NEW AGE FARM INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE INTERIM PERIOD ENDED

JUNE 30, 2018

August 29, 2018

This management's discussion and analysis provides an analysis of our financial situation which will enable the reader to evaluate important variations in our financial situation for the period ended June 30, 2018, compared to the period ended June 30, 2017. This report prepared as at August 29, 2018 intends to complement and supplement our condensed interim consolidated financial statements (the "financial statements") as at June 30, 2018 and should be read in conjunction with the financial statements and the accompanying notes. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Our financial statements and the management's discussion and analysis are intended to provide a reasonable base for the investor to evaluate our financial situation.

Our financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS"). All dollar amounts contained in this MD&A are expressed in Canadian dollars, unless otherwise specified.

Where we say "we", "us", "our", the "Company" or "New Age", we mean New Age Farm Inc. and/or its subsidiaries, as it may apply.

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 or the Company's website https://newagefarminc.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 refer to the Company's disclosure documents available at www.sedar.com.

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 0NF 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").

The Company is an innovative online Cannabidiol ("CBD") and lifestyle Company. Through the Company's wholly owned subsidiary, Kured, the Company's main business activities encompass the development, market and distribution of CBD products including, but not limited to, CBD vaporizer pens, topicals, gel capsules and more. Kured launched its first product, a fully loaded, 250 mg disposable terpen infused, hemp derived CBD vaporizing pen and is available in three variations.

In May 2018, Benjamin Martch, the CEO of the Company's subsidiary, Kured, was appointed as the Chief Marketing Official ("CMO") and Joshua Bartch was appointed as the Chief Executive Officer ("CEO") and interim CFO. Both the CMO and CEO joined the board of directors. The Company appointed Michael A. Connolly and Erik Knutson to the board of directors.

The CEO and CMO replaced the following members of former management:

- Carman Parente, Chief Executive Officer and Director;
- Anthony Chan, Chief Financial Officer and Director,
- David Johnson, Director; and,
- Lorraine Pike, Director.

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

The Company is primarily a CBD oil lifestyle Company that is interested in working with Kured to launch its products.

During the period ended December 31, 2017, 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, 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.

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 announced the launch a second generation vape pen in May 2018.

During the six months ended June 30, 2018, Kured was actively promoting the brand through attendance at trade shows, presentations and marketing outreach. In addition to modest sales in the first quarter, and as part of its branding and marketing efforts Kured provided samples of product to potential retailers, wholesalers and distributors along with some donations to veterans' associations resulting in negative margins. Kured believes that as it launches the next generation pen and cements these relationships with retailers, marketers, and distributors that sales will increase and Kured will begin to see positive margins in future quarters.

In addition to the vape pens, Kured has been actively developing its product lines and the Company will report on these as information becomes available.

In addition, the Company has interest in the following properties:

- 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.

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. As of the date of this MD&A the Company is in ongoing negotiations with Baker 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 0NF. 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.

Acquisition of Kured

In December 2017, the Company entered into a share purchase agreement to purchase 100% interest in a company, We Are Kured, LLC ("WAK"), by issuing 10,000,000 common shares of the Company. During the year ended December 31, 2017, the Company advanced $64,430 (USD $50,000) upon signing the agreement for working capital purposes. On January 2, 2018, the Company issued 10,000,000 common shares of the Company to complete the acquisition.

The Company completed the acquisition of Kured on January 2, 2018 by issuing 10,000,000 common shares to the principal of Kured.

The acquisition of WAK does not constitute a business combination because these entities do not meet the definition of a business under IFRS 3 Business Combination. As a result, under IFRS, the transaction is being measured at the fair value of equity consideration issued to acquire these entities.

In connection with the acquisition, the Company recorded an expense of $3,101,176 as unidentifiable assets acquired.

The Company believes that there is substantial and untapped value in Kured and the Company is on track to hit 1 million of revenues within 12 months from the date of this MD&A.

Significant Equity Transactions

During the six months ended June 30, 2018, 14,328,353 warrants at exercise prices ranging from $0.10 to $0.20 per share were exercised for gross proceeds of $2,243,240. Fair value of $1,178,349 were re-allocated from contributed surplus to share capital.

