MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE NINE MONTHS ENDED

SEPTEMBER 30, 2017

Accompanying the September 30, 2017 Unaudited Condensed Interim 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 November 28, 2017, is intended to be read in conjunction with the Company's unaudited condensed interim consolidated financial statements for the period ended September 30, 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 period ended September 30, 2017 and should be read in conjunction with the unaudited condensed interim consolidated financial statements for the period ended September 30, 2017 (the "Unaudited Condensed Interim 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 both the Canadian and US sites on schedule and on budget, the availability of financing needed to complete the Company's planned improvements on commercially reasonable terms, planned occupancy by the tenant-growers, commencement of operations, the ability to mitigate the risk of loss through appropriate insurance policies, and the risks presented by federal statutes that may contradict local and state legislation respecting legalized marijuana.

These 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.

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. as a wholly owned subsidiary of Five Nines Ventures Inc. ("Five Nines") for the purpose of completing a statutory plan of arrangement (the "Arrangement") with Five Nines. The Company subsequently changed its name to New Age Farm Inc. on April 10, 2014. On August 13, 2014, pursuant to the Arrangement, we 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 0NF and on the OTC under the symbol NWGFF.

The Company currently has twoU.S. subsidiaries, New Age Farm Washington, LLC ("NewAge WA") and CannaUsa LLC (the "CannaUsa").

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 with three properties in its agricultural land bank portfolio:

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

New Age Farm intends to continue to grow its agricultural land bank and to operate farming campuses that 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 are designed to provide tenant-growers with all the infrastructure they require to operate a successful agribusiness for the crops of their choice. Additional processing facilities will be available for the tenant-growers and outside growers to use to process crops into finished products. 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. Master Growers have the experience, insight and knowledge to assist even novice growers to achieve professional results. When a new tenant-grower joins the New Age Farm family, they will be able to use the services of our Master Growers. Whether they are novice or experienced growers, if they take advantage of this expertise they will be able to take advantage of superior growing programs that will help them to ensure consistency in methodology; that their production is in compliance with I-502 provisions; that they are making the most efficient and expedient use of the greenhouse facilities; that the greenhouse environment is optimally controlled for all tenant-growers crops' needs; and to provide optimal chance of success to the tenant-grower and for New Age Farm so that all members reap maximum benefits from the crop. 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. Our Master Growers' have designed a planting and harvesting rotation program that is currently being fine-tuned. . The Master Growers expect it will require several planting rotations to bring the program to full capacity and that when the program is at full implementation, our tenant-growers can expect to harvest a continuous crop every 30 to 45 days after an initial 90 day planting. Our 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 the 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 look back into Canada for further expansion opportunities. The Company recognizes that the tone of recent conversations about Canadian entities doing business in the U.S. cannabis sector is negatively impacted by the U.S. federal government position. The company wants to take a step back and re-evaluate the best environment for its business activities within its own domestic marketplace.

More information about each of our properties follows.

The Plan of Arrangement

The shareholders of the Company have approved the Arrangement and the Company set the share distribution record date at November 30, 2016 (the "Share Distribution Record Date"). As of the Share Distribution Record Date, New Age Farm had 105,573,317 common shares issued and outstanding

As of the date of this MD&A, the Company has completed the required steps to issue the shares to the qualified shareholders. A complete description of the Plan of Arrangement can be found in the Company's 2016 year end MD&A and the MD&A for the nine months ended September 30, 2017. We have prepared a series of FAQ's for shareholders who are seeking more information on the Plan of Arrangement and the distribution of the NHS Shares, which can be found on our Company website at http://newagefarminc.com/investors/nhs-faqs/ .

Washington State Properties

In 2015, we expanded our property holdings into Washington State through the acquisition of properties in Sumas and Oroville. In 2016, we were able to advance these properties and our tenant-growers planted their first crops. All the Company's Washington State tenant-growers are licensed growers under I-502. During the nine months ended September 30, 2017, the Company's US Subsidiary, entered into a joint venture agreement with David Baker ("Baker") to expand our Washington State holdings to secure three additional tenant growers, further with a lease to own option on 11 acres of industrial land in Moses Lake (the "J/V"). Under the terms of the J/V, NAF Washington and Baker have formed a 50/50 joint partnership corporation in Washington State, CannaUsa LLC ("CannaUsa"), which will hold the lease on the eleven acres of industrial land in Moses Lake, WA ("Moses Lake").

