



MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED
DECEMBER 31, 2017

Accompanying the December 31, 2017 Audited Consolidated Financial Statements

New Age Farm Inc.
106 - 1641 Lonsdale Avenue
North Vancouver, BC V7M 2T5

This Management's Discussion & Analysis ("MD&A"), prepared as of April 28, 2018, is intended to be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2017, and related notes thereto, which have been reported in Canadian dollars, and prepared in accordance with International Financial Reporting Standards ("IFRS").

This MD&A is intended to assist in the understanding of the trends and significant changes in the financial condition and results of operations of New Age Farm Inc. ("New Age Farm," the "Company," "we," or "our") for the year ended December 31, 2017 and should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2017 (the "Audited Consolidated Financial Statements").

Additional information, including news releases, has been filed electronically through the System for Electronic Document Analysis and Retrieval ("**SEDAR**") and is available under the Company's profile at www.sedar.com.

FORWARD LOOKING STATEMENTS

This MD&A contains certain forward-looking statements and information relating to the Company that are based on the beliefs of management as well as assumptions made by and information currently available to the Company. When used in this document, the words "anticipate", "believe", "estimate", "expect" and similar expressions, as they relate to the Company or management, are intended to identify forward-looking statements. This MD&A contains forward-looking statements relating to, among other things, regulatory compliance, the sufficiency of current working capital, the estimated cost and availability of funding for the continued development of our real estate holdings, among others, including those identified in the Risk Factors section. Such statements reflect the current views of management with respect to future events and are subject to certain risks, uncertainties and assumptions.

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 the Company's business locations on schedule and on budget, the availability of financing needed to complete the Company's planned improvements on commercially reasonable terms, commencement of operations, the ultimate success of tenant-growers' business 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 factors should be considered carefully, and readers should not place undue reliance on forward-looking statements. The Company has no intention and undertakes no obligation to update or revise any forward-looking statements, whether written or oral that may be made by or on the Company's behalf except as may be required by securities laws.

NEW AGE FARM OPERATIONS

The Company was incorporated under the *Business Corporations Act* (British Columbia) on September 27, 2013, under the name 0981624 B.C. Ltd. The Company subsequently changed its name to New Age Farm Inc. on April 10, 2014. On August 13, 2014, pursuant to the Arrangement,

the Company completed the acquisition of NHS Industries Ltd. (“NHS”), a private British Columbia company that has been engaged in agricultural land holdings and farm services since 2001. Effective as of December 31, 2016, the Company completed a plan of arrangement with NHS and NHS is no longer a subsidiary of the Company. For more details on the plan of arrangement with NHS please see the section entitled Plan of Arrangement later in this MD&A.

The Company listed its common shares on the Canadian Securities Exchange and began trading under the symbol NF on August 18, 2014. The Company is also quoted on the Frankfurt Exchange under the symbol ONF and on the OTC under the symbol NWGFF.

The Company currently has three U.S. subsidiaries, New Age Farm Washington, LLC (“NAF WA”) and CannaUsa LLC (“CannaUsa”) and We Are Kured LLC (“Kured”).

Trends

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

General Development and New Age Farm’s Business

New Age Farm is a start-up stage company which has or has held interests in three properties over the past year:

- the Sumas Property;
- the Oroville Property and
- the Moses Lake Property.

The Company is a land owner, providing turnkey facilities for tenant growers as well as providing access to the Company’s network of growers, consultants, and accountants. New Age Farm’s farming campuses are designed to provide turnkey farming operations for tenant-growers engaged in the production, processing and sale of luxury crops and value-added food products, including recreational marijuana grown under Washington State Initiative 502 (“I-502”). For more information regarding I-502, see the section entitled Washington State Initiative 502 later in this document. New Age Farm’s turnkey operations provide tenant-growers with all the infrastructure they require to operate a successful agribusiness for the crops of their choice. At each stage of the process, from seed to sale, New Age Farm will be there to provide the support, infrastructure and guidance to its clients in the growing recreational marijuana and small scale production and specialty food industries. A key aspect of New Age Farm’s business model that differentiates us from our competitors is the availability of on-site master growers (the “Master Growers”) who provide guidance, support and valuable expertise to growers. For example, Master Growers are expert in the specific needs for light, nutrition and feeding of cannabis plants, and understand and establish the ideal growing conditions, methods and media to produce a successful crop. New Age Farm’s Master Growers expect it will require several planting rotations to bring any program to full capacity and that when a program is at full implementation, tenant-growers can expect to

