NATURALLY SPLENDID ENTERPRISES LTD.

FORM 51-102F1
MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2013

The following discussion and analysis should be read in conjunction with the audited financial statements of Naturally Splendid Enterprises Ltd. (formerly Race Capital Corp. ("Race")) for the year ended January 31, 2013 and related notes thereto, the audited financial statements of Naturally Splendid Enterprises Ltd.("NS") for the year ended December 31, 2012 and the related notes thereto, which are prepared in accordance with International Financial Reporting Standards and the unaudited condensed interim consolidated financial statements for the nine month period ended September 30, 2013 and the related notes contained therein which are prepared in accordance with International Accounting Standard 34 Interim Financial Reporting ("IAS 34") as issued by the International Accounting Standards Board ("IASB"). All amounts are stated in Canadian dollars unless otherwise noted.

This management discussion and analysis is dated November 20, 2013 and is in respect of the nine month period ended September 30, 2013.

OVERVIEW

Race Capital Corp. was incorporated on December 21, 2010 and as of January 31, 2013 was a capital pool company ("CPC") as defined by Policy 2.4 of the TSX Venture Exchange (the "Exchange"). On August 10, 2011, Race completed its initial public offering. The common shares were listed for trading on the Exchange under the symbol "RCE.P" on August 15, 2011. On March 7, 2013 Race, having completed its Qualifying Transaction with Naturally Splendid Enterprises Ltd. ("NS"), started trading on the Exchange under the symbol "NSP". The reader is referred to the filing statement of Race dated February 1, 2013 for the complete description of the Qualifying Transaction, as well the description below.

As a result of the Qualifying Transaction, the former shareholders of NS owned in excess of 50% of the outstanding shares of the amalgamated entity (the "Company" or "Naturally Splendid"). For accounting purposes NS is considered to be the accounting acquirer and therefore, the corporate merger has been accounted for similar to a reverse takeover. For financial reporting purposes, the Company is considered a continuation of NS, a legal subsidiary, except with regard to authorized and issued share capital which is that of the Race, the legal parent. Consequently comparative amounts in the financial statements and this MD&A are those of NS unless otherwise noted.

The Transaction and Financing

On March 16, 2012, Race entered into an agreement, as amended October 19, 2012, (the "Acquisition Agreement") with Naturally Splendid whereby Race agreed to acquire all of the issued and outstanding shares of Naturally Splendid (the "Transaction"). Under the terms of the Agreement, Race issued approximately 11,600,000 common shares of the Company to the shareholders of Naturally Splendid. Each shareholder of Naturally Splendid received approximately 0.785 Common Shares in exchange for each common share of Race. The Transaction was structured as a three-cornered amalgamation whereby Naturally Splendid amalgamated with a newly formed subsidiary of Race to complete the Transaction. After completing the Transaction, Race changed its name to "Naturally Splendid Enterprises Ltd." and the former Naturally Splendid changed its name to Naturally Splendid Enterprises 2013 Ltd (together the "Company"). Certain directors of Race transferred the balance of the CPC Escrow Shares, being 1,800,000 Common Shares, to the directors and officers of Naturally Splendid (the "Escrow Transfers"). The Company also granted a total of 2,050,000 stock options exercisable at a price of $0.175 per share to the directors and officers of the Company after the Transaction. As a condition of the Transaction, the Company completed an offering of 10,000,000 Common Shares of the Company at a price of $0.175 per share for gross proceeds of $1,750,000 (the "Financing"). The proceeds of the Financing are being used to fund the business plan of the Company. The Company paid $140,053 in cash commissions, equal to 10% of the gross process received by the Company from the sale of the Common Shares to non-President's List Subscribers and a 5% cash commission for proceeds received from the sale of Common Shares to President's List Subscribers. The Company also issued 600,600 Agent's warrants entitling the Agents to purchase 600,600 Common Shares exercisable at an exercise price of $0.175 per share until February 28, 2014. In addition, the Company paid a corporate finance fee of $50,000 plus applicable taxes in connection with the Financing.

Overview of the Operations of Naturally Splendid

Naturally Splendid is in the business of distributing hemp-based health products in Canada. To date, Naturally Splendid has focused on the distribution of hemp based products in British Columbia and Alberta.

Developments during the Quarter

Re-Branding and Marketing Update

During the current fiscal year, the Company engaged The Karo Group ("Karo"), an integrated creative branding and marketing agency, to review the current Naturally Splendid retail branding. Karo was established in Vancouver in 1971, making it one of the longest serving creative agencies in Western Canada. After an extensive review, the Company determined that the Naturally Splendid hemp food products would be rebranded under the name "Natera". Trademarks to the name 'Natera'' have been initiated in Canada and the United States. Under the guidance of the Company, Karo has developed the new branding strategy including labels, packaging and marketing materials for its current products as well as for the roll out of the flavored proteins and snack packs. A new Natera website was launched in October 2013, and the rebranding efforts continue into the subsequent period. The company believes that the rebranded product line will result in expanded retail consumer acceptance, adding markets that the Company does not currently access. The Company may continue to market the products under its previous branding in certain select markets, if market acceptance continues in those venues.

