a person or company that is itself an informed person or subsidiary of the Company; (c) any person or company who beneficially owns, or controls or directs, directly or indirectly, voting securities of the Company or a combination of both carrying more than 10% of the voting rights attached to all outstanding voting securities of the Company other than voting securities held by the person or company as underwriter in the course of a distribution; and (d) the Company after having purchased, redeemed or otherwise acquired any of its securities, for so long as it holds any of its securities.

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***Other Matters***

Management of the Company is not aware of any other matters to come before the Meeting other than as set forth in the Notice of Meeting that accompanies this Circular. If any other matter properly comes before the Meeting, it is the intention of the persons named in the enclosed form of proxy to vote the shares represented thereby in accordance with their best judgment on such matter.

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***Additional Information***

You may obtain additional information about the Company in its audited annual consolidated financial statements and Management Discussion and Analysis, for the year ended December 31, 2015, copies of which may be obtained without charge upon request by contacting us by email at [lp@corpsec.ca](mailto:lp@corpsec.ca) - Tel.: (778) 886-1522 or Fax: (778) 372-1790. You may also access the Company's public disclosure documents through the internet on the Canadian System for Electronic Document Analysis and Retrieval (SEDAR) at [www.sedar.com](http://www.sedar.com).

Financial information regarding the Company is provided in the Company's comparative financial statements and Management Discussion and Analysis for its most recently completed financial year.

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***Board Approval***

The Board of Directors of the Company has approved the contents and the delivery of the Information Circular to its shareholders.

DATED at Vancouver, British Columbia, as of the 31<sup>st</sup> day of August, 2016.

**BY ORDER OF THE BOARD**

(signed) "*Carman Parente*"

Carman Parente  
President and Chief Executive Officer

**CERTIFICATE OF THE CORPORATION**

Date: August 31, 2016

The foregoing management information circular constitutes full, true and plain disclosure of all material facts relating to the transactions contemplated in this management information circular as required by the securities legislation of the Provinces of British Columbia, Alberta, and Ontario.

By: /s/ "Carman Parente"

Carman Parente  
President, Chief Executive Officer & Director

By: /s/ "Anthony Chan"

Anthony Chan  
Chief Financial Officer & Director

**ON BEHALF OF THE BOARD OF DIRECTORS**

By: /s/ "C. Lorraine Pike"

C. Lorraine Pike  
Director & Corporate Secretary

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**SCHEDULE “A”-AUDIT COMMITTEE CHARTER**
**NEW AGE FARM INC.  
(the “Company”)**
**Audit Committee Charter**
**1. PURPOSE**

1.1. The Audit Committee is ultimately responsible for the policies and practices relating to integrity of financial and regulatory reporting, as well as internal controls to achieve the objectives of safeguarding of corporate assets; reliability of information; and compliance with policies and laws. Within this mandate, the Audit Committee’s role is to:

- a) support the Board of Directors in meeting its responsibilities to shareholders;
- b) enhance the independence of the external auditor;
- c) facilitate effective communications between management and the external auditor and provide a link between the external auditor and the Board of Directors;
- d) increase the credibility and objectivity of the Company’s financial reports and public disclosure.

1.2. The Audit Committee will make recommendations to the Board of Directors regarding items relating to financial and regulatory reporting and the system of internal controls following the execution of the Committee’s responsibilities as described herein.

1.3. The Audit Committee will undertake those specific duties and responsibilities listed below and such other duties as the Board of Directors from time to time prescribe.

**2. MEMBERSHIP**

2.1. Each member of the Audit Committee must be a director of the Company.

2.2. The Audit Committee will consist of at least three members, the majority of whom are neither officers nor employees of the Company or any of its affiliates.

2.3. The members of the Audit Committee will be appointed annually by and will serve at the discretion of the Board of Directors.

**3. AUTHORITY**

3.1. In addition to all authority required to carry out the duties and responsibilities included in this charter, the Audit Committee has specific authority to:

- a) engage, and set and pay the compensation for, independent counsel and other advisors as it determines necessary to carry out its duties and responsibilities; and
- b) communicate directly with management and any internal auditor, and with the external auditor without management involvement.
- c) Approve interim financial statements and interim MD&A on behalf of the Board of Directors.

**4. DUTIES AND RESPONSIBILITIES**

4.1. The duties and responsibilities of the Audit Committee include:

- a) recommending to the Board of Directors the external auditor to be nominated by the Board of Directors;
- b) recommending to the Board of Directors the compensation of the external auditor;
- c) reviewing the external auditor’s audit plan, fee schedule and any related services proposals;
- d) overseeing the work of the external auditor;
- e) ensuring that the external auditor is in good standing with the Canadian Public Accountability Board and will enquire if there are any sanctions imposed by the CPAB on the external auditor;

- f) ensuring that the external auditor meets the rotation requirements for partners and staff on the Company's audits;
- g) reviewing and discussing with management and the external auditor the annual audited financial statements, including discussion of material transactions with related parties, accounting policies, as well as the external auditor's written communications to the Committee and to management;
- h) reviewing the external auditor's report, audit results and financial statements prior to approval by the Board of Directors;
- i) reporting on and recommending to the Board of Directors the annual financial statements and the external auditor's report on those financial statements, prior to Board approval and dissemination of financial statements to shareholders and the public;
- j) reviewing financial statements, MD&A and annual and interim earnings press releases prior to public disclosure of this information;
- k) ensuring adequate procedures are in place for review of all public disclosure of financial information by the Company, prior to its dissemination to the public;
- l) overseeing the adequacy of the Company's system of internal accounting controls and internal audit process obtaining from the external auditor summaries and recommendations for improvement of such internal accounting controls;
- m) ensuring the integrity of disclosure controls and internal controls over financial reporting;
- n) resolving disputes between management and the external auditor regarding financial reporting;
- o) establishing procedures for:
  - i. the receipt, retention and treatment of complaints received by the Company from employees and others regarding accounting, internal accounting controls or auditing matters and questionable practices relating thereto; and
  - ii. the confidential, anonymous submission by employees of the Company or concerns regarding questionable accounting or auditing matters.
- p) reviewing and approving the Company's hiring policies with respect to partners or employees (or former partners or employees) of either a former or the present external auditor;
- q) pre-approving all non-audit services to be provided to the Company or any subsidiaries by the Company's external auditor;
- r) overseeing compliance with regulatory authority requirements for disclosure of external auditor services and Audit Committee activities.

4.2. The Audit Committee will report, at least annually, to the Board regarding the Committee's examinations and recommendations.

## 5. MEETINGS

5.1. The quorum for a meeting of the Audit Committee is a majority of the members of the Committee who are not officers or employees of the Company or of an affiliate of the Company.

5.2. The members of the Audit Committee must elect a chair from among their number and may determine their own procedures.

5.3. The Audit Committee may establish its own schedule that it will provide to the Board of Directors in advance.

5.4. The external auditor is entitled to receive reasonable notice of every meeting of the Audit Committee and to attend and be heard thereat.

5.5. A member of the Audit Committee or the external auditor may call a meeting of the Audit Committee.

5.6. The Audit Committee will meet separately with the President and separately with the Chief Financial Officer of the Company at least annually to review the financial affairs of the Company.

5.7. The Audit Committee will meet with the external auditor of the Company at least once each year, at such time(s) as it deems appropriate, to review the external auditor's examination and report.

5.8. The chair of the Audit Committee must convene a meeting of the Audit Committee at the request of the external auditor, to consider any matter that the auditor believes should be brought to the attention of the Board of Directors or the shareholders.

**6. REPORTS**

6.1. The Audit Committee will record its recommendations to the Board in written form which will be incorporated as a part of the minutes of the Board of Directors' meeting at which those recommendations are presented.

**7. MINUTES**

7.1. The Audit Committee will maintain written minutes of its meetings, which minutes will be filed with the minutes of the meetings of the Board of Directors.

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**SCHEDULE “B”-ARRANGEMENT AGREEMENT**

**THIS ARRANGEMENT AGREEMENT** is dated as of the 31st day of August, 2016.

**AMONG:**

**NEW AGE FARM INC.**, a corporation incorporated under the laws of the Province of British Columbia (“**New Age Farm**”)

- and -

**NHS INDUSTRIES LTD.**, a corporation incorporated under the laws of the Province of British Columbia (“**NHS**”)

(together, “the **Parties**”)

**WHEREAS** New Age Farm is in the business of operating an agricultural land bank and agricultural services company, and wishes to focus on its principal business through the spinoff of its wholly owned subsidiary, NHS, as a separate and distinct company complete with all its NHS Assets and Liabilities (as such term is defined in this Agreement), in exchange for the transfer of NHS Transferred Liabilities to New Age Farm;

**AND WHEREAS** the Parties hereto intend to carry out the transactions contemplated herein by way of an arrangement under the provisions of the *Business Corporations Act* (British Columbia);

**AND WHEREAS** the Parties hereto have entered into this Agreement to provide for the matters referred to in the foregoing recital and for other matters relating to such arrangement;

**NOW THEREFORE**, in consideration of the covenants and agreements herein contained and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the Parties hereto do hereby covenant and agree as follows:

## **INTERPRETATION**

### **1.1 Definitions**

In this Agreement, unless there is something in the context or subject matter inconsistent therewith, the following defined terms have the meanings hereinafter set forth:

- (a) “**Agreement**”, “**herein**”, “**hereof**”, “**hereto**”, “**hereunder**” and similar expressions mean and refer to this arrangement agreement (including the schedules hereto) as supplemented, modified or amended, and not to any particular article, section, schedule or other portion hereof;
- (b) “**Applicable Laws**” means all applicable corporate laws, rules of applicable stock exchanges and applicable securities laws, including the rules, regulations, notices, instruments, blanket orders and policies of the securities regulatory authorities in Canada;
- (c) “**Arrangement**” means the arrangement pursuant to Section 288 of the BCBCA set forth in the Plan of Arrangement;
- (d) “**Arrangement Provisions**” means Part 9, Division 5 of the BCBCA;
- (e) “**Arrangement Resolution**” means the special resolution in respect to the Arrangement and other related matters to be considered at the New Age Farm Meeting;
- (f) “**Articles of Arrangement**” means the articles of arrangement in respect of the Arrangement required under Subsection 294(3) of the BCBCA to be sent to the Registrar, giving effect to the Arrangement;

- (g) “**BCBCA**” means the *Business Corporations Act*, S.B.C. 2002, c. 57, as amended, including the regulations promulgated thereunder;
- (h) “**Business Day**” means a day other than a Saturday, Sunday or other than a day when banks in the City of Vancouver, British Columbia are not generally open for business;
- (i) “**Consolidation**” means the consolidation of the NHS Shares on the basis of one (1) post-consolidation NHS Share for up to five (5) NHS Shares held under the BCBCA;
- (j) “**CSE**” means the Canadian Securities Exchange;
- (k) “**Dissenting Shareholder**” means a New Age Farm Shareholder who validly exercises rights of dissent under the Arrangement and who will be entitled to be paid fair value for his, her or its New Age Farm Shares in accordance with the Plan of Arrangement;
- (l) “**Dissenting Shares**” means the New Age Farm Shares in respect of which Dissenting Shareholders have exercised a right of dissent;
- (m) “**Effective Date**” means the date the Arrangement becomes effective under the BCBCA;
- (n) “**Integral**” means Integral Transfer Agency;
- (o) “**IFRS**” means International Financial Reporting Standards;
- (p) “**Information Circular**” means the management proxy circular of New Age Farm to be sent by New Age Farm to the New Age Farm Shareholders in connection with the New Age Farm Meeting;
- (q) “**New Age Farm Class A Shares**” means the renamed and re-designated New Age Farm Shares as described in §3.1 of the Plan of Arrangement;
- (r) “**New Age Farm Class A Preferred Shares**” means the Class “A” preferred shares without par value which New Age Farm will create and issue pursuant to §3.1 of the Plan of Arrangement;
- (s) “**New Age Farm Meeting**” means the special meeting of the New Age Farm Shareholders to be held on September 27, 2016, and any adjournment(s) or postponement(s) thereof;
- (t) “**New Age Farm Options**” means the outstanding stock options, whether or not vested, to acquire New Age Farm Shares;
- (u) “**New Age Farm Shares**” means the common shares without par value in the authorized share capital of New Age Farm, as constituted on the date of this Agreement;
- (v) “**New Age Farm Shareholders**” means the holders from time to time of New Age Farm Shares;
- (w) “**New Age Farm Share Commitments**” means an obligation of New Age Farm to issue New Shares and to deliver post-Consolidation NHS Shares to the holders of New Age Farm Options and New Age Farm Warrants which are outstanding prior to or on the Share Distribution Record Date, upon the exercise of such stock options and warrants;
- (x) “**New Age Farm Warrants**” means the common share purchase warrants of New Age Farm outstanding;
- (y) “**New Shares**” means the new class of common shares without par value which New Age Farm will create pursuant to §3.1 of the Plan of Arrangement and which, immediately after the Effective Date, will be identical in every relevant respect to the New Age Farm Shares;
- (z) “**NHS**” means NHS Industries Ltd., a private company incorporated under the BCBCA;
- (aa) “**NHS Assets and Liabilities**” means the assets and liabilities currently held by NHS, as more particularly described in Schedule B attached hereto and forming part of this Agreement, but excluding any NHS Transferred Liabilities to be transferred to New Age Farm pursuant to the Arrangement;

- (bb) “**NHS Option Plan Resolution**” means an ordinary resolution to be considered by the New Age Farm Shareholders to approve the NHS Option Plan, the full text of which is set out in Schedule “D” to this Agreement;
- (cc) “**NHS Shareholder**” means a holder of NHS Shares;
- (dd) “**NHS Shares**” means the common shares without par value in the authorized share structure of NHS, as constituted on the date of this Agreement;
- (ee) “**NHS Transferred Liabilities**” means the secured non-interest bearing loan owing by NHS to a company controlled by an officer of New Age Farm in the net amount of \$497,737, in addition to a non-interest bearing loan agreement with a shareholder of New Age Farm in the amount of \$330,000, for an aggregate amount of \$827,737, less any amounts owing by New Age Farm to NHS on the Effective Date, as more particularly described in Schedule “C” to this Agreement;
- (ff) “**Notice of Meeting**” means the notice of special meeting of the New Age Farm Shareholders in respect of the New Age Farm Meeting;
- (gg) “**Parties**” means New Age Farm and NHS; and “**Party**” means any one of them;
- (hh) “**Person**” means an individual, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, trustee, executor, administrator or other legal representative;
- (ii) “**Plan of Arrangement**” means the plan of arrangement substantially in the form set out in **Schedule A** to this Agreement, as amended or supplemented from time to time in accordance with Article 6 thereof and Article 7 hereof;
- (jj) “**Registrar**” means the Registrar of Companies for the Province of British Columbia duly appointed under the BCBCA;
- (kk) “**Registered Shareholder**” means a registered holder of New Age Farm Shares as recorded in the shareholder register of New Age Farm maintained by Integral;
- (ll) “**Share Distribution Record Date**” means the close of business on the day which is four Business Days after the date of the New Age Farm Meeting or such other date as agreed to by the Parties, which date establishes the New Age Farm Shareholders who will be entitled to receive post-Consolidation NHS Shares pursuant to this Plan of Arrangement; and
- (mm) “**Tax Act**” means the *Income Tax Act* (Canada) and the regulations thereunder, all as amended from time to time.

## 1.2 Interpretation Not Affected by Headings, etc.

The division of this Agreement into articles, sections and subsections is for convenience of reference only and does not affect the construction or interpretation of this Agreement. The terms “this Agreement”, “hereof”, “herein” and “hereunder” and similar expressions refer to this Agreement (including Schedules A to F hereto) and not to any particular article, section or other portion hereof and include any agreement or instrument supplementary or ancillary hereto.