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. A 2013 WSLCB commissioned report by the Rand organization suggests that there are currently up to 650,000 recreational marijuana users in Washington State. In July 2016, the Seattle Post-Intelligencer reported that more than $1 billion (USD) worth of recreational marijuana had been sold since cannabis was legalized in 2014. The Denver Post reported that in Colorado, which voted to legalize recreational marijuana in November 2012 as well, that the marijuana industry is worth about $7.2 billion.

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. All New Age Farm's tenant-growers hold either a Tier 2 or a Tier 3 Producer license.

Producer Licenses	
Tier 1	To produce marijuana for sale at wholesale to marijuana processor licensees and to other marijuana producer licensees. Tier 1 allows for two thousand square feet or less of dedicated plant canopy.
Tier 2	To produce marijuana for sale at wholesale to marijuana processor licensees and to other marijuana producer licensees. Tier 2 allows for between two thousand square feet and ten thousand square feet of dedicated plant canopy.
Tier 3	To produce marijuana for sale at wholesale to marijuana processor licensees and to other marijuana producer licensees. Tier 3 allows for between ten thousand square feet and thirty thousand square feet of dedicated plant canopy.

The **processor license** permits the holder to process, package, and label usable marijuana and marijuana-infused products for sale at wholesale to marijuana retailers. The licensee is allowed to blend tested useable marijuana from multiple lots into a single package for sale to a marijuana retail licensee providing the label requirements for each lot used in the blend are met and the percentage by weight of each lot is also included on the label. At the present time, WSLCB is not issuing any processor licenses.

The Sumas Agri-campus

The Sumas Green 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 Green Campus who is making use of the existing facilities.

Recognizing the need to advance our properties as quickly as possible, and the cash intensive nature of agriculture, we have partnered with a private equity group at the Sumas Green 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.

As the current Sumas tenant-grower achieves success with its crops, we will see revenues come in from this facility. With our partner operating the Sumas facility, this existing resource will benefit us by allowing us to focus on the development of the Oroville facility and still receive a financial return from the Sumas facility.

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 that is currently in use by one of our licensed tenant-growers. A fly-over view of the greenhouse, a virtual tour hosted by one of our Master Growers and information on the greenhouse is available on our website at www.newagefarminc.com. 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. Once fully operational, New Age Farm's Tier 2 and Tier 3 tenant-growers will be able to grow at full, 100% allowable I-502 capacity, year-round. The entire 45,000 square feet of greenhouse structure combines Cravo, Nexus and Hired Hand Green components for state of the art capabilities and 14 foot high trusses that provide an ideal environment for growing large plants. These infrastructure resources will be instrumental in creating the best possible environment for our tenant-growers to achieve success.

The agricultural business is risky and dependent on many factors. This past year has been a hands-on test of our business model, allowing us to see it in action over a complete fiscal cycle for the first time. We have seen setbacks and delays with our tenant-growers bringing their crops to maturity and in achieving revenue status. In 2016, we had the opportunity to ride down the experience curve, helping us understand our core competencies and our capabilities, how to make the best use of our resources, and to refine our financial model. The best way for us to maximize revenues and return on investment is for our tenant-growers to succeed. We don't realize maximum revenue if they don't bring a crop successfully to market. While all our tenant-growers pay a base rent for use of the facility our revenue model is dependent on the value-added services and the use of our competencies and resources to help them achieve superior results. We need to deliver those superior results in order to create demand for our services and in turn to allow us to continue to charge a premium price for the New Age Farm advantage.

The lessons learned over the past year will be of great benefit to management and employees as we move forward with the expansion at Moses Lake and replicate our business model at a third agri-campus.

The Moses Lake Property and the J/V Agreement

Under the terms of the J/V agreement between New Age WA and CannaAgra LLC ("CannaAgra"), New Age Farm will acquire three additional tenant-growers, along with a lease to own option on 11 acres of industrial land in Moses Lake, WA.

Under the terms of the J/V, our U.S. Subsidiary and CannaAgra has formed a 50/50 joint partnership corporation in Washington State, to be registered under the name CannaUsa LLC ("**CannaUsa**") and CannaUsa will hold the lease on the 11 acres of industrial land in Moses Lake, WA ("**Moses Lake**"). This acquisition will increase the Company's Washington State property holdings to three separate agri-campuses in Sumas, Oroville and Moses Lake. In addition, CannaAgra will bring in three additional Tier 3 Production/Processing licensees, and these licensees will become the Company's newest tenant-growers. The Company is currently in the due diligence stage and expects to enter into a definitive agreement with CannaAgra upon completion of due diligence.