The official industry launch of Natera and the new products took place at the Canadian Health Food Association (CHFA) East Tradeshow in Toronto, Ontario October 3, 2013. CHFA East is Canada's largest conference and trade show for the natural health and organics industry. Management is of the opinion that the Company's attendance at the show was successful. The acceptance of the Natera product line exceeded expectations, and resulted in discussions with a number of national chains and distributors. Management expects to sign agreements in the very near future which will expand the distribution of the line significantly.

Naturally Splendid continues to work with NewAge Marketing & Brand Management ("New Age "). New Age has been working with the Canadian Natural Food Channel since 1987 and has been instrumental in the introduction and support of many top selling natural brands throughout the Canadian marketplace. New Age will be representing Naturally Splendid and more importantly, marketing the new Natera brand and product lines to its extensive distribution network throughout Canada. New Age began marketing the rebranded products as well as the new product lines in mid-September.

New Product Overview

The Company launched the following products at the Canadian Health Food Association East Trade Show, October 3, 2013, under the new Natera Brand:

- **Flavoured Shelled Hemp Seeds** – Under the Natera Brand, The Company launched Canada's first flavoured shelled hemp seeds. The two initial flavours launched are Himalayan Pink Salt and Maple, as well as the original natural flavour.

- **Flavoured Hemp Protein** - In addition to the original Natural Flavoured Hemp Protein, the Company has added three new flavours that will be marketed under the Natera Brand. The new flavours, chocolate, vanilla, and blackberry pomegranate, have a superior nutritional and taste profile when compared to existing products currently available from competitors.

HempOmega, H2Omega and related omega technologies

The Company reached a significant milestone when it received its first shipment of HempOmega and H2Omega at its facilities in Burnaby, BC Canada during the second quarter, as per the agreement signed with Boreal Technologies Inc. (formerly Canadian Medical Hemp) ("Boreal"). The Company continues to make progress marketing HempOmega and H2Omega, with certain purchasers actively evaluating the products.

On November 13, 2013 the Company announced it had entered into a new Exclusive Sales Agreement with Boreal to market and distribute, on an exclusive basis in Canada and the United States, the full complement of patent pending, plant based omega products created by Boreal at the University of British Columbia.

The new Exclusive Sales Agreement replaces, in its entirety, the sales agreement dated May 15, 2013 between Naturally Splendid and Boreal whereby Boreal previously granted Naturally Splendid the right to market and distribute HempOmega™ in Canada on an exclusive basis and H2Omega™, on a non-exclusive basis. The products covered in this Exclusive Sales Agreement have been expanded from HempOmega™ and H2Omega™ to now include FlaxOmega™, CanolaOmega™, ChiaOmega™, plant based omega products created from flax, canola and chia. These novel products utilize the same microencapsulation and liposome technologies as HempOmega™ and will also be available in both the powder format and an aqueous solution for increased flexibility in ingredient applications and/or stand-alone products.

New Facility

The Company relocated its operations to a 6,000 square foot facility in Burnaby, BC Canada during the second quarter, and completed the relocation of all inventory and operations to that facility during the third quarter. The new facility is strategically located and provides the Company with all the attributes required to manage the anticipated increased sales and new product lines.

Products

Naturally Splendid is currently distributing the following hemp-based food products:

- **Premium Shelled Hemp Seed.** Naturally Splendid Premium Shelled Hemp Seeds are a versatile, superfood that can be consumed on its own as a snack or meal replacement, or can be added to recipes to enhance taste and improve dietary profiles.

- **Premium Hemp Protein Powder.** Naturally Splendid Premium Hemp Protein Powder is easily digestible and an excellent source of protein. It can replace all other protein sources and is packed with live enzymes, EFA's, EAA's, vitamins and minerals. Hemp Protein Powder complements any juice or smoothie and is ideal for vegans and vegetarians.

- **Flavoured Protein Powders**. Naturally Splendid has developed chocolate, berry and vanilla flavoured proteins similar the unflavoured protein powder described above. Naturally Splendid launched the flavoured proteins in late Q32013.

- **Hemp Seed Snack Packs**. Naturally Splendid has developed and launched flavoured hemp seed snack packs in natural, maple and Himalayan pink salt flavours.