## 1.3 Number, etc.

Words importing the singular number include the plural and vice versa, words importing the use of any gender include all genders, and words importing persons include firms and corporations and vice versa.

## 1.4 Date for Any Action

If any date on which any action is required to be taken hereunder by any of the Parties is not a Business Day and a business day in the place where an action is required to be taken, such action is required to be taken on the next succeeding day which is a Business Day and a business day, as applicable, in such place.



## **1.5 Entire Agreement**

This Agreement, together with the agreements and documents herein and therein referred to, constitute the entire agreement among the Parties pertaining to the subject matter hereof and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, among the Parties with respect to the subject matter hereof.

## **1.6 Currency**

All sums of money which are referred to in this Agreement are expressed in lawful money of Canada.

## **1.7 Accounting Matters**

Unless otherwise stated, all accounting terms used in this Agreement shall have the meanings attributable thereto under IFRS and all determinations of an accounting nature that are required to be made shall be made in a manner consistent with IFRS.

## **1.8 References to Legislation**

References in this Agreement to any statute or sections thereof shall include such statute as amended or substituted and any regulations promulgated thereunder from time to time in effect.

## **1.9 Enforceability**

All representations, warranties, covenants and opinions in or contemplated by this Agreement as to the enforceability of any covenant, agreement or document are subject to enforceability being limited by applicable bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and other laws relating to or affecting creditors' rights generally, and the discretionary nature of certain remedies (including specific performance and injunctive relief and general principles of equity).

## **1.10 Schedules**

The following schedules attached hereto are incorporated into and form an integral part of this Agreement:

- A – Plan of Arrangement
- B – NHS Assets and Liabilities
- C – NHS Transferred Liabilities to be transferred to New Age Farm
- D - NHS Option Plan Resolution

## **THE ARRANGEMENT**

### **2.1 Plan of Arrangement**

Provided all necessary approvals for the Arrangement Resolution are obtained from the New Age Farm Shareholders, and provided all necessary consents from creditors are obtained by NHS to the transfer of NHS Transferred Liabilities to New Age Farm, the Parties shall jointly submit the such documents as may be required to give effect to the Arrangement with the Registrar pursuant to the Arrangement Provisions, whereupon the transactions comprising the Arrangement shall occur and shall be deemed to have occurred in the order set out therein without any act or formality.

### **2.2 Information Circular and Meetings**

As promptly as practical following the execution of this Agreement and in compliance with Applicable Laws:

New Age Farm shall:

prepare the Information Circular and cause such circular to be mailed to the New Age Farm Shareholders and filed with applicable regulatory authorities and other governmental authorities in all jurisdictions where the same are required to be mailed and filed; and convene the New Age Farm Meeting.

### **2.3 Effective Date**

The Arrangement shall become effective in accordance with the terms of the Plan of Arrangement on the Effective Date.

## **COVENANTS**

### **3.1 Covenants Regarding the Arrangement**

From the date hereof until the Effective Date, the Parties will use all reasonable efforts to satisfy (or cause the satisfaction of) the conditions precedent to its obligations hereunder and to take, or cause to be taken, all other action and to do, or cause to be done, all other things necessary, proper or advisable under Applicable Laws to complete the Arrangement, including using reasonable efforts:

- to obtain all necessary waivers, consents and approvals required to be obtained by it from other parties to loan agreements, leases and other contracts, including creditors of the NHS Transferred Liabilities;
- to obtain all necessary consents, assignments, waivers and amendments to or terminations of any instruments and take such measures as may be appropriate to fulfill its obligations hereunder and to carry out the transactions contemplated hereby; and
- to effect all necessary registrations and filings and submissions of information requested by governmental authorities required to be effected by it in connection with the Arrangement.

### **3.2 Covenants Regarding Execution of Documents**

The Parties will perform all such acts and things, and execute and deliver all such agreements, notices and other documents and instruments as may reasonably be required to facilitate the carrying out of the intent and purpose of this Agreement.

### **3.3 Giving Effect to the Arrangement**

The Arrangement shall be effected in the following manner:

The Parties shall call and hold the New Age Farm Meeting for the purpose of, among other things, considering and, if deemed advisable, approving and adopting the Arrangement;

NHS shall obtain the consents of the creditors of the NHS Transferred Liabilities to the transfer of the NHS Transferred Liabilities from NHS to New Age Farm;

The NHS Shareholder(s) shall approve the Arrangement by a consent resolution;

New Age Farm shall call the New Age Farm Meeting and mail the Information Circular and related Notice of Meeting and form of Proxy to the New Age Farm Shareholders;

If the New Age Farm Shareholders approve the Arrangement as set out in §3.3 hereof, New Age Farm shall thereafter (subject to the exercise of any discretionary authority granted to New Age Farm's directors by the New Age Farm Shareholders), subject to compliance with any of the other conditions provided for in Article 3.3 hereof and to the rights of termination contained in Article 7 hereof, file the material described in §5.1 with the Registrar in accordance with the terms of the Plan of Arrangement.

### 3.4 New Age Farm Stock Options and Warrants

NHS covenants and agrees to issue, upon the exercise prior to or on the Share Distribution Record Date of any New Age Farm Share Commitments, to the holder of the New Age Farm Share Commitments, that number of respective post-Consolidation NHS Shares, on a pro-rata basis, based on the actual number of New Age Farm Shares and the post-Consolidation NHS Shares issued and outstanding as of the Share Distribution Record Date. Any New Age Farm Share Commitments, upon exercise of such stock options or warrants, subsequent to the Share Distribution Record Date shall not be entitled to receive the Distributed NHS Shares.

Fractions of post-Consolidation NHS Shares resulting from such calculation shall be cancelled as provided for in the Plan of Arrangement.

## REPRESENTATIONS AND WARRANTIES

### 4.1 Representations and Warranties

Each of the Parties hereby represents and warrants to the other that:

- (a) It is a corporation duly incorporated and validly subsisting under the laws of its jurisdiction of existence, and has full capacity and authority to enter into this Agreement and to perform its covenants and obligations hereunder;
- (b) It has taken all corporate actions necessary to authorize the execution and delivery of this Agreement and this Agreement has been duly executed and delivered by it. The execution and delivery of this Agreement and the consummation by each Party of the transactions contemplated hereby have been duly authorized by each Party's board of directors and, subject to obtaining necessary shareholder and creditor approvals, no other corporate proceedings on the part of either Party are or will be necessary to authorize this Agreement and the transactions contemplated hereby. This Agreement has been duly executed and delivered by each Party and constitutes a legal, valid and binding obligation of the Party enforceable against it in accordance with its terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and other laws relating to or affecting creditors' rights generally and to general principles of equity;
- (c) Neither the execution and delivery of this Agreement nor the performance of any of its covenants and obligations hereunder will constitute a material default under, or be in any material contravention or breach of: (i) any provision of its constituting or governing corporate documents, (ii) any judgment, decree, order, law, statute, rule or regulation applicable to it or (iii) any agreement or instrument to which it is a party or by which it is bound; and
- (d) No dissolution, winding up, bankruptcy, liquidation or similar proceedings have been commenced or are pending or proposed in respect of it.

## CONDITIONS PRECEDENT

### 5.1 Mutual Conditions Precedent

The respective obligations of the Parties to consummate the transactions contemplated hereby, and in particular the Arrangement, are subject to the satisfaction, on or before the Effective Date or such other time specified, of the following conditions, any of which may be waived by the mutual written consent of such Parties without prejudice to their right to rely on any other of such conditions:

- a. the Arrangement Resolution shall have been passed by the New Age Farm Shareholders at the New Age Farm Meeting in accordance with the Arrangement Provisions, the constituting documents of New Age Farm, and the requirements of any applicable regulatory authorities;

- b. the transfer of the NHS Transferred Liabilities to New Age Farm shall have been approved by the creditors of the NHS Transferred Liabilities to the extent required by, and in accordance with, the Arrangement Provisions and the constating documents of NHS;
- c. the Arrangement and this Agreement, with or without amendment, shall have been approved by the NHS Shareholder(s) to the extent required by, and in accordance with, the Arrangement Provisions and the constating documents of NHS.
- d. the Articles of Arrangement to be filed with the Registrar in accordance with the Arrangement shall be in form and substance satisfactory to the Parties, acting reasonably;
- e. all other consents, orders, regulations and approvals, including regulatory and judicial approvals and orders required or necessary or desirable for the completion of the transactions provided for in this Agreement and the Plan of Arrangement shall have been obtained or received from the persons, authorities or bodies having jurisdiction in the circumstances, each in form acceptable to the Parties;
- f. there shall not be in force any order or decree restraining or enjoining the consummation of the transactions contemplated by this Agreement and the Arrangement; and
- g. this Agreement shall not have been terminated under Article 7.
- h. Except for the conditions set forth in this §5.1 which, by their nature, may not be waived, any of the other conditions in this §5.1 may be waived, either in whole or in part, by any of the Parties, as the case may be, at its discretion.

## 5.2 Closing

Unless this Agreement is terminated earlier pursuant to the provisions hereof, the parties shall meet at the offices of Buttonwood Law Corporation at 1100, 1111 Melville Street, Vancouver, BC, V6E 3V6, at 10:00 a.m. (Vancouver time) on such date as they may mutually agree (the “Closing Date”), and each of them shall deliver to the other of them:

- a. the documents required to be delivered by it hereunder to complete the transactions contemplated hereby, provided that each such document required to be dated the Effective Date shall be dated as of, or become effective on, the Effective Date and shall be held in escrow to be released upon the occurrence of the Effective Date; and
- b. written confirmation as to the satisfaction or waiver by it of the conditions in its favour contained in this Agreement.

## 5.3 Merger of Conditions

The conditions set out in §5.1 hereof shall be conclusively deemed to have been satisfied, waived or released upon the occurrence of the Effective Date.

## 5.4 Merger of Representations and Warranties

The representations and warranties in §4.1 shall be conclusively deemed to be correct as of the Effective Date and each shall accordingly merge in and not survive the effectiveness of the Arrangement.

## AMENDMENT

### 6.1 Amendment

This Agreement may at any time and from time to time before or after the holding of the New Age Farm Meeting be amended by written agreement of the Parties hereto without, subject to Applicable Laws, further notice to or authorization on the part of their respective securityholders and any such amendment may, without limitation:

- (a) change the time for performance of any of the obligations or acts of the Parties;

- (b) waive any inaccuracies or modify any representation or warranty contained herein or in any document delivered pursuant hereto;
- (c) waive compliance with or modify any of the covenants herein contained and waive or modify performance of any of the obligations of the Parties; or
- (d) waive compliance with or modify any other conditions precedent contained herein;

provided that no such amendment reduces or materially adversely affects the consideration to be received by a New Age Farm Shareholder without approval by the New Age Farm Shareholders, given in the same manner as required for the approval of the Arrangement.

## **TERMINATION**

### **7.1 Termination**

Subject to §7.2, this Agreement may at any time before or after the holding of the New Age Farm Meeting, but in each case prior to the Effective Date, be terminated by direction of the board of directors of New Age Farm without further action on the part of the New Age Farm Shareholders, or by the board of directors of NHS without further action on the part of the NHS Shareholder(s) and nothing expressed or implied herein or in the Plan of Arrangement shall be construed as fettering the absolute discretion by the board of directors of New Age Farm and NHS respectively, to elect to terminate this Agreement and discontinue efforts to effect the Arrangement for whatever reasons it may consider appropriate.

### **7.2 Cessation of Right**

The right of any of the Parties or any other party to amend or terminate the Plan of Arrangement pursuant to §6.1 and §7.1 shall be extinguished upon the occurrence of the Effective Date.

## **NOTICES**

### **8.1 Notices**

All notices which may or are required to be given pursuant to any provision of this Agreement are to be given or made in writing and served personally or sent by telecopy and in the case of:

**NEW AGE FARM INC.** addressed to:  
 Unit 114B – 8988 Fraserton Court  
 Burnaby, BC V5J 5H8  
 Attention: Lorraine Pike, Corporate Secretary

With a copy to:  
 Buttonwood Law Corporation  
 1100, 1111 Melville Street  
 Vancouver, British Columbia V6E 3V6  
 Attention: Mouane Sengsavang

**NHS INDUSTRIES LTD.** addressed to:  
 106 – 1641 Lonsdale Avenue  
 North Vancouver, British Columbia V7M 2J5  
 Attention: Carman Parente, President

or such other address as the Parties may, from time to time, advise to the other Parties hereto by notice in writing. The date or time of receipt of any such notice will be deemed to be the date of delivery or the time such telecopy is received.

## GENERAL

### 9.1 Assignment and Enurement

This Agreement shall enure to the benefit of and be binding upon the Parties hereto and their respective successors and assigns. This Agreement may not be assigned by any party hereto without the prior consent of the other Parties hereto.

### 9.2 Disclosure

Each Party shall receive the prior consent, not to be unreasonably withheld, of the other Parties prior to issuing or permitting any director, officer, employee or agent to issue any press release or other written statement with respect to this Agreement or the transactions contemplated hereby. Notwithstanding the foregoing, if any Party is required by law or administrative regulation to make any disclosure relating to the transactions contemplated herein, such disclosure may be made, but that Party will consult with the other Parties as to the wording of such disclosure prior to its being made.

### 9.3 Costs

Except as contemplated in the Arrangement and herein, each Party hereto covenants and agrees to bear its own costs and expenses in connection with the transactions contemplated hereby.

### 9.4 Severability

If any one or more of the provisions or parts thereof contained in this Agreement should be or become invalid, illegal or unenforceable in any respect in any jurisdiction, the remaining provisions or parts thereof contained herein shall be and shall be conclusively deemed to be, as to such jurisdiction, severable therefrom and:

- (a) the validity, legality or enforceability of such remaining provisions or parts thereof shall not in any way be affected or impaired by the severance of the provisions or parts thereof severed; and
- (b) the invalidity, illegality or unenforceability of any provision or part thereof contained in this Agreement in any jurisdiction shall not affect or impair such provision or part thereof or any other provisions of this Agreement in any other jurisdiction.

### 9.5 Further Assurances

Each Party hereto shall, from time to time and at all times hereafter, at the request of any other Party hereto, but without further consideration, do all such further acts, and execute and deliver all such further documents and instruments as may be reasonably required in order to fully perform and carry out the terms and intent hereof.

### 9.6 Time of Essence

Time shall be of the essence of this Agreement.

### 9.7 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein and the Parties hereto irrevocably attorn to the jurisdiction of the courts of the Province of British Columbia. Each of the Parties hereto hereby irrevocably and unconditionally consents to and submits to the jurisdiction of the courts of the Province of British Columbia in respect of all actions, suits or proceedings arising out of or relating to this Agreement or the matters contemplated hereby (and agrees not to commence any action, suit or proceeding relating thereto except in such courts) and further agrees that service of any process, summons, notice or document by single registered mail to the addresses of the parties set forth in this Agreement shall be effective service of process for any action, suit or proceeding brought against any Party in such

court. The Parties hereby irrevocably and unconditionally waive any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement or the matters contemplated hereby in the courts of the Province of British Columbia and hereby further irrevocably and unconditionally waive and agree not to plead or claim in any such court that any such action, suit or proceeding so brought has been brought in an inconvenient forum.

### **9.8 Waiver**

No waiver by any Party shall be effective unless in writing and any waiver shall affect only the matter, and the occurrence thereof, specifically identified and shall not extend to any other matter or occurrence.

### **9.9 Counterparts**

This Agreement may be executed in counterparts, each of which shall be deemed an original, and all of which together constitute one and the same instrument.