CannaUsa will build out and operate the greenhouse facilities on the Moses Lake Property that will accommodate New Age Farm's tenant-growers for year round operations.

On completion of the Moses Lake agri-campus, New Age will have in excess of 250,000 square feet of canopy growing space available to its tenant-growers at its three Washington state locations. The Moses Lake agri-campus will be structured in such a manner that it will allow for a total growing capacity of approximately 170,000 square feet of canopy space – this means up to five Tier 3 tenant-growers and one additional Tier 2 tenant-grower can be housed at the facility.

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. We provide 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. We may pay fees to re-publish our news on investor sites so that our corporate news may reach a wider audience.

QUARTERLY RESULTS

Nine Months of Operations

During the nine months period ended September 30, 2017, the Company incurred significant expenses on advertising and promotion of $624,720 vs. $38,300 in comparable period of last year to increase its market awareness program in introducing the Company to the general public.

The Company also incurred significant increase on consulting fees to contracted consultants who works with the market awareness groups and entities; an increase by $1,456,893 or 259% from $560,855 to $2,017,748.

The Company incurred significant increase on amortization from $6,750 to $174,928, an increase by $168,178 or 2491% due to the commence on amortization of the Oroville EverGrin facility as the Company has completed the construction of its facility at Oroville EverGrin.

Directors' fees increased from $54,000 to $75,000 or an increase by $21,000 or 39% due to the addition of one more director to the board.

The Company experienced a foreign exchange loss of $9,789 instead of a gain of $9,259 in comparable period from last year due to strong USD foreign exchange rate in current period.

The Company did not incur any significant interest expense in current period due to all major loans have already been repaid. The Company still maintains a small seller note payable on the Oroville property.

The Company incurred less professional fees in current period of $16,292 than in last year of $22,203, a decrease of $5,911 or 27%, due to less legal work was incurred.

Office expenses, utility, telephone, travel expense, insurance and transfer agent fees in total in current period was $50,622 comparing to $25,785, an increase of $24,837 or 96%, due to substantial costs incurred in preparing shareholders meeting materials as the Company's shareholder base has been broadened to a few thousand shareholders.

The Company issued a total of 20,000,000 warrants and 10,000,000 options to officers, directors and other contracted consultants during the current period and incurred stocked based compensation of $4,196,000. The Company only incurred a minimal stock based compensation of $297,000 during the same period in last year.

The Company also disclosed a small loss from discontinued operation as result from deconsolidation of NHS for prior year period. During the current period, NHS has already been removed from the consolidated financial statements other than the investment in NHS to be re-distributed to the shareholders of the Company.

Three Months of Operations

During the three months period ended September 30, 2017, the Company continued to incur expenses on advertising and promotion of $11,348 vs. $1,300 in comparable period of last year to increase its market awareness program in introducing the Company to the general public.

The Company did not incur as much increase on consulting fees in the last quarter to contracted consultants who works with the market awareness groups and entities; a decrease by $45,526 or 659% from $316,318 to $270,792, comparing to the same third quarter in 2016.

The Company incurred significant increase on amortization from $3,150 to $65,450, an increase by $62,300 or 1,978% due to the commence on amortization of the Oroville EverGrin facility as the Company has completed the construction of its facility at Oroville EverGrin.

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 $990 instead of a loss of $2,568 in 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 current period due to all major loans have already been repaid. The Company still maintains a small seller note payable on the Oroville property.

The Company incurred professional fees in current period of $5,159 than in last year of $2,487, an increase of $2,672 or 107%, due to slightly more legal work was incurred in current quarter.

Office expenses, utility, telephone, travel expense, insurance and transfer agent fees in total in current period was $17,834 comparing to $12,319, an increase of $5,515 or 45%, due to higher costs incurred in preparing shareholders meeting materials as the Company's shareholder base has been broadened to a few thousand shareholders.

The Company did not issue any warrant nor options to officers, directors and other contracted consultants during the current period and incurred stocked based compensation of $Nil. The Company incurred a minimal stock based compensation of $10,000 during the same period in last year.

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.

