MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR NINE MONTHS ENDED
SEPTEMBER 30, 2018

Accompanying the
Unaudited Condensed Interim Financial Statements September 30, 2018

NHS Industries Ltd.
106 - 1641 Lonsdale Avenue
North Vancouver, BC V7M 2T5

*This Management's Discussion & Analysis ("**MD&A**"), prepared as of* November 16, 2018, *is intended to be read in conjunction with the Company's unaudited condensed interim financial statements for nine months ended September 30, 2018, 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 NHS Industries Ltd. ("**NHS**", the "**Company**", "**we**", or "**our**") for the nine months ended September 30, 2018 and should be read in conjunction with the unaudited condensed interim financial statements for the nine months ended September 30, 2018 (the "**Financial Statements**").

For additional information please visit the Company's profile on the System for Electronic Document Analysis and Retrieval ("**SEDAR**") 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. The Company does not undertake any obligation to update such forward-looking information, whether because of new information, future events or otherwise, except as expressly required by applicable securities law.

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 site preparation, ability to secure financing on commercially acceptable terms, availability of contractors, suppliers and materials to complete the planned commissary kitchen construction, and planned improvements at the Langley site and the completion of these on schedule and on budget, planned occupancy by tenant-growers, commencement of operations, the risks inherent in an agricultural business, the variability of the weather and conditions needed to raise successful crops, the ability to mitigate the risk of loss through appropriate insurance policies, and the current uncertainty regarding local, provincial and federal legislation respecting legalized marijuana.

These factors should be considered carefully, and readers should not place undue reliance on forward-looking statements.

NHS OPERATIONS

NHS was incorporated under the *Business Corporations Act* (British Columbia) under incorporation number BC0627073 on May 4, 2001 and changed its name to "NHS Industries Ltd." on September 17, 2010. NHS amalgamated with 0998955 B.C. Ltd. on August 13, 2014 to become "NHS Industries Ltd.," then a wholly owned subsidiary of New Age Farm Inc. and now its former parent ("**New Age Farm**"). The Company's head office is located at 1641 Lonsdale Avenue, Suite 106, North Vancouver, British Columbia, V7M 2T5. New Age Farm's common shares are listed for trading on the Canadian Securities Exchange (the "**CSE**") under the symbol "NF". NHS and New Age Farm have completed a plan of arrangement as approved by the sole shareholder of NHS and by the New Age Farm shareholders at New Age Farm's 2016 shareholder meeting (the "**Arrangement**").

As part of the Arrangement, New Age Farm and the Company agreed on a share distribution record date of November 30, 2016 (the "**Share Distribution Record Date**"). As of the Share Distribution Record Date, NHS had 6,882,885 common shares issued and outstanding. As of the date of this MD&A, NHS has issued the shares to the qualified shareholders.

The Company completed its listing requirement and commenced trading of its common shares on the CSE on April 5, 2018 under the symbol "NHS".

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 NHS' Business

NHS owns an agricultural property in Langley, BC (the "**Langley Site**") where NHS intends to grow its agricultural land bank and to operate farming campuses in Canada that provide turnkey farming operations for its tenant-growers engaged in the production, processing and sale of luxury crops and value-added food products, including recreational marijuana to be grown in accordance with Canada's anticipated federal legislation that will legalize recreational marijuana expected to be passed in 2018. NHS' turnkey operations are designed to provide tenant-growers with the entire 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, NHS will 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 NHS's business model that differentiates us from our competitors is the availability of on-site master growers and gardeners (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 NHS family, they will be able to use the services of our Master Growers whether they are novice or experienced growers. This will provide for consistency in methodology; making the most efficient and expedient use of the greenhouse facilities; that the greenhouse environment is optimally controlled for all tenant-growers crops' needs; to provide optimal chance of success to the tenant-grower and for NHS so that all members reap maximum benefits from the crop. Our Master Growers provide an advantage to tenant-growers who work with NHS. 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.

The Langley Site

The Langley Site is a five and a half acre agricultural property located in Langley, BC with a 48,000 square foot greenhouse facility on site, capable of growing 2.4 million 4" potted plants per year; in place peat soil available for sale; and a residential property that is currently leased. The site is fully Agricultural Land Reserve-approved for an agribusiness

To date, the Company has spent $650,000 toward the development of the Langley Property business facilities, in addition to the cost of the Langley Property, and estimates that the replacement cost of existing equipment is approximately $1,500,000. NHS intends to follow through on the plan to develop the site to include an operating kitchen, the warehouse space, and a cold storage facility.

