GLOBAL HEMP GROUP INC.

ANNUAL INFORMATION FORM

For the Financial Year Ended September 30, 2020

Dated March 24, 2021

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INTRODUCTORY NOTES

Date of Information

All information contained in this Annual Information Form ("**AIF**") is current as of September 30, 2020 with subsequent events disclosed to March 24, 2021.

Currency and Exchange Rates

All dollar amounts herein are expressed in Canadian dollars unless otherwise indicated.

Forward-Looking Information

This AIF contains certain statements, which may constitute "**forward-looking information**" within the meaning of Canadian securities law requirements ("forward-looking statements"). These forward-looking statements are made as of the date of this AIF and Global Hemp Group Inc. ("**GHG**" or the "**Company**") does not intend, and does not assume any obligation, to update these forward-looking statements, except as required under applicable securities legislation. Forward-looking statements relate to future events or future performance and reflect Company management's expectations or beliefs regarding future events. In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved" or the negative of these terms or comparable terminology. In this document, certain forward- looking statements are identified by words including "may", "future", "expected", "intends" and "estimates". By their very nature forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. The Company provides no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. Certain forward-looking statements in this AIF include, but are not limited to the following:

- the expected growth in the Company's growing capacity;
- the entry of the Company into the production and distribution of industrial hemp products and derivatives;
- the ability to renew the Company's licenses from Health Canada;
- performance of the Company's business and operations;
- the Company's expectations regarding revenues, expenses and anticipated costs;
- future production costs and capacity;
- the legalization of cannabis for recreational use in Canada, including federal and provincial regulations pertaining thereto and the timing related thereof and the Company's intentions to participate in such market, if and when such market is legalized;

- the medical benefits, viability, safety, efficacy, dosing and social acceptance of industrial hemp and cannabis;
- the Company's plans with respect to the payment of dividends;
- the impact of general business and economic conditions;
- whether GHG will continue to be in compliance with regulatory requirements;
- whether the key personnel will continue their employment with GHG;
- its expectations regarding production capacity and production yields; and
- the expected demand for products and corresponding forecasted increase in revenues.

The above and other aspects of the Company's anticipated future operations are forward-looking in nature and, as a result, are subject to certain risks and uncertainties. Although the Company believes that the expectations reflected in these forward-looking statements are reasonable, undue reliance should not be placed on them as actual results may differ materially from the forward-looking statements. Such forward-looking statements are estimates reflecting the Company's best judgment based upon current information and involve a number of risks and uncertainties, and there can be no assurance that other factors will not affect the accuracy of such forward-looking statements. Such factors include but are not limited to the Company's ability to obtain the necessary financing and the general impact of financial market conditions, the yield from marijuana growing operations, product demand, changes in prices of required commodities, competition, government regulations and other risks as set out under "*Risk Factors*" below.

CORPORATE STRUCTURE

Name, Address, and Incorporation

Global Hemp Group Inc. (formerly Arris Holdings Inc.) was incorporated on October 30, 2009 in British Columbia, Canada under the *Business Corporation Act (British Columbia)* and had its name change effective on March 24, 2014.

The Company's principal activity had been exploration and development of mineral properties in prior periods and changed to agriculture and manufacturing in the industrial hemp sector on March 24, 2014 when the Company changed its name to Global Hemp Group Inc.

The Company's office is Suite #106 – 1169 Mt. Seymour Road, North Vancouver, BC, V7H 2Y4. The Company's common shares are currently traded on the Canadian Securities Exchange (the "**CSE**" or the "**Exchange**") under the symbol "GHG", on Boerse-Frankfurt Exchange under the symbol "GHG", on XETRA Exchange in Europe under the symbol GHG, and in the United States on the OTCQB under the symbol "GBHPF".

Intercorporate Relationships

Entity	Country of Incorporation	Ownership	Voting [1]	Restrictions[2]
Covered Bridge Acres Ltd. ("CBA Canada")	Canada	100%	100%	0%
703551 N.B. Ltd.	Canada	50%	50%	0%
Covered Bridge Acres Ltd ("CBA Oregon")	United States	100%	100%	0%
41389 Farms Ltd. ("41389 Farms")	United States	100%	100%	0%

[1] The percentage of votes attaching of all voting securities
[2] The percentage of each class of restricted securities

GENERAL DEVELOPMENT OF THE BUSINESS

Three-Year History

Set forth below are the major events in the last three years that have influenced the general development of the business of the Company.

Selected annual information of the Company in the three most recently ended financial years is as follows:

	2020	2019	2018
	$	$	$
Net Loss	1,381,192	2,918,313	1,585,519
Net Loss per share, basic & diluted	0.01	0.02	0.00
Total Assets	2,423,522	1,809,750	2,291,483
Total Long Term Liabilities	1,508,887	450,545	586,179
Cash Dividend	0.00	0.00	0.00

2018 Developments

On October 10, 2017, the Company announced that it had, jointly with Marijuana Company of America, Inc. ("MCOA") entered into a letter of intent with Space Cowboys Inc. ("Space Cowboys"), a fully licensed and compliant hemp derived cannabinoid producer in Colorado for the purposes of forming a joint venture pursuant to which the Company and MCOA will invest $2,500,000 in exchange for a 25% equity interest in Space Cowboys, such investment will be used to expand Space Cowboys' cultivation operation. GHG and Space Cowboys have let the letter of intent expire as they were unable to complete satisfactory due diligence on the project and will not be proceeding with such project.

On January 10, 2018, the Company collectively with MCOA issued a final report on the first phase of their New-Brunswick Project as they have successfully cultivated industrial hemp during the 2017 growing season, such hemp being grow only for research purposes as this was the first time in 20 years that industrial hemp was grown in the region. GHG and MCOA are preparing for the proposed changes to Canadian legislation expected in 2018 that will permit cannabidiol (CBD) extraction from industrial hemp. Health Canada is currently consulting industry representatives regarding the regulations that will accompany the new cannabis legislation expected by July 1, 2018.

Furthermore, Company's industrial hemp license was renewed for the year 2018. Under current legislation, hemp flowers and leaves grown under field conditions cannot be processed. It is expected that this will be allowed under new 2018 regulations but will still require additional licenses: one to extract the CBD and another to sell CBD for medical or non-medical purposes. In anticipation of this change, GHG will be applying for a license under the Narcotics Control Regulations (NCR) to extract CBD, and an additional license under the Access to Cannabis for Medical Purposes (ACMPR) to sell it to wholesale and retail customers in Canada.

On March 7, 2018, the Company announced the closing of a non-brokered private placement, consisting of 12,500,000 units at a price of $0.12 per unit to raise aggregate gross proceeds of $1,500,000. Each unit consisted of one common share of the Company and one common share purchase warrant. Each warrant entitles its holder thereof to purchase one common share at a price of $0.15 per common share for a period of five years from closing. No Finder's Fee was paid on this private placement. Proceeds will be used for development of the Company's New Brunswick hemp cultivation and extraction project, to fund due diligence on potential acquisitions, to develop hemp cultivation and extraction of cannabinoids, as well as increase the Company's working capital. Insiders of the Company subscribed for an amount of $371,542 out of the total amount of this private placement.

On May 1, 2018, the Company announced the acquisition with MCOA of a 109-acre agricultural property in Scio, Oregon (the "Property") for the cultivation of high CBD yielding hemp for the upcoming 2018 growing season. The Property, located in the fertile Willamette Valley approximately 70 miles south of Portland, Oregon, was acquired for US$1.1 million. The terms of the acquisition include a cash down payment of US$130,000 and the issuance of 2,100,000 common shares in the share capital of GHG valued at US$275,000, to be delivered within 15 days of closing. The Company and MCOA are each contributing one half of the cash consideration for the down payment purposes, for a respective amount of US$65,000. MCOA is also contributing a cash payment equal to one-half of the value of Company's stock consideration, or the amount of US$137,500, that will be paid from the expected profits to be produced from the project during the first year of operations. The balance, the amount of US$695,000, is a promissory note issued to the current owner of the Property, which matures on May 1, 2021. Interest on the note is set at 4.0% per annum, adjustable on the first day of October each year, based on the closing interest rate of the Ten-Year U.S. Treasury note on September 30th plus 1.15%. The note calls for monthly payments of US$7,036.54 beginning as of June 1, 2018, and a final payment of the remaining balance on May 1, 2021.

On May 9, 2018, the Company announced the entering into a joint-venture agreement (the "JV Agreement") with MCOA to cultivate high yielding CBD hemp at the Property. Pursuant to the terms of the JV Agreement, Company and MCOA will jointly invest a total of US$1.2 million in the development of the project in 2018. Funding for the project will be done on a 50/50 basis. MCOA and GHG have engaged TTO Enterprises Inc. ("TTO") to manage the project. TTO will serve as project and Farm Manager and will be responsible for the entire Scio operation as well as provide consulting services to the Partners' 125-acre joint venture farm operations in New Brunswick, Canada. For managing the project, TTO will earn a 15% equity interest in the project. GHG and MCOA have the right to exchange 10% of TTO's equity initial interest of 15% for common shares and share purchase warrants of both of GHG and MCOA, based on specific milestones being met.

The joint venture entity, Covered Bridge Acres LTD. ("CBA"), is initially owned by GHG (42.5%), MCOA (42.5%) and TTO (15%). Upon planting of 20,000 clones at the farm (the "First Milestone"), one third (5.0%) of TTO's initial interest in CBA will be acquired by GHG and MCOA in exchange for 250,000 common shares of GHG and 250,000 common share purchase warrants of GHG exercisable at a price of USD$0.12 for a period of five years to be issued to TTO, along with 1,000,000 common shares of MCOA and 1,000,000 common share purchase warrants of MCOA exercisable at a price of USD$0.03 for a period of five years to be issued to TTO. Upon reaching the First Milestone, TTO's ownership in CBA will then be reduced to 10%.

Upon CBA's EBITDA reaching US$1,000,000 in a calendar year (the "Second Milestone"), an additional one third (5%) of TTO's initial interest in CBA will be acquired by GHG and MCOA in exchange for 250,000 common shares of GHG and 250,000 common share purchase warrants of GHG exercisable at USD$0.12 for a period of five years to be issued to TTO, along with 1,000,000 common shares of MCOA and 1,000,000 common share purchase warrants exercisable at USD$0.03 for a period of five years to be issued to TTO. Following reaching of the Second Milestone, TTO's ownership in CBA will be reduced to 5.0%.

Pursuant to the terms of the JV Agreement, common shares and common share purchase warrants of both GHG and MCOA have been deposited in escrow at a price per share of USD$0.12 for GHG and USD$0.03 MCOA for this purpose.

In addition, MCOA and GHG have set up a second escrow of common shares and share purchase warrants to incentivize TTO for the successful development and maximization of shareholder value in the project (the "Second Escrow").

Pursuant to the terms of the JV Agreement, MCOA and GHG have deposited to escrow as follows: GHG has deposited 2,500,000 common shares of GHG at a deemed price of CDN$0.20 and 2,500,000 common share purchase warrants exercisable at a deemed price of CDN$0.36 per common share for a period of three years, whereas MCOA has deposited 11,000,000 of its common shares at a deemed price of USD$0.046 per common share and 11,000,000 common share purchase warrants exercisable at a price of USD$0.083 per common share for a period of three years.

Fifty percent (50%) of this Second Escrow will be earned by TTO upon CBA generating US$1,000,000 EBITDA, and the final fifty percent (50%) will be earned by TTO upon CBA generating US$2,000,000 EBITDA.

On May 15, 2018, the Company, collectively with MCOA, provided an update on their CBD hemp farming project in Scio, Oregon, on the Oregon Property. Garden operations are well underway at the farm. The initial nursery and propagation rooms for clones has recently been expanded to an additional attached greenhouse as the team continues to produce clones for planting in the current season. In order to maximize planting density, an additional 20,000 high yielding CBD hemp clones were purchased and shall be planted according to the targeted planting schedule of early June.

The team will be planting the clones on the first 35 acres at the Oregon Property. They will be planted "orchard style", 4 to 5 feet on center, with rows 5 feet apart to provide space for each plant to receive sufficient sunlight, water and nutrients, and mature to maximum size to produce the highest CBD yield possible upon harvest.

It was also announced that five additional greenhouses have been purchased for the Oregon Property. The first two 30ft x 120ft greenhouses are being installed and will provide an additional 7,200 sq. ft. of greenhouse space for the Oregon Property. The three remaining 42ft x 96ft greenhouses will begin installation before the end of May. When installed, these additional greenhouses will increase greenhouse space by a further 12,096 sq. ft., for a total of 19,296 active greenhouse space.

The Scio farm will employ both traditional outdoor orchard style cultivation and perpetual harvest in greenhouses. MCOA and GHG are currently evaluating additional greenhouse technologies for expansion of indoor cultivation space to augment its perpetual harvest model square footage. This dual strategy will optimize revenue generation throughout the year to minimize the impact of single crop harvesting in October when most other hemp CBD farms harvest and typically drive prices down. Market prices tend to climb throughout the year as less biomass is available for processing and distribution, as is occurring with current market prices. By August it is expected that full spectrum CBD oil will be in tight supply and prices will continue to climb until after the October 2018 harvest season is processed.

The Company also announced that its team is in the process of ordering the required equipment to facilitate farm operations from planting through harvesting, drying and storage.

In addition, GHG and MCOA announced that they are currently evaluating a field analytics software application to be employed for data collection and analysis to optimize farming operations. The software will be used to evaluate the three cultivation methods being employed by them in 2018; high greenhouses also at Scio, and traditional dense field cropping with lower yielding CBD cultivars in New Brunswick, Canada. Results will assist the team in determining optimal yield per acre for future expansion of acreage in both the United States and Canada.

On May 22, 2018, the Company and its joint venture partner, MCOA, announced that they hired Joan Parker-Duivenvoorden as fulltime project agrologist and field manager for the New Brunswick Hemp Project. In addition to being responsible for the project locally, she will provide advisory services to participating farmers, will conduct on-farm research projects to properly monitor the behaviour of various hemp varieties in different environments of the region. She will also develop training materials to assist farmers who will join the project in subsequent years. One of the long-term research projects headed by Ms. Parker-Duivenvoorden will be to develop a profitable crop rotation for organic hemp, opening the way for organic CBD.

Additionally, the Company announced that contracts have now been signed with the initial group of four farmers, who began seeding this season's 125-acre industrial hemp crop. The farmers participating in the project in 2018 are located throughout the northeastern region of New Brunswick, Canada, making for a good cross section of results for research conducted on the behavior of the crop across that region. The distribution of farms will maximize the demonstration effect and will facilitate the recruitment of additional farmers in the following years. This carefully selected group of farmers will actively participate in addressing the introduction of this new crop across different regions.

Additionally, it was announced that a 4,000 sq. ft. facility has been secured in Bathurst, New Brunswick for such project. The building will be used for biomass storage and to install drying equipment that will used to process the fresh material. Dried material will be stored at the facility while awaiting further processing by third party processors. Once proper licenses have been acquired for importing and manufacturing finished CBD products, the site may also serve as a distribution center for the hemp SMART™ and Benihemp line of products.

