

**Management Discussion of Results
Emergent Health Corp. (the "Company")
Fiscal 2010 Compared to Fiscal 2009
January 1, 2011**

Revenues for 2010 exceeded those of fiscal 2009 by almost 7% (\$241,830 compared to \$226,192). Pre-tax profits appear to be similar in the \$40,000.00 range despite added expenses.

Our comparable Balance Sheets show continued improved strength in assets primarily through prudent cash management.

We continue to believe even greater strides could have been made had we not been diverted for a good part of the 2010 in responding to and assisting the SEC in the investigation related to our trading halt on September 30, 2009.

In May 2010, the SEC filed an action against those parties responsible for the "pump and dump" of our stock. In July 2010 the SEC sent a letter to our Counsel indicating they were recommending no action against the Company.

In August 2010 a broker dealer filed a Form 211 to assist the Company to resume normal trading off the Grey Market. A FINRA letter of comment was received in September 2010 with nine comments and the Company provided the broker dealer with answers to all comments and these were submitted to FINRA in October 2010.

On December 27, 2010 FINRA responded with just two comments. These were answered on December 28, 2010 and we were advised by the broker dealer our response was faxed to FINRA on December 31, 2010. We are encouraged and cautiously optimistic that we have met all disclosure requirements for resumption of normal trading with "bids" and "asks", hopefully in 2011.

As reported last quarter, our licensor has received a patent for its hair growth product and we are reviewing ways to initiate a marketing process for that. We hope to have a product related to hair growth and grooming available in 2011. Other new products planned for 2011 are:

1. Multi Vitamin with Stem Cell Support for Health Food Stores and a second brand for a possible referral marketing endeavor. This is a totally untapped niche within the estimated Trillion dollar multi-vitamin field.
2. A topical gel for pain relief. This product is clear, odorless, stain free and fast acting.

The Company continues to develop markets and an Infomercial began airing in the third quarter. We are reviewing future Infomercial plans

Likewise, S.E. Asia sales continue to develop. The Company has been given a bright forecast for 2011 and beyond, but prefers to wait until further orders materialize. As indicated prior, Emergent Health™ Vita-Stim was approved in Cambodia for resale and this past quarter EmergentO2™ Water Oxygenator has been approved for resale there also. We are currently working on approvals in several other S. E. Asia countries.

The Company continues negotiations to partner with a group of networkers to provide capital to a jointly owned private endeavor to market an Anti-Aging product also to be revealed in 2011, if and when concluded.

The Company is also exploring a unique combination of Circumin and Vita-Stim for cardio and cancer nutritional support.

We continue to aggressively explore all possible ways to expand sales for Emergent Health™ Physician Formulated Vita-Stim, Neuvitale™ Life Support, EmergentO2™ Water Oxygenator and Hungarest® Diet &Energy Aid.

The Company believes it remains sufficiently capitalized to continue its current course for the upcoming year 2011 and intends to do all possible to increase shareholder value.

Respectfully Submitted,

John V. Cappello, CFO