During the six months ended June 30, 2018, 1,750,000 options at exercise price ranging from $0.115 to $0.13 were exercised for gross proceeds of $212,500. Fair value of $173,225 were re-allocated from contributed surplus to share capital.

On January 2, 2018, 10,000,000 common shares at fair value of $3,050,000 were issued to acquire WAK.

On June 18, 2018, the Company entered into termination agreements with former management and issued 29,700,000 common shares with a fair value of $2,227,500.

CONDENSED INTERIM CONSOLIDATED RESULTS OF OPERATIONS

All of the balances set out in this and following sections, including the Summary of quarterly results conform to IFRS standards.

	Six months ended June 30, 2018 $	June 30, 2017 $
Sales	**96,504**	-
Cost of goods sold	**(104,862)**	-
	(8,358)	-
Expenses		
Advertising	**497,245**	613,372
Amortization	**-**	109,478
Bank charges	**4,221**	1,519
Consulting	**1,529,375**	1,746,956
Directors' fees	**53,150**	51,000
Foreign exchange loss (gain)	**(71,277)**	8,799
Insurance	**7,741**	463
Interest	**9,939**	-
Office and miscellaneous	**106,564**	4,673
Professional fees	**46,857**	11,133
Utility and property taxes	**1,477**	6,793
Telephone	**1,011**	1,088
Transfer agent, listing and filing fees	**13,631**	19,007
Travel	**54,941**	2,315
Share based payments	**-**	4,196,000
	2,254,875	6,772,596
Other income (expense)		
Management termination cost	**(4,535,000)**	-
Write off of unidentifiable assets on acquisition	**(3,101,176)**	-
Interest income	**10,880**	
Gain on settlements of debts	**37,901**	-
Total expenses	**(9,850,628)**	-
Loss for the period	**(9,850,628)**	(6,772,596)
Foreign currency translation adjustment	**(24,604)**	-
Comprehensive loss for the period	**(9,875,232)**	(6,772,596)
Loss per share	**(0.05)**	(0.06)
Weighted average number of shares outstanding	**202,271,058**	117,783,301

For the period ended June 30, 2018 compared to the period June 30, 2017 – Expenses

The Company recorded net loss and comprehensive loss of $9,875,232 for the period ended June 30, 2018 compared to a net loss and comprehensive loss $6,772,596 for the corresponding period in 2017. Some of the significant charges to operations are as follows:

- The Company incurred advertising and promotion expense in the amount of $497,245 (2017 - $613,372) as a result of the Company incurring less expense on market awareness program introducing the Company to the general public.

- The Company incurred amortization of $Nil (2017 - $109,478) as the Company impaired all of the facility cost at the Oroville and Sumas property at December 31, 2017. The only remaining value is the Sumas property land value which is not amortized.
- Foreign exchange gain of $71,277 (2017 – ($8,799)) is due to the strong USD foreign exchange rates in the current period.
- Consulting fees of $1,529,375 (2017 - $1,746,956) decrease by $217,581. A large portion of consulting fees is related to fees paid to management and other consultants. The Company is in the process of hiring consultants to assist with the development of Kured's lifestyle brand.
- Director fees of $53,150 (2017 - $51,000) are comparable to the previous period.
- Interest expense increased to $9,939 from $Nil in the comparable period as the Company entered into convertible loan agreements with previous management.
- Office and miscellaneous increased to $106,564 from $4,673 in the comparable period are primarily attributed to the substantial costs incurred by Kured in marketing, travelling and general expenses associated with increasing awareness of Kured's lifestyle brand.
- Management termination costs increased to $4,535,000 from $Nil in the comparable period due to management turnover. The Company turned the management team over without cause and based on former management's existing agreements, management was entitled to certain shares and fees from the Company.
- The Company wrote off debts owing to an external creditor and realized a gain of $37,901 in the current period and did not settle any debts in the comparable period in the previous year.
- As a result of issuing 10,000,000 common shares to complete the acquisition of Kured, the Company incurred a loss of $3,101,176 by writing off unidentifiable assets from the acquisition.