harvest a continuous crop every 30 to 45 days after an initial 90 day planting. Master Growers can provide an advantage to tenant-growers who work with New Age Farm. Agriculture is a risky business and we want our tenant-growers to have the best opportunity to succeed and we want to achieve the best possible financial outcomes for our stakeholders.

Over the past few months, New Age Farm and other issuers in the medical and recreational cannabis industry have been influenced by the evolving regulatory and political climate with respect to the U.S. marijuana industry. This has led to media and regulatory comments describing potentially negative consequences for issuers operating under state regulations while such regulations differ from federal regulations in the United States.

While New Age Farm has strived to operate and will continue to operate in compliance with the regulations set out in the state of Washington, the Company's board and management have determined that it is time to seek further expansion opportunities in Canada. The Company recognizes that the tone of recent discussions concerning about Canadian entities doing business in the U.S. cannabis sector is negatively affected by the U.S. federal government position. Over the last several months, the Company has been evaluating the best environment for its business activities within its own domestic marketplace.

Concurrent with its decision to review and revise its involvement in the Washington State cannabis industry, the Company was approached by the principals of We Are Kured, LLC ("Kured"), a Colorado based CBD oil lifestyle company that was interested in working with the Company to launch its products. Management reviewed the proposal and the Company entered into a definitive agreement with Kured in December 2017 as a new division and to support its principal business. Kured is led by Benjamin Martch, a cannabis marketing entrepreneur. Kured has partnered with hemp cultivators, edible manufacturers, and product formulators to develop, market and distribute multiple lines of CBD products including, but not limited to, CBD vaporizer pens, topicals, gel capsules and more. Unlike THC, CBD (short for Cannabidiol), is a non-psychoactive cannabinoid and does not result in any type of high and can be legally extracted from the hemp plant and consumed. All of Kured's products are 100% THC free and will be available for purchase internationally. THC, or tetrahydrocannabinol, is the primary active ingredient in cannabis.

Forbes has reported that "hemp-derived cannabidiol (CBD) is projected to be a billion-dollar market in just three years, according to a new report by Brightfield Group. The data company estimates that hemp CBD sales have already hit \$170 million in 2016 and a 55% compound annual growth rate over the next five years will cause the market to crack the billion-dollar mark". Forbes further reported that, "Brightfield determined that 64.5% of the sales come through the online channel followed by 17.8% at smoke shops. Dispensaries were third, with 9% of the sales and health stores and doctor's offices rounded out the top five."

In January 2018, Kured became a wholly owned subsidiary of New Age Farm. Since joining the New Age Farm family, Kured has launched its brand by attending trade shows, developing a fully built out ecommerce website at www.wearekured.com, and delivering its first product, the CBD oil vaporizer pen filled with terpene infused hemp derived CBD oil. Kured's terpene blends were created by global terpene developer Eybna Technologies Ltd. Each of Kured's vape pens is infused with one of three specific terpene flavour profiles. The three variations are Moonlight, an Indica blend infused with OG Kush Terpenes; Daylight, a Sativa blend infused with Pineapple

Express Terpenes; and Allday, a Hybrid blend infused with Strawberry Diesel Terpenes. Kured has worked closely with the manufacturing and design team to ensure that the look, feel and overall experience of the pen would be both ergonomically and esthetically pleasing. Kured expects to launch a second generation vape pen following on the successful launch of its initial product. Further products are in development and the Company will report on these as information becomes available.

The Plan of Arrangement

As of the date of this MD&A, the Company has completed the required steps and has issued the NHS shares to qualified shareholders. A complete description of the Plan of Arrangement can be found in the MD&A for the year ended December 31, 2016.