On June 1, 2018, the Company announced that it has acquired a 50% equity interest in Cash Crop Today Media, LLC ("CCT") pursuant to a purchase agreement entered between GHG and CCT, a global media company focused on the industrial hemp and cannabis sectors. Pursuant to the terms of the agreement, GHG will pay a total of US$150,000 for its 50% interest in CCT, comprised of US$60,000 in cash and the issuance of 600,000 common shares of GHG, valued at US$90,000 and to be delivered to CCT within 15 days of closing. The shares to be issued pursuant to the agreement will be issued on the basis of a private placement, according to Canadian Stock Exchange (the "CSE") Policy 6. Such shares are subject to a customary one-year hold period pursuant to the provisions of Rule 144 of the Securities Act of 1933.

On June 1, 2018, the Company announced that GHG's 50% owned subsidiary CCT hosted its first Investor and Business Resource Summit in Beverly Hills, California. The Cash Crop Today Investor & Business Resource Summit (IBRS) was a sponsored event that offered investors, entrepreneurs, business owners, and Cash Crop Today Society Members an exclusive opportunity to network with some of the pioneers involved in the industrial hemp and cannabis industries and share their areas of experiences, expertise, and unique perspectives on the industry.

On June 21, 2018, the Company provided an update on its New Brunswick Hemp Project with joint venture partner, MCOA. Planting of 125 acres of industrial hemp at the New Brunswick Hemp Project, in the northeast portion of the province of New Brunswick, Canada, is complete and an initial collaborative framework with the New Brunswick Department of Aquaculture, Agriculture and Fisheries (DAAF) has been established.

It was announced that the DAAF has awarded a grant of $10,750 to support demonstration projects it will undertake in the current cropping season in New Brunswick. This grant will be directed to three areas of collaboration. The first area of collaboration will be to study the impact of the European Corn Borer (ECB) on the hemp plant. From the cultivation trial last year, some hemp stalk damage was noted from the ECB. This study will determine if the ECB causes economically significant damage to the crop and will explore control options with further cooperative efforts. Results from this study could potentially benefit the entire emerging industrial hemp industry in NB. In addition, the DAAF grant will be used to explore correcting soil acidity utilizing slag lime, an abundant resource in the region, and to subsidize the use of modern drone technology to monitor field conditions at the farms.

The company has informed that hemp varieties chosen this year typically grow taller than six feet, and when planted at field crop densities, make it virtually impossible to scout the entire field on foot and make visual observations of weak spots in the field greater than ten feet from the point of inspection. Because of this, Hawkeye Drone Services has been engaged to fly over the hemp farms with drones equipped with multispectral cameras. This will provide a holistic view of a crop's growth, identify issues and better target field scouting. The data collected will also provide soil moisture, temperature, and utilizing specialized software which doesn't require years of background crop evaluations to determine physically stressed or unhealthy areas. Once stressed or unhealthy sections have been identified, a field scouting plan will be designed to pinpoint random representative observation spots. At these locations, soil moisture, pH, and weed pressure will all be measured. Hemp emergence and population will also be counted in these areas. These metrics will be utilized in evaluating possible differences in the growing conditions in the event that the CBD content differs in areas of stressed and healthy plants. DAAF is also conducting a Nitrogen fertility project on a portion of one of the farms. The rates of Nitrogen fertilizer applied to hemp is being tested as a local follow up to research conducted at McGill University.

It was also announced that in preparation for the pending changes to the legal framework regarding the ability of farmers to process hemp biomass for the extraction of cannabinoids, the partners have purchased a high capacity hemp dryer for the project. The dryer is expected to be delivered to the New Brunswick facility in early August.

On July 31, 2018, the Company and its joint venture partner MCOA provided an update on their high CBD yielding hemp farming project in Scio, Oregon.

The company informed that 2018 hemp cultivation at the Scio Oregon farm, operating under the name Covered Bridge Acres (CBA), is well underway and that although field work at the project started later than expected due to delays in closing of the farm acquisition and various personnel changes, the highly experienced team was able to complete two and a half months of field prep in just four weeks. As a result, approximately 40,000 high CBD yielding hemp plants were planted on the lower two fields of approximately 33 acres. Six different cultivars were planted this year and are growing very well. Half of the cultivars planted were clones and the other half were grown from seed and were planted when they were approximately two feet high. The results of these cultivars will be measured at harvest time to determine the best planting strategy for next season.

With the planting complete, the team of seven full time staff has now turned their focus to completing the construction of the five greenhouses that were acquired earlier in the year. Once assembled, the project will have more than 19,000 sq. ft. of active greenhouse space for research and clone production for the 2019 planting season, and the potential for year-round harvest as the project continues to expand its greenhouse space going forward.

In addition, as many neighboring farms have expressed interest in growing hemp, Management is looking at ways to either partner with or contract them, similar to the model being used on the Partner's 125-acre New Brunswick hemp farming project.

Furthermore, it was announced that the partners have recently implemented a number of changes to the project.

Jeffrey Ward has joined the team as the new Farm/Project Manager, replacing TTO Enterprises Inc. The partners acquired TTO's 15% interest in the project for $30,000, increasing their respective interest in the project to 50% each, and have canceled the issuance of shares and warrants associated with the further acquisition of TTO's interest, per the original Joint Venture Agreement.

With respect to the CBA Team Farm/Project Manager, it was announced that Mr. Ward has relocated from Auburn, Maine to be the on-site Project Manager. He has decades of cannabis and hemp cultivation experience and has successfully operated in the Maine Medical Marijuana program over the last decade. Doing business as "Wicked Good Weed Company", he was part of the design and building of more than 100 cultivation operations ranging in size from 1,000 to 50,000 sq. ft. He is experienced with most grow methodologies, from dirt to advanced non-soil systems, and has experience in cross breeding, knowledge of cloning, nutrient scheduling, plant "first-aid", environmental control systems, harvesting, curing/drying, pest control, and is experienced in many extraction methods.

Along with Mr. Ward, joining the team are Leo and Paul Mulkey, local fourth generation independent farmers who have provided the necessary heavy farming equipment and field preparation services to the project. This has enabled Covered Bridge Acres to successfully transform the lower section of the farm from an overgrown, unusable field, to a modern, professional and productive working farm with 40,000+ high yielding hemp plants growing. The Mulkeys have been growing industrial hemp since 2016. In their first year of hemp cultivation, they had the largest crop in the State of Oregon, at 75 acres. On their farm of nearly 2,300 acres in Central Oregon, they currently grow Industrial Hemp, Annual Ryegrass, Fescue, Meadowfoam, Phacelia, Radish, Clover, Wheat, and Straw. Last year they shipped over 2.5 million pounds of grass seed for processing from their seed cleaning and warehouse facility. With the planting operation now complete, the Mulkeys will continue to provide consulting on harvesting and processing strategies, as well as field preparation for the CBA property and neighboring contracted acres for the 2019 growing season.

Another recent addition to the team is Anthony Rushford, a hemp breeder with over 20 years of genetics and breeding experience and author of The Amazing Benefits of Hempseed: Why You Should Grow Your Own Organic Hemp Seeds. Mr. Rushford has been providing consulting services to the project, in the areas of genetics, plant health, and the process of drying through to extraction. His experience in a number of large scale hemp cultivation projects and extensive extraction experience in the cannabis industry has been very helpful to the CBA project. Through his breeding activities he has developed over 200 high CBD, low THC genetics, and is currently focusing on genetics, processing and product formulations with industrial hemp derived compounds. He has supplied genetics for research to a number of universities in the United States and Australia, as well as supplying 20,000 high CBD yielding hemp plants grown from seed for the Scio project. Mr. Rushford will continue to provide ongoing consulting services to the project.

The final addition to the project is the GBF Group LLC (GBF). Their group has over 13 years of proven experience in hemp and cannabis farming techniques, micro tissue culturing, genomics, and propagation practices that have revolutionized the way industrial hemp is being grown in the 21st century. GBF also consults with startup companies across the United States in staffing, land acquisitions, and licensing to help their clients ramp up quickly and efficiently. In addition to providing consulting services to the project, GBF supplied the first 20,000 clones planted at the project and brings their experience of the perpetual harvest model from their farm in Loveland, Colorado farm to the Scio Hemp Project.

It was furthermore announced that the terms of Escrow Pool have been changed concerning the formation of an Escrow Pool in conjunction with the signing of a JV Agreement between GHG and MCOA, with the purpose of incentivizing the Oregon staff and consultants for the successful development and maximization of shareholder value in the Scio Hemp Project. While the milestones for escrow release remain the same, the number of shares and share purchase warrants have been reduced, and the participants have changed. GHG will now be depositing to the Escrow Pool 2,300,000 common shares of GHG and 2,300,000 common share purchase warrants exercisable at a price of CDN$0.36 per common share for a period of three years, with

MCOA depositing 10,120,000 of its common shares and 10,120,000 common share purchase warrants exercisable at a price of USD$0.083 per common share for a period of three years.

It was also announced that the management team is in the process of evaluating harvesting, drying, storage and processing strategies in preparation for the late September, early October harvest. The partners have guaranteed offtake agreement offers and are evaluating the profit models of selling the biomass in bulk to processors or joint venturing with consulting partners to construct facilities for drying and partnering with processors to market and distribute processed oils in the open market.

On August 21, 2018, the Company and its joint venture partner MCOA provided an update on their CBD hemp farming joint venture in New Brunswick, Canada. The goal of the hemp project in northeast New Brunswick is to produce hemp biomass that can be used for the extraction of cannabinoids. In anticipation of the implementation of the Cannabis Act on October 17, 2018, which will allow for the processing of the entire hemp plant, the Partners began preparing its Bathurst facility for the installation of drying equipment capable of drying 125 acres of flowers and leaves from the 2018 cultivation. The flowers and leaves of the hemp plant are rich in cannabinoids, notably the non-psychoactive compound Cannabidiol (CBD). CBD, which has gained increasing popularity as of late, has been found to be effective in treating a wide variety of ailments, producing an increase in demand from consumers for products containing CBD. The Hemp Business Journal estimated that the CBD market will grow to a $2.1 billion market in consumer sales by 2020.

It was also announced that Health Canada issues Class Exemption to the Industrial Hemp Regulations Health Canada, the governing body in charge of industrial hemp licensing and its regulations in Canada, and it has recently issued a new Class Exemption in Relation to the Industrial Hemp Regulations (flowering heads, leaves and branches). This will allow the partners to legally harvest, dry and store flowering heads, leaves and branches of industrial hemp from its 2018 cultivation, prior to the implementation of the Cannabis Act on October 17, 2018, when extraction of CBD from the flowers and leaves from industrial hemp will be legal in Canada. This will enable the industry to take advantage of an entirely new product market utilizing hemp derived cannabinoids.

In addition, it was announced that New Brunswick Facilities, a 4,000 sq. ft. facility was secured in Bathurst, NB for the project in June. The Company has established its offices and soon will complete the installation of processing equipment in the facility. A biomass dryer to process the flowers and leaves from participating farms will be installed before the end of August. The dried flowers and leaves will be stored until mid-October when the company is allowed to sell its product to CBD extractors. Once proper licenses have been acquired for importing and manufacturing finished CBD products, the Bathurst facility may also serve as a distribution center for the hemp SMART™ lines of products that are currently manufactured and distributed in the United States by GHG's partner MCOA.

Furthermore, concerning the Advanced Crop Monitoring, it was announced the achievement of the first successful drone flight in a large hemp field with tall dense crops where it is impossible to identify stressed areas from ground level. The use of specialized drones can provide targeted field diagnostics. When a stressed area is identified the observer can move directly to that location to assess the conditions of the observed stress. Three drone flyovers have been contracted for the project. Each flyover will provide a coloured image indicating the state of the vegetation, with data collected from random points in the different coloured zones to assess the actual conditions on the ground. Data collected includes the measurement of soil moisture, pH, plant height and insect-disease-pressure. Once properly calibrated, these images will become an effective crop management tool for future crops in the region.

The Company informed that Northeast New Brunswick has been experiencing a severe drought and that the incidence of the drought has varied in intensity but is widespread across the region. One of the participating farmers reported that this year's drought was the worst he experienced in his lifetime. While most crops of the region were hit very hard, as revealed by farm-gate prices of hay, the hemp has faired relatively well, as it is far less demanding in terms of water consumption. Preliminary observations collected from the first drone flyover over three of the farms indicate the extent of the stress observed. It is noted that of the three varieties cultivated this year, the Joey and Canada varieties fared better than the Finola. Preliminary testing has indicated that the output of flowers and leaves does not appear to be affected by the drought. The attached photo shows the flowers that have been produced.

On August 30, 2018, the Company and its joint venture partner MCOA provided an update on their CBD hemp farming joint venture in New Brunswick, Canada. Installation of a dryer was announced. Drying of the biomass is an important first step in the extraction of the cannabinoids from the hemp plant. The partners are pleased to announce that the project's industrial scale dryer from Cann Systems was delivered last week and has now been installed. The dryer holds multiple bins of material, for a total processing capacity of just over one ton of fresh hemp biomass per load. Initial testing is in progress and will be completed by the end of this week. Once the biomass has been dried from this year's harvest, it will be stored until the implementation of the Cannabis Act on Oct. 17, 2018, at which time the biomass can be legally sold for extraction.

It was also announced that Health Canada has recently issued a new Class Exemption to the Industrial Hemp Regulations that allows hemp cultivation license holders to legally harvest, dry and store flowers, leaves and branches prior to the passage of the Cannabis Act. Management is currently in discussions with potential offtakers for selling the dried biomass in bulk, as well as exploring potential strategies for toll extraction and the marketing and distribution of processed and refined oils.

The Company also informed that it is now nearing harvest time at the New Brunswick Hemp Project. To maximize profit, it is important to harvest as much of the higher CBD content flowers and leaves as possible, without undue amounts of the low to no CBD straw (the stalk). This year's drought has complicated matters as the hemp plants have tended to be shorter than usual, and the weeds are taller as they were able to get a head start before the hemp began growing, although the hemp is still displaying very healthy and weighty inflorescence. These issues that are perceived as problems at they occur, may benefit the hemp plants which tend to produce more biomass as a result of stress from competition with weeds and the effects of the drought.

The Company informed that in order to succeed in the hemp industry, a certain amount of ingenuity and innovation is required more often than not. The Company pointed out that its farming group is a good example of this ingenuity. Sometimes repurposing existing equipment on hand will work to achieve the required result. To combat the higher than normal weed height and to maximize the value of the harvest by taking just the most valuable parts of the hemp plant, a small harvesting trial was conducted by one of our farmers using an OXBO bean harvester. The bean harvester is able to strip the plant of all leaves and inflorescence, while picking up very little straw, which is ideal for this year's crop. Based on the positive results of this trial, the bean harvester will be used to complete the harvest of the entire 125 acres of hemp cultivated under the joint venture project with MCOA this year. In non-drought years, other harvesting tools will be required and the innovative farmers of our group have already begun strategizing on potential solutions that will be applicable next year when the Partners move forward with an aggressive expansion strategy to significantly increase CBD acreage as well as fully exploit the whole hemp plant and process the straw for industrial applications.

New research collaboration was also announced and that the drought in northeast New Brunswick has not affected all fields uniformly. Company's fields are reported by DAAF field agrologists as *"one of the finest of the province".* Aside from the obvious economic benefit in terms of increased yields, this field offers the opportunity to contrast high and low performing plants of a given variety in the same location, shedding some light on the role of plant nutrition in explaining the performance of hemp plants.

In addition, it was announced that Dr. Ron Smith from University of New Brunswick will spearhead a research project focused on the issue. The partners and the National Research Council have committed to provide financial support for the study.