- **Premium Organic Hemp Seed Oil.** Naturally Splendid's Premium Organic Hemp Seed Oil is a nutritional oil that can be used as an alternative to olive and flax oils. Hemp oil has a 3:1 Linoleic Acid ("LA") to Alpha-Linolenic Acid ("LNA") ratio and provides all of our EFA requirements. The target market for this product is broad as it Premium Organic Hemp Seed Oil adds taste and nutritional value to meals. The Company is re-evaluating the market for this product.

Future Developments

In addition to the new products that launched at the CHFA East in October, Naturally Splendid is continuing to develop additional products. These products include:

- **Natural Superfood Cereals**. Naturally Splendid plans to introduce a line of healthy cereals including hemp and other superfoods. To date, two cereal fomulations have been completed and two additional cereals are near completion . The Company anticipates that these new products will be launced in 2014.

- **Energy Bars**. Naturally Splendid is developing a hemp-based nutritional bar containing hemp, fruit and nuts. Currently, Naturally Splendid is in negotiations with an existing energy bar provider to assist in formulating the bar to make it acceptable to market. Naturally Splendid intends to have the first energy bars launched in 2014.

Commercialization and Marketing of Powdered Hemp Seed Oil

Naturally Splendid, in conjunction with Boreal Technologies Inc. (formerly Canadian Medical Hemp) ("Boreal"), has investigated a process to commercialize and market powdered hemp seed oil. Unlike powdered hemp protein, powdered hemp seed oil contains all of hemp's omega 3 and 6 essential fatty acids. As a result, it provides an alternative to flax, evening primrose, borage and fish oils.

In September 2012, Naturally Splendid entered into a memorandum of understanding with Boreal whereby Boreal agreed to fund a study to investigate the process of producing powdered hemp seed oil from hemp seed oil and the industrial uses of the powdered hemp seed oil, and Naturally Splendid agreed to apply to the Canadian National Research Council ("NRC") to obtain a grant for a study to investigate the commercial viability of powdered hemp seed oil, potential products, formulations and ingredients of products from powdered hemp seed oil, and target markets and strategies to market and promote these products. Boreal completed the study on March 31, 2013.

On November 30, 2012, Naturally Splendid entered into a contribution agreement with NRC for a commercial scale production study. The commercial scale production study consists of two phases. Phase 1, the market assessment study, involved: (i) information research to assess markets and competitive trends, (ii) development of a market entry strategy which includes value proposition, price points, channels of distribution and timelines and milestones for implementation, (iii) evaluating the commercial application of the products as ingredients and to be able to assess the commercial potential of the products. Naturally Splendid completed the study in June, 2013. Phase 2 involves: (i) the review of current hemp seed oil applications, (ii) the development of three food product concepts/formulations which will incorporate HempOmega at a level that can deliver a health benefit, (iii) the creation of food product prototypes and test the performance of HempOmega in different food matrices through sensory evaluations and stability studies with hemp oil, (iv) the evaluation of the impact on food processing and nutritional properties when HempOmega is used as a functional ingredient in food products, and (v) the development of nutritional labels. Naturally Splendid will complete Phase 2 of the study by its extended due date of February 28, 2014. Boreal will own all of the intellectual property relating to the powdered hemp seed oil.

Naturally Splendid anticipates that it will add HempOmega to its products, including flavored proteins, natural superfood cereals, snack packs and energy bars, to provide them with omega 3 and 6 essential fatty acids. In addition, Naturally Splendid intends to market HempOmega as an ingredient to be added to existing commercial products not belonging to Naturally Splendid. Research has exposed a significant commercial opportunity in the dairy market with both liquid products (milk and yogurt) and solid products (multiple cheese and cheese base products). Additionally, research has uncovered opportunities specific to the senior and infant markets. Finally, HempOmega may be marketed to numerous sports nutrition companies to be added to their existing product lines.

On May 15, 2013 the Company announced the signing of a sales agreement with Boreal. Under the terms of the sales agreement, Naturally Splendid will have the right to market and distribute HempOmega™ and H2Omega™, whether on an exclusive or non-exclusive basis, until January 1, 2017. Provided that Naturally Splendid meets certain annual purchase benchmarks, Naturally Splendid will maintain its exclusive right to market and distribute the products in Canada. The Sales Agreement is also subject to certain minimum annual purchase commitments by Naturally Splendid.

On November 13, 2013 the Company announced it had entered into a new Exclusive Sales Agreement with Boreal to market and distribute, on an exclusive basis in Canada and the United States, the full complement of patent pending, plant based omega products created by Boreal at the University of British Columbia.

The new Exclusive Sales Agreement replaces, in its entirety, the sales agreement dated May 15, 2013 between Naturally Splendid and Boreal whereby Boreal previously granted Naturally Splendid the right to market and distribute HempOmega™ in Canada on an exclusive basis and H2Omega™, on a non-exclusive basis. The products covered in this Exclusive Sales Agreement have been expanded from HempOmega™ and H2Omega™ to now include FlaxOmega™, CanolaOmega™, ChiaOmega™, plant based omega products created from flax, canola and chia. These novel products utilize the same microencapsulation and liposome technologies as HempOmega™ and will also be available in both the powder format and an aqueous solution for increased flexibility in ingredient applications and/or stand-alone products.