**IN WITNESS WHEREOF** the Parties have executed this Agreement as of the date first above written.

**NEW AGE FARM INC.**

By:           “Anthony Chan”          

**NHS INDUSTRIES LTD.**

By:           “Carman Parente”

**SCHEDULE “A” TO THE ARRANGEMENT AGREEMENT**  
**PLAN OF ARRANGEMENT UNDER DIVISION 5 OF PART 9**  
**OF THE**  
***BUSINESS CORPORATIONS ACT (BRITISH COLUMBIA)***

**S.B.C. 2002, c. 57**

**INTERPRETATION**

1.1 In this Plan of Arrangement, the following terms have the following meanings:

“**Arrangement**”, “**herein**”, “**hereof**”, “**hereto**”, “**hereunder**” and similar expressions mean and refer to the proposed arrangement involving New Age Farm Shareholders and the NHS Shareholders pursuant to the Arrangement Provisions on the terms and conditions set forth in this Plan of Arrangement as supplemented, modified or amended, and not to any particular article, section or other portion hereof;

“**Arrangement Agreement**” means the arrangement agreement dated effective August 31, 2016, between the Parties with respect to the Arrangement, and all amendments thereto;

“**Arrangement Provisions**” means Division 5 of Part 9 of the BCBCA;

“**BCBCA**” means the *Business Corporations Act* (British Columbia), S.B.C. 2002, c. 57, as may be amended or replaced from time to time;

“**Business Day**” means a day, other than a Saturday, Sunday or statutory holiday, when banks are generally open in the City of Vancouver, in the Province of British Columbia, for the transaction of banking business;

“**Consolidation**” means the consolidation of the NHS Shares on the basis of one (1) post-consolidation NHS Share for up to five (5) post-consolidation NHS Shares held under the BCBCA;

“**CSE**” means the Canadian Securities Exchange;

“**Depository**” means Integral Transfer Agency;

“**Distributed NHS Shares**” means the NHS Shares that are to be distributed to the New Age Farm Shareholders pursuant to §3.1;

“**Effective Date**” means the date the Arrangement becomes effective under the BCBCA;

“**Information Circular**” means the management information circular to be sent to the New Age Farm Shareholders in connection with the New Age Farm Meeting;

“**New Age Farm**” means New Age Farm Inc., a company existing under the BCBCA;

“**New Age Farm Class A Shares**” means the renamed and re-designated New Age Farm Shares, as described in §3.1 of this Plan of Arrangement;

“**New Age Farm Class A Preferred Shares**” means the Class “A” preferred shares without par value which New Age Farm will create and issue pursuant to §3.1 of this Plan of Arrangement;



“**New Age Farm Meeting**” means the special meeting of New Age Farm Shareholders to be held to consider the Arrangement Resolution and related matters, and any adjournments thereof;

“**New Age Farm Options**” means share purchase options issued pursuant to the New Age Farm Stock Option Plan;

“**New Age Farm Share Commitments**” means an obligation of New Age Farm to issue New Shares and to deliver post-Consolidation NHS Shares to the holders of New Age Farm Options and New Age Farm Warrants which are outstanding prior to or on the Share Distribution Record Date upon the exercise of such options and warrants;

“**New Age Farm Shares**” means the common shares of New Age Farm and “**New Age Farm Shareholder**” means the holders from time to time of New Age Farm Shares;

“**New Age Farm Stock Option Plan**” means the stock option plan of New Age Farm dated September 5, 2014; and

“**New Age Farm Warrants**” means share purchase warrants of New Age Farm that are outstanding;

“**New Shares**” means the new class of common shares without par value which New Age Farm will create pursuant to §3.1 of this Plan of Arrangement and which, immediately after the Share Distribution Record Date, will be identical in every relevant aspect to the New Age Farm Shares;

“**NHS**” means NHS Industries Ltd., a private company incorporated under the BCBCA;

“**NHS Commitment**” means the covenant of NHS to issue post-Consolidation NHS Shares to the holders of New Age Farm Share Commitments who exercise their rights thereof prior to or on the Share Distribution Record Date, and are entitled pursuant to the corporate reorganization provisions thereof to receive New Shares and post-Consolidation NHS Shares upon such exercise;

“**NHS Shares**” means the common shares without par value in the authorized share structure of NHS, as constituted on the date of the Arrangement Agreement;

“**NHS Stock Option Plan**” means the proposed common share purchase option plan of NHS, which is subject to New Age Farm Shareholder approval;

“**Parties**” means, collectively, New Age Farm and NHS and “**Party**” means any one of them;

“**Plan**” or “**Plan of Arrangement**” means this plan of arrangement as amended or supplemented from time to time in accordance with the terms hereof and Article 7 of the Arrangement Agreement;

“**Registrar**” means the Registrar of Companies duly appointed under the BCBCA;

“**Share Distribution Record Date**” means the close of business on the day which is four Business Days after the date of the New Age Farm Meeting or such other date as agreed to by the Parties, which date establishes the New Age Farm Shareholders who will be entitled to receive NHS Shares pursuant to this Plan of Arrangement;

“**Tax Act**” means the *Income Tax Act* (Canada), as amended; and

“**Transfer Agent**” means Integral Transfer Agency at its principal office in Toronto, Ontario.

1.2 The division of this Plan of Arrangement into articles and sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Plan of Arrangement.

- 1.3 Unless reference is specifically made to some other document or instrument, all references herein to articles and sections are to articles and sections of this Plan of Arrangement.
- 1.4 Unless the context otherwise requires, words importing the singular number shall include the plural and vice versa; words importing any gender shall include all genders; and words importing persons shall include individuals, partnerships, associations, corporations, funds, unincorporated organizations, governments, regulatory authorities, and other entities.
- 1.5 In the event that the date on which any action is required to be taken hereunder by any of the Parties is not a Business Day in the place where the action is required to be taken, such action shall be required to be taken on the next succeeding day which is a Business Day in such place.
- 1.6 References in this Plan of Arrangement to any statute or sections thereof shall include such statute as amended or substituted and any regulations promulgated thereunder from time to time in effect.

### ARRANGEMENT AGREEMENT

- 2.1 This Plan of Arrangement is made pursuant and subject to the provisions of, and forms part of, the Arrangement Agreement.
- 2.2 This Plan of Arrangement will become effective in accordance with its terms and be binding on the Effective Date on the New Age Farm Shareholders.

### ARRANGEMENT

- 3.1 On the Share Distribution Record Date, the following shall occur and be deemed to occur in the following chronological order without further act or formality, notwithstanding anything contained in the provisions attaching to any of the Parties, but subject to the provisions of Article 6:
- a. NHS will transfer the NHS Transferred Liabilities to New Age Farm;
  - b. All of the NHS Transferred Liabilities will be converted into shares of NHS to be issued to New Age Farm at a deemed share price to be agreed between New Age Farm and NHS provided that the minimum deemed share price shall not be below \$0.03 per share and the maximum deemed share price will not exceed \$0.10 per share;
  - c. Following the conversion of the NHS Transferred Liabilities into shares of NHS, NHS shall effect a Consolidation of the NHS Shares as of the Share Distribution Record Date on the basis of one (1) new NHS Share for up to five (5) old NHS Shares;
  - d. The post-Consolidation NHS Shares shall be transferred to the New Age Farm Shareholders as of the Share Distribution Record Date pursuant to step §(e) below (the “**Distributed NHS Shares**”) on a pro-rata basis based on the actual number of New Age Farm Shares and the NHS Shares issued and outstanding as of the Share Distribution Record Date;
  - e. The authorized share capital of New Age Farm will be changed by:
    - i. Altering the identifying name of the New Age Farm Shares to class “A” common shares without par value, being the New Age Farm Class A Shares;
    - ii. Creating a class consisting of an unlimited number of common shares without par value (the “**New Shares**”); and

- iii. Creating a class consisting of an unlimited number of class “A” preferred shares without par value, having the rights and restrictions described in Schedule “A” to the Plan of Arrangement, being the New Age Farm Class A Preferred Shares;
- f. Each issued New Age Farm Class A Share will be exchanged for one New Share and one New Age Farm Class A Preferred Share and, subject to the exercise of a right of dissent, the holders of the New Age Farm Class A Shares will be removed from the central securities register of New Age Farm and will be added to the central securities register as the holders of the number of New Shares and New Age Farm Class A Preferred Shares that they have received on the exchange;
- g. All of the issued New Age Farm Class A Shares will be cancelled with the appropriate entries being made in the central securities register of New Age Farm and the aggregate paid up capital (as that term is used for purposes of the Tax Act) of the New Age Farm Class A Shares immediately prior to the Share Distribution Record Date will be allocated between the New Shares and the New Age Farm Class A Preferred Shares so that the aggregate paid up capital of the New Age Farm Class A Preferred Shares equals the aggregate fair market value of the Distributed NHS Shares as of the Share Distribution Record Date, and each New Age Farm Class A Preferred Share so issued will be issued by New Age Farm at an issue price equal to the aggregate fair market value of the Distributed NHS Shares as of the Share Distribution Record Date divided by the number of issued New Age Farm Class A Preferred Shares, such aggregate fair market value of the Distributed NHS Shares to be determined as at the Share Distribution Record Date by resolution of the board of directors of New Age Farm;
- h. New Age Farm will redeem the issued New Age Farm Class A Preferred Shares for consideration consisting solely of the Distributed NHS Shares such that each holder of New Age Farm Class A Preferred Shares as of the Share Distribution Record Date will, subject to the rounding of fractions and the exercise of rights of dissent, receive that number of post-Consolidation NHS Shares, on a pro-rata basis, based on the total number of New Age Farm Class A Preferred Shares and the total number of post-Consolidation NHS Shares issued and outstanding;
- i. The name of each holder of New Age Farm Class A Preferred Shares will be removed as such from the central securities register of New Age Farm, and all of the issued New Age Farm Class A Preferred Shares will be cancelled with the appropriate entries being made in the central securities register of New Age Farm;
- j. The Distributed NHS Shares transferred, on a pro-rata basis, to the holders of the New Age Farm Class A Preferred Shares pursuant to step §(e) above will be registered in the names of the former holders of New Age Farm Class A Preferred Shares and appropriate entries will be made in the central securities register of NHS;
- k. The New Age Farm Class A Shares and the New Age Farm Class A Preferred Shares, none of which will be allotted or issued once the steps referred to in steps §(c), §(e) and §(f) above are completed, will be cancelled and the authorized share structure of New Age Farm will be changed by eliminating the New Age Farm Class A Shares and the New Age Farm Class A Preferred Shares therefrom, leaving only the New Shares comprising the authorized share capital of New Age Farm;
- l. The Notice of Articles and Articles of New Age Farm will be amended to reflect the changes to its authorized share structure made pursuant to this Plan of Arrangement;
- m. After the Share Distribution Record Date:
  - i. Holders of New Age Farm Share Commitments, upon the exercise of such options or warrants entitling them to receive New Age Farm Shares, shall not be entitled to receive any Distributed NHS Shares;

- 3.2 Notwithstanding §3.1(e) and §3.1(j), no fractional post-Consolidation NHS Shares shall be distributed to the New Age Farm Shareholders or the holders of New Age Farm Share Commitments and as a result all fractional share amounts arising under such sections shall be rounded down to the nearest whole number. Any Distributed NHS Shares not distributed as a result of this rounding down shall be dealt with as determined by the board of directors of New Age Farm in its absolute discretion.
- 3.3 The holders of the New Age Farm Class A Shares and the holders of New Shares referred to in §3.1(c), and the holders of the New Age Farm Class A Preferred Shares referred to in §3.1(e), §3.1(f) and §3.1(g), shall mean in all cases those persons who are New Age Farm Shareholders at the close of business on the Share Distribution Record Date, subject to Article 5.
- 3.4 In addition to the chronological order in which the transactions and events set out in §3.1 shall occur and shall be deemed to occur, the time on the Share Distribution Record Date for the redemption of the New Age Farm Class A Preferred Shares set out in §3.1(e) shall occur and shall be deemed to occur immediately on the Share Distribution Record Date.
- 3.5 All New Shares, New Age Farm Class A Preferred Shares, and post-Consolidation NHS Shares issued pursuant to this Plan of Arrangement shall be deemed to be validly issued and outstanding as fully paid and non-assessable shares for all purposes of the BCBCA.
- 3.6 The Arrangement shall become final and conclusively binding on the New Age Farm Shareholders, New Age, NHS, and the Parties on the Effective Date.
- 3.7 Notwithstanding that the transactions and events set out in §3.1 shall occur and shall be deemed to occur in the chronological order therein set out without any act or formality, each of the Parties shall be required to make, do and execute or cause and procure to be made, done and executed all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may be required to give effect to, or further document or evidence, any of the transactions or events set out in §3.1, including, without limitation, any resolutions of directors authorizing the issue, transfer or redemption of shares, any share transfer powers evidencing the transfer of shares and any receipt therefore, and any necessary additions to or deletions from share registers.

### **CERTIFICATES**

- 4.1 Recognizing that the New Age Farm Shares shall be redeemed and re-designated as New Age Farm Class A Shares pursuant to §3.1(b)(i) and that the New Age Farm Class A Shares shall be exchanged partially for New Shares pursuant to §3.1(c), New Age Farm shall not issue replacement share certificates representing the New Age Farm Class A Shares.
- 4.2 Recognizing that the Distributed NHS Shares shall be transferred to the New Age Farm Shareholders as consideration for the redemption of the New Age Farm Class A Preferred Shares pursuant to §3.1(e), NHS shall issue one share certificate representing all of the Distributed NHS Shares registered in the name of New Age Farm, which share certificate shall be held by the Depositary until the Distributed NHS Shares are transferred to the New Age Farm Shareholders and such certificate shall then be cancelled by the Depositary. To facilitate the transfer of the Distributed NHS Shares to the New Age Farm Shareholders as of the Share Distribution Record Date, New Age Farm shall execute and deliver to the Depositary and the Transfer Agent an irrevocable power of attorney, authorizing them to distribute and transfer the Distributed NHS Shares to such New Age Farm Shareholders in accordance with the terms of this Plan of Arrangement and NHS shall deliver a treasury order or such other direction to effect such issuance to the Transfer Agent as requested by it.
- 4.3 Recognizing that all of the New Age Farm Class A Preferred Shares issued to the New Age Farm Shareholders pursuant to §3.1(e) will be redeemed by New Age Farm as consideration for the distribution

and transfer of the Distributed NHS Shares under §3.1(e), New Age Farm shall issue one share certificate representing all of the New Age Farm Class A Preferred Shares issued pursuant to §3.1(e) in the name of the Depository, to be held by the Depository for the benefit of the New Age Farm Shareholders until such New Age Farm Class A Preferred Shares are redeemed, and such certificate shall then be cancelled.

- 4.4 As soon as practicable after the Effective Date, NHS shall cause to be issued to the registered holders of New Age Farm Shares as of the Share Distribution Record Date, share certificates representing the NHS Shares to which they are entitled pursuant to this Plan of Arrangement and shall cause such share certificates to be mailed to such registered holders.
- 4.5 From and after the Share Distribution Record Date, share certificates representing New Age Farm Shares immediately before the Share Distribution Record Date, except for those deemed to have been cancelled pursuant to Article 5, shall for all purposes be deemed to be share certificates representing New Shares, and no new share certificates shall be issued with respect to the New Shares issued in connection with the Arrangement.
- 4.6 New Age Farm Shares traded, if any, after the Share Distribution Record Date and prior to the Effective Date shall represent New Shares, and shall not carry any right to receive a portion of the Distributed NHS Shares.

