



Oroville Campus Operations Update

January 18, 2017 - Vancouver, BC

New Age Farm Inc. (CSE:NFX) (OTC:NWGFF) (FSE:ONF) (www.newagefarminc.com) (“New Age Farm” or the “Company”) is pleased to provide an operations update for its Oroville facility

further to prior news releases in November 2016 (all the Company’s news releases are available on SEDAR, www.sedar.com).

The Company previously reported that the Tier 2 tenant-grower was on track for its first harvest on the Oroville Property. New Age Farm is very pleased to advise that the tenant-grower has completed their harvest and that the Company is now in a position to invoice this tenant-grower for its lease for the use of Company facilities and for services provided by the Company and its master growers. As the tenant-grower completes its crop commercialization process and realizes its revenues from the harvest, the Company will also realize revenue. Revenues are reported in the Company’s quarterly financial statements and are publicly released in accordance with continuous disclosure requirements under National Instrument 51-102.

In further news, the Company’s Tier 3 tenant-grower has advised that New Age Farm’s Master Growers were able to begin seeding during the month of December. The tenant-grower has reported that it encountered delays over previously announced harvest forecasts due to delays in obtaining regulatory permits required for each phase of operation start up. New Age Farm and its tenant-growers operate in a highly regulated industry and clearance is required from the Washington State Liquor and Cannabis Board (“WSLCB”) in keeping with I-502 requirements at each phase of operations. Upon completion of their inspection, the WSLCB granted authorization for seed planting. Ongoing reporting to the WSLCB is required and if any part of the process is altered, updated or changed, the previous clearances are reviewed and the process may need to be repeated.

Carman Parente, President and CEO of New Age Farm, offered this comment, “The current developments are really exciting steps for our team, our tenant-growers, and our shareholders. It is what we have been working toward for the past two years. We thank all our stakeholders for your ongoing support.”

About New Age Farm

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.

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.

About the Washington I-502 Marijuana Market

In November 2012, the Washington State Liquor and Cannabis Board (“WSLCB”) passed Initiative 502 (“I-502”) pursuant to a vote by the people of the State of Washington. I-502 authorized the WSLCB to regulate and tax recreational marijuana products for persons over twenty-one years of age and thereby created a new industry for the growing, processing and selling of Washington State-regulated recreational marijuana products. A recent WSLCB commissioned report by the Rand organization suggests that there are currently up to 650,000 recreational marijuana users in Washington State, worth approximately \$1.25 - \$1.5 Billion USD in annual sales.

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.

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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