The Company has so far completed a geotechnical report and begun to prepare the site for upgrades to the greenhouse and the eventual construction of a LEED certified warehouse and processing facility that can be shared by tenants and small producers for the processing, packaging and storage of finished value added food products that are either grown on site or brought in by local growers. We have negotiated an agreement with a local Langley contractor to remove the peat soil and then to backfill the area where the future warehouse will be situated. The Company is exchanging the excavated peat for the services being provided as a cash neutral way of advancing the property to the next phase of development thereby preserving cash reserves for construction costs such as engineering, architectural, permitting, and construction costs. This work is the first step in readying the site for the construction of the planned 50,000 square foot Tilt-up concrete warehouse structure. Tilt-up concrete construction has been chosen because of its proven advantages that include speed, safety and construction cost benefits. The warehouse will serve the Langley on site tenant-growers and grower/processors from the surrounding community.

In addition to the planned warehouse facility, the Company will be establishing a commissary kitchen facility at the Langley Site. Up to 2,000 square feet of greenhouse space will be re-purposed for the kitchen, to be built in modules using containers. Once fully completed, the Langley agricultural campus will have multiple operating modules to process food into value-added items. Agricultural tenants, culinary users and other clients of the Langley agricultural campus will be able to employ one or more modules as their needs dictate. The anticipated modules will complement the product categories that the Company has identified through the use of market surveys as the most likely to produce steady and consistent revenues.

Clients can process fruits, vegetables, herbs and flowers that are produced on their small farms and operations using different modules to create product. Clients may also grow their produce using NHS' greenhouse facilities. Fruits, vegetables, herbs and flowers can also be used in secondary modules to produce bulk powders, whole leaves, extracts and sprays. Clients will have the option of running their own processes under the supervision of NHS staff or NHS will do the processing for them.

NHS will offer a variety of support functions to help bring clients' products to market; these will include brand identification, labelling, packaging, distribution, and marketing assistance. NHS intends to engage qualified and experienced staff to assist clients in the use of the different modules, to ensure that high safety and sanitation standards are met, and to provide supervision in the use of the facilities and equipment to ensure a high quality experience for each client user.

Another area that NHS will explore is the growing and processing of cannabis; Canada's federal government is expected to enact legislation in 2018 that will legalize recreational marijuana. If NHS determines that the ROI is acceptable, it will pursue the implementation of a turnkey model. NHS intends to be prepared to take advantage of this potential market when the time comes.

The completion of these facilities at the Langley Site will allow the Company to generate near term cash flow through a modular and fee based approach that is designed to support small and medium producers.

Besides offering a higher return, value added products can open new markets, create recognition for a farm, expand the market season, and make a positive contribution to the community. The Langley Site will not only provide added value for grown plants; it will be a "green" facility operating with reduced energy costs and carbon neutral processes. The Langley site is the subject of the Arrangement between NHS and New Age Farm.

More information regarding the Plan of Arrangement is available in the Company's final prospectus available for viewing under the Company's profile on SEDAR at www.sedar.com.

During the period ended September 30, 2018, the Company has reviewed the potential of the Langley Property and is at this time making an application to the ALR board to have the Langley Property approved for non-farm use. A re-designation will allow the Company to build out the kitchen facilities, the warehouse and to install appropriate hard surface substrate in the greenhouses to permit licensed marijuana growers to operate on the Langley Property. This re-designation to nonagricultural use is a new requirement for agricultural properties in the ALR to prevent too much of the agricultural stock from being turned over to marijuana cultivation at the expense of food crops. The Company believes that NHS has a very good chance of receiving the non-farm use status due to the fact that the land at the Langley Property is not suited to outdoor cultivation and the greenhouses have been standing on the site for many years now and underutilized due to the nature of the site not allowing for further construction of outbuildings such as barns, nor to animal husbandry because of the peat. Meanwhile, the Company also hired an experienced external consultant in making an application with the Health Canada to become a licensed producer under the Access to Cannabis for Medical Purposes Regulations ("ACMPR") on the Langley property. The full application will be submitted as soon as the Company has received the non-farm use application on the property.