On September 24, 2018, the Company announced that the Board of Directors has approved, as of September 24, 2018, the issuance of 5,300,000 options to purchase common shares of the Company to the current Directors, Officers and Consultants of the Corporation, as per applicable Canadian Securities Exchange, policies all exercisable at a price of $0.16 for a period of five (5) years, subject to the Corporation's stock option plan and to regulatory approval.

2019 Developments

On October 2, 2018, the Company and its joint venture partner MCOA provided an update on their high yielding CBD hemp project in Scio, Oregon. It was announced that the harvest has begun at the farm and that Over the next 10 days the team in Scio will harvest this year's crop, which consists of approximately 36,000 high yielding CBD hemp plants that were grown in an orchard style cultivation on 33 acres. The team planted six different cultivars this year to determine which would be the optimal hemp variety to grow in the coming year. The team continues to evaluate hemp cultivars that will provide higher CBD yields and a reduced flowering period, which will allow the team to complete the harvest earlier in the year prior to the fall rains.

It was also announced that once the hemp is harvested, it will be dried in preparation for storage prior to processing. Drying this season will take place in the project's four recently completed greenhouses on the farm and will utilize a traditional hanging method, as well as testing an innovative rack drying system. Prior to next season's harvest, the Partners will construct a permanent drying facility on site. Once the hemp is dried to a 10-12% moisture content, it can be stored with little or no cannabinoid/plant matter degradation, prior to extraction.

Furthermore, it was announced that the team has now completed the setup of the first four of five greenhouses, giving the project 15,000+ sq. ft. of active greenhouse space for its drying and cloning operations. A fifth greenhouse (already purchased) will be installed after the drying of this year's crop is complete. This will increase the active greenhouse space at the project to over 19,000 sq. ft. An additional 20,000 sq. ft. of greenhouse space will be purchased in October as part of further project expansion, with the vision of implementing a year-round perpetual harvest model to enhance revenue generation and cash flow and increasing the size of the cloning operation to be able to supply clones to the local farming community. The team has now started its cloning operations for the winter crop which will utilize the current and future greenhouses.

It was announced that the management is exploring opportunities to maximize production by developing beneficial relationships that will help optimize the Project's profit potential through R&D, data collection and analysis.

Additionally, the Company informed that with the success of this year's hemp cultivation on display at the farm, it has attracted the attention of the local community and many local farmers that are interested in growing hemp as hemp generates a far greater Return On Investment per acre than any other crop they are currently growing. The project's stated goal has been to use 2018 as an initial commercial trial and then to significantly expand the acreage under cultivation in the coming years.

It was announced that the management is currently in discussions with a number of these local farmers regarding contract farming and share cropping for the project, starting next year.

On November 14, 2018, The Company along with its joint venture partner MCOA provided an update on the harvest at their CBD hemp project in New Brunswick. The 2018 cultivation consisted of 125 acres contracted from four farmers in the northeast region of NB, utilizing three Health Canada approved cultivars with an expected CBD content of 1.5% to 2.5%. This group of enthusiastic and innovative farmers were of great assistance to the project over the course of the season. Harvesting of hemp for cannabinoid extraction required some innovation to handle both the harvesting and initial processing of the hemp.

It was further announced that the harvest in NB has been completed. In order to process the hemp for cannabidiol ("CBD") the first step in the process is drying the biomass. The team set up three drying facilities, the main industrial scale biomass dryer located at the group's facility in Bathurst (as announced August 30, 2018), and two smaller refurbished tobacco kilns were installed onsite at two of the farms. The auxiliary drying units installed on the farms arrived later in the season are currently being made ready to be operational for use in the 2019 growing season. The partners now have 17.5 tones of dried biomass in storage from this year's harvest, a yield lower than expected due to weather issues, some minor pest issues and a bottleneck in processing the harvested hemp material. In order to address the processing issues encountered in this year's operations, members of the engineering department of the *Collège Communautaire* du Nouveau Brunswick (CCNB) were brought in to assist in identifying solutions to expedite harvesting and increase efficiency in the processing of the hemp. With the assistance of CCNB the Company expects to improve the harvesting system to minimize straw intake at harvest and to adapt the tobacco kilns to processing hemp tops.

In addition, the Company announced that discussions are underway with CCNB to formalize this collaboration around two projects on harvesting and processing which will involve the current group farmers. Their experience will be invaluable in this research. In addition, with the advent of the additional tobacco dryers, decentralized drying and storage at the farm level will be introduced for the 2019 cultivation. Such additional dryer capacity at the farm level will reduce the drying bottleneck experienced this year and will minimize the Company's carbon footprint by significantly reducing the transport cost of moving tons of moisture laden material. The Partners are now evaluating how best to monetize this year's harvest. At this point they have had discussions with a number of potential purchasers of the biomass.

The Company informed that the 2018 hemp cultivation provided the group with a tremendous amount of knowledge and experience from this year's larger scale operation and that the partners continue to be committed to hemp cultivation and processing in northeastern New Brunswick. The Company is convinced significantly better results can be achieved with improved genetics and further refinement of farming and processing practices. Industrial hemp cultivars containing 4-5% CBD already on trial in NB would more than double the performance of current cultivars used in 2018, but have not yet been registered for use as a Health Canada approved cultivar.

It was also announced that the Company has settled an aggregate of $36,264.11 of indebtedness of the Company with our farming partners (GHG's share of the amount owed) through the issuance of an aggregate of 308,631 units at a price of $0.118 per unit. The units consist of one common share and one half of one common share purchase warrant, entitling the holder thereof to purchase one additional common share for a period of 12 months from the closing date at a price of $0.13. The common shares issued pursuant to the debt settlement, and any shares that may be issued on exercise of the warrants are subject to a four month and oneday hold period pursuant to applicable securities laws.

On November 27, 2018, the Company and its joint venture partner MCOA provided an update on their high yielding CBD hemp project in Scio, Oregon. The 2018 Scio cultivation consisted of 33 acres of high yielding CBD hemp (utilizing six different cultivars with an expected CBD content ranging from 6% to 12%) was grown in an orchard style cultivation on the two lower fields at the property. With the help of near perfect weather in the region extending the harvest period by several weeks, the hemp had the opportunity to grow to full maturity and allowed the team to completely harvest all plants grown, before the fall rains began in the valley.

In addition, the Company informed that there were many challenges throughout the year; from getting a late start due to delays in closing of the farm acquisition, to preparing the fields, drying, harvesting and storage, but the team in Scio was able to find solutions when required. The team consists of a number of crew members that are extremely innovative, who are trained in a variety of skill sets. They are well versed in everything from metal fabrication, fine carpentry, and large equipment operation, so the team is able to set up, build, and/or operate pretty much everything themselves at the project. With the addition of a number of knowledgeable advisers to assist, the team was able to solve all challenges that arose during the course of the season.

It was also announced that the year's harvest consisted of approximately 37,000 high yielding CBD hemp plants producing 24 tons of biomass and that harvesting this year was done by hand, making it extremely labor intensive and time consuming. The team has created a number of solutions that will automate both the harvesting and planting of the hemp for next year's crop. Ultimately, the goal is to completely automate these processes, making it more efficient and less costly to complete. The team has now begun working on prototypes to automate the harvesting processes and expect to have machinery ready for use next season.

Furthermore, the Company informed that concerning the drying it was announced that a number of different drying techniques were employed with this year's harvest. In the end, "*old school*" hanging techniques proved to be the most effective and efficient. Drying took place in the farm's larger 20 foot high, 4,000 sq. ft. greenhouses which allowed for an increased quantity of plants being dried at any one time. Drying took approximately 36 to 48 hours to dry the hemp to be levels required for storage and ultimately extraction. With each successive batch of drying, techniques were improved to increase the volume of biomass being dried in the greenhouse, while decreasing the time that it took to hang and dry it.

The Company informed that the drying process for all of the hemp harvested is now complete and is stored awaiting further processing. The farm produced 48,000 pounds of dried biomass, which is stockpiled in quarter ton super sacks, stacked three bags high and requiring approximately 4,000 sq. ft. of storage space. Despite the late start in planting this season, the hemp plants still achieved sufficient size to produce the anticipated quantity of biomass. It is expected that in 2019, planting will begin June 1st giving the hemp an addition 30-45 days of growing time. This will produce much larger plants, resulting in significantly larger quantities of biomass.

It was announced that the partners have now acquired a hammer mill to complete the next level of processing prior to the biomass going for extraction of the cannabinoids. Processing will begin shortly, once electrical work is complete to run the hammer mill. This next level of processing will not only prepare the biomass for extraction of cannabinoids but will also reduce the storage space requirements by more than 50% as the bulk of the plants is reduced in size. Furthermore, the Partners are currently exploring opportunities to joint venture with others that have expertise in the cannabinoid extraction business, so that an extraction facility can be set up onsite to process this year's harvest. Biomass is currently selling for between US$3.00 and US$4.00 per percent, per pound. By taking the biomass to the next level of processing, further value will be created.

On December 12, 2018, the Company announced that it will issue to Officers, Directors and Consultants of the Company, as compensation for services rendered to the Company, an amount of 18,000,000 common share purchase warrants (the "Warrants"), each Warrant entitling the holder to purchase one common share in the share capital of the Company (the "Common Shares") at a price of $0.12 per Common Share for a period of five years from the date of issuance.

It is Global Hemp Group's policy to provide compensation to the members of its team in cash and securities. In order to conserve capital during the building phase of its hemp projects over the last four years, Management committed to not take regular ongoing compensation during this period. With the issuance of these warrants, Global Hemp will be able to defer payment of certain obligations and receive continuing services from its team. These warrants will vest 40.0% on issuance, 30.0% on December 15, 2019 and 30.0% on December 15, 2020. Securities issued in connection with this transaction is subject to a 4- month and one day hold period.

On December 27, 2018, the Company reported that the 2018 Farm Bill has now been signed into law in the United States making hemp legal at both the Federal and State level. This new law removes hemp from the Controlled Substances Act (CSA) and paves the way for the development of hemp as an agricultural commodity. Hemp can be used to produce a myriad of products from super foods to cannabinoid infused cosmetics, personal care products and beverages. In addition, there are a multitude of industrial solutions including textiles, carbon negative building materials, non-toxic biocomposites and much more.

This change in the legal status of hemp will directly and positively impact the development of GHG's 109-acre high yielding CBD hemp farm in Scio, Oregon and the Company's plans for expansion in the region. The law removes many uncertainties for the industry that will allow businesses like GHG to obtain the most basic business services that are enjoyed by every other industry which until now have been very difficult to obtain. It is expected that this new law will allow companies in the industry to operate more freely than they have been able to up to this point.

This long-anticipated Farm Bill allows farmers nationwide to cultivate hemp for any use, including cannabidiol (CBD) and other cannabinoid production. The definition of hemp has been redefined to include any part of the plant including all derivatives, extracts, cannabinoids. This will now mean that hemp-derived cannabidiol (CBD) will no longer fall under the regulatory authority of the CSA.

One of the most important outcomes of the new law is that businesses will soon be able to secure ordinary banking services without fear of having these relationships terminated. The hemp industry has been considered a high-risk industry in the banking community until now. With the passing of the Farm Bill, hemp is well on its way to becoming an agricultural commodity that farmers can generate far greater returns per acre than any other crop. Farmers will also soon be able to obtain crop insurance to manage the risk from natural disasters that could potentially wipe out an entire crop, as well as other forms of insurance not previously available. It's also only a matter of time before futures and options are offered on the major commodity exchanges like the Chicago Board of Trade (CBOT) or Chicago Mercantile Exchange (CME). Similarly, a major carbon credit play is on the immediate horizon because of hemp's ability to sequester more carbon in the shortest period of time, more than almost every other plant on earth.

There is only one plant on earth that can provide food, clothing, building materials, fuel, and medicine. Hemp could potentially be the most industrially usable biomass produced over the shortest growth cycle, utilizing the least amount of water, nutrients and pesticides, while sequestering the greatest level of carbon. It is one of the few plants that can be grown commercially almost anywhere in the world. The potential economic stimulus to the United States and Global economy is significant. The Brightfield Group projects a $22 billion hemp industry by 2022, but that only considers the direct impact from hemp, it does not include all of the ancillary industries that provide products and services to the hemp industry that will also see significant economic stimulus, such as legal services, banking, accounting, investment, real estate, processing and manufacturing equipment makers, engineering, marketing and advertising, technology developers, to name a few. The hemp industry requires many of the same products and services that every other industry needs to operate, but until now 9 out of 10 companies in any industry would not engage in business with hemp companies because of the Federal legal status.

Post Farm Bill projections for the growth of the hemp industry will likely expand significantly more than previously expected, making 2019 a banner year for the hemp industry.

On January 8, 2019, the Company and its joint venture partner MCOA announced that clone production for the 2019 season at their Scio Oregon High Yielding CBD Hemp project is now in high gear, in preparation for an "as early as possible" planting this year. Unlike 2018 which had a late start to planting due to delays in finalizing the acquisition of project's 109 acre farm, preparations are underway so that planting of this year's crop can begin late May to early June. This will provide an additional 45 to 60 days of growing time compared to last year, allowing time for the hemp plants to get considerably larger, which will generate a greater quantity of biomass.

The Company informed that for 2019, the project will cultivate three hemp strains which will offer high CBD content, substantial biomass yield, and ultra low THC levels, along with superior pest resistance and disease tolerance. These strains also have a shorter flowering period, which will allow for an earlier harvest, before the usual fall rainy season begins in the region. The hardiest phenotypes were selected for mother plants that will feed the cloning process, which began back in November 2018 soon after the recent harvest and drying operation was complete. This cloning operation will produce the 40,000+ clones required to plant on the farm's lower 35 acres.

The Company furthermore informed that the Scio team is now upgrading the lighting and electrical in the greenhouses for continued expansion of the cloning operation. It is expected that the cloning operations will produce an excess of clones beyond what is required for the Scio project, which will allow for the sale to other farms in the area. The team continues to talk with local farmers that are interested in partnering to cultivate hemp for the coming season. On-site clone operations will eliminate the need of capital outlay to purchase clones from other growers as was required in 2018 as the result of the late start, an expense of over US$200,000.

It was also announced, that the project's operating company Covered Bridge Acres (CBA) has received its registration to cultivate hemp for 2019 from the Oregon Department of Agriculture. Also, for the 2019 season, CBA is now registered to produce or handle agricultural hemp seed, so that the company can establish a breeding program that will potentially generate additional revenue for the project.

Additionally, the Company informed that the management is currently searching for an offsite warehouse to store biomass and complete hammer mill processing of the material produced from the 2018 harvest. Once the location has been secured, CBA will complete its Land Use Compatibility Statement (LUCS) and apply for its 2019 Industrial Hemp Handler registration that will enable CBA to further process (extract) its material. Management is in ongoing discussions with several potential off takers and processing partners in an effort to monetize the 2018 biomass and prepare for the upcoming 2019 season.

On March 28, 2019, the Company and its joint venture partner MCOA announced that they are currently in discussions with several cannabinoid extraction companies in Oregon, USA, regarding the acquisition of the hemp biomass produced on the Scio farm from the 2018 harvest. The team at the Scio farm has prepared processing samples ranging in size from 100 lbs to 2,000 lbs. for the extraction companies. The biomass is being processed into CBD crude oil with the option to refine further into isolate or full spectrum oil to increase its value on the market. Results from the current extraction test batches are expected to be received by mid-April and will serve as basis for the final terms of the sale of the remaining biomass by the Partners.