### **DISSENTING SHAREHOLDERS**

- 5.1 Notwithstanding §3.1 hereof, holders of New Age Farm Shares may exercise rights of dissent (the “**Dissent Right**”) in connection with the Arrangement in the manner set forth in sections 237 – 247 of the BCBCA (collectively, the “**Dissent Procedures**”).
- 5.2 New Age Farm Shareholders who duly exercise Dissent Rights with respect to their New Age Farm Shares (“**Dissenting Shares**”) and who:
- (a) are ultimately entitled to be paid fair value for their Dissenting Shares, shall be deemed to have transferred their Dissenting Shares to New Age Farm for cancellation immediately before the Share Distribution Record Date; or
  - (b) for any reason are ultimately not entitled to be paid fair value for their Dissenting Shares, shall be deemed to have participated in the Arrangement on the same basis as a non-dissenting New Age Farm Shareholder and shall receive New Shares and NHS Shares on the same basis as every other non-dissenting New Age Farm Shareholder, and in no case shall New Age Farm be required to recognize such person as holding New Age Farm Shares on or after the Share Distribution Record Date.
- 5.3 If a New Age Farm Shareholder exercises the Dissent Right, New Age Farm shall on the Share Distribution Record Date set aside and not distribute that portion of the Distributed NHS Shares that is attributable to the New Age Farm Shares for which the Dissent Right has been exercised. If the dissenting New Age Farm Shareholder is ultimately not entitled to be paid for their Dissenting Shares, New Age Farm shall distribute to such New Age Farm Shareholder his, her or its pro-rata portion of the respective Distributed NHS Shares. If a New Age Farm Shareholder duly complies with the Dissent Procedures and is ultimately entitled to be paid for their Dissenting Shares, then New Age Farm shall retain the portion of the Distributed NHS Shares attributable to such New Age Farm Shareholder (collectively, the “**Non-Distributed Shares**”), and the Non-Distributed Shares shall be dealt with as determined by the board of directors of New Age Farm in its absolute discretion.

**AMENDMENTS**

- 6.1 The Parties may amend, modify and/or supplement this Plan of Arrangement at any time and from time to time prior to the Effective Date, provided that each such amendment, modification and/or supplement must be:
- (i) set out in writing; ; and
  - (ii) communicated to holders of New Age Farm Shares and NHS Shares as the case may be.
- 6.2 Any amendment, modification or supplement to this Plan of Arrangement may be proposed by New Age Farm at any time prior to the New Age Farm Meeting with or without any other prior notice or communication, and if so proposed and accepted by the persons voting at the New Age Farm Meeting), shall become part of this Plan of Arrangement for all purposes.
- 6.3 New Age Farm, with the consent of the other parties, may amend, modify and/or supplement this Plan of Arrangement at any time and from time to time after the New Age Farm Meeting and prior to the Effective Date.
- 6.4 Any amendment, modification or supplement to this Plan of Arrangement may be made following the Effective Date but shall only be effective if it is consented to by the Parties, provided that such amendment, modification or supplement concerns a matter which, in the reasonable opinion of the Parties, is of an administrative nature required to better give effect to the implementation of this Plan of Arrangement and is not adverse to the financial or economic interests of any of the Parties or any former holder of New Age Farm Shares or NHS Shares as the case may be.

**ARTICLE 7  
REFERENCE DATE**

- 7.1 This plan of arrangement is dated for reference the 31st day of August 2016.

## SCHEDULE “A” TO THE PLAN OF ARRANGEMENT

### SPECIAL RIGHTS AND RESTRICTIONS FOR NEW AGE FARM CLASS A PREFERRED SHARES

The Class A Preferred Shares as a class shall have attached to them the following special rights and restrictions:

#### Definitions

- (1) In these Special Rights and Restrictions,
  - (a) “**Arrangement**” means the arrangement pursuant to Division 5 of Part 9 of the *Business Corporations Act* (British Columbia) S.B.C 2002, c.57 as contemplated by the Arrangement Agreement,
  - (b) “**Arrangement Agreement**” means the Arrangement Agreement dated as of August 31, 2016, between the Company and NHS Industries Ltd.,
  - (c) “**Company**” means New Age Farm Inc.,
  - (d) “**Effective Date**” means the date upon which the Arrangement becomes effective,
  - (e) “**New Shares**” means the common shares without par value created in the authorized share structure of the Company pursuant to the Plan of Arrangement,
  - (f) “**Old Common Shares**” means the common shares in the authorized share structure of the Company that have been re-designated as class A common shares without par value pursuant to the Plan of Arrangement,
  - (g) “**Plan of Arrangement**” means the Plan of Arrangement attached as Schedule “A” to the Arrangement Agreement.
- (2) The holders of the Class A Preferred Shares are not as such entitled to receive notice of, nor to attend or vote at, any general meeting of the shareholders of the Company.
- (3) Class A Preferred Shares shall only be issued on the exchange of Old Common Shares for New Shares and Class A Preferred Shares pursuant to and in accordance with the Plan of Arrangement.
- (4) The capital to be allocated to the Class A Preferred Shares shall be the amount determined in accordance with §3.1(d) of the Plan of Arrangement.
- (5) The Class A Preferred Shares shall be redeemable by the Company pursuant to and in accordance with the Plan of Arrangement.
- (6) Any Class A Preferred Share that is or is deemed to be redeemed pursuant to and in accordance with the Plan of Arrangement shall be cancelled and may not be reissued.

## SCHEDULE "B"

**NHS ASSETS AND LIABILITIES EXCLUDING THE NHS TRANSFERRED LIABILITIES**

	Pro Forma NHS Industries Ltd. June 30, 2016
<b>Assets</b>	
<b>Current</b>	
Cash and cash equivalents	\$ 683
	683
<b>Property, plant &amp; equipment</b>	<b>1,218,644</b>
	<b>\$ 1,219,327</b>
<b>Liabilities And Shareholders' Equity</b>	
<b>Current</b>	
Accounts payable	\$ -
Accrued liabilities	17,500
GST payable	8,900
Securities deposit received	7,000
Current portion of mortgage	18,922
	52,322
<b>Second mortgage</b>	<b>700,000</b>
<b>Long term portion of mortgage</b>	<b>629,204</b>
	<b>1,381,526</b>
<b>Shareholders' Equity</b>	
Equity portion of convertible debt	58,258
Share capital – common shares	1,720,188
Contributed surplus	234,108
Retained earnings (deficit)	(2,174,753)
	(162,199)
	<b>\$ 1,219,327</b>



**SCHEDULE “C”****NHS TRANSFERRED LIABILITIES TO BE TRANSFERRED TO NEW AGE FARM**

As of June 30, 2016:

- NHS owes 567147 BC Ltd. the amount of \$497,737.36;
- NHS owes Finair Group the amount \$330,000;
- By assigning the above amounts owed to New Age Farm, NHS would owe New Age Farm in the amount of \$827,737.36;
- At the same time, New Age Farm also owes intercompany loan to NHS in the amount of \$471,611.80. In addition, related party receivable of \$176,120 will also be consolidated as part of the intercompany loan. After the consolidation of this related party receivable, New Age Farm owes NHS a total amount of \$647,732.
- After offsetting the \$647,732, NHS would then owe New Age Farm in the amount of \$180,005.36 as of June 30 2016. This number will be subject to final adjustment prior to the spin off.

**SCHEDULE “D”**

**ORDINARY RESOLUTION TO APPROVE THE STOCK OPTION PLAN  
OF NHS INDUSTRIES LTD.**

**“BE IT RESOLVED THAT:**

1. The stock option plan of NHS Industries Ltd., as described in the management information circular of New Age Farm Inc. dated August 31, 2016, be and is hereby ratified and approved for the ensuing year; and
  2. Any one (1) director or officer of NHS Industries Ltd. be authorized to make all such arrangements, to do all acts and things and to sign and execute all documents and instruments in writing, whether under the corporate seal of NHS Industries Ltd. or otherwise, as may be considered necessary or advisable to give full force and effect to the foregoing.”
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**SCHEDULE “C” - RESOLUTIONS****RESOLUTIONS FOR THE ANNUAL AND SPECIAL MEETING OF  
NEW AGE FARM**

**Capitalized words used in this Schedule “C” and not otherwise defined shall have the meaning ascribed to such terms in the Circular.**

**I. To approve the Arrangement**

“BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:

1. The Arrangement Agreement dated August 31, 2016, between New Age Farm and NHS Industries Ltd., attached as Schedule “B” to the Circular, is hereby approved, ratified and affirmed;
2. the Arrangement under Division 5 of Part 9 of the Act, substantially as set forth in the Plan of Arrangement attached as Schedule “A” to the Arrangement Agreement, is hereby approved and authorized;
3. notwithstanding that this special resolution has been passed by the Shareholders of the Company, the Board may amend the Arrangement Agreement and/or decide not to proceed with the Arrangement or revoke this special resolution at any time prior to the filing of the resolution approving the Arrangement with the Registrar without further approval of the New Age Farm Shareholders; and
4. any director or officer of the Company be and is hereby authorized and directed, for and on behalf of the Company, to execute and deliver all such documents and to do all such other acts and things as such director or officer may determine to be necessary or advisable to give effect to this special resolution, the execution and delivery of any such document or the doing of any such other act or thing being conclusive evidence of such determination.”

**II. To approve the incentive stock option plan of NHS**

“BE IT RESOLVED AS AN ORDINARY RESOLUTION THAT:

1. the stock option plan of NHS as described in the management information circular of New Age Farm dated August 31, 2016, be and is hereby ratified and approved; and

any one (1) director or officer of NHS be authorized to make all such arrangements, to do all acts and things and to sign and execute all documents and instruments in writing, whether under the corporate seal of NHS or otherwise, as may be considered necessary or advisable to give full force and effect to the foregoing.”

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**SCHEDULE "D"-DISSENT PROCEDURES**
**DISSENT PROCEDURES****Business Corporations Act (British Columbia)****PART 2 OF DIVISION 8 OF THE BUSINESS CORPORATIONS ACT (BRITISH COLUMBIA)****Definitions and application**

**237** (1) In this Division:

"**dissenter**" means a shareholder who, being entitled to do so, sends written notice of dissent when and as required by section 242;

"**notice shares**" means, in relation to a notice of dissent, the shares in respect of which dissent is being exercised under the notice of dissent;

"**payout value**" means,

- (a) in the case of a dissent in respect of a resolution, the fair value that the notice shares had immediately before the passing of the resolution,
- (b) in the case of a dissent in respect of an arrangement approved by a court order made under section 291(2) (c) that permits dissent, the fair value that the notice shares had immediately before the passing of the resolution adopting the arrangement, or
- (c) in the case of a dissent in respect of a matter approved or authorized by any other court order that permits dissent, the fair value that the notice shares had at the time specified by the court order, excluding any appreciation or depreciation in anticipation of the corporate action approved or authorized by the resolution or court order unless exclusion would be inequitable.

(2) This Division applies to any right of dissent exercisable by a shareholder except to the extent that

- (a) the court orders otherwise, or
- (b) in the case of a right of dissent authorized by a resolution referred to in section 238 (1) (g), the court orders otherwise or the resolution provides otherwise.

**Right to dissent**

**238** (1) A shareholder of a company, whether or not the shareholder's shares carry the right to vote, is entitled to dissent as follows:

- (a) under section 260, in respect of a resolution to alter the articles to alter restrictions on the powers of the company or on the business it is permitted to carry on;
- (b) under section 272, in respect of a resolution to adopt an amalgamation agreement;
- (c) under section 287, in respect of a resolution to approve an amalgamation under Division 4 of Part 9;
- (d) in respect of a resolution to approve an arrangement, the terms of which arrangement permit dissent;
- (e) under section 301 (5), in respect of a resolution to authorize or ratify the sale, lease or other disposition of all or substantially all of the company's undertaking;
- (f) under section 309, in respect of a resolution to authorize the continuation of the company into a jurisdiction other than British Columbia;
- (g) in respect of any other resolution, if dissent is authorized by the resolution
- (h) in respect of any court order that permits dissent.

(2) A shareholder wishing to dissent must

- (a) prepare a separate notice of dissent under section 242 for
    - (i) the shareholder, if the shareholder is dissenting on the shareholder's own behalf, and
    - (ii) each other person who beneficially owns shares registered in the shareholder's name and on whose behalf the shareholder is dissenting,
  - (b) identify in each notice of dissent, in accordance with section 242 (4), the person on whose behalf dissent is being exercised in that notice of dissent, and
  - (c) dissent with respect to all of the shares, registered in the shareholder's name, of which the person identified under paragraph (b) of this subsection is the beneficial owner.
- (3) Without limiting subsection (2), a person who wishes to have dissent exercised with respect to shares of which the person is the beneficial owner must
- (a) dissent with respect to all of the shares, if any, of which the person is both the registered owner and the beneficial owner, and
  - (b) cause each shareholder who is a registered owner of any other shares of which the person is the beneficial owner to dissent with respect to all of those shares.

### **Waiver of right to dissent**

**239** (1) A shareholder may not waive generally a right to dissent but may, in writing, waive the right to dissent with respect to a particular corporate action.

- (2) A shareholder wishing to waive a right of dissent with respect to a particular corporate action must
- (a) provide to the company a separate waiver for
    - (i) the shareholder, if the shareholder is providing a waiver on the shareholder's own behalf, and
    - (ii) each other person who beneficially owns shares registered in the shareholder's name and on whose behalf the shareholder is providing a waiver, and
  - (b) identify in each waiver the person on whose behalf the waiver is made.
- (3) If a shareholder waives a right of dissent with respect to a particular corporate action and indicates in the waiver that the right to dissent is being waived on the shareholder's own behalf, D-3 the shareholder's right to dissent with respect to the particular corporate action terminates in respect of the shares of which the shareholder is both the registered owner and the beneficial owner, and this Division ceases to apply to
- (a) the shareholder in respect of the shares of which the shareholder is both the registered owner and the beneficial owner, and
  - (b) any other shareholders, who are registered owners of shares beneficially owned by the first mentioned shareholder, in respect of the shares that are beneficially owned by the first mentioned shareholder.
- (4) If a shareholder waives a right of dissent with respect to a particular corporate action and indicates in the waiver that the right to dissent is being waived on behalf of a specified person who beneficially owns shares registered in the name of the shareholder, the right of shareholders who are registered owners of shares beneficially owned by that specified person to dissent on behalf of that specified person with respect to the particular corporate action terminates and this Division ceases to apply to those shareholders in respect of the shares that are beneficially owned by that specified person.

**Notice of resolution**

**240** (1) If a resolution in respect of which a shareholder is entitled to dissent is to be considered at a meeting of shareholders, the company must, at least the prescribed number of days before the date of the proposed meeting, send to each of its shareholders, whether or not their shares carry the right to vote,

- (a) a copy of the proposed resolution, and
- (b) a notice of the meeting that specifies the date of the meeting, and contains a statement advising of the right to send a notice of dissent.

(2) If a resolution in respect of which a shareholder is entitled to dissent is to be passed as a consent resolution of shareholders or as a resolution of directors and the earliest date on which that resolution can be passed is specified in the resolution or in the statement referred to in paragraph (b), the company may, at least 21 days before that specified date, send to each of its shareholders, whether or not their shares carry the right to vote,

- (a) a copy of the proposed resolution, and
- (b) a statement advising of the right to send a notice of dissent.

(3) If a resolution in respect of which a shareholder is entitled to dissent was or is to be passed as a resolution of shareholders without the company complying with subsection (1) or (2), or was or is to be passed as a directors' resolution without the company complying with subsection (2), the company must, before or within 14 days after the passing of the resolution, send to each of its shareholders who has not, on behalf of every person who beneficially owns shares registered in the name of the shareholder, consented to the resolution or voted in favour of the resolution, whether or not their shares carry the right to vote,

- (a) a copy of the resolution,
- (b) a statement advising of the right to send a notice of dissent, and
- (c) if the resolution has passed, notification of that fact and the date on which it was passed.