Washington State Properties

At Oroville, the Company is 50% owner of the property and there is one tenant-grower with a lease in place and that lease is between the I-502 licensed tenant-grower and our operating partner, Green Venture Capital Corp. (“Green Venture”). The tenant-grower has harvested its first crop from the Oroville facility, but there has been limited information provided to the Company through its partner or the tenant-grower with respect to the quantity and quality of the crop. Some early test results showed lower than expected yields and the Company was waiting for all test results to be shared to better assess the crop and what would be best for growing programs at the turnkey facility going forward. In the absence of this information, the Company has found it difficult to assess the value of its business offering, establish a realistic ROI and determine if the model is sustainable. As a result, the Company entered into a letter of intent (the “Oroville LOI”) with its operating partner in December 2017 whereby it would sell its share of the facility back to Green Venture. This aligns with the Company’s plan to look back toward Canada for implementation of this sort of model where the regulatory landscape, locations and business experience is more familiar. At the present time, the Company is waiting for Green Venture to report on realized tenant-grower revenue; the Company remains entitled to a percentage share in revenues through the operating partner.

At Sumas, the Company is 50% owner of the property and there is one tenant-grower with a lease in place and that lease is managed by the Company’s Sumas operating partner. The Company has no day to day responsibility for managing this site. When the tenant-grower realizes revenue, the Company will receive a percentage share through the operating partner.

The Moses Lake location has three potential tenant growers associated through the Company’s joint venture partner, David Baker (“Baker”). During the year ended December 31, 2017, the Company’s US Subsidiary, entered into a joint venture agreement with Baker to expand our Washington State holdings to secure three additional tenant growers and a lease to own option on 11 acres of industrial land in Moses Lake, Washington (the “Moses Lake Agreement”). Under the terms of the Moses Lake Agreement, NAF WA and Baker formed a 50/50 joint partnership corporation in Washington State, CannaUsa LLC (“CannaUsa”), which is intended to hold the lease on the eleven acres of industrial land in Moses Lake, WA. At the present time, there are no New Age Farm tenant-growers at this location.

In furtherance of the Moses Lake Agreement, the Company advanced approximately USD \$300K to CannaUsa for the purpose of Baker arranging the build out of security fencing, utility hook ups and other infrastructure projects (the “Funds”). The Company has learned that Baker no longer wishes to proceed with the project under the existing terms and wishes to terminate the Moses

Lake Agreement. The Company and Baker have been negotiating a mutual settlement agreement to allow for an orderly termination. In the opinion of New Age Farm's management, the possibility of a mutually agreeable settlement is low and, as such, the Company has determined that it will pursue whatever measures it requires to recoup the Funds and any other losses it has sustained as a result of its partner's decision to terminate the Moses Lake Agreement.

About I-502

In November 2012, the people of the State of Washington voted to pass Initiative 502 ("I-502") to be administered by the Washington State Liquor and Cannabis Board ("WSLCB"). 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.

Washington State offers three types of licenses, producer, processor and retailer. A licensee may hold a producer and a processor license at the same time, but neither is permitted to be a retailer.

The Sumas Agri-campus

The Sumas Agri-campus is a three-acre parcel of land in Whatcom County. The property is permitted for both agricultural and light industrial processing uses, has two buildings totaling 6,700 square feet and has sufficient room for expansion, with ample room for the construction of additional buildings. One tenant-grower is currently located at the Sumas Agri-campus who is making use of the existing facilities.

Recognizing the need to advance the properties as quickly as possible, and the cash intensive nature of agriculture, we have partnered with a private equity group at the Sumas Agri-campus, maintaining a 50% interest in the property in exchange for loan and interest forgiveness amounting to \$303,125 and a portion of all future rental revenue at the facility. Our partner is responsible for building the planned turnkey, state of the art indoor production and processing facility that will house a Tier 3 licensee able to grow up to 30,000 square feet of plant canopy. Building permits have been issued. With our partner operating the Sumas facility, this existing resource will benefit us by allowing us to focus on business development and still receive a financial return from the Sumas facility once costs have been covered.