It was also announced that the cloning process is well underway at the Scio farm. For this year's cultivation, four different strains have been chosen from the latest high CBD industrial hemp varieties which are being used as a base for the in-house propagation program. The goal of the program is to produce approximately 50,000 clones to populate the lower 35 acres of the Scio farm for the 2019 season and reduce and/or eliminate the need for the acquisition of any additional seeds or clones from outside sources. The program started with 400 high quality plants. Through a regimen of proper nutrients and a controlled environment, these "mother" plants will grow into very large bushes, which will then be used to take a sufficient number of clones from each mother plant to ensure that the target number of plants required for this year's cultivation is reached. Once removed from the mother plants, the clones will then be placed in the propagation greenhouse to root. Once rooted and well established, they will be then ready to be planted in the fields, which is expected to begin this year in late May or early June.

In addition, it was announced that the Company continues to evaluate a number of opportunities to expand the scope of its project in Oregon. As previously announced, a number of local farmers are interested in working with GHG to grow hemp in 2019. The Oregon Department of Agriculture expects hemp cultivation in Oregon to grow from 11,514 acres in 2018 to more than 25,000 in this current year. In order for new hemp farmers to be successful, they will need to rely on experienced hemp farming teams like our Scio farm team. This will create potential opportunity to joint venture with the local farming community.

Furthermore, it was announced that management believes that the way of the future for true to type starter plants is not plants germinated from feminized seed, or clonal plants made from “mother” plants that were germinated from seed, sexually identified as female and clonally propagated by cutting, but rather through micropropagation (tissue culture) which produces plantlets with more uniformity. With ample space on the Scio farm for this type of operation, the Company is currently exploring opportunities to either Joint Venture, partner or acquire companies in this technology space.

On May 17, 2019, the Company announced that its subsidiary, Covered Bridge Acres Ltd. (CBA), has entered into a contract with Richardson Gap Farm LLC (RGF) to extract cannabinoids from all of the hemp biomass produced at the Company’s Scio Oregon hemp farm. CBA is the operating company for the project, a 50/50 joint venture with MCOA.

As previously announced, CBA has been working with a number of hemp buyers and extraction facilities in Oregon to process the Company’s biomass. RGF was one such company that ran an extraction test on the Company’s biomass, converting it to distillate. Key reasons for choosing RGF are (i) supporting Oregon hemp development and the local Scio community, (ii) the excellent quality of the product they produce, as well as (iii) the proximity to the CBA farm. Working with a local company only 5.1 miles away, reduces transport costs and the associated carbon footprint, and enables CBA management to easily oversee the extraction process.

The contract with RGF will process the biomass into CBD distillate. The output would then be split on a 55/45 basis, with 55% going to CBA. Based on the results from a recent test run by RGF, CBA’s 55% share of the distillate produced is expected to be 400 to 500 kg. CBA is currently selling distillate produced from earlier test extraction runs for US$4000 – US$5,000 per kg. The initial supply of biomass has been delivered to RGF and processing is expected to begin within the next 2-4 days. In addition, RGF is currently converting 16 kg of CDB crude oil produced from the various test runs with other processors to distillate, on a 20% tolling basis. The final product is expected to be delivered to CBA earlier next week. CBA has also engaged H&H Wood Products (H&H) to selectively log a small hillside section of land surrounding the upper field at the Scio farm. H&H will be responsible for all logging operations, as well as transport and marketing of the logs, and CBA will be responsible for replanting the area logged. The agreement calls for CBA and H&H to share the net profit from the sale of the logs on a 50/50 basis.

In addition, it was announced that The Board of Directors and Officers for the upcoming year will consist of: Charles Larsen - Director, President and CEO Curt Huber - Director, CFO and Chairman of the Audit Committee Paul Perrault - Director and Audit Committee Member Jeffrey Kilpatrick - Director and Audit Committee Member The Board of Directors would like to thank all shareholders for their continued support. Proceeds from the sale of this biomass will be used to expand the operation in Scio for this coming year.

On June 14, 2019, the Company announced that its subsidiary, Covered Bridge Acres Ltd. (CBA), has begun planting at its Scio, Oregon hemp farm. CBA is the operating company for the project, a 50/50 joint venture with MCOA. The CBA team has completed preparing the 35 acres currently being planted and is now in the process of laying the last of the mulch and drip line. This season, to be more environmentally friendly and to prepare for organic certification, biodegradable plastic mulch was brought in from Canada to eliminate the end of season environmental waste issue and reduce labour costs associated with its removal from the field.

Additionally, the Company has informed that hemp plants that will be used for this year’s cultivation have been produced from either sprouted seed or CBA’s cloning operation done onsite at the Company’s greenhouses in full control of the CBA team. Genetics being used this year are higher quality and more stable than those planted last year. The team expects to plant 40,000 to 50,000 plantlets this year, with a CBD content ranging from 12% to 15%. Any excess clones not required for the field will be sold or used for expansion. This year's cloning operation has eliminated the need to purchase clones from third parties as was required last season. This will reduce operating expenses in the current year by approximately US$200,000.

The Company also informed that the CBA team continues to prepare the greenhouses for perpetual harvest to produce high quality smokable hemp flower. Trimmed, high end flower, with less than 0.3% THC currently wholesales for ten times the price of CBD biomass that is going to extraction.

On July 18, 2019, the Company announced that it has entered into a Technology Development Agreement with Q Worx LLC ("QWorx") to develop the world's first commercial hemp biocomposite (H-Fiber) drone specifically designed to monitor large scale cultivations, initially focusing on hemp. All on-field beta testing of the drone will be conducted at the Company's JV hemp farm in Scio, Oregon.

Qworx, in association with FPV Militia, has developed a line of H-Fiber First Person View drones for competitive racing, freestyle and cinematic use. The agreement, for the development of an agricultural monitoring drone dubbed the "Field Agent", is for a next generation drone that will be capable of monitoring various aspects of hemp cultivation on the farm.

The Field Agent will reduce labour costs as it will reduce the need for team members to walk the field to monitor each plant for sufficient water, nutrients and to identify male plants that need to be culled. The Field Agent will be equipped with multiple cameras to identify potential disease and will connect to sensors strategically placed throughout the field to collect water saturation, soil temperature, nutrient content, among other data. API's are being developed to interface with Agri-Analytics systems to collect and analyze data that can be used to optimize crop production.

The Company also informed that further research with the Field Agent project will be to identify male plants and hermaphrodites that must be culled prior to pollination of the female plants, so as to maintain the highest level of cannabinoid production from the plants, with the ultimate goal of using the drone to also cull the male plants once identified. QWorx expects to have a working prototype ready to begin beta testing within in 30 to 45 days. Upon successful completion of the on-farm testing, the Company and QWorx will explore manufacturing and marketing of the Field Agent.

Additionally, the Company has informed that it is in discussions with QWorx regarding the development of other H-Fiber products in addition to the Field Agent project. With the legalization of hemp in the United States, Research & Development into the use of hemp biocomposites is ramping up. H-Fiber will undoubtedly be utilized as a replacement for carbon or glass fiber in a myriad of commercial applications as a result of this R&D.

Furthermore, it was announced that Company's subsidiary, CBA has entered into an exclusive supply contract with QWorx to provide all of the hemp fiber required to develop and manufacture the Field Agent. This relationship furthers Company's efforts to develop a "whole plant processing" model. While cannabinoids are extracted from the flowers and leaves, Company's Hemp Agro Industrial Zone model was designed for whole plant processing, to not only extract cannabinoids, but to also process the straw, root and grain into additional value-added sustainable products that are higher quality and longer lasting than the petrochemical based products currently on the market.

On August 9, 2019, the Company announced that Company's subsidiary, CBA, has begun generating revenue through operations at its hemp farm in Scio, Oregon. Through a combination of the sales of raw biomass, plantlets, CBD crude oil and CBD distillate that was produced from various processing test runs, along with other farm operations, revenue generated to date by CBA in its first year of operations is US$525,500 (approx. CDN$695,000).

The Company informed that the most recent transaction, the sale of 10,000 lbs of shucked biomass, was sold to an Oregon extraction facility for US$400,000 (approx. CDN$530,000). The CBA team is currently working with this party and a number of others to complete the purchase of the remaining inventory. Originally CBA was expecting to monetize the 2018 hemp biomass after entering into a processing agreement with Richardson Gap Farm LLC (RGF), as announced on May 18, 2019. RGF has been unable to process the agreed upon quantities of CBA's biomass due to unforeseen issues with their processing equipment. Although RGF produces high quality distillate, CBA was no longer willing to delay the monetization of its biomass any further and decided to sell the biomass to another extractor. With multiple offers on the table to purchase the biomass, CBA shucked the biomass (removed stalks and stems) and completed the sale. CBA still has approximately 4,000 lb of unshucked biomass out for processing into distillate by additional extractors and will split the final product on a 50/50 basis. Once processed, it will be sold along with inventory on hand (8 kg of 92% distillate that was processed by RGF from crude oil CBA received from other processors test runs). Recent sales of this type of distillate have been in the $4,000 per kg range.

Additionally, the Company informed that in preparation for the handling of the year's harvest, the CBA team has designed a shucking machine to remove the flowers and leaves from the stalk and stems. They are in the process of fabricating a prototype and have reserved a small amount of biomass to test the equipment. Once shucked, the biomass will be processed into distillate for sale on the open market later this summer.

It was also announced that a significantly larger quantity of biomass is expected from this year's harvest as compared to the previous year, due to improved genetics, a longer growing season with earlier planting, and more plants in the ground. This year, the CBA team planted approximately 22% more plants at the farm (49,000 plants compared to only 40,000 in 2018). With the late start in 2018 due to timing of the farm acquisition, CBA's access to higher quality genetics was limited. As a result, approximately 4,000 male plants were required to be culled from the field, netting approximately 36,000 plants at harvest. With improved, more stable genetics this year, the number of male plants that will be required to be culled from the field should greatly be reduced. In addition, cultivars planted this year are expected to produce a higher CBD yield from improved genetics.

Furthermore, it was announced that incentive stock options have been granted to Directors, Officers and Consultants of the Company to purchase up to an aggregate 5,750,000 common shares of the Company, pursuant to the terms of the Company's stock option plan as approved by the shareholders on April 26, 2019. The stock options are exercisable at a price of $0.06 per share for a period of a five (5) years.

2020 Developments

On October 11, 2019, the Company announced that the 2019 harvest at its joint venture CBD hemp farm in Scio, Oregon is underway. Pre-harvest testing for the Oregon Department of Agriculture on the current hemp crop was recently conducted at the farm. CBA has now received the final results of these tests, and just as last year, this year's hemp crop has compliant THC levels. Once CBA received these results, they began a selective harvest of buds concurrently with the general harvest for extraction to be completed over the next two weeks. Strains chosen for this year's outdoor crop are low in THC and are expected to produce CBD levels near 20%. Similar strains are now being grown in the greenhouses for the fall harvest program.

Furthermore, it was announced that the Company is now expanding its growing operations to include year-round production from its greenhouses. The Scio team has now populated the first greenhouse (approx. 3,000 sq ft) for a fall harvest. It is expected that expansion into the adjacent greenhouse, one of similar size, will occur over the next 2 weeks. While the remaining larger greenhouses are presently being utilized for processing the current harvest of the outdoor crop, once complete, cultivation will expand into all of the greenhouses on the farm. Post-harvest, an additional 4,000 sq ft greenhouse will be installed to increase the available indoor growing area.

The Company informed that the management is currently evaluating greenhouse expansion plans in order to generate a year-round revenue stream for the Company.

On October 28, 2019, the Company announced that harvest at its joint venture hemp farm in Scio, Oregon is now complete and that harvesting which began in early October and is now 100% complete. As with many areas of Oregon this year, Scio also experienced some weather challenges during the end of the growing season prior to harvest. Ultimately, periods of dry weather extended long enough into October to have a successful harvest. The last batch of hemp plants harvested have just competed the drying process. All biomass from the 2019 harvest will be ready for sale and/or further processing in the coming week. As drying and shucking are completed, the biomass will be weighed and prepared for storage before processing and/or sale. This year genetics used at the farm were of vastly superior quality as compared to last year. The most recent independent test result of the current harvest was 18.48% Total CBD and compliant with nondetectable Delta 9 THC. Not only was there a 50% increase in CBD content over the previous year's harvest, there were virtually no males found in the field through the entire growing season. These improved genetics have produced higher quality trimmable flower that is being separated from the general biomass that will be processed into CBD crude oil. Trimmable flower prices are currently selling for upwards of $250 per pound, whereas biomass for extraction last season was priced at $30 to $40 per pound depending on quality.

In addition, the Company informed that it has expanded growing operations to include year-round production from its greenhouses. The first greenhouse (approx. 3,000 sq ft) is on track for harvest in January. Expansion into the adjacent greenhouses, will occur over the next 30 days. Drying flower in the larger greenhouses is complete and cultivation will soon expand into all of the greenhouses on the farm. An additional 4,000 sq ft greenhouse will be constructed in Q1 2020 to increase the available indoor growing area. Management is currently evaluating additional greenhouse expansion plans in order to generate a year-round revenue stream for the Company.

On October 31, 2019, the Company announced that the "Field Agent" hemp drone has made its inaugural flight over Global Hemp's joint venture hemp farm in Scio, Oregon. The flight was a great success and marked the beginning of the beta testing phase of the Hemp-Fiber biocomposite drone developed specifically for agricultural monitoring. Further beta testing will be conducted over the coming weeks to continue the development of Field Agent as the project moves into Phase II to begin developing the manufacturing and marketing plan.

The Company informed that in order to have increased access to hemp biomass to complete work on the Field Agent and to initiate a number of additional hemp development projects contemplated, QWorx has recently relocated their operations from Florida to Scio, Oregon to be near the Company's hemp farm. QWorx will now have access to hemp stalk, fiber, hurd, seed and fan leaves for research on these various projects. QWorx is currently researching the feasibility of developing a binder from components of the hemp seed, fan leaves and/or stalk of the hemp plant to develop a 100% biodegradable composite material. The hemp stalk and seed contain useful lignins, cellulose, and starches that can potentially be used in the formulation of a non-toxic, biodegradable binder.

The Company has informed that it has entered into a second Technology Development Agreement with QWorx to develop a cold air rapid drying system specially designed for drying hemp and cannabis flower. This unique drying system will deliver a much more efficient solution than traditional drying systems that use heat. By using cold air for drying and curing versus the traditional warm air, degradation of cannabinoids that occurs when heat is applied will be greatly reduced. The system is extremely versatile as it can also be operated using heat if required. The system is designed to reduce labor and fuel costs associated with most current drying systems and will significantly reduce the drying time for the flower. The drying system will not only be cost effective to operate; it can potentially generate 40% to 60% of the energy required to operate it, using a unique and proprietary technology being developed by QWorx. The dryer prototype is expected to be ready for testing on the first harvest from the Company's greenhouse operation later this year. The cold air rapid drying system has been designed with very few moving parts that could break down, and will have a shell constructed out of hemp composite material made from the biomass produced at GHG's hemp farm. This is just one more example of utilizing what most hemp farmers consider waste, the hemp stalks. Hemp is the only plant on earth that can feed, clothe, house, fuel and medicate society, Global Hemp Group and QWorx intend to promote whole plant processing. There is no waste from the harvested hemp plant, 100% of the plant is useable.

On May 21, 2020, the Company provided an update on its joint venture hemp project in Scio, Oregon, operated through its subsidiary CBA. The hemp farm has remained in operation through the Coronavirus pandemic as allowed by the State of Oregon.