(4) Nothing in subsection (1), (2) or (3) gives a shareholder a right to vote in a meeting at which, or on a resolution on which, the shareholder would not otherwise be entitled to vote.

**Notice of court orders**

**241** If a court order provides for a right of dissent, the company must, not later than 14 days after the date on which the company receives a copy of the entered order, send to each shareholder who is entitled to exercise that right of dissent

- (a) a copy of the entered order, and
- (b) a statement advising of the right to send a notice of dissent.

**Notice of dissent**

**242** (1) A shareholder intending to dissent in respect of a resolution referred to in section 238 (1) (a), (b), (c), (d), (e) or (f) must,

- (a) if the company has complied with section 240 (1) or (2), send written notice of dissent to the company at least 2 days before the date on which the resolution is to be passed or can be passed, as the case may be,
- (b) if the company has complied with section 240 (3), send written notice of dissent to the company not more than 14 days after receiving the records referred to in that section, or

(c) if the company has not complied with section 240 (1), (2) or (3), send written notice of dissent to the company not more than 14 days after the later of

- (i) the date on which the shareholder learns that the resolution was passed, and

- (ii) the date on which the shareholder learns that the shareholder is entitled to dissent.
- (2) A shareholder intending to dissent in respect of a resolution referred to in section 238 (1) (g) must send written notice of dissent to the company
  - (a) on or before the date specified by the resolution or in the statement referred to in section 240 (2) (b) or (3) (b) as the last date by which notice of dissent must be sent, or
  - (b) if the resolution or statement does not specify a date, in accordance with subsection (1) of this section.
- (3) A shareholder intending to dissent under section 238 (1) (h) in respect of a court order that permits dissent must send written notice of dissent to the company
  - (a) within the number of days, specified by the court order, after the shareholder receives the records referred to in section 241, or
  - (b) if the court order does not specify the number of days referred to in paragraph (a) of this subsection, within 14 days after the shareholder receives the records referred to in section 241.
- (4) A notice of dissent sent under this section must set out the number, and the class and series, if applicable, of the notice shares, and must set out whichever of the following is applicable:
  - (a) if the notice shares constitute all of the shares of which the shareholder is both the registered owner and beneficial owner and the shareholder owns no other shares of the company as beneficial owner, a statement to that effect;
  - (b) if the notice shares constitute all of the shares of which the shareholder is both the registered owner and beneficial owner but the shareholder owns other shares of the company as beneficial owner, a statement to that effect and
    - (i) the names of the registered owners of those other shares,
    - (ii) the number, and the class and series, if applicable, of those other shares that are held by each of those registered owners, and
    - (iii) a statement that notices of dissent are being, or have been, sent in respect of all of those other shares;
  - (c) if dissent is being exercised by the shareholder on behalf of a beneficial owner who is not the dissenting shareholder, a statement to that effect and
    - (i) the name and address of the beneficial owner, and
    - (ii) a statement that the shareholder is dissenting in relation to all of the shares beneficially owned by the beneficial owner that are registered in the shareholder's name.
- (5) The right of a shareholder to dissent on behalf of a beneficial owner of shares, including the shareholder, terminates and this Division ceases to apply to the shareholder in respect of that beneficial owner if subsections (1) to (4) of this section, as those subsections pertain to that beneficial owner, are not complied with.

### **Notice of intention to proceed**

- 243** (1) A company that receives a notice of dissent under section 242 from a dissenter must,
- (a) if the company intends to act on the authority of the resolution or court order in respect of which the notice of dissent was sent, send a notice to the dissenter promptly after the later of
    - (i) the date on which the company forms the intention to proceed, and
    - (ii) the date on which the notice of dissent was received, or

- (b) if the company has acted on the authority of that resolution or court order, promptly send a notice to the dissenter.
- (2) A notice sent under subsection (1) (a) or (b) of this section must
- (a) be dated not earlier than the date on which the notice is sent,
  - (b) state that the company intends to act, or has acted, as the case may be, on the authority of the resolution or court order, and
  - (c) advise the dissenter of the manner in which dissent is to be completed under section 244. D-6

### **Completion of dissent**

**244** (1) A dissenter who receives a notice under section 243 must, if the dissenter wishes to proceed with the dissent, send to the company or its transfer agent for the notice shares, within one month after the date of the notice,

- (a) a written statement that the dissenter requires the company to purchase all of the notice shares,
- (b) the certificates, if any, representing the notice shares, and
- (c) if section 242 (4) (c) applies, a written statement that complies with subsection (2) of this section.

(2) The written statement referred to in subsection (1) (c) must

- (a) be signed by the beneficial owner on whose behalf dissent is being exercised, and
- (b) set out whether or not the beneficial owner is the beneficial owner of other shares of the company and, if so, set out
  - (i) the names of the registered owners of those other shares,
  - (ii) the number, and the class and series, if applicable, of those other shares that are held by each of those registered owners, and
  - (iii) that dissent is being exercised in respect of all of those other shares.

(3) After the dissenter has complied with subsection (1),

- (a) the dissenter is deemed to have sold to the company the notice shares, and
- (b) the company is deemed to have purchased those shares, and must comply with section 245, whether or not it is authorized to do so by, and despite any restriction in, its memorandum or articles.

(4) Unless the court orders otherwise, if the dissenter fails to comply with subsection (1) of this section in relation to notice shares, the right of the dissenter to dissent with respect to those notice shares terminates and this Division, other than section 247, ceases to apply to the dissenter with respect to those notice shares.

(5) Unless the court orders otherwise, if a person on whose behalf dissent is being exercised in relation to a particular corporate action fails to ensure that every shareholder who is a registered owner of any of the shares beneficially owned by that person complies with subsection (1) of this section, the right of shareholders who are registered owners of shares beneficially owned by that person to dissent on behalf of that person with respect to that corporate action terminates and this Division, other than section 247, ceases to apply to those shareholders in respect of the shares that are beneficially owned by that person.

(6) A dissenter who has complied with subsection (1) of this section may not vote, or exercise or assert any rights of a shareholder, in respect of the notice shares, other than under this Division.



### **Payment for notice shares**

**245** (1) A company and a dissenter who has complied with section 244 (1) may agree on the amount of the payout value of the notice shares and, in that event, the company must

- (a) promptly pay that amount to the dissenter, or
- (b) if subsection (5) of this section applies, promptly send a notice to the dissenter that the company is unable lawfully to pay dissenters for their shares.

(2) A dissenter who has not entered into an agreement with the company under subsection (1) or the company may apply to the court and the court may

- (a) determine the payout value of the notice shares of those dissenters who have not entered into an agreement with the company under subsection (1), or order that the payout value of those notice shares be established by arbitration or by reference to the registrar, or a referee, of the court,
- (b) join in the application each dissenter, other than a dissenter who has entered into an agreement with the company under subsection (1), who has complied with section 244 (1), and
- (c) make consequential orders and give directions it considers appropriate.

(3) Promptly after a determination of the payout value for notice shares has been made under subsection (2) (a) of this section, the company must

- (a) pay to each dissenter who has complied with section 244 (1) in relation to those notice shares, other than a dissenter who has entered into an agreement with the company under subsection (1) of this section, the payout value applicable to that dissenter's notice shares, or
- (b) if subsection (5) applies, promptly send a notice to the dissenter that the company is unable lawfully to pay dissenters for their shares.

(4) If a dissenter receives a notice under subsection (1) (b) or (3) (b),

- (a) the dissenter may, within 30 days after receipt, withdraw the dissenter's notice of dissent, in which case the company is deemed to consent to the withdrawal and this Division, other than section 247, ceases to apply to the dissenter with respect to the notice shares, or
- (b) if the dissenter does not withdraw the notice of dissent in accordance with paragraph (a) of this subsection, the dissenter retains a status as a claimant against the company, to be paid as soon as the company is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the company but in priority to its shareholders.

(5) A company must not make a payment to a dissenter under this section if there are reasonable grounds for believing that

- (a) the company is insolvent, or
- (b) the payment would render the company insolvent.

### **Loss of right to dissent**

**246** The right of a dissenter to dissent with respect to notice shares terminates and this Division, other than section 247, ceases to apply to the dissenter with respect to those notice shares, if, before payment is made to the dissenter of the full amount of money to which the dissenter is entitled under section 245 in relation to those notice shares, any of the following events occur: D-8

- (a) the corporate action approved or authorized, or to be approved or authorized, by the resolution or court order in respect of which the notice of dissent was sent is abandoned;
- (b) the resolution in respect of which the notice of dissent was sent does not pass;

- (c) the resolution in respect of which the notice of dissent was sent is revoked before the corporate action approved or authorized by that resolution is taken;
- (d) the notice of dissent was sent in respect of a resolution adopting an amalgamation agreement and the amalgamation is abandoned or, by the terms of the agreement, will not proceed;
- (e) the arrangement in respect of which the notice of dissent was sent is abandoned or by its terms will not proceed;
- (f) a court permanently enjoins or sets aside the corporate action approved or authorized by the resolution or court order in respect of which the notice of dissent was sent;
- (g) with respect to the notice shares, the dissenter consents to, or votes in favour of, the resolution in respect of which the notice of dissent was sent;
- (h) the notice of dissent is withdrawn with the written consent of the company;
- (i) the court determines that the dissenter is not entitled to dissent under this Division or that the dissenter is not entitled to dissent with respect to the notice shares under this Division.

**Shareholders entitled to return of shares and rights**

**247** If, under section 244 (4) or (5), 245 (4) (a) or 246, this Division, other than this section, ceases to apply to a dissenter with respect to notice shares,

- (a) the company must return to the dissenter each of the applicable share certificates, if any, sent under section 244 (1) (b) or, if those share certificates are unavailable, replacements for those share certificates,
- (b) the dissenter regains any ability lost under section 244 (6) to vote, or exercise or assert any rights of a shareholder, in respect of the notice shares, and
- (c) the dissenter must return any money that the company paid to the dissenter in respect of the notice of shares under, or in purported compliance with, this Division.

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**SCHEDULE “E” – PRO-FORMA FINANCIAL STATEMENTS**

**New Age Farm Inc.**  
**NHS Industries Ltd.**  
Pro Forma Financial Statements  
(Unaudited)

**June 30, 2016**  
(Expressed in Canadian Dollars)

**New Age Farm Inc.  
NHS Industries Ltd.**  
Pro Forma Statements of Financial Position  
(Unaudited)  
(Expressed in Canadian Dollars)

	(A) New Age Farm Inc. Consolidated June 30, 2016	(B) NHS Industries Ltd. June 30, 2016	(C) New Age Farm Pro Forma Adjustments Dr. / (Cr.)	(D) NHS Pro Forma Adjustments Dr. / (Cr.)	Note 2	(B)+(D) Pro Forma NHS Industries Ltd. June 30, 2016	(A)-(B)+(C) Pro Forma New Age Farm Inc. June 30, 2016
<b>Assets</b>							
<b>Current</b>							
Cash and cash equivalents	\$ 85,285	\$ 683	\$ -	\$ -	-	\$ 683	\$ 84,602
Loans receivable from NHS	-	-	497,737	-	(b)-1	-	-
	-	-	330,000	-	(b)-1	-	-
	-	-	(647,732)	-	(b)-3	-	-
	-	-	(180,005)	-	(b)-4	-	-
Loans receivable from New Age	-	471,612	471,612	176,120	(b)-2	-	-
	-	-	-	(647,732)	(b)-3	-	-
Due from related parties	25,000	176,120	176,120	(176,120)	(b)-2	-	25,000
	110,285	648,415	647,732	(647,732)	-	683	109,602
<b>Prepayments on facilities</b>	<b>1,192,572</b>	-	-	-	-	-	<b>1,192,572</b>
<b>Investment in NHS</b>	-	-	3,441,342	-	(b)-6	-	-
	-	-	180,005	-	(b)-4	-	-
	-	-	(3,621,346)	-	(b)-7	-	-
	-	-	(1)	-	(b)-9	-	-
<b>Property, plant &amp; equipment</b>	<b>1,877,529</b>	<b>1,218,644</b>	-	-	-	<b>1,218,644</b>	<b>658,885</b>
	\$ 3,180,386	\$ 1,867,059	\$ 647,732	\$ (647,732)	-	\$ 1,219,327	\$ 1,961,059
<b>Liabilities And Shareholders' Equity</b>							
<b>Current</b>							
Accounts payable	\$ 86,999	\$ 8,900	\$ -	\$ (8,900)	(b)-5	\$ -	\$ 78,099
Accrued liabilities	771,253	17,500	176,120	-	(b)-2	17,500	753,753
	-	-	(176,120)	-	(b)-2	-	-
GST payable	-	-	-	8,900	(b)-5	8,900	-
Securities deposit received	7,000	7,000	-	-	-	7,000	-
Due to related party	121,376	-	-	-	-	-	121,376
Loans payable to New Age	-	-	-	497,737	(b)-1	-	-
	-	-	-	330,000	(b)-1	-	-
	-	-	-	(647,732)	(b)-3	-	-
	-	-	-	(180,005)	(b)-4	-	-
Loans payable to NHS	-	-	471,612	-	(b)-2	-	-
	-	-	176,120	-	(b)-2	-	-
	-	-	(647,732)	-	(b)-3	-	-
Loans payable	326,563	-	827,737	-	(b)-1	-	1,154,300
Secured notes payable	330,000	330,000	-	(330,000)	(b)-1	-	-
Secured convertible debt	497,737	497,737	-	(497,737)	(b)-1	-	-
Current portion of seller note payable	7,293	-	-	-	-	-	7,293
Current portion of mortgage	18,922	18,922	-	-	-	18,922	-
Second mortgage	-	-	-	-	-	-	-
	2,167,143	880,059	827,737	(827,737)	-	52,322	2,114,821
<b>Second mortgage</b>	<b>700,000</b>	<b>700,000</b>	-	-	-	<b>700,000</b>	<b>-</b>
<b>Long term portion of seller note payable</b>	<b>88,912</b>	-	-	-	-	-	<b>88,912</b>
<b>Long term portion of mortgage</b>	<b>629,204</b>	<b>629,204</b>	-	-	-	<b>629,204</b>	<b>-</b>
	3,585,259	2,209,263	827,737	(827,737)	-	1,381,526	2,203,733
<b>Shareholders' Equity</b>							
Equity portion of convertible debt	58,258	58,258	-	-	-	58,258	-
Share capital – common shares	5,502,213	1,540,183	-	180,005	(b)-4	1,720,188	3,962,029
	-	-	(1)	-	(b)-8	-	-
Share capital – preferred shares	-	-	1	-	(b)-8	-	-
	-	-	(1)	-	(b)-9	-	-
Share capital - RTO	-	-	3,441,342	-	(b)-6	-	3,441,342
Contributed surplus	1,715,408	234,108	-	-	-	234,108	1,481,300
Retained earnings (deficit)	(7,680,752)	(2,174,753)	-	-	-	(2,174,753)	(9,127,345)
	(404,873)	(342,204)	(180,005)	180,005	-	(162,199)	(242,674)
	\$ 3,180,386	\$ 1,867,059	\$ 647,732	\$ (647,732)	-	\$ 1,219,327	\$ 1,961,059

See accompanying notes to the pro forma financial statements.