Final Prospectus and Stock Exchange Listing

The Company filed a Final Prospectus with British Columbia Securities Commission ("BCSC") and received a final receipt from BCSC on January 30, 2018. The Company commenced trading of its common shares on Canadian Securities Exchange on April 5, 2018.

QUARTERLY RESULTS

Nine Months of Operations to September 30, 2018

During the nine months ended September 30, 2018, the Company incurred insurance expenses of $Nil in 2018 vs $8,907 in 2017; the insurance policy on the Langley property was not renewed by the previous insurance carrier and the Company is in process of engaging a new insurance carrier.

Interest expenses & finance charges increased slightly from $72,493 in 2017 to $73,685 in 2018 by $1,192 or 1.6%. After excluding the finance charges of $1,820 incurred in 2018 vs. $Nil in the same period of 2018, the interest expenses on mortgages decreased slightly from $72,493 in 2017 to $71,865 in 2018.

Amortization expenses in 2018 were $21,085 vs $17,937 during the same period in 2017, or an increase of $3,148 by 17.6%. The major increase was due to the additional acquisition of a truck loader in last quarter of 2017. Amortization expenses were calculated at declining balance rate and the amount of decrease is in line of the amortization policy selected.

The Company incurred professional fees of $4,975 in 2018 vs. $Nil in 2017, an increase of $4,975 due to the timing difference in incurring accounting fees. The Company also incurred consulting fees of $87,401 in 2018 vs. $Nil in 2017, approximately $28,000 of the increase in consulting fees was incurred as a result of filing the Company's final non-offering prospectus and for the Company's listing on CSE while the remaining increase in consulting fees was due to the hiring of external consultants in applying for an ACMPR license and for environmental assessment fees on the Langley property.

The Company incurred office, utility, property taxes and miscellaneous expenses of $13,239 in 2018 vs. $7,008 in 2017, an increase that was mainly due to the preparation work for the Company's listing on CSE and preparing the Langley farm's site for excavation.

The Company incurred transfer agent & filing fees of $35,252 in 2018 vs. $Nil during the same period of 2017; again an increase mainly due to the preparation work for the Company's listing on CSE and its commencement to become a reporting issuer in the fourth quarter of 2017.

The Company incurred a share based payment of $44,974, resulting from the granting of 600,000 incentive stock options to its officers and directors upon successful listing the Company for trading on CSE.

Rental income in 2018 was $72,857 vs. $69,571, an increase of $3,286, or 4.7%, due to the Company starting to charge a higher rental rate since April 2017.

Three Months of Operations to September 30, 2018

During the three months ended September 30, 2018, the Company incurred insurance expenses of $Nil in 2018 vs $2,969 in 2017. Again, the insurance policy on the Langley property was not renewed by the previous insurance carrier and the Company is in process of engaging a new insurance carrier.

Interest expenses & finance charges was comparable in 2nd quarter of 2018 - $23,948 in 2018 vs. $24,161 in 2017.

Amortization expenses in 2nd quarter of 2018 were $7,917 vs $5,979 during the same period in 2017, or an increase of $1,938 by 32.4%. The major increase was due to the additional acquisition of a truck loader in last quarter of 2017. Amortization expenses were calculated at declining balance rate and the amount of decrease is in line of the amortization policy selected.

The Company incurred professional fees of $1,501 in 2018 vs. $Nil in 2017, an increase of $1,501 due to the timing difference in incurring accounting fees. The Company also incurred consulting fees of $64,676 in 2018 vs. $Nil in 2017, again, majority of which was due to the hiring of external consultants in applying for an ACMPR license and for environmental assessment fees on the Langley property.

The Company incurred office, utility, property taxes and miscellaneous expenses of $1,950 in 2018 vs. $2,000 in 2017 which was comparable.

The Company incurred transfer agent & filing fees of $5,782 in 2018 vs. $Nil during the same period of 2017; again an increase mainly due to the preparation work for the Company's listing on CSE and its commencement to become a reporting issuer in the fourth quarter of 2017.

The Company incurred a share based payment of $44,974 in 2nd quarter of 2018, resulting from the granting of 600,000 incentive stock options to its officers and directors upon successful listing the Company for trading on CSE.

Rental income in 2018 was $24,286 which was exactly the same as the amount of rental income reported in 2017.