	September 30, 2017 De-consolidated	Year ended December 31, 2016 De-consolidated	December 31, 2015 De-consolidated
Total Revenue	$ -	$ -	$ -
Interest income	-	-	-
Expenses	7,129,659	4,266,530	3,853,306
Net loss	(7,129,659)	(7,958,434)	(3,853,366)
Total assets	2,354,141	2,645,337	3,108,087
Total long-term liabilities	74,784	82,603	1,008,383
Net loss per share (basic and diluted)	(0.06)	(0.11)	(0.09)

SELECTED QUARTERLY INFORMATION

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

	Three months ended			
	September 30, 2017	June 30, 2017	March 31, 2017	December 31, 2016
Total Revenue	$ -	$ -	$ -	$ -
Interest income	-	-	-	-
Expenses	357,063	6,772,596	3,454,394	3,099,837
Net loss	(357,063)	(6,772,596)	(3,454,394)	(6,894,751)
Net loss per share and diluted loss per share	(0.003)	(0.06)	(0.03)	(0.04)

	Three months ended			
	September 30 2016	June 30 2016	March 31 2016	December 31 2015
Total Revenue	$ -	$ -	$ -	$ 21,000
Interest income	-	-	-	21
Expenses	414,687	510,225	180,774	1,144,534
Net loss	(393,687)	(489,222)	(180,774)	(1,123,513)
Net loss per share and diluted loss per share	(0.006)	(0.008)	(0.003)	(0.02)

LIQUIDITY

The Company is a startup agricultural based company and has a small regular source of income 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.

During the first quarter of 2015, the Company raised $400,000 from a second mortgage on its Langley property to finance its acquisition of the property in Washington State. During 2016, this second mortgage came due and NHS entered into a refinanced second mortgage agreement on its Langley property for an amount of $700,000 from a private lender. The principal amount of the mortgage is $700,000 and bears interest at the rate of 10 per cent per year with a term of five years. Proceed of the mortgage were used toward paying out the prior second mortgage of $400,000 and the balance for general working capital purposes. The Company may prepay this revised mortgage on payment of a three-month interest penalty.

The Company was able to raise funds through equity issuances during 2016 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 two wholly owned subsidiaries, New Age Farm Washington, LLC, which holds the Sumas Agri-campus and CannaUsa LLC, which holds a J/V with David Baker. The U.S. subsidiaries have not yet generated income. Until these subsidiaries become revenue generating, their ability to assist the Company by providing increased liquidity is very limited.

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.

- In January & February of 2016, the Company issued 200,000 common shares as result of warrants exercised by an external consultant at an exercise price of $0.15 per warrant for a total proceed of $30,000.
- In April 2016, 700,000 stock options were exercised at $0.05 per share for a total proceed of $35,000. The Company also issued 500,000 common shares of the Company at a fair value of $0.04 per share for services to an outside consultant. In addition, the Company also issued 1,602,500 common shares at a total fair value of $45,063 to settle debts of $80,126 owed to two current directors of the Company.
- In May 2016, the Company issued 1,200,000 common shares at a fair value of $0.035 per share for total value of $42,000 for consulting services provided by an external consultant.
- In September 2016, the Company issued 500,000 common shares at a fair value of $0.04 per share for total value of $20,000 for consulting services provided by an external consultant.
- In September 2016, 2,880,000 warrants were exercised at $0.05 per share for a total proceed of $144,000.
- In October 2016, the Company issued 3,500,000 common shares at a fair value of $0.07 per share to settle total debts of $249,375.
- From October to December 2016, 4,520,000 warrants were exercised at an exercise price of $0.05 per share for total proceeds of $226,000 and 1,200,000 warrants were exercised at an exercise price of $0.15 per share for total proceeds of $180,000.
- From October to December 2016, 1,400,000 options at an exercise price of $0.065, 1,000,000 options at an exercise price of $0.09, 5,500,000 options at an exercise price of $0.095 and 1,400,000 options at an exercise price of $0.27, were all exercised for total proceeds of $1,081,500.
- In November 2016, the Company issued 10,000,000 common shares at a fair value of $1,017,500 to certain officers and consultants as compensation shares to settle fees of $712,500.
- In November 2016, the Company closed a private placement and issued 8,747,058 units at $0.085 per unit for total proceeds of $743,500. Each unit consists of one common share and one warrant at an exercise price of $0.20 over two years. Share issuance costs of $16,560 was paid in relation to the private placement. The Company issued 5,000,000 warrants as finders’

fees at an exercise price of $0.085 per share over two years and issued 329,824 brokers warrants at an exercise price of $0.20 over two years.