**New Age Farm Inc.**  
**NHS Industries Ltd.**

Pro Forma Statements of Comprehensive Loss  
For Six Months Period Ended June 30, 2016  
(Unaudited)  
(Expressed in Canadian Dollars)

	(A) New Age Farm Inc. Consolidated June 30, 2016	(B) NHS Industries Ltd. June 30, 2016	(C) New Age Farm Pro Forma Adjustments Dr. / (Cr.)	(D) NHS Pro Forma Adjustments Dr. / (Cr.)	Note 2	(B) + (D) Pro Forma NHS Industries Ltd. June 30, 2016	(A)-(B)+(C) Pro Forma New Age Farm Inc. June 30, 2016
<b>Revenue</b>							
Rent	\$ 42,000	\$ 42,000	\$ -	\$ -	-	\$ 42,000	\$ -
Interest	9	9	-	-	-	9	-
<b>Total revenue</b>	<b>42,009</b>	<b>42,009</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>42,009</b>	<b>-</b>
<b>Expenses</b>							
Accretion expenses on secured notes payable	35,903	35,903	-	-	-	35,903	-
Advertising and promotion	37,000	-	-	-	-	-	37,000
Amortization	15,697	12,097	-	-	-	12,097	3,600
Bank charges	383	39	-	-	-	39	344
Consulting fees	244,537	-	-	-	-	-	244,537
Directors' fees	36,000	-	-	-	-	-	36,000
Foreign exchange (gain) / loss	(11,827)	-	-	-	-	-	(11,827)
Insurance	7,191	5,128	-	-	-	5,128	2,063
Interest	57,648	31,333	-	-	-	31,333	26,315
Office and miscellaneous	9,499	-	-	-	-	-	9,499
Professional fees	24,072	4,355	-	-	-	4,355	19,717
Property taxes	2,038	-	-	-	-	-	2,038
Transfer agent and filing fees	1,928	-	-	-	-	-	1,928
Shares based payments	287,000	-	-	-	-	-	287,000
Loss / (gain) on extinguishment of debts	(35,063)	-	-	-	-	-	(35,063)
Write off of investment in NHS	-	-	3,621,346	-	(b)-7	-	3,621,346
	<b>712,006</b>	<b>88,855</b>	<b>3,621,346</b>	<b>-</b>	<b>-</b>	<b>88,855</b>	<b>4,244,497</b>
<b>Net loss and comprehensive loss for the period</b>	<b>\$ (669,997)</b>	<b>\$ (46,846)</b>	<b>\$(3,621,346)</b>	<b>\$ -</b>	<b>-</b>	<b>\$ (46,846)</b>	<b>\$ (4,244,497)</b>

See accompanying notes to the pro forma financial statements.

**New Age Farm Inc.**  
**NHS Industries Ltd.**  
Pro Forma Statements of Comprehensive Loss  
For The Year Ended December 31, 2015  
(Unaudited)  
(Expressed in Canadian Dollars)

	(A) New Age Farm Inc. Consolidated December 31, 2015	(B) NHS Industries Ltd. December 31, 2015	(C) New Age Farm Pro Forma Adjustments Dr. / (Cr.)	(D) NHS Pro Forma Adjustments Dr. / (Cr.)	Note 2	(B)+(D) Pro Forma NHS Industries Ltd. December 31, 2015	(A)-(B)+(C) Pro Forma New Age Farm Inc. December 31, 2015
<b>Revenue</b>							
Rent	\$ 84,000	\$ 84,000	\$ -	\$ -	-	\$ 84,000	\$ -
Interest	75	75	-	-	-	75	-
<b>Total revenue</b>	<b>84,075</b>	<b>84,075</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>84,0075</b>	<b>-</b>
<b>Expenses</b>							
Accretion expenses on secured notes payable	88,663	88,663	-	-	-	88,663	-
Advertising and promotion	41,095	-	-	-	-	-	41,095
Amortization	24,559	24,559	-	-	-	24,559	-
Business development	1,054	-	-	-	-	-	1,054
Bank charges	1,934	227	-	-	-	227	1,707
Consulting fees	1,966,479	-	-	-	-	-	1,966,479
Directors' fees	72,000	-	-	-	-	-	72,000
Finance expense	150,000	-	-	-	-	-	150,000
Foreign exchange loss	11,752	-	-	-	-	-	11,752
Insurance	21,762	17,469	-	-	-	17,469	4,293
Interest	107,132	83,534	-	-	-	83,534	23,598
Office and miscellaneous	15,011	-	-	-	-	-	15,011
Professional fees	179,661	3,952	-	-	-	3,952	175,709
Property taxes	7,791	4,841	-	-	-	4,841	2,950
Telephone	1,732	-	-	-	-	-	1,732
Transfer agent and filing fees	77,408	-	-	-	-	-	77,408
Travel	25,016	-	-	-	-	-	25,016
Shares based payments	1,283,500	-	-	-	-	-	1,283,500
Gain on extinguishment of notes payable	(2,341)	(2,341)	-	-	-	(2,341)	-
Write off of development costs	650,000	650,000	-	-	-	650,000	-
Write off of investment	60	-	-	-	-	-	60
Write off of investment in NHS	-	-	3,621,346	-	(b)-7	-	3,621,346
	<b>4,724,268</b>	<b>870,904</b>	<b>3,621,346</b>	<b>709,121</b>		<b>870,904</b>	<b>7,474,710</b>
<b>Net loss and comprehensive loss for the year</b>	<b>\$ (4,640,193)</b>	<b>\$ (786,829)</b>	<b>\$ (3,621,346)</b>	<b>\$ (709,121)</b>		<b>\$ (786,829)</b>	<b>\$ (7,474,710)</b>

See accompanying notes to the pro forma financial statements.

**New Age Farm Inc.**  
**NHS Industries Ltd.**

Notes to the Pro Forma Financial Statements

As At June 30, 2016

(Unaudited)

(Expressed in Canadian Dollars)

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**1. BASIS OF PRESENTATION**

The accompanying pro forma financial statements have been prepared by management of New Age Farm Inc. (“New Age”) and NHS Industries Ltd. (“NHS”), for illustrative purposes only, to show the effect of the proposed spin out of the wholly owned subsidiary, NHS Industries Ltd. (the “Transaction”), from New Age Farm Inc. on the basis of the assumptions described in Note 2(b) below. All financial amounts are shown in Canadian dollars.

The pro forma financial statements have been derived from the unaudited condensed consolidated interim financial statements of New Age as of June 30, 2016, and audited consolidated financial statements of New Age as at December 31, 2015.

The pro forma financial statements have been prepared in accordance with International Financial Reporting Standards. The pro forma statement of financial position and statement of operation are not necessarily indicative of the financial position and operation of New Age and NHS on the date of completion of the proposed Transaction. The pro forma statement of financial position and the statements of operation were prepared as if the Transaction took place on the date of the pro forma financial statements.

**2. PRO FORMA ADJUSTMENTS AND ASSUMPTIONS**

- (a) New Age and NHS entered into an arrangement agreement to spin out the wholly owned subsidiary, NHS Industries Ltd. (the “Transaction”), from New Age Farm Inc. such that shareholders of New Age would then directly hold shares in NHS on a pro-rata basis.
- (b) The adjustments also take into consideration of all proposed assignments of debts and debts settlements into shares of NHS to be completed prior to the completion of the spin-out:
  1. Assignment to New Age of secured convertible debts of \$497,737 and secured debts in the amount of \$330,000 issued by NHS. After the assignment, NHS owes New Age in the amount of \$827,737.
  2. Consolidate due from related party receivable of \$176,120 to loan receivable from New Age of \$471,612. The total loan receivable from New Age is thus \$647,732.
  3. Offset loans receivable of \$647,732 owing by New Age to NHS against the NHS loans payable balance in item 1 and 2 above. After the offset, NHS then owes New Age in the amount of \$180,005.
  4. Settle the loans payable of \$180,005 owing by NHS to New Age into shares of NHS at minimum price of \$0.03 per share and issue additional 6,000,167 common shares to New Age. Together with existing 34,414,424 common shares already owned by New Age, New Age then owns 40,414,591 shares of NHS. New Age’s investment then increased by the same amount of \$180,005. NHS will consolidate its common shares at 5:1 ratio and will result 8,082,918 common shares prior to the distribution of its shares to New Age Farm shareholders.
  5. Re-class GST payable by NHS out from accounts payable as GST payable.
  6. Reinstate original investment in NHS by New Age in the amount of \$3,441,342 which was the fair value of shares issued by New Age to acquire NHS upon Reverse-Takeover.
  7. Write down of investment in NHS by New Age, based on fair value of net assets in NHS which approximated by its carrying value upon spin out, in the amount of \$3,757,158.
  8. Reorganization of common shares into new common shares and new preferred shares with ACB and redemption value of \$1 equal to fair value of investment in NHS.
  9. Redemption of New Age preferred shares by distributing investment in 8,082,918 NHS common shares to shareholders of New Age Farm

**New Age Farm Inc.**  
**NHS Industries Ltd.**  
Notes to the Pro Forma Financial Statements  
As At June 30, 2016  
(Unaudited)  
(Expressed in Canadian Dollars)

**3. SHARE CAPITAL**

Share capital as at June 30, 2016 in the unaudited pro forma statements of financial position is comprised of the followings:

	<b>Number of Shares</b>	<b>Amount</b>
<b><u>New Age Farm Inc.</u></b>		
Authorized		
Unlimited common shares without par value		
Issued		
New Age consolidated common share as at June 30, 2016	64,216,259	\$ 5,502,213
Deconsolidate share capital of NHS as at June 30, 2016	-	(1,540,183)
Reinstate fair value of share capital in acquiring NHS common shares which was eliminated upon consolidation	-	3,441,342
Common shares reorganization and allocate cost to preferred shares	-	(1)
<b>Common shares outstanding after the Transaction as of June 30, 2016</b>	<b>64,216,259</b>	<b>7,403,371</b>
Authorized		
Unlimited preferred shares without par value		
Issued		
Shares reorganization and issued same number of preferred shares with redemption price equal to fair value of investment in NHS	64,216,259	1
Redemption of preferred shares by distributing NHS shares to shareholders of NHS Industries	(64,216,259)	(1)
<b>Preferred shares outstanding after the Transaction as of June 30, 2016</b>	<b>-</b>	<b>-</b>
<b><u>NHS Industries Ltd.</u></b>		
Authorized		
Unlimited common shares without par value		
Issued		
NHS common share outstanding as at June 30, 2016	34,414,424	\$ 1,540,183
Common shares issued to New Age Farm to settle debts	6,000,167	180,005
5:1 consolidation prior to distribution of NHS shares to New Age Farm shareholders as of record date	(32,331,673)	-
<b>Common shares outstanding after the Transaction as of June 30, 2016</b>	<b>8,082,918</b>	<b>\$ 1,720,188</b>



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**SCHEDULE “F” –JUNE 30, 2016 UNAUDITED CONDENSED INTERIM CONSOLIDATED  
FINANCIAL STATEMENTS**

**NEW AGE FARM INC.**

**UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**SIX MONTHS ENDED JUNE 30, 2016**

(Expressed in Canadian dollars)

**Index**

	Page
Management Responsibility and Notice to Readers	1
Unaudited Condensed Interim Consolidated Statements of Financial Position	2
Unaudited Condensed Interim Consolidated Statements of Operations and Comprehensive Operations	3
Unaudited Condensed Interim Consolidated Statements of Changes in Shareholders' Equity	4
Unaudited Condensed Interim Consolidated Statements of Cash Flows	5
Notes to the Unaudited Condensed Interim Consolidated Financial Statements	6 - 20

**MANAGEMENT'S RESPONSIBILITY FOR UNAUDITED CONDENSED  
CONSOLIDATED INTERIM FINANCIAL REPORTING**

The accompanying unaudited condensed interim financial statements of New Age Farm Inc. [the "Company"] are the responsibility of the management and Board of Directors of the Company. The unaudited condensed consolidated interim financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with the accounting policies disclosed in the notes to the unaudited condensed interim financial statements. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the balance sheet date. In the opinion of management, the unaudited condensed consolidated interim financial statements have been prepared within acceptable limits of materiality and are in accordance with International Accounting Standard 34 Interim Financial Reporting consistent with International Financial Reporting Standards appropriate in the circumstances.

Management has established systems of internal control over the financial reporting process, which are designed to provide reasonable assurance that relevant and reliable financial information is produced. The Board of Directors is responsible for reviewing and approving the unaudited condensed consolidated interim financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

Carman Parente  
Director

Vancouver, BC  
August 24, 2016

**NOTICE TO READERS**

The accompanying unaudited condensed consolidated interim financial statements of the Company have been prepared by and are the responsibility of management. The unaudited condensed consolidated interim financial statements for the six months period ended June 30, 2016 have not been reviewed by the Company's auditors.

**NEW AGE FARM INC.**  
**Unaudited Condensed Interim Consolidated Statements of Financial Position**  
**(expressed in Canadian dollars)**

	June 30, 2016	December 31, 2015
<b>Current</b>		
Cash	\$ 85,285	\$ 100,047
Due from related parties (Note 6)	25,000	25,688
Investment (Note 3)	-	-
	<u>110,285</u>	125,735
<b>Prepayments on facilities (Note 13)</b>	<b>1,192,572</b>	1,089,127
<b>Property, plant and equipment (Note 4)</b>	<b>1,877,529</b>	1,893,225
<b>Property under development (Note 5)</b>	<b>-</b>	-
<b>Total assets</b>	<b>\$ 3,180,386</b>	<b>\$ 3,108,087</b>
<b>Current</b>		
Accounts payable	\$ 86,999	\$ 105,224
Accrued liabilities (Note 6)	771,253	719,677
Security deposit received	7,000	7,000
Due to related parties	121,376	-
Loans payable (Note 12)	326,563	201,875
Secured notes payable (Note 11)	330,000	318,274
Secured convertible debt (Note 11)	497,737	473,560
Current portion of seller note payable (Note 12)	7,293	7,508
Current portion of mortgage (Note 7)	18,922	18,525
Second mortgage (Note 7)	-	400,000
	<u>2,167,143</u>	2,251,643
<b>Second mortgage</b>	<b>700,000</b>	-
<b>Long term loan payable (Note 12)</b>	<b>-</b>	270,313
<b>Long term portion of seller note payable (Note 12)</b>	<b>88,912</b>	99,250
<b>Long term portion of mortgage (Note 7)</b>	<b>629,204</b>	638,820
<b>Total liabilities</b>	<b>\$ 3,585,259</b>	<b>\$ 3,260,026</b>
<b>Shareholders' equity</b>		
Equity portion of convertible debt (Note 11)	58,258	58,258
Shares capital (Note 8)	5,502,213	5,342,350
Shares subscribed	-	-
Contributed surplus	1,715,408	1,458,208
Deficit, per accompanying statement	(7,680,752)	(7,010,755)
<b>Total shareholders' equity</b>	<b>(404,873)</b>	<b>(151,939)</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 3,180,386</b>	<b>\$ 3,108,087</b>

**Nature and continuance of operations (Note 1) and Subsequent events (Note 14)**

Approved on behalf of the Board on August 24, 2016:

\_\_\_\_\_  
*"Carman Parente"*  
 Director – Carman Parente

\_\_\_\_\_  
*"Anthony Chan"*  
 Director – Anthony Chan

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

**NEW AGE FARM INC.**  
**Unaudited Condensed Interim Consolidated Statements of Operations and Comprehensive Operations**  
**(expressed in Canadian dollars)**