Operations

Naturally Splendid distributes its products in British Columbia and Alberta by direct sales and through third party distributors, including New Age Marketing & Brand Management, Inc., Summit Specialty Foods and Westwise Agencies. Summit has a network of approximately 300 clients totaling up to 1,500 retail outlets. New Age represents Naturally Splendid to its distribution network for coverage across Canada, focusing on increasing distribution in BC and Alberta as well as securing new distributors in Ontario and Quebec.

The Company currently engages outside producers to manufacture and produce its hemp based products. The production process involves manufacturers purchasing hemp seed from farmers they have under contract. The price of hemp seed has traditionally not been volatile as manufacturers' contract fixed prices with farmers prior to the cultivation season, and demand for hemp seed has traditionally matched supply resulting in a stable price. However, the supply of hemp, which has a total seeded acreage of 66,671 acres in Canada in 2013, is still less than other grain products in the market. As a result, a decrease in supply of hemp seed could cause the price of hemp seed to significantly increase. Once the product is harvested, it is sent to the various processors for processing into the various hemp products including, shelled hemp seed, hemp protein and hemp oil.

Naturally Splendid then delivers its branding labels to various processors and packagers. Once received, the various processors and co-packers brand the products in accordance with the specifications of Naturally Splendid. Once Naturally Splendid's products have been produced, Naturally Splendid has the products delivered to its office in Burnaby, British Columbia, for direct sales by Naturally Splendid. From there, it is shipped to the various clients.

Naturally Splendid has retained employees and consultants with specialized skill and knowledge of the distribution and marketing of health food products. These employees and consultants have an understanding of the logistical requirements in distributing health food products to food and specialty retailers.

In developing new hemp based products, Naturally Splendid works with the Alberta Food Processing Development Center, which is a division of the Alberta Agriculture and Rural Development, to assist it in product formulation, test batch production, product testing and consumer rating.

Naturally Splendid's policy is to protect its brand and trade names by registered trademarks in Canada. See "Proprietary Protection".

The products are considered "food" and, as such, are principally regulated under the Food and Drug Act and Food and Drug Regulations, the Consumer Packaging and Labeling Act, and the Industrial Hemp Regulations.

As Naturally Splendid's operations are conducted in Canada, it does not have any risks and/or dependencies on foreign operations.

Market for Products

Naturally Splendid is currently focused on serving the retail food market in British Columbia and Alberta and is starting to promote the products across Canada. However, management of Naturally Splendid believes that a potential market for its product is the entire North American region and ultimately, globally.

North American eating trends reflect changing patterns that now focus on health foods. These changes show increased consumer awareness of organic foods and foods that offer disease prevention as well as nutrition and general health. In particular, there is an increased demand for products with high-omega content. The number of global new product introductions bearing high-omega claims increased from 67 in 2000 to 661 in 2007 and further grew to 754 in 2010, notwithstanding the dampening effect of the global economic downturn on new product activity. The overall growth in omega rich products spans multiple product categories. This in turn, has significantly increased consumers understanding of the numerous health benefits when included into one's diet.

Canadian consumer demand for hemp based products has been in a steady growth pattern over the past decade as consumers have become more aware of its nutritional profile. Over the past three years, the two largest Canadian hemp seed processors have increased their processing capacity to meet this demand, and further expansions are planned.

Market Acceptance

The Canadian marketplace has become more focused on consuming foods with high nutritional value as well as foods that are produced within Canada. Naturally Splendid believes that its hemp-based food products meet those requirements of consumers as hemp has significant nutritional value and all of Naturally Splendid's products are produced in Canada.

Marketing Plan and Strategies

Naturally Splendid's marketing strategy is to increase market share and sales in Canada by promoting its hemp-based food products. Currently, Naturally Splendid's marketing strategy involves traditional marketing campaigns as well as new media venues. In addition, Naturally Splendid utilizes promotional marketing programs with each retailer. Materials provided to retailers include printed brochures and fact sheets, point of purchase displays and sampling programs.

The Company also has a website which includes an updated, state of the art on-line retail product ordering system; and more presence and functionality of various social media platforms including Twitter, Facebook, etc.

New media campaigns involve social media, web infomercials and QR Codes on products. Naturally Splendid is using social media and web infomercials to increase on-line presence and educate the consumer on the benefits of hemp-based products. QR Codes are placed on Naturally Splendid's products and will allow the consumer to obtain information on Naturally Splendid by scanning the QR Code with their smart phone.