The Oroville Agri-campus

Our second US property is located in Oroville, WA near the border with British Columbia. This site can accommodate up to three Tier 3 licensees using both indoor and outdoor space for growing. In 2016, we completed a 5,600 sq. ft. greenhouse facility. We also acquired 45,000 square feet in additional greenhouse structures to augment the Oroville operations, bringing total potential indoor growing capacity to over 50,000 square feet. The construction of this additional greenhouse was placed on hold while we determine steps forward for Oroville LOI.

Exchange Listings and Investor Relations

The Company's shares have been listed on the CSE since August 2014. Since that time, we have also been listed for trading on the OTC under the symbol NWGFF and on the Frankfurt Exchange under the symbol ONF. The Company has an ongoing investor relations program that includes a toll free number that investors can call to speak with members of our Corporate Communications team. The Company does not call out to potential investors; we have designated persons who respond to investor queries. The Company provides investor updates through news releases and

other regulatory documents such as this MD&A. The Company is not covered by any analysts at this time. The Company may pay fees to re-publish its news on investor sites so that its corporate news may reach a wider audience.

QUARTERLY RESULTS

Twelve Months of Operations

During the year ended December 31, 2017, the Company incurred significant expenses on advertising and promotion of \$693,828 vs. \$259,752, an increase of \$434,076 or 167%, over the comparable period of the previous year. The additional costs are attributable to the Company's market awareness program introducing the Company to the general public.

The Company also incurred significant increases in consulting fees to contracted consultants who worked with market awareness groups and entities; an increase of \$3,070,001 or 174% from \$1,763,388 to \$4,833,389.

The Company incurred a significant increase in amortization from \$9,000 to \$246,578, an increase of \$237,578 or 2640% due to the commencement on amortization of the Oroville facility as the Company has completed the construction of its facility at Oroville.

Directors' fees increased from \$72,000 in 2016 to \$99,000 in 2017, an increase of \$22,000 or 38%, due to the addition of one more director to the board.

The Company experienced a foreign exchange loss of \$46,180 instead of a gain of \$10,411 in comparable period from last year due to the strong USD foreign exchange rate in the current year.

The Company did not incur any significant interest expense in the current year due to all major loans having already been repaid; interest expense decreased from \$45,827 to \$6,895, a decrease of \$38,932 or 85%. The Company still maintains a small seller note payable on the Oroville property.

The Company incurred fewer professional fees in the current period, 2017 fees were \$42,880 over \$54,618, in 2016, a decrease of \$11,738 or 21%. The decrease was due to a decrease in legal professional fees being incurred.

Office expenses, utility, telephone, travel expense, insurance and transfer agent fees in total in current period were \$77,354 compared to \$48,662 the previous year, an increase of \$28,692 or 59%, due to largely to the substantial costs incurred in preparing shareholder meeting materials as the Company's shareholder base has broadened to a few thousand shareholders.

The Company issued a total of 20,000,000 warrants (2016 – 17,500,000) and 53,100,000 options (2016 – 9,300,000) to officers, directors and other contracted consultants during the current year and incurred stocked based compensation of \$9,608,330. The Company incurred stock based compensation of \$1,982,100 during the same period in the previous year.

The Company also disclosed a small loss from discontinued operations resulting from deconsolidation of NHS for the prior year period. As at December 31, 2017, NHS has been removed from the consolidated financial statements. The Company also wrote off its investment in NHS in the amount of \$3,441,341 as part of the de-consolidation process in 2016.

The Company wrote off the costs of its Oroville property, facility and acquisition costs and the costs of the Sumas facility and acquisition cost to \$Nil in the current year due to uncertainty in receiving future benefits from these operations while no such write-off was experienced in last year's operations.

The Company made a reserve on the loan receivable from Baker on the Moses Lake project of \$97,918 during the current year while last year the Company made a reserve on a loan receivable from a related party in the amount of \$25,000.