The Company informed that the CBA team is taking all necessary precautions required to operate in a safe and responsible manner. Fortunately, the farm is of significant size to enable the team to spread out widely throughout the property while carrying out their daily activities to prepare the farm for the 2020 cultivation. Since the acquisition of the Scio farm in 2018, the CBA team has grown high CBD hemp, for the sale of both biomass and flower. In light of the current market conditions for these products due to overproduction in 2019 and slower than expected sales due to the pandemic, CBA has decided to change its production focus for 2020.

Additionally, the Company has informed that this year, CBA will focus on producing a high quality CBG (Cannabigerol) flower in its greenhouses. This "artisanally grown" CBG flower will supply the smokable flower market, which has seen an increase in demand for quality CBG flower and has continued to hold its price in light of the current pressures in the CBD market. The strain that will mainly be grown is referred to as "CBG-1". This is a cultivar that has had extensive work in developing the perfect phenotype and has been back bred to produce an average CBG content of 22%, while having a total THC content of no more than 0.3%. Greenhouse cultivation was chosen for this project to ensure the highest quality of hemp is being grown. The greenhouses will also allow the team to better control the growing climate and protect the plants from any end of season rains that typically occur in this region of the Willamette Valley toward the end of the growing season. After the current crop is harvested in the fall, the CBA team will complete the buildout of all greenhouses so that there can be year round growing operations on the farm. The hemp will be grown utilizing a Screen of Green (SCROG) cultivation method which implements horizontal trellis work that allows the average plant to produce 80-90% colas (tops) which are then trimmed to produce the final product of smokable buds. To further enhance this growing method, CBA will implement a high quality nutrient schedule aimed to boost the plants vegetative growth and develop very dense, aromatic buds for the final product. These nutrients should ensure that the plants will develop to full mature fruiting and have exceptional terpenes. CBA's goal is to produce the most superior final product, making it a leader in the smokable CBG flower market. The current market for top quality smokable CBG flower remains significantly higher than CBD flower of similar quality.

With respect to CBA Sales Update, the Company has announced that some initial sales have been completed on the 2019 biomass however other sales have been delayed due to current virus conditions. The CBA team is continuing to pursue these sales where possible. The team also continues to assess additional value-added products that can be produced and marketed utilizing the Company's biomass and oils, thereby maximizing the value that the Company can receive for its inventory.

Furthermore, it was announced the passing of Charles Larsen, the Company's President and CEO since the inception of the Company and that Curt Huber, the Company's current CFO and Director will assume the role of President, CEO and Chairman of the Board. Mr. Huber has been a Director of the Company since 2014 and has been involved in development and day to day operations of the Scio Oregon hemp project since its inception in early 2018. He is an experienced director and senior officer who has been involved in all facets of public companies for more than 30 years in many different sectors, including mining, oil and gas, and technology.

The company announced the welcome of Sebastian Tang, CPA, to the Company as its new CFO. Mr. Tang has been involved in the accounting and preparation of the Company's financial statements for the past several years and is well acquainted with Global Hemp and its projects. Additionally, Mr. Tang has significant experience in the financial management and planning of publicly listed issuers. He has held executive positions, including CFO and corporate controller in other public and private ventures. Before starting his own firm, he worked in public practice for 7 years, including two years at Ernst & Young, and 8 years in private practice with Hunter Dickinson Inc.

In addition, it was announced that Michel Lebeuf Jr, a Partner at the law firm of Dunton Rainville LLP's Montreal office, has joined the Board of Directors. Mr. Lebeuf practices primarily in securities law, particularly in the areas of institutional and corporate financing, natural resources, fintech, life science, cannabis, as well as in public and private mergers and acquisitions. He represents public issuers, securities brokers, buyers, sellers, bankers, and financial advisors. He provides strategic advice on access to public capital markets, securities, and structured products. Mr. Lebeuf also has extensive experience in corporate transactions, public and private transfers, and institutional funding.

On July 31, 2020, the Company announced that it will be making a rights offering (the "Rights Offering") in which holders of record of the Company's common shares, as of the record date of August 4,2020 (the "Record Date"), will receive rights to subscribe for units of the Company.

Each registered shareholder of the Company resident in Canada as of the close of business on the Record Date will receive one right (a "Right") for every three (3) common shares held.

One Right entitles the shareholder to purchase one unit (a "Unit") at a price of $0.02 per Unit (the "Basic Subscription Privilege"). The Rights will expire at 5:00 p.m. (Eastern Time) on September 4, 2020 (the "Expiry Date"). Holders of Rights who fully exercise their Rights under the Basic Subscription Privilege will also be entitled to subscribe, on a pro rata basis, for additional Units, if available, that were not subscribed for by other holders of Rights (the "Additional Subscription Privilege"), subject to certain limitations as set out in the Company's Rights offering circular (the "Rights Offering Circular").

Each Unit will consist of one (1) Common Share of the Company and one (1) full Share Purchase Warrant (the "Warrant"). Each whole Warrant will entitle the holder to purchase one additional Common Share at a price of $0.05 for a period of thirty-six (36) months from its issuance. The Rights will be transferable and listed for trading on the Canadian Securities Exchange (the "Exchange"). The Warrants, when issued, are also expected to be listed on the Exchange, subject to GHG satisfying the distribution requirements of the Exchange.

In the event that the Company's common shares trade on the Canadian Securities Exchange (or such other exchange on which the common shares may be traded at such time) at a volume weighted average price of $0.12 per share or more for a period of 10 consecutive trading days, the Company will have the right to accelerate the expiry date of the Warrants by giving notice to the holders thereof and, in such case, the Warrants will expire on the 30th day after the date on which such notice is given to the holder by the Company.

The Rights will be listed and posted for trading on the Exchange under the symbol "GHG.RT" and will expire at 12:00 p.m. (Eastern Time) on the Expiry Date, after which time unexercised Rights will be void and of no value. The CUSIP number for the Rights is 37953Y112.

The Rights Offering is not subject to any minimum subscription level. If the Rights Offering is fully subscribed, the Company will issue up to 62,732,338 new common shares and Warrants to purchase up to an additional 62,732,338 common shares, for total gross proceeds of approximately $1,254,646. If the Rights Offering is fully subscribed and all of the Warrants issued on closing of the Rights Offering are exercised, the additional proceeds to the Company will be $3,136,617.

There are currently 188,197,016 common shares issued and outstanding. If all Rights are exercised, the Company's issued and outstanding shares will increase to 250,929,354 and if all Warrants covered by this Rights Offering are exercised, the issued and outstanding shares will be 313,661,692. 2 To the knowledge of the Company, no directors, senior officers and persons controlling over 10% of the Common Shares of the Company (collectively, the “Insider Group”), as the date hereof, will be participating in this Rights Offering or expressed their intention to participate in the Rights Offering. The Company intends to use the net proceeds raised from the Rights Offering for Business Expansion Opportunities and general working capital as further described in the Rights Offering Circular.

On August 12, 2020, the Company informed that following the announcement on July 31, 2020 that it will be making a rights offering (the "Rights Offering") in which holders of record of the Company's common shares, as of the record date of August 4th 2020 (the "Record Date"), will receive rights to subscribe for units of the Company. The rights started trading on August 10, 2020 under the symbol “GHG.RT”. There was a delay in the confirmation eligibility of the ISIN for the Rights due to a glitch in the system and the trading of the Rights on the Canadian Securities Exchange was halted. However, this issue has now been resolved and the ISIN has been confirmed by the Canadian Depository for Securities. The Rights resumed trading on August 13, 2020.

On September 16, 2020, the Company announced that it has entered into agreement to form an Exclusive Strategic Partnership to create a Sustainable Economic Zone in northwest Colorado with Western Sierra Resource Corporation (“WSRC”). The Economic Zone will be vertically integrated and will generate multiple revenue streams for this 50/50 Partnership. The partnership will benefit from WSRC’s extensive existing water infrastructure that has been diligently developed over the last 15 years and currently valued at over US$40mil. The availability of these water resources is a key resource in developing this project and creating multiple revenue streams from its three operational segments – hemp cultivation, processing and sustainable construction.

The partnership will also seek to grow through a series of acquisitions and accumulate long term real estate assets and look to further enhance their value through the expansion of water infrastructure. Significant job creation will be an addition benefit to the region. The project will maximize the beneficial use of the water through all aspects of the Sustainable Economic Zone. Components of this zone will include; industrial hemp cultivation, primary processing, creation of hemp value-added products produced in a centralized area adjacent to the farming areas known as a Hemp Agro-Industrial Zone (HAIZ), and utilization of these value-added products in sustainable construction, with a special emphasis on affordable and environmentally friendly housing.

The hemp cultivation will focus on the production of hurd and fiber, which will be processed into value-added products in the HAIZ. Initially the HAIZ will focus on building materials that will then be used in the construction of affordable housing in Colorado. A by-product of the processing step is hemp fiber, which can be processed into additional value-added products or sold directly to the marketplace as an additional source of revenue.

Through partnerships, joint ventures, and acquisitions, the Strategic Partnership will collaborate to build an industrial complex to fully and judiciously utilize 100% of the hemp plant with a strategic portfolio of forward-thinking companies that also believe in the disruptive potential of industrial hemp. This collaboration will form the basis of the HAIZ. Final definitive agreements and budgets for the project will be concluded over the next 60 days. The Company’s initial funding commitment over the next 30 days is US$25,000.

On September 16, 2020, the Company also provided an update on its joint venture hemp project in Scio Oregon and with respect to the impact of Oregon Wildfires on the Scio Oregon Hemp Project, the Company has announced that while the farm is not currently in danger of fire damage, the resulting air quality, smoke and ash from the wildfires in the region has damaged the CBG hemp crop that is presently being grown in the greenhouses and in the field. It has been determined that the plants will need to be replanted after the danger of fire has passed in order to have a marketable crop this year.

I was also announced that the Rights Offering raised total gross proceeds of $221,534.82, for the subscription of 11,076,741 units, resulting in the issuance of 11,076,741 free trading common shares and 11,076,741 thirty-six month share purchase warrants, exercisable at a price of $0.05. In the event that the Company's common shares trade on the CSE at a volume weighted average price of $0.12 per share or more for a period of 10 consecutive trading days, the Company will have the right to accelerate the expiry date of the Warrants by giving notice to the holders thereof and, in such case, the Warrants will expire on the 30th day after the date on which such notice is given to the holder by the Company.

On September 24, 2020, the company announced that Prof. Victor Castaño, Ph.D. has joined the Company's Advisory Board and has been appointed as the Head of Global Hemp's newly created Research and Development Division. Prof. Víctor M. Castaño, Ph.D. is a recognized international leader in several areas of applied science and technology. He has lectured across multiple disciplinary schools in Mexico and was the founding Director of the Center for Applied Physics and Advanced Technology at the National Autonomous University of Mexico (UNAM) in Juriquilla, Querétaro, Mexico. He has published extensively, including 5 books and 25 patents and has received over 14,500 citations in the last few years. He is one of the most cited Latin American scientists in his area. He is an engineer and scientist who dares to cross disciplinary boundaries.

As an Advisor to Global Hemp, Prof. Castaño will head up the Company's Research and Development Division. There are three immediate areas of interest that Prof. Castaño and his team will actively be focused on to develop Intellectual Property that can be patented and implemented in the hemp and/or building industry, and in particular at Company's newly announced Colorado Hemp Agro-Industrial Zone.

It was also announced that Company's R&D division will initially focus on *(i)* Environmentally-Friendly Construction Materials, *(ii)* Nanofertilizers, and *(iii)* Enhanced Extraction from Hemp and that Company confident that Prof. Castaño and his team will not only develop technology that we will be able to utilize at its projects but will also be able to market to the industry.

On September 30, 2020, the Company announced that it has executed an agreement to acquire the remaining 50% interest in the Oregon Hemp Project from its joint venture partner MCOA. Upon completion of the transaction, the 109 acre Scio, Oregon farm and operating company Covered Bridge Acres Ltd. will become wholly owned by Global Hemp Group and dissolve the existing joint venture.

The terms of the agreement: *(i)* GHG will make a payment of USD$210,000 to MCOA with USD$135,000 payable no later than September 30, 2020 (funds in hand and transferred today) and the remaining USD$75,000 payable no later than November 15,2020; and *(ii)* GHG will grant to MCOA common stock from its treasury for an amount equal to USD$185,000 based on the trading price of GHG's stock at the time the settlement agreement is fully executed before September 30, 2020.

The Company informed that upon completion of this transaction, it will own a 100% economic interest and have control of the Scio Oregon Operation and the 109 acre farm (SCIO), making it a 100% wholly own subsidiary. As such, the assets, liabilities, revenue and expenses will be fully reflected in the Company's Consolidated Statement of Financial Position and Consolidated Statement of Operation. Prior to its acquisition of control of the Scio Oregon hemp farm and operation, the Company records its investment in SCIO in a line item called Investment in Associates on the Statement of Financial Position. In the Statement of Operation, only net profit/loss has been reported in a line item called gain/loss on Investment in Associate.

The Company also announced that the Company received short term loans in the amount of C$50,000. These non-interest bearing loans are due and payable on or before November 15, 2020. A bonus of 1,700,000 common shares was paid to the lenders for this transaction. All securities issued are subject to a four-month plus a day hold period from the date of issuance in accordance with applicable securities laws.

Subsequent Events

On October 6, 2020, the Company announced that Gabriel Gauthier, a Master Hemp Builder and pioneer in hemp construction in North America has joined Company's team. Mr. Gauthier will advise on the utilization and application of hemp building materials and hemp construction for the Company's recently announced Exclusive Strategic Partnership to create the Colorado Hemp Agro-Industrial Zone (HAIZ) in northwest Colorado with WSRC. The project will be vertically integrated, will create real estate asset growth having valuable water rights, and will generate multiple revenue streams from key operating segments. Segment focus - irrigated industrial hemp cultivation; preliminary processing; manufacture of hemp-based ("green") construction products; and the fabrication of affordable housing utilizing the products produced at the HAIZ.

Mr. Gauthier has a background in agriculture and landscape design. He gained experience working on his family's farm and subsequently managing a 300-acre hemp farm in Quebec. He is also experienced in hemp processing and gained extensive knowledge of hemp construction by training under the guidance of hemp Master builders in France for a period of three years. In 2003 Mr. Gauthier started his own hemp building company, ArtCan. In 2010 ArtCan became a supplier of consulting services and hemp building materials and equipment. Mr. Gauthier has expanded his construction activities through Gabriel Construction Chanvre (GCC). Also in 2010, Mr. Gauthier established a Research and Development division known as ArtCan R&D. Under the R&D company Mr. Gauthier has begun the manufacturing of prefabricated hemp houses, another first in North America. Over the years Mr. Gauthier has built more than 50 hemp houses in Quebec and Ontario, in addition to renovating over 100 homes using hemp materials. As a result, he has a developed a network of engineers and architects interested in the design of hemp houses. In his quest to locally source quality hemp hurd he also became involved in hemp farming, in collaboration with Laval University's school of Agriculture in Quebec City and a network of farmers to select and multiply hemp varieties suitable for local growing conditions.

Additionally, the Company announced that per the terms of the acquisition agreement, the Company has issued the MCOA 12,386,675 of its common shares at a price of $0.02 per share. As these shares have not been registered under the United States Securities Act of 1933, as Amended, MCOA will rely on the exemption from registration under the U.S. Securities Act provided by rule 144, which includes a hold period of one year from the date of issue.