During the prior quarter, the Company engaged Karo, an integrated creative branding and marketing agency, to review the current Naturally Splendid retail branding. After an extensive review, the Company determined that the Naturally Splendid hemp food products would be rebranded under the name "Natera". Trademarks to the name 'Natera'' have been initiated in Canada and the United States. Under the guidance of the Company, Karo developed the new branding strategy including labels, packaging and marketing materials for its products. A new Natera website was launched in October 2013. The official industry launch of Natera and the new products took place at the Canadian Health Food Association (CHFA) East Tradeshow in Toronto, Ontario October 3, 2013.

Competitive Conditions

The number of competitors and the degree of competition within the North American food industry varies greatly by product segment and region. In the hemp food industry, there are a limited number of competitors. These competitors offer a similar range of products as Naturally Splendid.

Naturally Splendid's competitive advantage is its packaging and marketing materials due to the fact that it is designed and branded to the mainstream market. Whereas, many competitors had chosen to brand their products with a '5 leaf plant theme' to capitalize on the fringe lifestyle element, they now need to 'backtrack' and rebrand to appeal to more mainstream markets. Since Naturally Splendid's products entered the market place, it has noticed that its competitors marketing strategy has moved in line with Naturally Splendid's philosophy.

Naturally Splendid has also met the NON-GMO Project Certification requirements for both Canada and the United States, allowing the use of certain trademarks on the product labels. The certified products are listed on the NON-GMO project website at http://www.nongmoproject.org/find-non-gmo/search-participating-products/search/?brandId=789

Naturally Splendid is also an official member of the Canada Brand Program. As the sole name brand hemp based food company to be accepted into the Canada Brand Program, Naturally Splendid believes that this provides it with an additional advantage over its competitors.

Pricing of Naturally Splendid's products is comparable to its competitors and allows for sufficient margin to distribute for brokers and agents. This in turn allows for grocery or pharmacy chains to offer promotional discounts to increase customer base on an as needed basis.

SELECTED ANNUAL INFORMATION

The Company is providing the following selected information with respect to the audited financial statements of Race and NS. As a result of the Transaction, the former Race changed its year end from January 31 to December 31 to match the year end of NS. The audited financial statements were all prepared in accordance with International Financial Reporting Standards, and are expressed in Canadian dollars.

Naturally Splendid Enterprises Ltd. (former private company NS)

Statements of Loss Data	**Year Ended December 31, 2012 ($)**	**Year Ended December 31, 2011 ($)**	**Year Ended December 31, 2010 ($)**
Total Revenue	99.660	104,072	81,637
Expenses	(157,145)	(713,359)	(272,040)
Interest Income	-	-	-
Net Loss	(127,274)	(675,580)	(190,403)
Basic and Diluted Loss Per Share	(0.01)	(0.06)	(0.02)

Statements of Financial Position Data	**As at December 31, 2012 ($)**	**As at December 31, 2011 ($)**	**As at December 31, 2010 ($)**
Total Assets	87,008	102,557	92,980
Total Liabilities	257,133	577,308	(368,051)
Total Equity	(170,125)	(474,751)	(275,071)

Naturally Splendid Enterprises Ltd. (ex Race Capital Corp.)

Statements of Loss Data	**Year Ended January 31, 2013 ($)**	**Year Ended January 31, 2012 ($)**	**Period from December 21, 2010 (Inception) to January 31, 2011 ($)**
Total Revenue	-	-	-
Expenses	(126,969)	(111,197)	(5,172)
Interest Income	633	685	-
Net Loss	(126,336)	(110,512)	(5,172)
Basic and Diluted Loss Per Share	(0.06)	(0.09)	(0.11)

Statements of Financial Position Data	**As at January 31, 2013 ($)**	**As at January 31, 2012 ($)**	**As at January 31, 2011 ($)**
Total Assets	113,542	165,903	98,994
Total Liabilities	90,203	16,228	(4,166)
Total Equity	23,339	149,675	94,828

DISCUSSION OF OPERATIONS

The nine months ended September 30, 2013 include the first seven months that the Company has been a publicly listed amalgamated entity. As such there are certain expenses incurred in the period which were not incurred by the Company in its past, private operations. As well, certain comparative information for the private company was not available or not relevant.

Revenue

Revenue during the three and nine months ended September 30, 2013 was $17,366 (Year to date: $76,778; 2012: $26,114 and $77,311 respectively). The Company believes this increase reflects the maintenance of existing sales while the Company has been focused on bringing new products to market. The Company anticipates that Q4 will reflect increased sales compared to those in 2012 as new products hit the marketplace.

Costs of Sales and Gross Profit

Cost of Sales were lower during the quarter at $10,404 (YTD: $51,778) compared to 2012 at $29,256 (YTD: $56,767). The Company believes this to be a result of increasing controls separating out the cost of promotional product given away, as well as the normalizing of product costs as the Company reaches certain levels of production.