For the period ended June 30, 2018, compared to the period June 30, 2017 - Revenue

	Three months ended		**Six months ended**	
	June 30, 2018 $	**June 30, 2017 $**	**June 30, 2018 $**	**June 30, 2017 $**
Sales	**(88,487)**	-	**(96,504)**	-
Cost of goods sold	**87,107**	-	**104,862**	-
Gross loss (profit)	**(1,380)**	-	**8,358**	-
Gross Margin	**(2.0%)**	0.0%	**8.7%**	0.0%

- Cost of sales include all expenditures related to the product. This includes shipping fees, import duties, storage costs, handling charges and the cost of the product itself.
- The Company's sales increased to $96,504 from $Nil in the comparative period and consist solely of the sale of vaporizers. During the six months ended June 30, 2018, the Company acquired Kured and Kured sells vaporizers to customers in the United States of America. The Company attended trade shows and various events, promoting the increase in sales.
- The Company achieved a gross margin of 2% during the months ended June 30, 2018, as the Company is working to achieve profitability. The Company is in its start up phase and the Company provided give-aways of its first batch of product as promotional items. As a result, cost of goods sold was higher than planned. The Company expects that the give-away product marketing strategy will be limited in future quarters.
- Sales and cost of goods sold are incurred in US dollar and are subject to fluctuating foreign exchange rate as the Company's presentation currency is Canadian.

SELECTED QUARTERLY INFORMATION

The table below presents selected financial data for the Company's eight most recently completed quarters, all prepared in accordance with IFRS.

	Three months ended June 30, 2018	March 31, 2018	December 31, 2017	September 30, 2017
Sales revenue	$ 88,487	$ 8,017	$ -	$ -
Interest income	1,592	9,288	-	-
Expenses	1,309,311	4,008,839	5,072,727	357,063
Total assets	902,668	4,111,496	2,785,706	2,354,141
Total liabilities	1,790,792	1,365,540	1,531,838	1,230,765
Net loss	(5,841,339)	(4,009,289)	(6,973,893)	(357,063)
Net loss and comprehensive loss per share and diluted loss per share	(0.05)	(0.02)	(0.08)	(0.003)

	Three months ended June 30, 2017	March 31, 2017	December 31, 2016	September 30 2016
Total Revenue	$ -	$ -	$ -	$ -
Interest income	-	-	-	-
Expenses	6,772,596	3,454,394	3,099,837	414,687
Total assets	2,461,517	2,721,769	2,645,337	3,182,431
Total liabilities	1,340,078	1,312,727	1,320,152	3,764,991
Net loss	(6,772,596)	(3,454,394)	(6,894,751)	(393,687)
Net loss and comprehensive loss per share and diluted loss per share	(0.06)	(0.03)	(0.04)	(0.006)

Fluctuations in Assets are mostly due to cash on financing activities and deployed to consultants and marketing professionals to support Kured's business. The amount and timing of expenses and availability of capital resources vary substantially from quarter to quarter, depending on the availability of funding from investors or collaboration partners.

Growth in sales quarter over quarter shows significant potential in Kured's development as a lifestyle brand. The Company is continuing to increase brand awareness through marketing campaigns in the United States. Furthermore, the Company anticipates increasing acceptance of CBD vaporizes as general acceptance of CBD products rises.

LIQUIDITY

The Company is a startup agricultural and CBD based company that has received minimal 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 2018 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 and 2018, 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 generated limited revenue in Q1 and Q2 and it is expected that this will increase over time. This will contribute to the Company's liquidity.

LIQUIDITY AND CAPITAL RESOURCES – CASH FLOW

OPERATING ACTIVITIES:

Cash used in operating activities for the six months ended June 30, 2018 was $3,321,776 as compared to $2,296,253 in the prior period. The cash used in operating activities is mainly attributed to cost to terminate former management and increased marketing costs for Kured's product.

INVESTING ACTIVITIES:

Cash used in investing activities for the six months ended June 30, 2018 was $Nil as compared to $178,380 in the prior period. The Company has been focused on marketing Kured's products to the public and general brand awareness and did not perform any investing periods for the six months ended June 30, 2018. In the previous period, the Company invested funds into various joint venture entities and land.

