



New Age Farm Provides Update regarding the Plan of Arrangement with NHS Industries Ltd.

December 5, 2016 - Vancouver, BC

New Age Farm Inc. (CSE:NF) (OTC:NWGFF) (FSE:ONF) (www.newagefarminc.com) (“New Age Farm” or the “Company”), is pleased to provide this update regarding the plan of arrangement (the “Arrangement”) between

New Age Farm and NHS Industries Ltd (“NHS”). As previously reported on November 10, 2016, the shareholders of the Company have approved the Arrangement and the Company has set the share distribution record date at November 30, 2016 (the “Share Distribution Record Date”). As of the Share Distribution Record Date, New Age Farm has 105,573,317 common shares issued and outstanding

As of the Share Distribution Record Date, each New Age Farm shareholder of record will continue to hold that number of common shares in the equity of New Age Farm (the “New Age Farm Shares”) held by the shareholder prior to the Arrangement. The New Age Farm Shares will be identical in every respect to the shareholders’ current New Age Farm Shares; in addition, each New Age Farm shareholder will receive from NHS the number of common shares (the “NHS Shares”) equal to the issued and outstanding New Age Farm Shares held by the shareholder as of the Share Distribution Record Date, multiplied by a conversion factor. Based on the issued and outstanding shares in each of New Age Farm and NHS as of the Share Distribution Record Date, the Company has determined that the distribution ratio is 0.065195 such that 1 New Age Farm Share will entitle the shareholder to receive 0.065195 share of NHS for each New Age Farm Share held by the shareholder as of the Share Distribution Record Date. Therefore, on completion of the Arrangement, each shareholder will have one New Age Farm Share and his or her pro-rata allotment of the NHS Shares for each New Age Farm Share held prior to the Arrangement.

Effective Date

The Company has determined that the effective date of the plan of arrangement will be December 31, 2016 (the “Effective Date”). This means that shareholders of record as of the Share Distribution Record Date will receive their NHS shares after the Effective Date. The Share Distribution Record Date has been set for the purpose of determining which shareholders will be entitled to receive the NHS shares. It is not the date on which the shareholders can expect to receive shares. New Age Farm Shareholders will receive their NHS shares in the New Year, after the Effective Date has passed and all the required steps in the Arrangement have been completed.

On the Effective Date of the Arrangement, no action is required on the part of the New Age Farm shareholders; those shareholders entitled to NHS Shares will receive their shares in one of two ways: 1) either directly by mail of a certificate or direct registration statement evidencing their NHS Shares to the mailing address currently on file with New Age Farm or 2) the NHS Shares will be credited directly to their brokerage accounts.

This press release should be read together with, and is qualified in its entirety by the more detailed information contained in the management information circular of the Company dated August 31, 2016, available under the Company’s profile on SEDAR at www.sedar.com.

Purpose of Plan of Arrangement

New Age Farm intends to spin out NHS as a separate operating company for a number of reasons that include, but are not limited to, the ability to list NHS on a stock exchange to build greater shareholder value in the Company’s Canadian assets; to allow the Company to focus its attention on its US cannabis facilities’ operations which are now in production; to build a Canadian facility that is ready to take advantage of the upcoming changes to Canadian legislation regarding recreational marijuana and to provide our shareholders with the opportunity to take part in two separate and distinct companies, both with the potential to generate substantial returns that shareholders

will realize from two successful operations that provide services and facilities for tenant-growers in the lucrative and growing recreational marijuana industry.

About New Age Farm

British Columbia

Through its wholly-owned subsidiary, NHS Industries Ltd. (“NHS”), New Age owns a five and a half acre greenhouse facility in the lower mainland of BC with a 48,000 square foot greenhouse facility. NHS is in the process of formulating innovative proposals for small scale agricultural facilities for exploring multiple avenues for cash flow processes. Anticipating Canadian federal government regulations regarding the legalization of cannabis for recreational purposes is one avenue that NHS will be exploring. NHS also intends to look at other high value crop possibilities such as hemp and its potential revenue generation. Management’s intent is for NHS to achieve positive cash flow as expediently as possible, all the while developing and maintaining multiple product income streams that will foster profitability, rather than relying on a single market sector.

Washington State

Through its Washington State subsidiary, New Age Farm owns two properties, one located in Sumas, WA, and the other in Oroville, WA, where it offers fully built out turnkey service operations to licensed I-502 tenant-growers who will lease the facilities for production and / or processing. With three leases already in place, operations in Washington State have begun and will expand further as the Company completes its build outs. In compliance with state regulatory requirements, New Age Farm’s facilities feature 24 hour security that enhances the safety and security of the community, our tenant-growers and their operations. All New Age Farm’s tenant-growers hold either Tier 2 or Tier 3 licenses allowing them to produce and / or process marijuana for sale at wholesale to marijuana processor licensees and to other marijuana producer licensees. A Tier 3 license allows for between ten thousand square feet and thirty thousand square feet of dedicated plant canopy while Tier 2 licensees can have up to ten thousand square feet of dedicated plant canopy. Revenue is generated on a base lease rate and the level of service that the tenant-grower requires for its production and / or its processing needs.

About the Washington I-502 Marijuana Market

Sales of marijuana products in Washington State have for the first time surpassed \$200 million in a quarter. The News Tribune reports residents and visitors bought more marijuana than ever before in the second quarter of 2016, based on an analysis of purchase and tax records from two state agencies. In the first quarter of 2016 January, February and March people spent \$54.8 million more on spirits than marijuana, which includes the cost of the products and its associated taxes. By the second quarter April, May and June that gap closed to nearly \$37 million. Those amounts include taxes levied by the state on those products. Spirits sales do not include wine and beer. Marijuana sales include all cannabis products, but not paraphernalia. Marijuana sales in the second quarter of 2016 amounted to nearly \$212 million. Spirits sales in the same period amounted to almost \$249 million. In July, the state closed medical marijuana shops, making all sales go through licensed recreational marijuana storefronts. Sales at retail pot shops shot up by \$66.6 million in the third quarter of the year, to \$278.6 million. Washington voters legalized recreational marijuana in 2012. Earlier this month voters in California, Massachusetts and Nevada approved recreational pot. Colorado, Oregon and Alaska have also legalized recreational marijuana.

<http://www.thenewstribune.com/news/business/article115802063.html>

For further information about New Age Farm, please consult the Company’s profile on SEDAR at www.sedar.com.

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On Behalf of the Board Of Directors

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This news release contains forward-looking statements, which relate to future events or future performance and reflect management's current expectations and assumptions. Such forward-looking statements reflect management's current beliefs and are based on assumptions made by and information currently available to the Company. Readers are cautioned that these forward looking statements are neither promises nor guarantees, and are subject to risks and uncertainties that may cause future results to differ materially from those expected including, but not limited to completion of planned improvements at both the Canadian and US sites on schedule and on budget, the availability of financing needed to complete the Company's planned improvements on commercially reasonable terms, planned occupancy by the tenant-growers, commencement of operations, the ability to mitigate the risk of loss through appropriate insurance policies, and the risks presented by federal statutes that may contradict local and state legislation respecting legalized marijuana. These forward-looking statements are made as of the date hereof and the Company does not assume any obligation to update or revise them to reflect new events or circumstances save as required under applicable securities legislation. This news release does not constitute an offer to sell securities and the Company is not soliciting an offer to buy securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

This news release does not constitute an offer of securities for sale in the United States. These securities have not and will not be registered under United States Securities Act of 1933, as amended, or any state securities laws and may not be offered or sold in the United States or to a U.S. Person unless so registered, or an exemption from registration is relied upon.