	Three Months Ended		Six Months Ended	
	June 30, 2016	June 30, 2015	June 30, 2016	June 30, 2015
<b>Revenue</b>				
Rent	\$ 21,000	\$ 21,000	\$ 42,000	\$ 42,000
Interest	6	16	9	27
<b>Total revenue</b>	<b>21,006</b>	<b>21,016</b>	<b>42,009</b>	<b>42,027</b>
<b>Expenses</b>				
Accretion expenses on secured notes payable (Note 11)	12,239	21,993	35,903	42,787
Advertising & promotion	37,000	-	37,000	2,100
Amortization	7,757	6,139	15,697	12,279
Bank charges	316	203	383	343
Consulting (Note 6)	134,492	1,254,242	244,537	1,584,332
Directors' fees (Note 6)	18,000	18,000	36,000	36,000
Finance expense (Note 7 & Note 8)	-	-	-	150,000
Foreign exchange (gain)/loss	(361)	(741)	(11,827)	2,503
Insurance	5,140	4,720	7,191	9,439
Interest	12,402	22,217	57,648	34,359
Office and miscellaneous	6,019	14,927	9,499	16,578
Professional fees	5,856	6,271	24,072	71,463
Utility & property taxes	-	4,841	2,038	4,841
Telephone	-	-	-	-
Transfer agent, listing & filing fees	1,928	2,730	1,928	34,776
Travel	-	-	-	-
Shares based payments (Note 8)	287,000	1,061,500	287,000	1,283,500
	<b>527,788</b>	<b>2,417,042</b>	<b>747,069</b>	<b>3,285,300</b>
<b>11. Other income (expense)</b>				
12. Write off of investment (Note 3)	-	60	-	60
13. Write off of development costs (Note 5)	-	-	-	-
15. Gain on settlement of debts	(35,063)	-	(35,063)	-
16. Gain on extinguishment of notes payable (Note 11)	-	(2,341)	-	(2,341)
<b>Total expenses</b>	<b>492,725</b>	<b>2,414,761</b>	<b>712,006</b>	<b>3,283,019</b>
<b>Loss and comprehensive loss for the period</b>	\$ (471,722)	\$ (2,393,745)	\$ (669,997)	\$ (3,240,992)
<b>Loss per share</b>	\$ (0.007)	\$ (0.04)	\$ (0.01)	\$ (0.07)
<b>Weighted average number of shares outstanding</b>	<b>63,581,407</b>	<b>56,040,110</b>	<b>62,468,709</b>	<b>48,429,637</b>

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

**NEW AGE FARM INC.**  
**(formerly 0981624 B.C. Ltd.)**  
**Consolidated Statements of Changes in Shareholders' Equity**  
**(expressed in Canadian dollars)**

	Number of Shares	Share Capital & subscribed	Contributed Surplus	Equity Portion Convertible Debt	Deficit	Shareholders' Equity
<b>Balance, December 31, 2014</b>	<b>38,947,091</b>	<b>\$ 2,030,150</b>	<b>\$ 433,166</b>	<b>\$ -</b>	<b>\$ (2,370,562)</b>	<b>\$ 92,754</b>
Shares issued for cash at \$0.10 per share	4,600,000	460,000	-	-	-	460,000
Shares subscribed and issued	-	(110,000)	-	-	-	(110,000)
Stock options exercised at \$0.08 per share	378,000	30,240	-	-	-	30,240
Fair value of options exercised	-	22,680	(22,680)	-	-	-
Stock options exercised at \$0.05 per share	1,000,001	50,000	-	-	-	50,000
Fair value of options exercised	-	16,000	(16,000)	-	-	-
Subscription receivable	-	(16,000)	-	-	-	(16,000)
Shares based payments	-	-	1,283,500	-	-	1,283,500
Shares issued as finance expense	1,000,000	150,000	-	-	-	150,000
Shares issued for cash at \$0.15 per share	1,666,667	250,000	-	-	-	250,000
Shares issued for services	5,500,000	1,100,000	-	-	-	1,100,000
Warrants exercised at \$0.15 per share	800,000	120,000	-	-	-	120,000
Fair value of warrants transferred	-	74,400	(74,400)	-	-	-
Repurchase of secured debts and issuance of convertible debts	-	-	(58,258)	58,258	-	-
Shares issued to purchase equipment	200,000	30,000	-	-	-	30,000
Shares issued as finders fees	6,000,000	900,000	-	-	-	900,000
Loss for the period	-	-	-	-	(3,240,992)	(3,240,992)
<b>Balance, June 30, 2015</b>	<b>60,091,759</b>	<b>5,107,470</b>	<b>1,545,328</b>	<b>58,258</b>	<b>(5,611,554)</b>	<b>1,099,502</b>
Subscription receivable	-	16,000	-	-	-	16,000
Stock options exercised at \$0.08 per share	522,000	41,760	-	-	-	41,760
Fair value of options exercised	-	31,320	(31,320)	-	-	-
Warrants exercised at \$0.15 per share	600,000	90,000	-	-	-	90,000
Fair value of warrants transferred	-	55,800	(55,800)	-	-	-
Loss for the period	-	-	-	-	(1,399,201)	(1,399,201)
<b>Balance, December 31, 2015</b>	<b>61,213,759</b>	<b>5,342,350</b>	<b>1,458,208</b>	<b>58,258</b>	<b>(7,010,755)</b>	<b>(151,939)</b>
Warrants exercised at \$0.15 per share	200,000	30,000	-	-	-	30,000
Fair value of warrants transferred	-	18,600	(18,600)	-	-	-
Stock options exercised at \$0.05 per share	700,000	35,000	-	-	-	35,000
Fair value of options exercised	-	11,200	(11,200)	-	-	-
Shares issued for services	500,000	20,000	-	-	-	20,000
Shares issued in settlement of debts	1,602,500	45,063	-	-	-	45,063
Shares based payments	-	-	287,000	-	-	287,000
Loss for the period	-	-	-	-	(669,997)	(669,997)
<b>Balance, June 30, 2016</b>	<b>64,216,259</b>	<b>\$ 5,502,213</b>	<b>\$ 1,715,408</b>	<b>\$ 58,258</b>	<b>\$ (7,680,752)</b>	<b>\$ (404,873)</b>

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

**NEW AGE FARM INC.**  
**Unaudited Condensed Interim Consolidated Statements of Cash Flows**  
**(expressed in Canadian dollars)**

	June 30, 2016	June 30, 2015
<b>Cash flows from (used in)</b>		
<b>Operating activities</b>		
Net loss for the period	\$ (669,997)	\$ (3,240,992)
Items not affecting cash:		
Accretion of interest	35,903	42,787
Amortization	15,697	12,279
Accrued interest	44,063	-
Consulting fees settled into shares	-	-
Gain on settlement of debts	(35,063)	-
Loss (gain) on extinguishment of notes payable	-	(2,341)
Finance expense	-	150,000
Shares issued for services	20,000	1,100,000
Write off of development costs	-	-
Write off of investment	-	60
Shares based payments	287,000	1,283,500
	<u>(302,397)</u>	<u>(654,707)</u>
<b>Changes in non-cash working capital items:</b>		
GST receivable	-	(5,350)
Prepaid expenses	-	(380,703)
Accounts payable and accrued liabilities	95,976	276,568
	<u>(206,421)</u>	<u>(764,192)</u>
<b>Net cash used in operating activities</b>		
<b>Investing activities</b>		
Deposit on real property	-	-
Investment in subsidiary	-	(60)
Loan receivable	-	(25,000)
Prepayments	(103,445)	-
Purchase of real property, net of deposit	-	(349,004)
	<u>(103,445)</u>	<u>(374,064)</u>
<b>Net cash used in investing activities</b>		
<b>Financing activities</b>		
Loans payable	(172,188)	327,500
Due from related parties	122,064	-
Seller note payable	(10,553)	-
Shares subscribed	-	-
Proceeds from issuance of common shares	65,000	784,240
Mortgages	290,781	391,024
	<u>295,104</u>	<u>1,502,764</u>
<b>Net cash received from financing activities</b>		
<b>Increase in cash and cash equivalents during the period</b>	<b>(14,762)</b>	<b>364,508</b>
<b>Cash and cash equivalents, beginning of the period</b>	<b>100,047</b>	<b>86,952</b>
<b>Cash and cash equivalents, end of the period</b>	<b>\$ 85,285</b>	<b>\$ 451,460</b>
<b>Interest paid</b>	<b>\$ 13,585</b>	<b>\$ 34,076</b>
<b>Income tax paid</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Non-cash Transactions:</b>		
<b>Issuance of shares to settle debts &amp; secured debts</b>	<b>\$ 80,125</b>	<b>\$ -</b>
<b>Issuance of secured convertible debt</b>	<b>\$ -</b>	<b>\$ 497,737</b>
<b>Fair value of stock options exercised</b>	<b>\$ 11,200</b>	<b>\$ -</b>
<b>Fair value of warrants exercised</b>	<b>\$ 18,600</b>	<b>\$ -</b>
<b>Issuance of shares to secure second mortgage (finance expense)</b>	<b>\$ -</b>	<b>\$ 150,000</b>
<b>Issuance of shares to purchase equipment</b>	<b>\$ -</b>	<b>\$ 30,000</b>
<b>Issuance of shares as prepayments</b>	<b>\$ -</b>	<b>\$ 900,000</b>
<b>Issuance of shares for services</b>	<b>\$ 20,000</b>	<b>\$ 1,100,000</b>

The accompanying notes are an integral part of these unaudited condensed interim consolidated 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 hold 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 initiated the share distribution in June of 2014 and issued 2,433,667 common shares to Five Nines, which were then re-distributed to the shareholders of Five Nines as of record date of December 31, 2013. The Company is currently listed for trading on Canadian Securities Exchange (“CSE”) under the symbol “NF”.

627073 B.C. Ltd. was incorporated on May 4, 2001 under the British Columbia Business Corporation Act and changed its name to “NHS Industries Ltd.” (the “Company”) on September 17, 2010. The Company’s principal business is the provisions of a property rental service and a development of real estate property and facility.

The registered address, head office, principal address and records office of the Company are located at Suite 106 – 1641 Lonsdale Avenue, North Vancouver, British Columbia, Canada, V7M 2J5.

At June 30, 2016, the Company had working capital deficiency of \$2,056,858 (2015 - \$2,125,908), had not yet achieved profitable operations, has accumulated losses of \$7,680,752 since its inception and expects to incur further losses in the development of its business, all of which casts significant doubt about the Company’s ability to continue as a going concern. The Company’s ability to continue as a going concern is dependent upon its ability to generate future profitable operations and/or to obtain the necessary financing to conduct its planned business, meet its on-going levels of corporate overhead and discharge its liabilities as they come due. These unaudited condensed interim consolidated financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge liabilities in the normal course of business. Although the Company presently has sufficient financial resources to undertake its currently planned business and has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. Accordingly, it does not give effect to adjustments, if any, that would be necessary should the Company be unable to continue as a going concern and, therefore, be required to realize its assets and liquidate its liabilities in other than the normal course of business and at amounts which may differ from those shown in these unaudited condensed interim consolidated financial statements.

## 2. SIGNIFICANT ACCOUNTING POLICIES

### (a) Statement of Compliance, Consolidation 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 include the accounts of the Company and its wholly owned subsidiary, NHS Industries Ltd and New Age Farm Washington, LLC. All inter-company transactions and balances have been eliminated in the consolidated financial statement presentation. 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 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	Fair value through profit or loss
Due from related parties	Loans and receivables
Financial liabilities:	Classification:
Accounts payable, accrued liabilities, due to related parties, secured notes payable, promissory note, secured convertible debt, seller note payable, loan payable and mortgages	Other financial liabilities



**2SIGNIFICANT ACCOUNTING POLICIES** (continued)(d) **Financial instruments** (continued)*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 amounts due to related parties, 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.

## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

### (d) Financial instruments (continued)

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.

#### Financial instruments recorded at fair value

Financial instruments recorded at fair value on the consolidated 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) Share based Compensation

The Company operates an employee stock option plan. Share based payments to employees are measured at the fair value of the instruments issued and amortized over the relevant vesting periods. Share based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The fair value of options is determined using a Black-Scholes pricing model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

### (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 and tractor	-	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.

**2. SIGNIFICANT ACCOUNTING POLICIES (continued)****(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 nor 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.

## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

### (k) Significant accounting judgments and estimates

The preparation of unaudited condensed interim consolidated 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 consolidated 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, valuation of share-based payments 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.

#### Valuation of share-based payments

The Company uses the Black-Scholes Option Pricing Model for valuation of share-based payments. Option pricing models require the input of subjective assumptions including expected price volatility, interest rate, and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's earnings and equity reserves.

### (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, effective for annual periods beginning on or after January 1, 2018, 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 consolidated financial statements for the period beginning January 1, 2018. The Company is currently evaluating the potential impact of the adoption of IFRS 9.

### 3. INVESTMENT

During the year 2015, the Company invested in a 60% controlled subsidiary as investment purpose for \$60. This subsidiary was dormant and the management determined that the investment was impaired and wrote off the investment to \$Nil and charged it to the operations during 2015.

### 4. PROPERTY, PLANT AND EQUIPMENT

	June 30, 2016			December 31, 2015
	Cost	Accumulated Amortization	Net Carrying Amount	Net Carrying Amount
Land	\$ 900,000	\$ -	\$ 900,000	\$ 900,000
Building	213,800	128,281	85,519	92,646
Sumas Property	360,466	-	360,466	360,466
Sumas Property - Facility	117,711	-	117,711	117,711
Oroville Property	154,308	-	154,308	154,308
Greenhouse	298,626	73,720	224,906	229,171
Furniture, fixture and equipment	21,423	14,618	6,805	7,259
Motor Vehicle & tractor	53,776	25,962	27,814	31,664
	<u>\$ 2,120,110</u>	<u>\$ 242,581</u>	<u>\$ 1,877,529</u>	<u>\$ 1,893,225</u>

The Company entered into an escrow on October 22, 2014 for the purchase of a land in Whatcom County, Washington State (“Sumas Property”) for a total purchase price of US\$289,000. 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. The property is not yet ready for renting and is still in process of building a facility of which \$117,711 was incurred as at June 30, 2016. The Company entered into a lease agreement with its first tenant on the property of which rental income will only be charged to the tenant after a facility is completely built to the tenant’s specification and needs. The Company issued 3,000,000 common shares of the Company at a fair value of \$0.15 per share for total value of \$450,000 as prepayment with respect to this first tenant acquired (Note 8).

On October 30, 2015, the Company also acquired another property in Okanogan County, Washington State (“Oroville Property”) for a total purchase price of US\$118,000. The company paid US\$40,000 towards the purchase price and the seller financed the balance with the Company issuing a note payable to the seller in the amount of US\$78,000, at the rate of 8% per annum on the declining balance thereof for a period of 10 years to be due on October 30, 2025. Monthly payment of US\$950 is required to be paid of which payments are applied first to interest and the principal until the maturity date when the balance of principal will be matured (Note 12).

The Company purchased a tractor motor vehicle by issuing 200,000 common shares at a fair value of \$0.15 per share for total value of \$30,000 during the year ended December 31, 2015 (Note 8).

### 5. PROPERTY UNDER DEVELOPMENT

Due to the uncertainty as to when the Company is able to raise sufficient funds to complete building a facility on its Langley farm, the Company determined that the incurred development cost is impaired and has written off the development cost to \$Nil as at December 31, 2015. There is no change to the impairment evaluation as of June 30, 2016.

## 6. DUE TO/FROM RELATED PARTY AND RELATED PARTY TRANSACTIONS

The amounts of \$688 (2015 - \$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.

The amounts of \$121,376 (2015 - \$Nil) is due to a the Chief Executive Officer, a related party, are non-interest bearing, unsecured and without fixed terms of repayment.

During the period ended June 30, 2016, the Company advanced \$Nil (2015: \$25,000) as a loan to a company of which the Chief Executive Officer is one of shareholders of this company. This loan is non-interest bearing and has no fixed terms of repayment. As of June 30, 2016, this loan receivable balance remains at \$25,000.