FINANCING ACTIVITIES:

Cash provided by financing activities for the six months ended June 30, 2018 was $1,383,896 as compared to $2,221,361 in the prior period. In connection to the spinout of NHS, the Company repaid the former CEO and a loan from NHS. During the six-month period ended June 30, 2018, the Company exercised 14,328,353 warrants for gross proceeds of $2,243,240 and 1,750,000 stock options for gross proceeds of $212,500.

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.
- During the period ended March 31, 2018, 14,328,353 warrants at exercise prices ranging from $0.10 to $0.20 per share were exercised for total proceeds of $2,243,240.
- During the period ended March 31, 2018, 1,750,000 options at exercise price ranging from $0.115 to $0.13 were exercised for total proceeds of $212,500.
- During the period ended March 31, 2018, 10,000,000 common shares at fair value of $3,050,000 were issued to acquire WAK.

OFF BALANCE SHEET ARRANGEMENTS

As at June 30, 2018, the Company had no off-balance sheet arrangements.

PROPOSED TRANSACTIONS

There were no proposed transactions that have not been previously disclosed in subsequent events or disclosure.

TRANSACTIONS WITH RELATED PARTIES

The Directors and Executive Officers of the Company are as follows:

Benjamin Martch	CMO and Director
Joshua Bartch	CEO, Interim CFO and Director
Michael A. Connolly	Director
Erik Knutson	Director

The Company incurred the following related party transactions, with associated persons or corporations, which were measured at the exchange amount as follows:

a) Key management includes directors, executive officers and officers which constitutes the management team. The Company paid or accrued compensation in form of consulting fees to companies controlled by directors, executive officers and officers as follows:

Management Compensation Period ended June 30, 2018	Consulting fees $	Director fees $	Share Compensation $
Carman Parente, former CEO	90,750	17,050	-
Anthony Chan, former CFO	54,537	13,500	-
David Johnson, former Director	23,152	10,600	-
Lorraine Pike, former Director	36,736	12,000	-
NHS Industries, former related Company	18,000	-	-
Benjamin Martch, CMO	20,000	-	-
Joshua Bartch, CEO	106,350	-	-
Total	349,524	53,150	-

Management Compensation *Period ended June 30, 2017*	Consulting fees $	Director fees $	Share Compensation $
Carman Parente, CEO	90,000	12,000	92,300
Anthony Chan, CFO	45,000	12,000	127,800
David Johnson, Director	-	15,000	156,800
Lorraine Pike, Director	23,203	12,000	99,400
Total	158,203	51,000	476,400

b) As at June 30, 2018 accounts payable and accrued liabilities due to related parties were $7,750 (2017 - $nil) and amounts receivable from the CEO was US $76,135 (CAD - $100,469).

c) On June 8, 2018, the Company entered into termination agreement with the following members of management:

- Carman Parente, former CEO and Director;
- Anthony Chan, former CFO;
- David Johnson, former Director; and,
- Lorraine Pike, former Director.

In connection with the agreements, the Company issued the following:

- Issued 14,125,000 common shares to the former CEO with a fair value of $1,059,375.
- Issued 3,975,000 common shares to the former CFO with a fair value of $298,125.
- Issued 11,600,000 common shares to former Directors with a fair value of $870,000.

The Company agreed to pay the following:

- Pay $360,000 to the former CEO, of which $200,000 (paid) is due upon the execution of the termination agreement and the remainder due as a non-interest bearing promissory note (issued). The promissory note matures 30 days after the next shareholder meeting.
- Pay $315,000 to the former CFO, of which $175,000 (paid) is due upon the execution of the termination agreement and the remainder due as a non-interest bearing promissory note (issued). The note matures 30 days after the next shareholder meeting.
- Pay $225,000 to the former Directors (paid).

On June 8, 2018, the Company entered into convertible note agreements with the former CEO and CFO. The principal portion of the convertible note is $1,377,500, bear interest of 8% and is convertible at the discretion of the holder. The convertible note matures on September 8, 2018 or the next shareholder meeting that approves the rollback of common stock, whichever is earliest. As at June 30, 2018, the Company accrued interest of $6,642.