The Company settled debts owing to NHS and realized a gain of \$45,000 and also realized a gain of \$15,000 on settlement of a debt owing to a consultant, all by issuing common shares of the Company to settle these debts. Last year, the Company realized a loss on settlement of debts of \$265,563 owed to various consultants.

Three Months of Operations

During the three month period ended December 31, 2017, the Company incurred lower advertising and promotion costs of \$69,108 versus \$221,452 in the comparable period of last year, a decrease of \$152,344 or 69%, as the Company initiated its market awareness program in the later part of the year in 2016 as it introduced the Company to the general public.

The Company continued to incur higher consulting fees in the last quarter to contracted consultants who work with the market awareness groups and entities; an increase by \$1,613,107 or 134% from \$1,202,533 to \$2,815,640, compared to the same fourth quarter in 2016.

The Company incurred a significant increase in amortization costs from \$2,250 to \$71,650, an increase of \$69,400 or 3,084% due to the commencement of amortization as the first part of the buildout at the Oroville facility was completed.

Directors' fees increased from \$18,000 to \$24,000 or an increase by \$6,000 or 33% due to the addition of one more director to the board.

The Company experienced a foreign exchange loss of \$36,391 instead of a gain of \$1,152 in the comparable period from last year due to lesser USD foreign exchange rate increase in current period.

The Company did not incur any significant interest expense in the current period due to all major loans having already been repaid; interest expense decreased from \$14,456 to \$6,895, a decrease of \$7,561 or 52%. The Company still maintains a small seller note payable on the Oroville property.

The Company incurred professional fees in the current period of \$26,588 while last year, such fees were \$32,415, representing a decrease of \$5,827 or 18%, due to slightly less legal work being incurred in the last quarter.

Office expenses, utility, telephone, travel expense, insurance and transfer agent fees in total in the current period were \$19,150 compared to \$16,471, an increase of \$2,679 or 16%, due to higher costs incurred in preparing shareholder meeting materials as the Company's shareholder base has broadened to a few thousand shareholders.

The Company issued an additional 37,100,000 options to contracted consultants during the current period and incurred stocked based compensation of \$5,412,330. The Company incurred stock based compensation of \$1,685,100 during the same period in last year.

The Company also disclosed a small loss from discontinued operations resulting from the deconsolidation of NHS in the last quarter of the prior year period. As at December 31, 2017, NHS had already been removed from the consolidated financial statements. The Company also wrote off its investment in NHS in the amount of \$3,441,341 as part of the de-consolidation process during the last quarter in 2016.

As discussed in the prior section, the write-off of its costs of the Oroville facility and Sumas facility were recorded in the last quarter of 2017.

SELECTED ANNUAL INFORMATION

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

	Year ended		
	December 31, 2017	December 31, 2016	December 31, 2015
	De-consolidated	De-consolidated	De-consolidated
Total Revenue	\$ -	\$ -	\$ -
Interest income	-	-	-
Expenses	15,656,780	4,266,530	3,853,306
Net loss	(17,557,946)	(7,958,434)	(3,853,366)
Total assets	2,785,706	2,645,337	3,108,087
Total long-term liabilities	70,643	82,603	1,008,383
Net loss per share (basic and diluted)	(0.14)	(0.11)	(0.09)

SELECTED QUARTERLY INFORMATION

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

	Three months ended			
	December 31, 2017	September 30, 2017	June 30, 2017	March 31, 2017
Total Revenue	\$ -	\$ -	\$ -	\$ -
Interest income	-	-	-	-
Expenses	5,072,727	357,063	6,772,596	3,454,394
Net loss	(6,973,893)	(357,063)	(6,772,596)	(3,454,394)
Net loss per share and diluted loss per share	(0.08)	(0.003)	(0.06)	(0.03)

	Three months ended			
	December 31, 2016	September 30, 2016	June 30, 2016	March 31, 2016
Total Revenue	\$ -	\$ -	\$ -	\$ -
Interest income	-	-	-	-
Expenses	3,099,837	414,687	510,225	180,774
Net loss	(6,894,751)	(393,687)	(489,222)	(180,774)
Net loss per share and diluted loss per share	(0.04)	(0.006)	(0.008)	(0.003)