On November 27, 2020, the Company announced that with the recent step towards legalization of marijuana in Mexico, it is expanding its hemp Research and Development efforts based in Mexico, with the view that hemp material (hurd and fibre) will become readily available in-country, making it easier to expand the Company's R&D efforts to develop hemp-based environmentally-friendly construction materials.

The Company announced that Irving Fernandez-Cervantes will be joining the Company's R&D Division headed by Prof. Victor Castaño, a recognized leader in several areas of applied science and technology from the National Autonomous University of Mexico, Mexico's largest university and ranked highly in the world for its research and innovation. Prof. Castaño continues to assemble his team with the goal of developing intellectual property that can be patented and implemented in the hemp and/or building industry, and in particular, at Company's newly announced Colorado Hemp Agro-Industrial Zone. Mr. Fernandez-Cervantes will be in charge of the preparation and characterization of hemp fiber reinforced materials for construction applications. His expertise in spectroscopic, chemical and physical characterization of composite materials will be of great relevance in the development of novel, patentable construction materials.

It was also announced that the Company received a short term loan in the amount of C$15,000. This non-interest bearing loan is due and payable on or before January 23, 2021. A bonus of 400,000 common shares was paid to the Lender for this transaction. All securities issued are subject to a four-month plus a day hold period from the date of issuance in accordance with applicable securities laws.

Furthermore, the Company announced that it will issue 5,300,000 options to purchase common shares of the Corporation to current Advisors of the Company, as per applicable Canadian Securities Exchange, policies all exercisable at a price of $0.05 for a period of five (5) years, subject to the Corporation's stock option plan. All securities issued are subject to a four month plus a day hold period from the date of issuance in accordance with applicable securities laws.

On December 7, 2020, the Company announced that it has received subscription agreements for a non-brokered private placement, consisting of 17,500,000 units ("Units") at a price of $0.015 per Unit for gross proceeds of $262,500 (the "Private Placement"). The Company will look to complete the Private Placement to a maximum of $774,000 on or before December 18, 2020, after which time no further subscription agreements will be accepted at this price.

Each Unit is comprised of one common share of the Company (a "Common Share" and collectively, the "Common Shares") and one common share purchase warrant (each whole warrant a "Warrant" and collectively, the "Warrants") of the Company. Each whole Warrant shall entitle the holder thereof to acquire one additional Common Share at a price of $0.05 per Common Share for a period expiring on September 8, 2023. The warrants will be listed for trading on the CSE after the expiry of the hold period and will have identical terms to the 11,076,741 listed warrants of the Company currently outstanding and trading under the ticker symbol GHG.WT. In the event that the Company's common shares trade on the Canadian Securities Exchange (or such other exchange on which the common shares may be traded at such time) at a volume weighted average price of $0.12 per share or more for a period of 10 consecutive trading days, the Company will have the right to accelerate the expiry date of the Warrants by giving notice to the holders thereof and, in such case, the Warrants will expire on the 30th day after the date on which such notice is given to the holder by the Company. All securities issued are subject to a four-month plus a day hold period from the date of issuance in accordance with applicable securities laws.

Proceeds of the Offering will be used for development of the Company's project in Colorado and R&D Division in Mexico, as well as general working capital. Insiders of the Company subscribed for an amount of $12,750 of this tranche of the Private Placement, representing 4.8%.

On December 11, 2020 the Company announced that it completed the maximum amount of the non-brokered private placement having received subscription agreements for 51,600,000 units ("Units") at a price of $0.015 per Unit for gross proceeds of $774,000 (the "Private Placement"). Insiders of the Company subscribed for an amount of $60,000 of the Private Placement, representing 7.75%

On January 18, 2021, the Company announced that it has signed a Binding Letter of Intent with Prescient Strategies Group LLC ("PSG") to acquire its WSRC Preferred A Class Share holdings ("WSRC Prefs") in a private, third party transaction. The resulting acquisition of these WSRC Prefs will give the Company the control over WSRC, and specifically its strategic water infrastructure assets that will be an integral part of the Company's Colorado Hemp Agro-Industrial Zone project as originally announced on September 16, 2020. The parties have agreed to develop the project through Innovative Hemp Technologies, a wholly owned Company's U.S. subsidiary. The resulting alignment of the Company, WSRC and their respective management teams together under one umbrella will result in a stronger and more focused and efficient entity.

As part of the contemplated transaction, the Company is in the process of commissioning updated appraisals on these water assets. Documented historical valuations of the 4,000 acre feet of water rights and associated infrastructure are based on a 2013 and 2015 MAI appraisal and engineering reports, as well as a water law attorney's comprehensive summary of various historic water rights appraisals and their relationship with land values dated March 2017. All of which support a value of US$40,000,000 or higher. The Company intends to conduct a third party valuation of this initial assessment value to support such appraisal.

PSG currently holds 19,875,000 Series A WSRC Prefs (with Voting Rights of 100 votes per share). On signing of the Definitive Agreement, which is expected to be concluded on or about January 25, 2021, the Company will acquire 11,006,440 unencumbered WSRC Prefs from PSG for 11,006,400 of Company's Preferred B shares ("GHG Prefs") (the "Initial Issuance").

An additional 8,868,560 WSRC Prefs have been pledged as collateral to secure US$3,842,269 loans to WSRC (the "Loan"). These encumbered WSRC Prefs will also be acquired by the Company upon the restructuring WSRC's existing debt (the " WSRC Debt") by way of, but not limited to, the consolidation, refinance or extension of the existing WSRC Debt (the "WSRC Debt Restructuring"). Further to the WSRC Debt Restructuring, the WSRC Debt will have a maturity of a minimum of three (3) years, with the objective of replacing existing notes and releasing the WSRC Prefs as collateral.

As part of the contemplated transaction, the Company will issue 10,000,000 common share purchase warrants to PSG (the "GHG Warrants"). The GHG Warrants will be exercisable for a period of five (5) years at a price per GHG Warrants of CAD$0.05 per share.

The GHG Prefs shall have a par value of US$0.50 per preferred share and a maturity date of ten (10) years following their issuance. The GHG Prefs will be non-voting, will pay an annual dividend of US$0.01 per share, paid in cash or shares at the option of the holder, and will be convertible into two (2) common shares of the Company for every GHG Pref held by each holder thereof.

The GHG Prefs will be secured by the WSRC Prefs. The GHG Prefs are redeemable by the Company at face value plus any accrued and unpaid dividends any time after the refinancing of the WSRC Debt and the term of the WSRC Debt has been extended to a period of at least three (3) years. Should PSG decide to sell its GHG Prefs in a private third party transaction, the Company will be granted a thirty-day Right of First Refusal (the ''GHG ROFR'') to match any bona fide offer by a third-party, before PSG can act on such third-party offer.

Conditions Precedent to signing the Definitive Agreement *(i)* The Parties completing final due diligence on or before January 25, 2021; *(ii)* WSRC restructuring certain unsecured debt prior to the issuance of the GHG Prefs; and *(iii)* Company committing to provide the necessary initial payments to complete the transaction and other Debt Restructuring.

Upon completion of the acquisition of all WSRC Prefs, the Company will nominate additional WSRC board members and advisors as required, the whole subject to nomination procedures of WSRC. Throughout this entire process, the Company will work closely with and provide support to the management of WSRC in order to maximize the value of WSRC's assets.

On January 25, 2021, the Company announced that pursuant to its stock option plan, it has granted stock options to purchase up to 5,300,000 common shares of the Company at an exercise price of $0.055 per share. The options have a term of five years expiring January 25, 2026 and shall vest in immediately.

The Company also announced that it has entered into three consulting agreements. The first Consulting Agreement is with Twilight Capital Inc. ("Twilight") with respect to Twilight providing consulting services to support the Company's business strategy in seeking various sources of funding. The second Consulting Agreement is with Prof. Víctor M. Castaño, Ph.D. with respect to acting as a R&D Advisor to the Company and to head Company's Research and Development Division, with the objective of creating Intellectual Property/patented technology that will be utilized at the Company's projects and widely marketed throughout the United States. The third Consulting Agreement is with Gabriel Gauthier, a master hemp builder and pioneer in hemp construction in North America. Mr. Gauthier will advise on the utilization and application of hemp building materials and hemp construction for the Company's Colorado project.

Terms of the consulting agreements, effective January 25, 2021, the Company to issue 3,000,000 warrants exercisable at the current market price, but in no case less than $0.05. These warrants will be exercisable for a period of five years from the date of issue and will vest six months after issuance. On the one year anniversary of the agreement the Company will issue an additional 4,000,000 warrants with an exercise price based on the previous 10 day VWAP, but in no case less than $0.05. The warrants will have a term of 5 years from the date of the one-year anniversary. On the two year anniversary of the agreement the Company will issue an additional 4,000,000 warrants with an exercise price based on the previous 10 day VWAP, but in no case less than $0.05. The warrants will have a term of 5 years from the date of the two year anniversary.

Warrants issued on the one year and two year anniversaries will vest in each year of issuance as follows: (i) 50% of the yearly issuance on date of issuance; and (ii) the remaining 50% of the yearly issuance after 6 months from date of issuance. The Company and the consultants maintain an arm's length relationship.

The Company will issue 9,000,000 common share purchase warrants (each a "Warrant") to the consultants of the Company. Each Warrant entitles the holder to acquire one common share of the Company at a price of $0.055 for a period of five (5) years from the date of issuance. The Warrants were issued pursuant to the terms of consulting agreements entered into by the Company and each of the consultants and each Warrant was issued at a deemed value of $0.055 per Warrant. All Warrants and underlying shares are subject to a four month hold period from the date of issuance. The issuance of the Warrants is subject to the final approval of the CSE.

On January 27, 2021, the Company announced that 2,500,000 previously issued stock options granted to Directors, management and consultants on September 24, 2018 covering 2,500,000 shares have been cancelled. The exercise price of the cancelled stock option agreements was $0.16 per share. The stock options were voluntarily surrendered by the holders for no consideration.

The Company also reported that it has granted new stock options to Directors, management and consultants aggregating 2,500,000 common shares exercisable at a price of $0.06 per share under its stock option plan. The options vest at the date of grant and have a term of five years. None of the options were granted to individuals included in the above cancellation.

On February 8, 2021, the Company announced that it has signed the Definitive Agreement with PSG to acquire all of its WSRC Preferred A Class Share holdings (“WSRC Prefs”) in a private, third party transaction.

Closing of the transaction is expected to be on or about February 9, 2021 upon fulfillment of certain Conditions Precedent, including: *(i)* WSRC restructuring certain unsecured debt prior to the issuance of the GHG Prefs; and *(ii)* Company providing the necessary initial payments to complete the transaction and other Debt Restructuring (completed).

The resulting acquisition of these WSRC Prefs will give the Company control over WSRC, and specifically its strategic water infrastructure assets that will be an integral part of the Company’s Colorado Hemp Agro-Industrial Zone (“HAIZ”) project. Documented historical valuations of the 4,000 acre feet of water rights and associated infrastructure are based on 2013 and 2015 MAI appraisals and engineering reports, which collectively support a value of US$40,000,000 or higher. The Company has contracted a third party valuation of this initial assessment value to support such appraisal.

The Colorado HAIZ will be developed under the banner of Innovative Hemp Technologies (“IHT”). IHT’s core objective; to develop “green” and “affordable” homes in a Planned Unit Development (“PUD”) utilizing hemp-based construction materials to meet historical pent-up demand in the area, which will include development of large scale irrigation and cultivation of industrial hemp, and the manufacture of hemp-based construction products and textiles. This will significantly expand the existing water rights and infrastructure assets while generating multiple revenue streams for the Company.

By utilizing a campus setting like that of the HAIZ, the Company will efficiently implement these vertically integrated functions (water, agriculture, processing, housing). Proven industry professionals have been engaged to work alongside IHT's management in the areas of agriculture, R&D, manufacturing, and construction to achieve the Company's objectives.

Execution of the HAIZ project will create substantial shareholder value through the incremental introduction of additional (multiple) revenue streams to meet IHT's objectives and set GHG on a path to become a leader in sustainable hemp-based "green" construction in the United States. The Colorado "HAIZ" will become a "showcase" project to demonstrate "green" hemp construction products and technologies for third-party offtake and for replication in other suitable U.S. markets.

The project will leverage the existing water rights and infrastructure to turn "dry land" farming acreage into irrigated land with valuable water rights that can subsequently be used to develop "affordable housing" and high value agricultural crops such as industrial hemp. GHG's vision is to take the hemp grown onsite and replace as much of the conventional building materials used at the project with sustainable, hemp-based building materials used in the housing development. This project contemplates a 25-year build-out. The luxuries of a long-term project with demonstrably high demand are: a) economies of scale; b) opportunity to implement learned efficiencies; c) opportunity to continually fine-tune product offerings though intimate familiarity with a specific market; d) access to new markets stemming from other by-products of the hemp processing, such as fibre and microfibre. These elements combined with predictably increasing prices and diminishing competition over the project term are likely to result in improved profitability year-over-year.

On February 12, 2021, the Company announced that it has become a member of the U.S. Hemp Building Association ("USHBA"). As the Company proceeds with the development of its Colorado Hemp Agro-Industrial Zone ("HAIZ") the ability to access a resource such as the USHBA and other industry professionals will be of great benefit. The Colorado HAIZ will be developed under the banner of Innovative Hemp Technologies ("IHT"). IHT's core objective; to develop "green" and "affordable" homes in a Planned Unit Development ("PUD") utilizing hemp-based construction materials to meet historical pent-up demand in the area, which will include development of large scale irrigation and cultivation of industrial hemp, and the manufacture of hemp-based construction products and textiles. This will significantly expand real estate and existing water rights and infrastructure assets, while generating multiple revenue streams for the Company.

The mission of the U.S. Hemp Building Association is to support and advocate for hemp building professionals, hemp building projects and hemp building materials in the United States. Through initiatives that focus on forwarding the acceptance of hemp into building codes, creating educational material, and gathering information about current products, buildings utilizing hemp, and supply chain options, they endeavor to provide the industry the tools it needs to flourish. "Together we can change the world". With the world filled with concerns over health and environmental issues, hemp building products provide a solution to both. The use of chemicals in our buildings have increased as we try to improve their fire resistance and thermal performance. This has increased the prevalence of Sick Building Syndrome caused by the exposure to these toxins. Hemp materials can replace the use of these chemical laden products and improve the health of people living in them. The construction industry has one of the largest carbon footprints of any industry. As the world continues to focus on ways to lower their negative impact on the environment, the construction industry will require an overhaul. Hemp building materials trap carbon absorbed by the plant during the growing process into the building sequestering them for the life of the structure. Houses built using locally sourced hemp that are constructed with hempcrete can be carbon negative. The positive impact of using hemp in building materials is clear, and it is our objective to make it commonly understood.

In addition, the Company has announced that it has entered into a 6 month marketing and consulting contract with North Equities Corp., ("North Equities") of Toronto. North Equities specializes in various social media platforms, to facilitate greater investor engagement and widespread dissemination of the company's news as well as generating accessible content showcasing Global Hemp Group and its initiatives. Through its marketing capabilities on various social media platforms, its intended purpose is to widen the communication outreach while providing up-to-date information about GHG to a much larger audience. As compensation, the Corporation has issued North Equities 1,000,000 Common Shares at a deemed price of $0.07 CDN per Common Share. All Common Shares issued to North Equities have been placed under a 6-month hold period.