SELECTED ANNUAL INFORMATION

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

		Year ended	
	September 30, 2018	December 31, 2017	December 31, 2016
Total Revenue	$ 90,058	$ 458,918	$ 84,000
Interest income	58	61	29
Expenses	280,731	364,392	170,213
Net income (loss)	(190,673)	94,526	(86,184)
Total assets	2,423,379	2,563,986	1,981,101
Total long-term liabilities	583,052	-	619,327
Net loss per share (basic and diluted)	(0.007)	(0.01)	(0.013)

SELECTED QUARTERLY INFORMATION

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

	September 30, 2018	June 30, 2018	Three months ended March 31, 2018	December 31, 2017
Total Revenue	$ 24,314	$ 24,286	$ 41,428	$ 389,286
Interest income	28	10	20	11
Expenses	105,793	95,417	79,521	166,926
Net income (loss)	(81,479)	(71,121)	(38,073)	222,368
Net income (loss) per share and diluted loss per share	(0.003)	(0.002)	(0.001)	0.01

	September 30, 2017	June 30, 2017	Three months ended March 31, 2017	December 31, 2016
Total Revenue	$ 24,285	$ 24,286	$ 21,000	$ 21,000
Interest income	21	14	15	20
Expenses	126,148	38,195	33,120	42,460
Net loss	(101,842)	(13,895)	(12,105)	(21,441)
Net loss per share and diluted loss per share	(0.004)	(0.001)	(0.001)	(0.003)

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 the State of Washington at an interest rate of 15%. 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. Proceeds of the mortgage were used toward replacing the second mortgage of $400,000 and majority of the remaining balance was used towards funding its former parent company, New Age Farm, in financing its facility construction on Oroville property in the State of Washington in the USA.

The Company has settled $174,480 of its short term debts into common shares of the Company in January of 2017 which has improved slightly its equity position. The Company also closed the 1st tranche of its total $400,000 private placement units for $300,000 in July 2017 and closed the remaining $100,000 in November 2017. The cash injected into the Company from equity financing has significantly improved its cash position and working capital. Additionally in July 2017, the secured debt holders who were owed a total of $827,737 agreed to settle their debts into common shares of the Company prior to receipt of the final prospectus. The closing of the private placements, together with the settlements of the secured debts, has further improved NHS' equity position and reduced a significant amount of its debts. All of these have significantly improved the liquidity of the Company's financial position. The renewal of the

Company's first mortgage on the Langley property, effective September 2017, has been completed and further improves its working capital position as the current first mortgage can now be reclassified from short term to long term loans. The settling out of a portion of the note payable with New Age Farm into 3,000,000 common shares in the equity of New Age Farm, which have sold into the market has provided additional working capital, another positive development that has created greater liquidity. New Age Farm has signed a promissory note due in one year for the balance of the amount owing to NHS. The Company also settled $140,000 of interest accrued on the 2nd mortgage into 560,000 common shares of the Company at a deemed price of $0.25 per share.

In March 2018, the Company issued 57,046 common shares at $0.10 per share for services provided by an external consultant. The Company also allocated a total of 2,032,600 common shares as bonus and granted a total of 600,000 stock options to the directors of the Company during the period ended September 30, 2018.

Rent collected from the tenant will continue to offset the carrying cost of the mortgage and the existing longtime tenant intends to remain. The tenant is responsible for the incidental costs of operating the property (power, water, etc.) and this contributes to a lowered overhead cost of carrying the Langley Property.

Directors of the Company intend to forego director fees until the Company has sufficient working capital to allow for these fees to be paid. Senior management intends to delay payment of management fees until the Company has raised sufficient working capital. They are committed to achieving the Company's strategic goals and are willing to forego payment in the short term to achieve long term success for the Company and its stakeholders.

As part of its financial planning, 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. The Company intends to work with a financial advisor to assist with raising funds to meet short term and long term goals as well as to develop an ongoing long term plan to keep the company in operation until revenues are sufficient to support the operations. 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 no subsidiaries.

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.

As discussed in the liquidity section, the Company's closing of its private placement units of $400,000, the settlement of the unsecured debts of $174,480, the settlement of the secured debts of $827,738 and the settlement of $140,000 interest accrued on second mortgage within July and August 2017 has significantly increased the Company's capital position.

During April of 2018, the Company allotted an additional 2,032,600 common shares as a bonus to the directors of the Company upon receipt of its non-offering prospectus by BCSC. These

2,032,600 common shares have been allotted but not yet been issued as of the date of this management’s discussion and analysis.