- During 2016, the Company granted incentive stock options to several consultants of the Company to purchase up to an aggregate of 9,300,000 common shares in the capital stock of the Company. These options are exercisable at prices from $0.065 to $0.27 per share, and will expire from October 6, 2019 to November 22, 2019. All options were fully vested at the date of grant.
- During the year-ended December 31, 2016, the Company issued 17,500,000 warrants to management and external consultants with each warrant to purchase one common share of the Company at exercise prices from $0.05 to $0.24 per share over 3 to 5 years. These warrants were issued as result of these parties agreeing to defer receiving payments for consultant fees until the Company was in cash flow position.
- During the nine months ended September 30, 2017, 15,408,000 warrants at exercise prices ranging from $0.05 to $0.24 per share were exercised for total proceeds of $1,533,350.
- During the nine months ended September 30, 2017, 7,000,000 options at exercise price of $0.13 were exercised for total proceeds of $875,000.
- During the nine months ended September 30, 2017, 602,903 common shares were issued at fair value from $0.115 to $0.15 to a new incoming director as compensation for his acceptance as a new director of the Company and for his 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 September 30, 2017, the Company had no off-balance sheet arrangements.

PROPOSED TRANSACTIONS

The Company plans to complete the build out of facility on the Oroville Property and to continue the implementation of its business plan.

TRANSACTIONS WITH RELATED PARTIES

Name and Position	Payment Description	Nine Months September 30	
		2017	2016
Carman Parente[1]	Consulting fees for services as CEO	$135,000	$135,000
CEO and a Director	Director fees	$18,000	$18,000
	Share compensation	$92,300	$82,000
		$245,300	$235,000
Anthony Chan	Consulting fees for services as CFO	$67,500	$67,500
Chief Financial Officer	Director fees	$18,000	$18,000
and a Director	Share compensation	$127,800	$41,000
		$213,300	$126,500
David Johnson	Consulting fees	$ -	$ -

Director (since November 15, 2016)	Director fees Share compensation	$21,000 $156,900 $177,900	$ - $ - $ -
Lorraine Pike Director (since December 2015)	Consulting fees for corporate services Director fees Share compensation	$37,233 $18,000 $99,400 $154,633	$17,380 $18,000 $16,400 $51,780

[1] During the year ended December 31, 2016, the Company advanced $Nil (2015: $25,000) as a loan to a company of which the Chief Executive Officer is one of shareholders of this company after a write-off of $25,000. This loan was non-interest bearing and had no fixed terms of repayment.

In addition to the related party transactions set out above, the officers and directors were issued warrants as part of compensation during the nine months ended September 30, 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 602,903 shares of the Company at fair value of $0.10 to $0.115 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 unaudited condensed interim consolidated financial statements for the nine months ended September 30, 2017 for other Due to/From related parties transactions.

During 2016, the Company updated its executive compensation strategy to include a policy requiring the issuance of equities to its executive officers and directors as part of their overall compensation package. New Age Farm believes that equity compensation offers all team members the opportunity to hold a financial stake in the Company that aligns their interests with those of shareholders. When equity awards represent a component of compensation and when team members maintain a stake in the Company, they face upside potential and downside risk alongside investors. New Age Farm's directors may receive their director compensation in shares upon presentation of an invoice to the Company.

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 133,788,577 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
250,000	$0.20	May 2, 2020
9,000,000	$0.095	May 17, 2020
9,300,000		

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
5,300,000	$0.15	April 15, 2020
8,729,058	$0.20	November 16, 2018
250,000	$0.085	November 16, 2018
329,824	$0.20	November 16, 2018
4,000,000	$0.24	November 27, 2019
6,920,000	$0.15	February 8, 2020
7,000,000	$0.10	May 7, 2017
32,528,882		

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 September 30, 2017, but during the reporting period for this MD&A:

- 1,540,000 warrants were exercised by two external consultants at an exercise price of $0.15 per share; and
- 173,357 common shares were issued to settle debts owing to a director in the amount of $11,268.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES

Please see the Company's audited annual financial statements for the year ended December 31, 2016 and the unaudited condensed interim financial statements for the nine months ended September 30, 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 early stage 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 period ended September 30, 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 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.

Officers and Directors

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

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