On February 26, 2021, The Company announced that it has signed a Research Collaboration Agreement with Aramat Querétaro ("Aramat"), an organization focused on the recognition of the substantive rights of cannabis users and legal cannabis and hemp cultivator in Mexico. The collaboration is the next step in GHG's vision of expanding its Research Division in Mexico. With the immanent legalization of cannabis and hemp in Mexico, hemp material (hurd and fibre) will become more readily available for GHG's research team to utilize in its ongoing development of environmentally friendly hemp-based building materials that will be utilized at the Company's Colorado Hemp Agro-Industrial Zone and/or widely marketed. In addition to the ongoing sharing of knowledge and expertise relating to hemp between the parties, Aramat has committed to grow industrial hemp to supply the R&D Division with hemp hurd and fibre for its ongoing research. The Company is currently sourcing a number of different varieties of industrial hemp seed that will be tested in an initial 1-2 hectare cultivation. GHG and Aramat are currently evaluating a number of proposed locations based on climate, soil and general growing conditions. A final location will be determined shortly.

On March 5, 2021 the Company announced that it had finalized its Definitive Agreement by satisfying all "conditions precedent" to close the transaction with Prescient Strategies Group, LLC ("PSG") to acquire its WSRC Preferred A Class Share holdings ("WSRC Prefs") in a private, third party transaction. The Company began its closing process which will be completed with the exchange of PSG's WSRC Pref's and GHG's Preferred Series B Stock. The transaction will provide the Company with control of WSRC's extensive existing water infrastructure developed over the last 15 years and currently valued at more than +US$40 Million. The availability of these water assets is a key resource in the development of the Colorado Hemp Agro-Industrial Zone ("HAIZ"), a Sustainable Green Enterprise.

On MARCH 9, 2021 the Company announced that it had qualified and been upgraded to trade on the OTCQB Venture Market under the symbol GBHPF. The Company's shares continue to trade under the symbol GHG on both the Canadian Securities Exchange (CSE) and Frankfurt Stock Exchange.

The OTCQB Venture Market is for early stage and developing U.S. and international companies. To be eligible, companies must be current in their financial reporting, pass a minimum bid price test, and undergo an annual company verification and management certification process. Investors were advised that they can find real-time quotes and market information for the company at http://www.otcmarkets.com/stock/GBHPF/quote.

The Company advised that upgrading its listing on the OTCQB will provide increased visibility of Global Hemp Group for U.S. investors and more efficient access to the Company's information, in particular relating to its financial information and press releases, along with project information on the Colorado Hemp Agro-Industrial Zone ("HAIZ"). These steps demonstrate GHG's commitment to increasing its investor base while providing current and future U.S. shareholders convenient access to the same ease of trading, timely news and information enjoyed by investors in Canada.

RISK FACTORS

Reliance on Licensing

As GHG changes it focus from the cultivation of hemp for cannabinoid extraction in Oregon to the development of its Hemp Agro-Industrial Zone in Colorado, the ability of Company to develop its business of cultivation, manufacturing and distribution of industrial hemp products is dependent on the ability of the Company to receive a hemp license from the Colorado Department of Agriculture, and maintain good standing of all licenses and adherence to all regulatory requirements related to such activities. Any failure to comply with the terms of the licenses, or to renew the licenses after their expiry dates, would have a material adverse impact on the financial condition and operations of the business of the Company. Although the Company believes that it will meet the requirements for future granting, extensions or renewals of the licenses, there can be no assurance that the State will grant, extend or renew the licenses, or if granted, extended or renewed, that they will be granted, extended or renewed on the same or similar terms. Should the State not grant, extend or renew the licenses or should they grant, extend or renew the licenses on different terms, the business, financial condition and operating results of the Company would be materially adversely affected.

Regulatory Risk

Achievement of the Company's business objectives are contingent, in part, upon compliance with the regulatory requirements enacted by these government authorities and obtaining all regulatory approvals, where necessary, for the sale of its products. GHG cannot predict the time required to secure all appropriate regulatory approvals for its products, or the extent of testing and documentation that may be required by government authorities. Any delays in obtaining, or failure to obtain regulatory approvals would significantly delay the development of markets and products and could have a material adverse effect on the Company's business, results of operation and financial condition.

Limited Operating History and No Assurance of Profitability

Global Hemp Group Inc. has changed its activity as the Company's principal activity had been exploration and development of mineral properties in prior periods and changed to agriculture and manufacturing in the industrial hemp sector on March 24, 2014 when the Company changed its name to Global Hemp Group Inc. The Company is subject to all of the business risks and uncertainties associated with any early-stated enterprise, including under-capitalization, cash shortages, and limitation with respect to personnel, financial and other resources, and lack of revenues.

The Company has incurred operating losses in recent periods. The Company may not be able to achieve or maintain profitability and may continue to incur significant losses in the future. In addition, the Company expects to continue to increase operating expenses as it implements initiatives to grow its business. If the Company's revenues do not increase to offset these expected increases in costs and operating expenses, the Company will not be profitable. There is no assurance that the Company will be successful in achieving a return on shareholders' investments and the likelihood of success must be considered in light of the early stage of operations.

Unfavourable Publicity or Consumer Perception

The success of the industrial hemp industry may be significantly influenced by the public's perception of both marijuana and hemp. While growing hemp has been legal in Canada since 1998 and in the United States since 2018, there are still influences from the past exist when both hemp and marijuana were illegal. Marijuana, whether it is for medicinal or recreational purposes, has been a controversial topic and there is no guarantee that future scientific research, publicity, regulations, medical opinion and public opinion relating to the marijuana industry will be favourable. The industrial hemp industry is an early-stage business that is constantly evolving with no guarantee of viability. The market for marijuana and industrial hemp is still somewhat uncertain, and any adverse or negative publicity, scientific research, limiting regulations, medical opinion and public opinion relating to the consumption of medical or recreational marijuana may have a material adverse effect on our operational results, consumer base and financial results.

Competition

The cannabinoid sector of the hemp market has become intensely competitive, with a large number of companies vying for a limited, but growing customer base. While the industrial products segment of the hemp market has not reached this level of competition yet, it is inevitable that as the popularity of hemp products grows and becomes more price competitive with conventional products that they would be replacing, increased competition from an influx of new players will take place. In order for the Company to be competitive it will need to invest significantly in research and development, marketing, production expansion, new client identification, and client support. If the Company is not successful in achieving sufficient resources to invest in these areas, the Company's ability to compete in the market may be adversely affected, which could materially and adversely affect the Company's business, its financial conditions and operations.

Realization of Growth Targets

GHG's ability to begin commercial production of industrial hemp is affected by a number of factors, including plant design errors, non-performance by third party contractors, increases in materials or labour costs, construction performance falling below expected levels of output or efficiency, environmental pollution, contractor or operator errors, breakdowns, aging or failure of equipment or processes, labour disputes, as well as factors specifically related to indoor agricultural practices, such as reliance on provision of energy and utilities to the facility, and potential impacts of major incidents or catastrophic events on the facility, such as fires, explosions, earthquakes or storms.

Uninsured or Uninsurable Risk

The Company may be subject to liability for risks against which it cannot insure or against which the Company may elect not to insure due to the high cost of insurance premiums or other factors. The payment of any such liabilities would reduce the funds available for the Company's usual business activities. Payment of liabilities for which the Company does not carry insurance may have a material adverse effect on the Company's financial position and operations.

Key Personnel

The Company's success will depend on its directors' and officers' ability to develop and execute on the Company's business strategies and manage its ongoing operations, and on the Company's ability to attract and retain key quality assurance, scientific, sales, public relations and marketing staff or consultants for production and selling operations. The loss of any key personnel or the inability to find and retain new key persons could have a material adverse effect on the Company's business. Competition for qualified technical, sales and marketing staff, as well as officers and directors can be intense and no assurance can be provided that the Company will be able to attract or retain key personnel in the future, which may adversely impact the Company's operations.

Conflict of Interest

Certain of the Company's directors and officers are also directors and officers in other companies. Situations may arise in connection with potential acquisitions or opportunities where the other interests of these directors and officers conflict with or diverge from the Company interests. In accordance with the BCBCA, directors who have a material interest in any person who is a party to a material contract or a proposed material contract are required, subject to certain exceptions, to disclose that interest and generally abstain from voting on any resolution to approve the contract.

Litigation

The Company may become party to litigation, mediation and/or arbitration from time to time in the ordinary course of business which could adversely affect its business. Monitoring and defending against legal actions, whether or not meritorious, can be time-consuming, divert management's attention and resources and cause the Company to incur significant expenses. In addition, legal fees and costs incurred in connection with such activities may be significant and we could, in the future, be subject to judgments or enter into settlements of claims for significant monetary damages. The Company does not have insurance that would cover the costs and awards of litigation. Substantial litigation costs or an adverse result in any litigation may adversely impact the Company's business, operating results or financial condition.

Agricultural Operations

Since the Company's business will revolve mainly around the growth of industrial hemp, an agricultural product, the risks inherent with agricultural businesses will apply. Such risks may include disease and insect pests, among others. There is not guarantee that changes in outside weather and climate will not adversely affect production. Further, any rise in energy costs may have a material adverse effect on the Company's ability to produce industrial hemp mainly through the cost of fertilizers.

Risks in Growing Hemp

Lack of Infrastructure - Growing hemp had been banned in the United States for over eighty years, which means large information gaps have developed with regards to production, pest management and economic impact. Now that it's legal to grow industrial hemp in a vast number of states, the work must be done to develop the industry around hemp. Currently, the infrastructure to process raw hemp is essentially non-existent in the United States. Up until recently the U.S. has relied on importing hemp fiber, hurd, and hemp seeds. Not only does the U.S. need to build up knowledge and a processing infrastructure, but also to bring together the factors necessary for a thriving industry: agricultural organizations, farmers, processors, and retailers. More research needs to be done to understand the business of growing industrial hemp plants to maximize consistency and yield.

Exceeding THC Levels - Currently the availability of seeds is a limiting factor in expanding crops. Most seeds are obtained from Canada and Europe. However, it's not well known how seeds from other regions will adapt to US growing regions. The risk exists that small changes in environment can impact THC limits at harvest. If the hemp crop is brought in and it exceeds the 0.3% THC limit at harvest as specified by Federal law, it officially becomes marijuana and must be destroyed at the grower's expense. Other factors than seed adjustment can affect the TCH levels. Influences that impact THC levels can include be excessive water or nutrients such as nitrogen.

Fluctuations in yields (quality and quantity) are the concerns addressed in the area of production risk. One method farmers use to mitigate production risk is by purchasing Federal Crop Insurance. Federal Crop Insurance is provided through Title 11 of the farm bill, and a portion of the premium is subsidized by the U.S. Department of Agriculture. Although industrial hemp was approved for inclusion in the Federal Crop Insurance program in the 2018 farm bill, it may take several years of data collection to develop actuary tables to determine premium rates for yield or revenue policies. Whole Farm Revenue Protection (WFRP) policies may be available in the short term. However, the hemp crop must be produced under contract to qualify. There are additional concerns about the ability of underwriters to offer insurance for hemp being grown for CBD's due to the high value of the crop and potentially large losses. Finally, WFRP will not cover losses due to the crop testing over the 0.3% THC limit.

Transportation Disruptions

The Company will depend on fast, cost-effective and efficient transportation services to distribute its product. Any prolonged disruption of this transportation service could have an adverse effect on the financial condition and results of operations of the Company. Rising costs associated with the courier service used by the Company to ship its products may also adversely impact the business of the Company and its ability to operate profitably.

Fluctuating Prices of Raw Materials

The Company's revenue, if any, is expected to be in large part derived from the production, sale and distribution of industrial hemp. Even though the Company shall be largely insulated from the price variation of raw material to produce, sell and distribute industrial hemp products, due to its Hemp Agro-Industrial Zone ("**HAIZ**") concept whereby farmers are producing under contract with GHG for the industrial plant, the price of raw material may increase in the event of the establishment of other processing plants in the same industrial hemp basin, competing for the same raw material. The effect of these factors on the price of product produced by the Company and, therefore, the economic viability of any of the Company's business, cannot accurately be predicted.

Environmental and Employee Health and Safety Regulations

The Company's operations are subject to environmental and safety laws and regulations concerning, among other things, emissions and discharges to water, air and land; the handling and disposal of hazardous and nonhazardous materials and wastes, and employee health and safety. The Company will incur ongoing costs and obligations related to compliance with environmental and employee health and safety matters. Failure to obtain an Environmental Compliance Approval or otherwise comply with environmental and safety laws and regulations may result in additional costs for corrective measures, penalties or in restrictions on our manufacturing operations. In addition, changes in environmental, employee health and safety or other laws, more vigorous enforcement thereof or other unanticipated events could require extensive changes to the Company's operations or give rise to material liabilities, which could have a material adverse effect on the business, results of operations and financial condition of the Company.

Political and Economic Instability

The Company may be affected by possible political or economic instability. The risks include, but are not limited to, terrorism, military repression, extreme fluctuations in currency exchange rates and high rates of inflation. Changes in medicine and agriculture development or investment policies or shifts in political attitude in certain countries may adversely affect the Company's business. Operations may be affected in varying degrees by government regulations with respect to restrictions on production, distribution, price controls, export controls, income taxes, expropriation of property, maintenance of assets, environmental legislation, land use, land claims of local people and water use. The effect of these factors cannot be accurately predicted.

Covid-19 (Coronavirus)

On March 11, 2020, the current outbreak of COVID-19 (Coronavirus) was declared a global pandemic, which has had a significant impact on businesses through the restrictions put in place by all levels of government in both Canada and the United States regarding travel, business operations and isolation/quarantine orders. As a result, global equity markets, along with oil and many commodity prices have experienced significant volatility and weakness. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Company as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.

Facility Expansion

The development of construction of the Company's Colorado HAIZ manufacturing facility is subject to various potential problems and uncertainties, and may be delayed or adversely affected by a number of factors beyond our control, including the failure to obtain regulatory approvals, permits, delays in the delivery or installation of equipment by our suppliers, difficulties in integrating new equipment with our existing facilities, shortages in materials or labour, defects in design or construction, diversion of management resources, or insufficient funding or other resource constraints. Moreover, actual costs for construction may exceed budgets. As a result of construction delays, cost overruns, changes in market circumstances or other factors, it may not be possible to achieve the intended economic benefits from the construction of the new facility, which in turn may materially and adversely affect our business, prospects, financial condition and results of operations.

Market Risk for Securities

The market price for the common shares of the Company could be subject to wide fluctuations. Factors such as commodity prices, government regulation, interest rates, share price movements of peer companies and competitors, as well as overall market movements, may have a significant impact on the market price of the Company. The stock market has from time to time experienced extreme price and volume fluctuations, which have often been unrelated to the operating performance of particular companies.

Global Economy Risk

An economic downturn of global capital markets has been shown to make the raising of capital by equity or debt financing more difficult. The Company will be dependent upon the capital markets to raise additional financing in the future, while it establishes a user base for its products. As such, the Company is subject to liquidity risks in meeting its development and future operating cost requirements in instances where cash positions are unable to be maintained or appropriate financing is unavailable. These factors may impact the Company's ability to raise equity or obtain loans and other credit facilities in the future and on terms favorable to the Company and its management. If uncertain market conditions persist, the Company's ability to raise capital could be jeopardized, which could have an adverse impact on the Company's operations and the trading price of the Company's shares on the Exchange.

Dividend Risk

The Company has not paid dividends to its common shareholders in the past and does not anticipate paying dividends in the near future. The Company expects to retain its earnings to finance further growth and, when appropriate, retire debt.