Accordingly, gross profit was $6,962 (YTD: $25,000) compared to 2012 results of a loss of $3,142 (YTD: $20,544). The Company believes that, as products and procedures continue to be normalized, gross profit will increase significantly.

Selling and Distribution Expenses

Commencing with the qualifying transaction and going public, the Company decided to report expenses in the categories of selling and distribution expenses and administrative expenses. Previously, this distinction was not reflected in the accounts of the former private company. Management believes that this distinction will allow for a clearer assessment of the cost of sales and operations as opposed to public company administration which imposes significant expenses not previously incurred as a private company. As a result certain private company expenses have been reclassified.

Selling and distribution expenses of $195,896 (YTD: $319,151) are significantly higher than the comparable results of 2012 at $12,476 (YTD: $45,256) due to $143,076 (YTD: $179,652; 2012: $1,333 and $9,781)) spent on product promotion and trade shows during the current year. This increased expenditure is as a result of the development and promotion of new product lines and the rebranding process undertaken. Management believes that there will be similar expenditures in Q4, but that eventually these costs will result in greatly expanded revenues. $18,220 (YTD: $83,120; 2012:$1,020 and $18,020) was spent on direct product development. In addition salaries and wages were higher for production and marketing reflecting increased activity and the addition of a sales manager.

Administrative Expenses

The administrative expenses for the two respective periods are:

Accounting and audit expenses were higher at $7,980 (YTD: $49,142; 2012: $3,375 and $11,675, respectively) as a result of the cost of being a public company as well as an increased volume of transactions;

Amortization of $5,262 (YTD: $11,176; 2012: $1,643 and $4,897, respectively) reflects the increase in assets of the company;

Consulting fees increased to $25,134 (YTD: $74,634; 2012: $11,770 and $33,951 respectively) due to the increased use of outside consultants to meet the needs growth needs of the Company;

Directors fees of $9,000 (YTD: $21,000; 2012: $Nil) were incurred as a public company which expenses were not applicable in the private stage;

Legal fees of $10,371 (YTD: $31908; 2012: $6,499 and $49,997) are as a result of going public activities in 2012 and public company activities in the current year;

Management fees reflect the cost of being a public company. During the quarter $49,500 (YTD: $108,000; 2012: $30,000 and $91,600) was paid to management. This is a reclassification of 2012 expenses, as previously 2012 expense was reported as part of salaries. The company now segregates out production related salaries from management expense. In the opinion of the Company, as an operating company with sales, these fees are extremely modest and are less than those paid in public companies that do not have sales history;

Office and general of $45,301 (YTD: $82,379; 2012: $9,248 and $26,227) reflects the first full quarter of the new premises, the addition of administrative staff, and generally an increase in costs as both as public company and as a company engaged in aggressively growing its operations;

Promotion increased to $56,432 (YTD: $103,246; 2012 $Nil) as the company is now actively and aggressively working to promote both the product and the public company to potential investors and analysts.

Share Based Payments of $Nil (YTD: $239,220 (2012 - $NIL) representing the estimated cost of the issuance of the 2,050,000 stock options in Q1;

Transfer Agent and Filing Fees of $7,083 (YTD: $53,111; 2012 $Nil) reflect public company expenses, including the cost of holding an annual general meeting;

Travel of $9,384 (YTD: $25,555; 2012 - $3,911 and $8,353) also reflect the expansion of the company's efforts in promoting both products and the public company.

Other Items

The most significant item is a Listing Expense of $(1,288) (YTD: $1,328,650; 2012 - $NIL). This is a one-time charge incurred as a result of the requirements under IFRS for recording the qualifying transaction, representing the excess of consideration paid over net tangible assets acquired, plus various costs of the transaction. During the quarter the Company received a refund of certain fees paid. The reader is referred to Note 4 of the unaudited condensed consolidated interim financial statements as at and for the period ended March 31, 2013 for a more detailed discussion of this item.

Naturally Splendid anticipates that its revenues will continue to grow over the remainder of the year due to the introduction of new product lines in the third quarter, which will increase sales in the fourth quarter, and increased demand in products resulting from Naturally Splendid's engagement of additional food distributors and brokers to market and distribute its products across Canada. The Company also expects that expenses will normalize in certain areas, and will increase in the areas of product promotion and selling expenses as further product lines are launched.

SUMMARY OF QUARTERLY RESULTS

As a former private company, NS did not prepare quarterly financial statements. Accordingly the information provided is taken from the records of NS until December 31, 2012 and is for the Company, as a combined entity, as of June 30, 2013 (Q2 – 2013) forward.

Certain comparative information has been restated to reflect the presentation in the financial statements for the current period. All periods listed below were prepared in accordance with International Financial Reporting Standards and are expressed in Canadian dollars.