LIQUIDITY

The Company is a startup agricultural based company that has not received any revenues to date and may have incidental interest income it may earn on funds invested in short-term deposits. As a result, its ability to conduct operations is based on its current cash and its ability to raise funds, primarily from equity sources, and there can be no assurance that the Company will be able to do so. The Company's continued existence is dependent upon its ability to raise additional capital, the continuing support of its creditors, and ultimately, the attainment of profitable operations and positive cash flows. The Company's loans, lease payments and debt covenants are in good standing as of the date of this MD&A.

The Company was able to raise funds through equity issuances during 2017 which are set out under Capital Resources and the Subsequent Events section of this MD&A. These are insufficient cash reserves to implement the complete business plan therefore the Company will need to generate additional working capital.

Management intends to pursue further equity financing to meet its working capital requirements and is reasonably confident that it will be able to continue to fund the Company in this manner. However, should the Company be unsuccessful in raising capital through equity financing it may need to consider borrowing funds from one or more directors or shareholders. At this time, the Company has no plans to borrow money and there have been no promises or arrangements made to fund the Company in this manner.

The Company currently has three wholly owned subsidiaries, New Age Farm Washington, LLC, CannaUsa LLC, and We Are Kured, LLC. The U.S. subsidiaries have not yet generated any significant income. Until these subsidiaries become revenue generating, their ability to assist the Company by providing increased liquidity is very limited.

The agricultural business is risky and dependent on many factors. In 2017, we worked to expand our land holdings while at the same time observing as a tenant-grower realized a first full crop. Tenant-growers involved in this business are learning as they go and each crop will give them new skills, competencies and abilities. However, without successful crops, as in any agricultural venture, revenues will be limited. New Age Farm's financial success rides on the successful harvest and the value of the finished crop, over which it has no control.

The CBD oil business operated by We Are Kured, LLC is expected to start generating revenue, at least on a limited basis, very soon. This will contribute to the Company's liquidity.

CAPITAL RESOURCES

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

- During the year ended December 31, 2017, 23,678,000 warrants at exercise prices ranging from \$0.05 to \$0.24 per share were exercised for total proceeds of \$2,682,600.
- During the year ended December 31, 2017, 40,600,000 options at exercise prices ranging from \$0.095 to \$0.14 were exercised for total proceeds of \$4,684,000.
- During the year ended December 31, 2017, 776,260 common shares were issued at fair value from \$0.065 to \$0.15 to a director as compensation for his acceptance as a new director of the Company and for payment of his director fees.

- The Company also issued 3,000,000 common shares at fair value of \$255,000 to settle loans due to NHS in the amount of \$300,000.

OFF BALANCE SHEET ARRANGEMENTS

As at December 31, 2017, the Company had no off-balance sheet arrangements.

PROPOSED TRANSACTIONS

The Company plans to assist its newly acquired subsidiary, Kured, to grow its brand.

TRANSACTIONS WITH RELATED PARTIES

Name and Position	Payment Description	Year Ended December 31	
		2017	2016
Carman Parente CEO and a Director	Consulting fees for services as CEO	\$180,000	\$430,000
	Director fees	\$24,000	\$24,000
	Share compensation	<u>\$92,300</u>	<u>\$82,000</u>
		<u>\$296,300</u>	<u>\$536,000</u>
Anthony Chan Chief Financial Officer and a Director	Consulting fees for services as CFO	\$94,500	\$240,000
	Director fees	\$24,000	\$24,000
	Share compensation	<u>\$127,800</u>	<u>\$41,000</u>
		<u>\$246,300</u>	<u>\$305,000</u>
David Johnson Director (since November 15, 2016)	Consulting fees	\$15,593	\$ -
	Director fees	\$27,000	\$ -
	Share compensation	<u>\$156,900</u>	<u>\$ -</u>
		<u>\$199,493</u>	<u>\$ -</u>
Lorraine Pike Director (since December 2015)	Consulting fees for corporate services	\$58,215	\$74,364
	Director fees	\$24,000	\$24,000
	Share compensation	<u>\$99,400</u>	<u>\$16,400</u>
		<u>\$181,615</u>	<u>\$114,764</u>