During the period ended June 30, 2016, the Chief Financial Officer of the Company exercised 700,000 options at the exercise price of \$0.05 per share. The Company also issued 1,602,500 common shares at average fair value of \$0.028 per share to settle debts owed to two current directors of the Company. 3,400,000 warrants were also granted to the three directors of the Company at an exercise price of \$0.05 over 5 years (Note 8(c)).

During the current period ended June 30, 2016, \$187,959 (2015: \$302,000) of consulting fees have been incurred, paid and accrued for to the current and former officers and directors of the Company in relation to their services provided to the Company. As of June 30, 2016, total consulting fees of \$779,500 (2015: \$732,000) have been accrued for. A total of \$18,000 directors' fees at \$2,000 per month to each director were also incurred and accrued for the period ended June 30, 2016 and as of June 30, 2016, a total of \$126,000 (2015 - \$90,000) directors fees have been accrued for. And the amount of \$175,170 is owed to the Company by a company owned by the CEO of the Company, which will be applied against the accrued consulting fees owed by the Company to the CEO. As of June 30, 2016, a net total of \$730,330 after deducting the amount of \$175,170 owed by a company owned by the CEO of the Company was included as accrued liabilities to these parties (Note 7).

## 7. MORTGAGE / SECOND MORTGAGE

The Company has negotiated a credit facility with the BlueShore Financial (the "BSF") for a commercial mortgage. The commercial mortgage bears interest at 4.25% per annum until October 1, 2017. The mortgage requires monthly blended payments of \$3,842. Payments will be adjusted at a time of term renewal based on the fixed rate of interest in effect and the remaining amortization period. The mortgage is secured by a rental property of the Company and an assignment of rents.

	June 30, 2016	December 31, 2015
Balance, beginning of the period/year	\$ 657,345	\$ 675,339
Principal payments made during the period/year	(9,219)	(17,994)
Balance, end of the period/year	648,126	657,345
Amount payable within one year	(18,922)	(18,525)
	\$ 629,204	\$ 638,820

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 a fair value 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. The Company also accrued \$150,000 fees to the CEO for providing a personal guarantee on the second mortgage. During the period ended June 30, 2016, the Company entered into a refinanced second mortgage agreement on its property in Langley, B.C., in the amount of \$700,000 from a private lender. The principal amount of the mortgage is \$700,000 and bears interest at the rate of 10 per cent per year with a term of five years. Proceed of the mortgage was used toward paying out the prior second mortgage of \$400,000 and the balance will be used for general working capital purposes. The Company may prepay this refinanced second mortgage on payment of a three-month interest penalty. Total interest of \$17,500 has been accrued for on this refinanced second mortgage as of June 30, 2016.

## 8. SHARE CAPITAL

- 
- (a) Authorized: Unlimited common shares without par value  
 Issued : 64,216,259 common shares (2015: 61,213,759 common shares)
- 

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 as prepayments to acquire two tenants (Note 4 and Note 13).

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.

During the year 2015, the Company issued 1,400,000 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.

In September 2015, 522,000 stock options were exercised at \$0.08 per share for a total proceed of \$41,760. Fair value of these options of \$31,320 was also re-allocated from contributed surplus to share capital.

In January & February of 2016, the Company issued 200,000 common shares as result of warrants exercised by an external consultant at fair value of \$0.243 per share.

In April 2016, 700,000 stock options were exercised at \$0.05 per share for a total proceed of \$35,000. Fair value of these options of \$11,200 was also re-allocated from contributed surplus to share capital. The Company also issued 500,000 common shares of the Company at a fair value of \$0.04 per share for services to an outside consultant. In addition, the Company also issued 1,602,500 common shares at average fair value of \$0.028 per share to settle debts owed to two current directors of the Company. Gain on settlement of these debts of \$35,063 was recognized.

### (b) Stock Options

The Company has adopted an incentive stock option plan (the "Option Plan") dated which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with stock exchanges requirements, grant to directors, officers, employees and consultants to the Company, non-transferable options to purchase common shares. 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 and that the number of common shares reserved for issuance pursuant to options granted to all consultants or persons conducting investing relations activities will not exceed 2% of the issued and outstanding common shares within any 12-month period. 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.

## 8. SHARE CAPITAL (continued)

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%.

- (i) As at June 30, 2016, the Company had stock options outstanding and exercisable enabling holders to acquire the following:

Number of Shares	Exercise Price	Expiry Date
50,000	\$0.05	September 8, 2019
250,000	\$0.20	May 4, 2020
<b>300,000</b>		

- (ii) A summary of the status of the Company's stock options as at June 30, 2016 and December 31, 2015, and changes during those years is presented below:

	Options Outstanding	Weighted Average Exercise Price
<b>Balance, December 31, 2014</b>	<b>3,550,000</b>	<b>0.06</b>
Granted	2,250,000	0.16
Exercised	(1,900,000)	0.06
Cancelled	(500,000)	0.08
<b>Balance, December 31, 2015</b>	<b>3,400,000</b>	<b>0.12</b>
Exercised	(700,000)	0.05
Cancelled	(2,400,000)	0.13
<b>Balance, June 30, 2016</b>	<b>300,000</b>	<b>0.175</b>

- (c) Warrants

During the year-ended December 31, 2015, the Company issued 8,500,000 warrants to management and to external consultants with each warrant to purchase one common share of the Company at an exercise price of \$0.15 per share over between 3 to 5 years. These warrants were issued at a total fair value of \$1,024,500 being credited to contributed surplus and was charged to operation as shares based payment using the Black Scholes option pricing model using the assumptions at the time of grant of risk free interest rates of 0.6% to 0.77%, expected life of 5 years, expected volatility of 100%, forfeiture rate of 0% and a dividend rate of 0%. During the year 2015, 1,400,000 warrants had been exercised by an external consultant and a total fair value of \$130,200 was reallocated to share capital from contributed surplus (Note 8(a)).

During the current period ended June 30, 2016, 200,000 warrants had been exercised by an external consultant and a total fair value of \$18,600 was reallocated to share capital from contributed surplus (Note 8(a)). In addition, 7,000,000 warrants were also granted to insiders and consultants (Note 6) at an exercise price of \$0.05 per share over 5 years. These warrants were issued at a total fair value of \$287,000 being credited to contributed surplus and was charged to operation as shares based payment using the Black Scholes option pricing model using the assumptions at the time of grant of risk free interest rates of 0.67%, expected life of 5 years, expected volatility of 100%, forfeiture rate of 0% and a dividend rate of 0%.



8. **SHARE CAPITAL (continued)**

## (c) Warrants (continued)

	Warrants Outstanding	Weighted Average Exercise Price
<b>Balance, December 31, 2015</b>	<b>7,100,000</b>	<b>0.15</b>
Granted	7,000,000	0.05
Exercised	(200,000)	0.15
<b>Balance, June 30, 2016</b>	<b>13,900,000</b>	<b>0.10</b>

Number of Shares	Exercise Price	Expiry Date
6,500,000	\$0.15	April 15, 2020
400,000	\$0.15	April 9, 2018
7,000,000	\$0.05	May 13, 2021
<b>13,900,000</b>		

9. **CAPITAL DISCLOSURES**

The Company's objective when managing capital is to maintain adequate cash resources to support planned activities which include administrative costs and general expenditures. In the management of capital, the Company includes cash, mortgages, due to related parties, due to shareholders, secured notes payable, promissory note and the components of shareholders' equity. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. Historically, funding for the Company's plan is primarily managed through the issuance of additional common shares, through its commercial activities and through obtaining financing. There are no assurances that funds will be made available to the Company when required.

In order to carry out the planned development and pay for administrative costs, the Company will spend its existing working capital and expects to raise additional amounts as needed. The Company will continue to assess new business and seek to acquire an interest in additional business if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

The Company invests all capital that is surplus to its immediate operational needs in short-term, liquid and highly rated financial instruments, such as cash, and all are held in major Canadian financial institutions. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the period ended June 30, 2016 and the year ended December 31, 2015. The Company is not subject to externally imposed capital requirements.

10. **FINANCIAL INSTRUMENTS AND RISK FACTORS**

## (a) Fair values

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

The fair value of transactions is classified according to the following hierarchy based on the amount of observable inputs used to value the instrument.

10. **FINANCIAL INSTRUMENTS AND RISK FACTORS** (continued)

## (a) Fair values (continued)

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 – Inputs are other than quoted prices in Level 1 that are either directly or indirectly observable for the asset or liability.
- Level 3 – Inputs for the asset or liability that are not based on observable market data.

Assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the placement within the fair value hierarchy level.

The company's cash and cash equivalents have been valued using Level 1 inputs.

The fair value of the Company's financial instruments has been classified within the fair value hierarchy as at June 30, 2016 as follows:

	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Cash and cash equivalents	\$ 85,285	\$ -	\$ -	\$ 85,285
Investments	-	-	-	-
	\$ 85,285	\$ -	\$ -	\$ 85,285

## (b) Credit risk

Credit risk is the loss associated with a counter-party's inability to fulfil its payment obligations. The Company's credit risk is attributable to GST receivable from Canadian Federal government and term deposits. The credit risk is minimized by placing cash with major Canadian financial institutions. Management believes that the credit risk concentration with respect to financial instruments above is remote.

## (c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations when they become due. The Company's exposure to liquidity risk is dependent on raising of funds to meet commitments and sustain operations. The Company controls liquidity risk by management of working capital and cash flows. The Company ensures that sufficient funds are raised from private placements or loans to meet its operating requirements, after taking into account existing cash. The Company's cash and cash equivalents are held in business accounts which are available on demand for the Company's business and are not invested in any asset-backed deposits or investments.

As at June 30, 2016, the Company had cash and cash equivalents of \$85,285 to settle current liabilities of \$2,167,143. The mortgage of \$648,126 has a term which will be renewed on October 1, 2017 (Note 7). A total of convertible debentures of \$250,000 are to be matured on June 15, 2017 while the seller note payable of \$96,205 is to be matured on October 30, 2025. The refinanced second mortgage of \$700,000 is to be matured in five years from March 31, 2016. The secured debts and secured convertible debts of \$827,737 are already matured and are currently due on demand (Note 11).

10. **FINANCIAL INSTRUMENTS AND RISK FACTORS** (continued)

(d) Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. If interest rates decrease, the Company will generate smaller interest revenue. Presently the Company is not at risk of realizing a loss as a result of a decline in the fair value of its financial instruments because of the short-term nature of the investments. The Company is susceptible to interest rate fair value risk on its mortgage, note and convertible debts payables that bear fixed interest rates.

ii) Foreign currency risk

The Company's functional currency is the Canadian dollar and major expenditures are transacted in Canadian dollars.

11. **SECURED NOTES PAYABLE / CONVERTIBLE SECURED DEBT**

On March 31, 2014, the note payable in the amount of \$347,737 due to a company owned by an officer of the Company was extinguished by the Company. In consideration for the extinguishment, the Company issued a non-interest bearing secured loan to replace the note payable. Together with the 25,000,000 common shares returned to treasury for cancellation at an agreed value of \$750,000, the Company entered into a secured loan agreement with this company. This is a non-interest bearing loan in the amount of \$1,097,737 to be due in two years on March 31, 2016 and secured by the Company's current and future assets secondary to the mortgage currently held by BlueShore Financial.

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. The Company also amended this secured non-interest bearing loan in the amount of \$497,737 ("Loan 1") to be due in two years on June 30, 2016 and continue to be secured by the Company's current and future assets secondary to the second mortgage (Note 7). On April 1, 2015, this secured note has been amended to become a convertible secured debt with a conversion price of \$0.15 per share with the same due date. Using discounted rate of 10%, the equity portion was determined to be \$58,258. Gain on extinguishment of this note payable of \$2,341 was also realized and included in the consolidated statements of operations in year ended 2015.

On March 31, 2014, another shareholder also returned 16,666,667 common shares of the Company to the treasury for cancellation at an agreed value of \$500,000. The Company also entered into a non-interest bearing loan agreement with this shareholder in the amount of \$500,000 ("Loan 2") to be due in two years on March 31, 2016 (and became due on demand on March 31, 2016) and secured by the Company's current and future assets with it rights subsequent to the registered holder described above. A prepayment of \$170,000 was made during the year 2015 to an outside party on behalf of this loan holder and it is agreed that the prepayment amount is to be offset against the original loan amount upon maturity.

During the year ended December 31, 2014, the total secured loans of \$997,737 were accounted for at amortized cost using the effective interest rate method with the effective interest rate of 10% per annum. The debt discount of \$158,654 was credited to contributed surplus, debited to secured notes and being amortized over the term of the note.

The total discount of \$35,903 was charged to interest expense for the period ended June 30, 2016 (2015: \$42,787).

**11. SECURED NOTES PAYABLE / CONVERTIBLE SECURED DEBT (continued)**

	Convertible Debt	Loan 2	Total
Principal	\$ 497,737	\$ 500,000	\$ 997,737
Unamortized discount	-	-	-
Prepayment	-	(170,000)	(170,000)
June 30, 2016	\$ 497,737	\$ 330,000	\$ 827,737

**12. PROMISSORY NOTE / LOANS PAYABLE / SELLER NOTE PAYABLE**

On June 15, 2015, the Company entered into a convertible debenture with a third party in the amount of \$250,000 with annual interest rate of 15% to be due in two years on June 15, 2017. The third party can convert the debenture, six months after the debenture date, into units of the Company at a price equal to 15% less than the market price at the time of conversion. Each unit consists of one common share and one-half warrant of the Company with each warrant exercisable at a price equal to the conversion price plus \$0.05 per share. During the period ended June 30, 2016, interest of \$6,250 (2015: \$Nil) was accrued for on the loan. As of June 30, 2016, total of interest of \$26,563 (2015: \$20,313) was accrued for on the loan.

On December 1, 2015, the Company also entered into a second convertible debenture with a third party in the amount of \$150,000 with annual interest rate of 15% to be due in three years on November 30, 2018, and it was fully repaid in April, 2016 (Note 14). The third party could convert the debenture, six months after the debenture date, into units of the Company at a price equal to 15% less than the market price at the time of conversion. Each unit consisted of one common share and one-half warrant of the Company with each warrant exercisable at a price equal to the conversion price plus \$0.05 per share. During the period ended June 30, 2016, interest of \$7,890 (2015: \$Nil) was paid on the loan and this convertible debenture has been fully repaid by the Company. As of June 30, 2016, \$Nil (2015: \$151,875) was still owing and outstanding to this third party.

On March 1, 2015, the Company received a loan of \$50,000 from a third party. This loan is non-interest bearing with no fixed terms of repayment.

On October 31, 2015, the Company entered into a secured note payable with the seller of the Oroville Property in the amount of US\$78,000 (Note 4). During the period ended June 30, 2016, interest and principal of \$4,049 and \$3,538 was paid on this note respectively. Unrealized foreign exchange gain of \$7,015 was recorded on this seller note payable for the same period ended June 30, 2016.

**13. PREPAYMENTS ON FACILITIES**

The Company incurred and paid several prepayments with respect to the Sumas and Oroville property as below:

- 3,000,000 common shares were issued at fair value of \$0.15 per share for total value of \$450,000 to acquire the first tenant on the Sumas Property and is recorded as a prepayment;
- 3,000,000 common shares were issued at fair value of \$0.15 per share for total value of \$450,000 to acquire the second tenant on the Sumas Property who is in process of applying to move its operation onto the Oroville Property. This payment is also recorded as a prepayment;
- A cash prepayment of \$134,462 (2015: \$72,417) was made with respect to the build-up of the facility on the Oroville Property;
- Total cash prepayments of \$158,110 (2015: \$116,710) were made as down payments in acquiring interests in three operations on the Oroville Property.

**14. SUBSEQUENT EVENTS**

There is no significant subsequent event to report.