	Year ended December 31, 2013			**Year ended December 31, 2012**
Canadian $ - IFRS	**Q3**	**Q2**	**Q1**	**Q4**
Total Revenue	17,366	43,421	15,991	19,349
Gross Margin	6,962	13,838	4,200	9,644
Loss (income) from operations	414,847	285,494	395,777	206,431
Loss & Comprehensive Loss	410,764	275,056	1,945,579	206,431
Basic and diluted loss per share	(0.02)	(0.01)	(0.09)	N/A

	Year ended December 31, 2012			Year ended December 31, 2011
Canadian $ - IFRS	**Q3**	**Q2**	**Q1**	**Q3**
Total Revenue	26,114	35,431	15,766	Nil
Gross Margin	3,459	19,498	4,188	(47)
Loss from operations	76,911	(252,466)	93,753	N/A
Loss & Comprehensive Loss	76,911	(252,466)	96,399	38,397
Basic and diluted loss per share	N/A	N/A	(0.01)	N/A

The results of most quarters are comparable. Q2 of 2013 reflects the first full quarter of operations as a public company, with increased expenses related to being public. Q2 of 2012 recorded income of $252,466 due to a gain of $329,972 recorded on the write-down of accounts payable and related party payables.

LIQUIDITY AND CAPITAL RESOURCES

As at September 30, 2013, the Company had cash and cash equivalents of $286,707 and working capital of $450,432, compared with cash of $5,077 and a working capital deficit of $180,090 as at December 31, 2012.

The increase in cash and working capital is due to the completion, during the first quarter, of an offering of 10,000,000 common shares of the Company at a price of $0.175 per share for gross proceeds of $1,750,000. The Company paid cash commissions of $140,053, a corporate finance fee of $50,000 and issued 600,600 Agent's warrants entitling the Agents to purchase 600,600 Common Shares exercisable at an exercise price of $0.175 per share until February 28, 2014.

On November 1, 2013, the Company completed its private placement financing announced on September 27, 2013 by issuing a total of 2,802,654 Units for gross proceeds of $490,465. Each Unit was comprised of one common share of the Company and one common share purchase warrant ("Warrant"), with each Warrant entitling the holder to purchase one additional common share at $0.25 per share for a period of two years from the date of the issue. The Company will have the right to accelerate the expiry date of the Warrants if, at any time, the volume weighted average price of the Company's common shares is equal to, or greater than $0.35 for 10 consecutive trading days. In the event of acceleration, the expiry date will be accelerated to a date that is 30 days after the Company issues a news release announcing that it has elected to exercise this acceleration right. The Company paid finders cash commissions totaling $20,150 and issued a finder 98,000 non-transferable warrants. Each finder's warrant is exercisable on the same terms as the Warrants described above. The securities issued under the financing will be subject to a hold period expiring on March 2, 2014 pursuant to applicable Canadian securities laws and the rules of the TSX Venture Exchange.

During the nine month period ended September 30, 2013, the Company also issued 328,480 common shares for proceeds of $42,484 in connection with the exercise of agent's warrants previously issued.

The Company's future capital requirements will depend upon many factors including, without limitation, consumer demand, raw material supply and prices and costs of sales. Since the Company expects to generate limited revenues from operations in the near future, it must continue to rely upon the sale of its equity and debt securities to raise capital, which would result in further dilution to the shareholders. There is no assurance that financing, whether debt or equity, will be available to the Company in the amount required by it at any particular time or for any period and that such financing can be obtained on terms satisfactory to it or at all.

OFF BALANCE SHEET ARRANGEMENTS

The Company has not engaged in off-balance sheet arrangements.

TRANSACTIONS BETWEEN RELATED PARTIES

The Company's related parties consist of companies controlled by executive officers and directors. Transactions and balances in the normal course of operations in connection with those companies and key management personnel for the nine months ended September 30, 2013 and the year ended December 31, 2012 are as follows:

- On April 11, 2012, the Company issued 1,309,600 Class C common shares to settle trade and other payables due to officers and directors in the amount of $327,400 (Note 11).

- On June 30, 2012, the Company entered into an off-setting agreement with the officers and directors of the Company whereby advances receivable in the amount of $10,000 due from the officers and directors were offset against trade and other payables in the amount of $10,000 due to the same parties in relation to accrued wages.

As at September 30, 2013 and December 31, 2012, the amounts due to related parties include:

	September 30, 2013	December 31, 2012
Due to officers and directors	$ -	$ 10,796
Loans payable to officer	-	8,333
Loans payable to a spouse of an officer	-	82,070
	$ -	$ 101,199

Amounts due to/from related parties are non-interest-bearing, unsecured and have no fixed terms of repayment.