The Company also issued 57,046 common shares to an outside consultant for services provided in the first quarter of 2018.

During the period ended September 30, 2018, the Company announced the issuance of 5,250,000 common shares in the equity of the Company at a deemed price of $0.05 per share as consideration for services provided by certain insiders, directors, officers, contractors and consultants who have been working on Company matters over the course of the last several months. These common shares have not been issued as at the date of this MD&A and the Company will be finalizing the issuance of these common shares shortly.

OFF BALANCE SHEET ARRANGEMENTS

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

PROPOSED TRANSACTIONS

The Company plans to complete the excavation of the peat reserves at the Langley Agri-campus over during 2019 in preparation for the build out of the planned warehousing and processing facility.

TRANSACTIONS WITH RELATED PARTIES

Nine Months of Operations to September 30, 2018

The amounts of $22,050 (2017 - $9,132) as at September 30, 2018 is due from Carman Parente, the Chief Executive Officer, and a company controlled by him, a related party, are non-interest bearing, unsecured and without fixed terms of repayment.

During the month of June 2018, all of the common officers and directors to New Age Farm Inc. (“New Age”) have resigned from the company and as at September 30, 2018, the Company is no longer a related party to New Age. During the period ended September 30, 2018, the Company charged New Age, at the time still a company with common officers and directors, consulting fees of $18,000 with taxes included (2017 - $Nil) for its continued and ongoing support of New Age's strategic plan.

During the period ended September 30, 2018, consulting fees of $15,187 (2017 - $nil) were paid to a director and a company controlled by a director for legal and corporate secretary services rendered.

All related party transactions are in the normal course of operations and have been measured at the agreed to amounts, which is the amount of consideration established and agreed to by the related parties.

For other related party transactions, please also refer to note 10 of the unaudited condensed interim financial statements for the period ended September 30, 2018.

Name and Position	Payment Description	Nine Months Ended September 30		Nine Months Ended September 30	
		2018	2017	2017	2016
Carman Parente[1] CEO and a Director	Consulting fees for services as CEO Share compensation	$Nil $18,739 $Nil	$Nil $Nil $Nil	$Nil $Nil $Nil	$Nil $Nil $Nil
Anthony Chan[2] Chief Financial Officer and a Director	Consulting fees for services as CFO Share compensation	$Nil $11,243 $Nil	$Nil $Nil $Nil	$Nil $Nil $Nil	$Nil $Nil $Nil
David A. Johnson[3] Director	Professional legal fees Share compensation	$5,432 $7,496 $Nil	$Nil $Nil $Nil	$Nil $Nil $Nil	$Nil $Nil $Nil
C. Lorraine Pike[4] Director	Consulting fees for corporate services Share compensation	$9,755 $7,496 $Nil	$Nil $Nil $Nil	$Nil $Nil $Nil	$Nil $Nil $Nil

Notes
1. Carman Parente has been a director and CEO since the Company's inception.
2. Anthony Chan was appointed CFO and became a director effective as of November 30, 2016.
3. David A. Johnson was appointed as a director effective November 30, 2016.
4. C. Lorraine Pike become a director effective as of November 30, 2016

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 29,315,732 common shares outstanding.

Balance as of January 1, 2017	6,899,116	$1,540,183

January 15, 2017	Settlement of debts	3,489,600	$ 174,480
July 2017	Private placements	6,000,000	$ 300,000
July 2017	Settlements of secured debts	8,277,370	$ 827,737
August 2017	Settlement of accrued interest	560,000	$ 140,000
November 2017	Private placements	2,000,000	$ 100,000
March 2017	Issued for services	57,046	$ 5,705
April, 2018	Bonus shares to directors	2,032,600	$ 203,260
Balance November 16, 2018		29,315,732	$3,291,365

Stock Options:

As of the date of this MD&A the Company has 600,000 stock options issued and outstanding.

Warrants:

As of the date of this MD&A the Company has 8,000,000 warrants issued and outstanding in connection with the closing of the recent private placements.

CONTINGENCIES

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

SUBSEQUENT EVENTS

There is no significant subsequent event to report.

INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

These Financial Statements are prepared in accordance and compliance with International Financial Reporting Standards as issued by the International Accounting Standards Board and interpretations of the International Financial Reporting Interpretations Committee. These Financial Statements have been prepared in accordance with IAS 34 Interim Financial Reporting.