OUTSTANDING SHARE DATA

Issued and Outstanding:

As of the date of this MD&A the Company has 316,718,130 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
1,570,000	$0.15	April 15, 2020
3,272,911	$0.20	November 16, 2018
4,000,000	$0.24	November 27, 2019
2,390,000	$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

On July 20, 2018, the Company issued 9,000,000 stock options to a consultant with an exercise price of $0.06 per stock option, expiring in 5 years. These options were exercised in August 2018 for gross proceeds of $540,000.

On August 20, 2018, the Company entered into an acquisition agreement (collectively, the “Agreement”) to acquire 1175987 B.C. Ltd. by way of a three cornered amalgamation. Pursuant to the terms of the Agreement, the Company issued 73,164,000 common shares at a deemed price of $0.05 per share as total consideration to acquire all of the issued and outstanding common shares of 1175987 B.C. Ltd. In connection with the Agreement, the Company issued 3,685,000 common shares to an arm’s length party with acted as a finder in connection with the acquisition.

Pursuant to this amalgamation, the Company acquired two marijuana properties in the State of Oregon in Cave Junction and Portland.

Cave Junction property consists of 11 acres divided into two separate legal lots and is known as one of the best micro climates for successful outdoor cultivation of Cannabis. The property has been operated by Trellis Farms, an experienced and successful cannabis cultivation Company and holds a legal marijuana license and can cultivate 40,000 square feet of Cannabis.

The Portland property has an established dispensary that has operated successfully over the last four years in the state of Oregon.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES

Significant Accounting Policies

In preparing these condensed consolidated interim financial statements, the significant accounting policies and the significant judgments made by management in applying the Company's significant accounting policies and key sources of estimation uncertainty were the same as those that applied to the Company's audited consolidated financial statements for the year ended December 31, 2017, with exception to the new accounting standards adopted by the Company discussed below.

The preparation of condensed consolidated interim financial statements requires that the Company's management make judgments and estimates of effects of uncertain future events on the carrying amounts of the Company's assets and liabilities at the end of the reporting period. Actual future outcomes could differ from present estimates and judgments, potentially having material future effects on the Company's condensed interim financial statements. Estimates are reviewed on an ongoing basis and are based on historical experience and other facts and circumstances. Revisions to estimates and the resulting effects on the carrying amounts of the Company's assets and liabilities are accounted for prospectively.

Several amendments to existing accounting standards became effective January 1, 2018 and were first adopted by the Company in the six- month period ended June 30, 2018:

IFRS 15 Revenue from Contracts with Customers

IFRS 15 provides a single, principles based five-step model to be applied to all contracts with customers. As the Company does not have any revenue from long term contracts with customers and primarily consist of one-off time transactions. Therefore, this change had no impact on the financial statements.

IFRS 9 Financial Instruments

A finalized version of *IFRS 9 Financial Instruments* replaces *IAS 39 Financial Instruments: Recognition and Measurement*. The standard contains requirements for classification and measurement of financial assets and liabilities; impairment of financial assets; hedge accounting; and derecognition of financial assets and liabilities carried forward from *IAS 39*. This change had no impact on the financial statements.

New Standards and Interpretations Not Yet Adopted

The Company will be required to adopt the following standards and amendments issued by the IASB, as described below.

Applicable to the Company's annual period beginning on January 1, 2019:

IFRS 16 Leases

IFRS 16 specifies how an IFRS reporter will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17 Leases.

The Company has not early-adopted this standard and is currently assessing the impact that the standard will have on the condensed consolidated interim financial statements.

RISKS AND UNCERTAINTIES

Selling vaporizers in the United States

Selling vaporizers in the United States can involve significant risks, which even a combination of careful evaluation, experience and knowledge may not eliminate. While the demand for vaporizers is wide spread and can result in substantial reward, marketing will be a significant influencer in development of the Company. The Company is creating a lifestyle brand around the Company and is significantly influenced by how the Company appears in the market place. Significant expenses may be required to establish the lifestyle brand to be accepted in the market place.

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

At June 30, 2018, the Company had not yet achieved profitable operations, has accumulated losses of $40,006,491 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.

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 period ended June 30, 2018, 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 Interim Filings on SEDAR at www.sedar.com.

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