The remuneration of directors and other members of key management were as follows:

	September 30, 2013 $	**June 30, 2012 $**
Management fees	108,500	61,600
Directors fees	21,000	-
Share-based payments (Note 12)	239,220	-
	368,220	61,600

Key management personnel were not paid post-employment benefits, termination benefits or other long-term benefits during the period ended September 30, 2013 and year ended December 31, 2012.

CHANGES IN ACCOUNTING POLICIES AND CRITICAL ACCOUNTING ESTIMATES

The reader is referred to the annual audited financial statements of the Company dated December 31, 2013 for a discussion of pending changes in accounting policies and critical accounting estimates, which are incorporated by reference in this report.

FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, amounts receivable and trade payables. The fair values of these financial instruments approximate their carrying values unless otherwise stated. As set out below, it is the opinion of management that it is not exposed to significant credit risk, liquidity risk, currency risk, interest risk and other price risk.

Credit Risk

Credit risk is the risk of an unexpected loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises primarily from the Company's cash and amounts receivable. The Company manages its credit risk relating to cash by dealing only with highly-rated Canadian financial institutions. As at September 30, 2013, amounts receivable of $76,382 (December 31, 2012 - $28,535) was comprised of GST of $47,771 (December 31, 2012 - $11,527) and trade receivables of $39,115 (December 31, 2012 - $17,008). As a result, credit risk is considered insignificant.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk by continuously monitoring actual and projected cash flows and matching the maturity profile of financial assets and liabilities. As the Company's financial instruments are substantially comprised of cash, liquidity risk is considered insignificant.

Currency Risk

The Company's cash flows and financial assets and liabilities are denominated in Canadian dollars, which is the Company's functional and reporting currency. As a result, currency risk is considered insignificant.

Interest Risk

The Company is not subject to interest risk.

Other Price Risk

The Company is not subject to other price risk.

OUTSTANDING SHARE DATA

As of the date of this management discussion and analysis, the following securities of the Company were outstanding:

Type of Security	September 30, 2013	Date of Report
Issued and outstanding common shares	25,928,451	28,731,105
Warrants exercisable at $0.25 issued under private placement (1)	-	2,802,654
Agent's warrants exercisable at $0.25 per common share(1)	-	98,000
Agent's warrants exercisable at $0.175 per common share(2)	472,120	472,120
Stock options exercisable at $0.175 per common share(3)	1,750,000	1,750,000
Fully diluted shares	28,150,571	33,853,879

Notes:

(1) Each warrant was exercisable at $0.25 per share until November 1, 2015.
(2) Each warrant was exercisable at $0.175 per share until February 28, 2014.
(3) Each stock option was exercisable at $0.175 per share until March 4, 2018.

FURTHER INFORMATION

Risk Factors

The reader is cautioned that the Company is subject to a number of risk factors. A detailed description of these is included in the Filing Statement dated February 1, 2013 which is incorporated herein by reference.

Forward Looking Statements

Certain statements contained in this management discussion and analysis constitute "forward-looking statements." These statements, identified by words such as "plan," "anticipate," "believe," "estimate," "should," "expect" and similar expressions include our expectations and objectives regarding our future financial position, operating results and business strategy. Forward-looking statements involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of the Issuer to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, general business, economic, competitive, political and social uncertainties; lack of brand awareness; dependence on consumer taste; reliance on third party suppliers and third party distributors; limited operating history of the Company; market fluctuations; potential product liability claims and retention of key personnel, as well as those factors discussed in the section titled "*Risk Factors*" in the Company's Filing Statement dated February 1, 2013.

Forward looking statements are based on a number of material factors and assumptions, including consumer buying patterns will increase in specialty and grocery stores, economic conditions in Canada will continue to show modest improvement in the near to medium future, the average cost of whole hemp seed will fluctuate in line with historical trends, no material change to competitive environment in the distribution of hemp-based food additives and supplements, the Company will be able to access sufficient qualified staff, there will be no material changes with the Company's larger customers and there will be no material changes to the tax and other regulatory requirements governing the Company. While the Company considers these assumptions may be reasonable based on information currently available to it, these assumptions may prove to be incorrect. Actual results may vary from such forward-looking information for a variety of reasons, including but not limited to risks and uncertainties disclosed in the section titled "*Risk Factors*" in the Company's Filing Statement dated February 1, 2013.

The Company intends to discuss in its quarterly and annual reports any events or circumstances that occurred during the period to which such documents relate that are reasonably likely to cause actual events or circumstances to differ materially from those disclosed in this Filing Statement. New factors emerge from time to time, and it is not possible for management to predict all of such factors and to assess in advance the impact of each such factor on our business or the extent to which any factor, or combination of such factors, may cause actual results to differ materially from those contained in any forwarding looking statement.

The Company advises you to carefully review the reports and documents we file from time to time with the applicable securities commissions.

Additional Information relating to the Company can be found on SEDAR at www.sedar.com.