The Financial Statements are presented in Canadian dollars, which is the Company's functional and reporting currency. The Financial Statements are prepared on a historical cost basis except for financial instruments classified as fair value through profit or loss, which are stated at their fair value.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES

Please see the Company's audited annual financial statements for the year ended December 31, 2017 and the unaudited condensed interim financial statements for period ended September 30, 2018 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. There are 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.

Uncertainty Regarding Penetration of the Target Market

The commercial success of the business of NHS, as compared with its competitors, depends on the acceptance by their potential clients or customers in the respective industries or sectors. Market acceptance will largely depend on the reputation, marketing strategy, and services and performance of NHS. The success of NHS will depend on the ability to commercialize its products and services and to expand their network clients or market share. NHS will need to expand its marketing and sales operations and establish business relations with other professional services providers and clients in a timely manner.

In order to meet their business objectives, NHS will have to ensure that its services are professional, reliable and cost-effective, and bring the expected return. There can be no assurance that the business and services of NHS will be accepted and recommended.

Competition

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.

Further to this, the introduction of a recreational model for cannabis production and distribution may affect the sustainable growth market. The impact of this potential development may be negative for the Company, and could result in increased levels of competition in its existing market and/or the entry of new competitors in the overall cannabis market in which the Company operates. There is potential that the Company will face intense competition from other companies, some of which can be expected to have longer operating histories and more financial resources and marketing experience than the Company. Increased competition by larger and better financed competitors could materially and adversely affect the business, financial condition and results of operations of the Company.

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.

Growth Management

In executing the business plan of NHS for the future, there will be significant pressure on management, operations, and technical resources. NHS anticipates that its operating and personnel costs will increase in the future. In order to manage their growth, NHS 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.

Reliance on Key Personnel and Advisors

NHS will rely heavily on its officers. The loss of their services may have a material adverse effect on the business of NHS. There can be no assurance that one or all of the employees of, and contractors engaged by, NHS will continue in the employ of, or in a consulting capacity to, NHS 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, NHS who have access to confidential information will not disclose the confidential information.

Reliance on Joint Ventures, License Assignors and Other Parties

The nature of the operations of NHS require them to enter into various agreements with partners, joint venture partners, other businesses partners, equipment suppliers in the business world, government agencies, licensors, licensees, and other parties for the successful operation of their businesses and the successful marketing of their services.

There is no guarantee that those with whom NHS need to deal will not adopt other services providers or that they will not develop alternative business strategies, acting either alone or in conjunction with other parties, including the competitors of NHS in preference to those of NHS.

Government Regulation

Although the activities of NHS 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, marketing or commercialization. The proposed federal legislation, *An Act respecting cannabis and to amend the Controlled Drugs and Substances Act, the Criminal Code and other Acts*, would create a strict legal framework for controlling the production, distribution, sale and possession of cannabis across Canada. Amendments to current laws and regulations governing the production of cannabis, *inter alia*, are expected to be in legislative force by July 2018. Amendments to current laws and regulations governing the production of cannabis and securities law or more stringent implementation thereof could have a substantial adverse impact on NHS.

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

NHS may carry insurance to protect against certain risks in such amounts as they consider adequate. Risks not insured against include key person insurance, as NHS will heavily rely on its officers.

Conflicts of Interest

Certain directors of NHS 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 NHS will be made in accordance with their duties and obligations to deal fairly and in good faith with NHS 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 NHS is at the early stage startup stage, it may continue to have negative operating cash flows. Without the injection of further capital and the development of revenue streams from their businesses, NHS may continue to have negative operating cash flows until it can be sufficiently developed to commercialize.

Operating History and Expected Losses

NHS expects to make investments in order to develop their services, increase marketing efforts, and improve their operations. As a result, startup operating losses are expected and such losses may be greater than anticipated, which could have a significant effect on the long-term viability of NHS.

Risks Related as a Going Concern

The ability of NHS to each continue as a going concern is uncertain and dependent upon their ability to achieve profitable operations, obtain additional capital, and receive continued support from their shareholders. Management of NHS 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.

Potential Liability

NHS are subject to the risk of potential liability claims with respect to their businesses. 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 NHS. There is no guarantee that NHS 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 NHS with adequate protection against potential liability.

Officers and Directors

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