In addition to the related party transactions set out above, the officers and directors were issued warrants as part of compensation during the year ended December 31, 2017 as shown below:

- issued a total of 2,950,000 warrants as compensation to officers and directors at an exercise price of \$0.15 per share over three years and these warrants were fair valued at \$0.142 per warrant; and
- Mr. David Johnson, received 776,260 shares of the Company at fair value of \$0.065 to \$0.155 per share as share compensation for his acceptance as taking on the role of a new director of the Company and for payment of his director fees.

Readers may also refer to Note 11 to the audited consolidated financial statements for the year ended December 31, 2017 for other Due to/From related parties transactions.

OUTSTANDING SHARE DATA

Authorized share capital:

Unlimited common shares without par value

Issued and Outstanding:

As of the date of this MD&A the Company has 201,195,934 common shares outstanding.

Stock Options:

As of the date of this MD&A the Company has the following stock options issued and outstanding:

Number of Shares	Exercise Price	Expiry Date
50,000	\$0.05	September 8, 2019
750,000	\$0.13	December 12, 2019
10,000,000	\$0.29	December 29, 2019
250,000	\$0.20	May 2, 2020
11,050,000	\$0.25	

Warrants:

As of the date of this MD&A the Company has the following warrants issued and outstanding:

Number of Warrants	Exercise Price	Expiry Date
3,272,911	\$0.20	November 16, 2018
4,000,000	\$0.24	November 27, 2019
3,960,000	\$0.15	February 8, 2020
11,232,911	\$0.17	

CONTINGENCIES

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

SUBSEQUENT EVENTS

The following events took place after December 31, 2017, but during the reporting period for this MD&A:

- 13,078,353 warrants were exercised at exercise prices from \$0.10 to \$0.20 per share for gross proceeds of \$2,026,671.
- 1,750,000 stock options were exercised at exercise prices from \$0.115 to \$0.13 per share for gross proceeds of \$212,500.

- 1,250,000 common shares were issued with respect to funds already received prior to the year-end which was classified as shares to be issued in the amount of \$125,000 as at December 31, 2017.
- 10,000,000 common shares were issued related to an acquisition of We Are Kured, LLC.
- The Company repaid the full amount of loans payable owing to NHS in the amount of \$1,008,645.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES

Please see the Company's audited annual financial statements for the year ended December 31, 2017 for a summary of significant accounting policies and estimates.

RISKS AND UNCERTAINTIES

Plant Growing, Warehousing and Processing Industry

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

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

Some of these risks include the following:

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

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

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

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

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

Government Regulation

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

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

Uninsured Risks

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

Conflicts of Interest

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

Negative Operating Cash Flows

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

Risks Related as a Going Concern

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

Reliance on Key Personnel and Advisors

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

Licenses, Patents and Proprietary Rights

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

Uncertainty Regarding Penetration of the Target Market

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

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

Competition, Technological Obsolescence

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

Operating History and Expected Losses

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

Reliance on Joint Ventures, License Assignors and Other Parties

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

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

Growth Management

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

Regulatory Risks

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

Potential Liability

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

FINANCIAL AND DISCLOSURE CONTROLS AND PROCEDURES

During the year ended December 31, 2017, there has been no significant change in the Company's internal control over financial reporting since last year.

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

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the venture issuer basic certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability,

transparency, and timeliness of interim and annual filings and other reports provided under securities legislation.

Officers and Directors

Carman Parente	President, CEO & Director
Anthony Chan	CFO & Director
Lorraine Pike	Director
David Johnson	Director

Contact Address:

New Age Farm Inc.
#106, 1641 Lonsdale Avenue
North Vancouver, BC V7M 2T5