Volatile Market Price for Company Common Shares

The market price for Common Shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond the Company's control, including the following:

- actual or anticipated fluctuations in the Company's quarterly results of operations;
- recommendations by securities research analysts;
- changes in the economic performance or market valuations of companies in the industry in which the Company operates;
- addition or departure of the Company's executive officers and other key personnel;
- release or expiration of transfer restrictions on outstanding Company Common Shares;
- sales or perceived sales of additional Company Common Shares;
- operating and financial performance that vary from the expectations of management, securities analysts and investors;
- regulatory changes affecting the Company's industry generally and its business and operations;
- announcements of developments and other material events by the Company or its competitors;

- fluctuations to the costs of vital production materials and services;
- changes in global financial markets and global economies and general market conditions, such as interest rates and pharmaceutical product price volatility;
- significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving the Company or its competitors;
- operating and share price performance of other companies that investors deem comparable to the Company or from a lack of market comparable companies; and
- news reports relating to trends, concerns, technological or competitive developments, regulatory changes and other related issues in the Company's industry or target markets.

Financial markets have recently experienced significant price and volume fluctuations that have particularly affected the market prices of equity securities of companies and that have often been unrelated to the operating performance, underlying asset values or prospects of such companies. Such volatility has been particularly evident with regards to the share prices of industrial hemp and medical cannabis companies that are public issuers in Canada. Accordingly, the market price of the Company's Common Shares may decline even if the Company's operating results, underlying asset values or prospects have not changed. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are lasting and not temporary, which may result in impairment losses. There can be no assurance that continuing fluctuations in share price and volume will not occur. If such increased levels of volatility and market turmoil continue, the Company's operations could be adversely impacted and the trading price of Common Shares may be materially adversely affected.

DESCRIPTION OF BUSINESS

General

Global Hemp Group ("GHG") is focused on developing a multi-phased strategy to build a strong presence in the industrial hemp industry in the United States. In the first phase of the strategy, the GHG team has gained tremendous experience in the cultivation of hemp and the extraction of cannabinoids. The goal of this first phase was to create a near term revenue stream that would allow the Company to expand and develop successive phases of the strategy. The Company's Oregon Hemp Project, operating under the name Covered Bridge Acres, is an example of this first phase of the strategy.

The next phase of the strategy, now underway, is what Management has always believed would be by far the most significant segment of the hemp market, the industrial aspects of hemp and the development of value-added industrial products utilizing the processing of the whole hemp plant. This is envisioned in what the Company calls its Hemp Agro-Industrial Zone ("HAIZ"). The HAIZ is an optimization model based on Global Hemp's goal to utilize the exceptional properties of the hemp plant to produce raw materials and value-added products. The HAIZ has been designed to be replicated in any region where there is cultivation of industrial hemp.

Through partnerships, joint ventures, and acquisitions, GHG will build a strategic portfolio of forward-thinking companies that also believe in the disruptive potential of the industrial hemp plant. There are many promising sectors that will be pursued under the HAIZ that utilize the hurd (inner woody core) and fibre. In the near term, the Company will focus on hemp-based building.

Global Hemp Group is committed to sustainability and social responsibility in a theme of "Global Environmental Stewardship" as it pursues opportunities within these sectors. This theme drives the HAIZ concept, in order to secure a solid platform of products and services that are environmentally friendly, while producing consistent ROI for all stakeholders.

Benefits of the HAIZ strategy:

- Economic: The HAIZ was originally conceived at a time when hemp was just making its comeback after 80 years of repression and a continued uncertain regulatory framework. Consequently, markets for most hemp products were rather shallow leading to wide swings in prices. Cannabinoid extraction is typical of such markets and it offered the best opportunity to finance the production of the less visible/attractive hemp products. Over the past two years, the more traditional hemp products (hurd and fibre) have become more established and provide real opportunities. Management expects that the time for these other hemp products has come and will become of central importance in the future of the Company.

- Social: From soil to shelf, the HAIZ concept is based on a collaborative rather than competitive operations model, benefiting all stakeholders throughout the process. From growing of the crops through to the final materials and products, the HAIZ concept promotes cross-sector partnerships, rural development and job creation.

- Environmental**:** Global Hemp Group is committed to environmentally-friendly processes and products, from farm to final consumer. Because of its light weight, transport of hemp intermediate goods is costly and carries a heavy carbon footprint. By concentrating production and processing to a zone adjacent to the farming area, the HAIZ minimizes both adverse economic and environmental effects.

Global Hemp Group has undertaken a significant shift in business focus for 2021. GHG is transforming from being singularly focused on the cultivation of hemp for the extraction of cannabinoids, to a Company that will be focused on the application of industrial hemp-based products for a project that will generate significant revenue, as well as real estate and water assets over time. This transformation began in September 2020 with the signing of an agreement to create a Sustainable Economic Zone in northwest Colorado with Western Sierra Resource Corporation ("WSRC") (OTC: WSRC), which subsequently became known as the Colorado Hemp Agro-Industrial Zone (HAIZ).

The project will be developed under the banner of Innovative Hemp Technologies (IHT). IHT's core objective; to develop "green" and "affordable" homes in a Planned Unit Development utilizing hemp-based construction materials to meet historical pent-up demand in the area, which will include the development of large scale irrigation and cultivation of industrial hemp and the manufacture of hemp-based construction products and textiles. This will significantly expand the existing +US$40 Million in water rights and infrastructure assets while generating multiple revenue streams for the Company,

Historically hemp projects have struggled as growing hemp and identifying a market to sell to, will not create a successful company. But adding a buyer for your product to the equation and becoming vertically integrated, certainly will. In the case of the Colorado project, a market has been identified with a large scale pent up demand (affordable housing) that hasn't been relieved in several decades, that also has a barrier to entry from others and will be successful without the inclusion of hemp-based building materials, making it an ideal market to enter. By utilizing a campus setting like that of the HAIZ, the Company will efficiently implement these vertically integrated functions (water, agriculture, processing, housing). Proven industry professionals have been engaged to work alongside IHT's management in the areas of agriculture, R&D, manufacturing, and construction to achieve the Company's objectives.

Execution of the HAIZ project will create substantial shareholder value through the incremental introduction of additional (multiple) revenue streams to meet IHT's objectives and set GHG on a path to becoming a leader in sustainable hemp-based "green" construction in the United States. The Colorado HAIZ will become a "showcase" project to demonstrate "green" hemp construction products and technologies for third-party offtake and for replication in other suitable U.S. markets.

With the recent signing of the Definitive Agreement with Prescient Strategies Group *(see Subsequent Events below for further detail)* to acquire the Series A Preferred Shares of Western Sierra Resource Corporation (WSRC), GHG will gain control over the strategic water infrastructure assets that will be integral for the development of this project. The resulting alignment of GHG, WSRC and their respective management teams together under one umbrella will result in a stronger, more focused and efficient entity.

The project will leverage the existing water rights and infrastructure to turn "dry land" farming acreage into irrigated land with valuable water rights that can subsequently be used to develop "affordable housing" and high value agricultural crops such as industrial hemp. GHG's vision is to take the hemp grown onsite and convert as much of the conventional building materials used at the project into sustainable, hemp-based building materials for use in the housing development. This project contemplates a 25-year build-out. The luxuries of a long-term project with demonstrably high demand are:

(a) economies of scale;

(b) opportunity to implement learned efficiencies;

(c) opportunity to continually fine-tune product offerings though intimate familiarity with a specific market.

(d) access to new markets stemming from other by-products of the hemp processing, such as fibres and microfibres

These elements combined with predictably increasing prices and diminishing competition over the project term are likely to result in improved profitability year-over-year.

On October 6, 2020 the Company announced that it is continuing to build out its hemp expertise with Gabriel Gauthier, a Master Hemp Builder and pioneer in hemp construction in North America joining the GHG team. This will fortify the Company's in-house hempcrete/hemp building expertise. Mr. Gauthier will advise on the utilization and application of hemp building materials and hemp construction for the Company's Colorado HAIZ.

Mr. Gauthier is also experienced in hemp processing and gained extensive knowledge of hemp construction by training under the guidance of hemp Master Builders in France over a period of three years. In 2005 he built the first hemp house in North America, located east of Montreal, Quebec, in Canada. Mr. Gauthier established a Research and Development division of his own, where he has begun the manufacturing of prefabricated hemp houses, another first in North America.

Mr. Gauthier has built more than 50 hemp houses in Quebec and Ontario, in addition to renovating over 100 homes using hemp materials. As a result, he has a developed a network of engineers and architects interested in the design of hemp houses.

On February 12, 2021 the Company announced that it has become a member of the U.S. Hemp Building Association ("USHBA") giving it access to a wealth of other hemp building professionals across the United States. As the Company proceeds with the development of its Colorado HAIZ the ability to access a resource such as the USHBA and other industry professionals will be of great benefit.

The Mission of the U.S. Hemp Building Association is to support and advocate for hemp building professionals, hemp building projects and hemp building materials in the United States. Through initiatives that focus on forwarding the acceptance of hemp into building codes, creating educational material, and gathering information about current products, buildings utilizing hemp, and supply chain options, they endeavour to provide the industry the tools it needs to flourish. "Together we can change the world".

With the world filled with concerns over health and environmental issues, hemp building products provide a solution to both. The use of chemicals in our buildings have increased as we try to improve their fire resistance and thermal performance. This has increased the prevalence of Sick Building Syndrome caused by the exposure to these toxins. Hemp materials can replace the use of these chemical laden products and improve the health of people living in them.

The construction industry has one of the largest carbon footprints of any industry. As the world continues to focus on ways to lower their negative impact on the environment, the construction industry will require an overhaul. Hemp building materials trap carbon absorbed by the plant during the growing process into the building sequestering them for the life of the structure. Houses built using locally sourced hemp that are constructed with hempcrete can be carbon negative. The positive impact of using hemp in building materials is clear, and it is our objective to make it commonly understood.

Research & Development is an important component of Company's business model and the Hemp Agro-Industrial Zone (HAIZ). Setting up in Mexico is timely, now that the country is in the process of legalizing hemp and cannabis. Intellectual Property created through the R&D Division will not only be utilized at the Company's projects, but the goal is to create patented technology that Global Hemp can also widely market.

With an 80+ year moratorium on hemp being removed in many parts of the world, a resurgence of R&D for the industrial applications of hemp has begun in earnest. We are now seeing new and innovative products that are utilizing the hurd and fibre of the hemp plant. This will only gain momentum over time as more countries legalize hemp and more people become aware of the properties of hemp.

The R&D Division is headed by Prof. Victor Castaño, a recognized leader in multiple areas of applied science and technology. He is based at the National Autonomous University of Mexico, Mexico's largest university and highly ranked in the world for its research and innovation. Prof Castaño and his team bring an amazing wealth of knowledge and experience to the Division in multiple disciplines. They are actively focused on the development of Intellectual Property that can be patented and implemented in the hemp and/or building industry, and in particular applied at the Company's Colorado Hemp Agro-Industrial Zone.

Pending legalization of cannabis and hemp in Mexico will make hemp material (hurd and fibre) more accessible in-country, creating more opportunities for the R&D Division to develop hemp-based environmentally-friendly construction materials.

On November 27, 2020 the Company announced that it was expanding its hemp R&D efforts in Mexico with the addition of Irving Fernandez-Cervantes. Mr. Cervantes will be in charge of the preparation and characterization of hemp fiber-reinforced materials for construction applications. His expertise in spectroscopic, chemical and physical characterization of composite materials will be of great relevance in the development of novel, patentable construction materials.

On February 26, 2021 the Company announced that it has signed a Research Collaboration Agreement with Aramat Querétaro ("Aramat"), an organization focused on the recognition of the substantive rights of cannabis users and legal cannabis and hemp cultivator in Mexico. The collaboration is the next step in GHG's vision of expanding its Research Division in Mexico.

In addition to the ongoing sharing of knowledge and expertise relating to hemp between the parties, Aramat has committed to grow industrial hemp to supply the R&D Division with hemp hurd and fibre for its ongoing research. The Company is currently sourcing a number of different varieties of industrial hemp seed that will be tested in an initial 1-2 hectare cultivation. GHG and Aramat are currently evaluating a number of proposed locations based on climate, soil and general growing conditions. A final location will be determined in the near future.

This collaboration is part of the Company's bigger vision to expand its collaboration partners while furthering development of Intellectual Property that can be patented, utilized by the Company and or marketed to the industry.

Aramat Querétaro is a civil organization, headquartered in the state of Querétaro, that is focused on the recognition of the substantive rights of cannabis users relating to recreational, medicinal and industrial cannabis. The club's Mission is to promote health, legality, training and development in all aspects of cannabis. Prior to the organization's official formation, Francisco Gerardo Martínez Ramos, Founder and President of Aramat Querétaro, first saw the need to study different treatments derived from cannabis aimed at helping patients with epilepsy.

Initially the group started out by having private events, with restricted access to close friends and relatives who sought to inform and express themselves and share their knowledge and experiences. Then in 2017 the group organized the first "Aramat Querétaro Cannabis Meeting", an event that has been held every year since, except for 2020 due to the ongoing pandemic. In 2019, the event was held at the Autonomous University of Querétaro, where it was free, open to the public, and had speakers from the medical, scientific, psychological and legal communities.

The group is made up of experts in the law, agriculture, biology, engineering, crop development and greenhouses, and have been providing comprehensive services for the preparation and development of cannabis projects. They have been establishing collaborations with doctors and pain clinics for consultation and participation of these experts in their public events which include interviews on local radio stations and in forums public. They have been working on the development of protocols, regulations and implementation of Mexican standards with Mexican companies that are committed to this new industry. In 2019 another facet emerged from the organization with the creation of the Aramat Cannabis Legal Consultancy. The Consultancy offers legal services in the areas of criminal, constitutional, administrative and corporate law to not only its members, but to the general public.

The group has derived great pleasure from the opportunity to share their knowledge with many communities in regions throughout the country. This has allowed Aramat Querétaro to develop projects that further the legal cannabis industry in Mexico. They have also been published in one the highest circulation cannabis related magazines in Latin America and Spain.

Francisco Gerardo Martinez Ramos, President of Aramat Queretaro stated, “We are a small club in the number of members, but large, due to the principles, values and professional knowledge of each one”.

Changes to Contracts

None

Environmental Benefits

Hemp products are increasingly seen as mitigation elements in climate change and environmental degradation, as hemp’s ability to sequester large amounts of carbon while growing, makes many of the value-added products made from hemp carbon neutral, and thus making them an environmentally friendly alternative to numerous products currently being produced. The crop is less demanding than the other crops in terms of pesticides and water consumption and has beneficial effects on soil structure. The raw fibre is increasingly used in textiles and biocomposites, such as in the automobile industry for the manufacture of interior panels, due to its overall strength and lower weight, as well as a lower carbon footprint. Similarly, hempcrete and premade hempcrete blocks used in construction is becoming an important carbon sink. Overall hemp production will continue to contribute very positively to environmental protection.

Employees

At of the date of this AIF GHG has no employees or plans to hire any employees for its Canadian operations.

Foreign Operations

Planned employment by GHG for its Colorado HAIZ Project is as follows:

JOB CREATION	2021	2022	2023	2024	2025
Farm	1	1	1	1	1
Decortication unit	3	3	3	6	9
Housing project					
ArtCan Pre-Fab	2	6	6	6	7
Isohemp-Brick unit	0	4	4	7	16
Management & administration	2	4	5	7	7
Total	**8**	**18**	**19**	**27**	**40**

The Colorado HAIZ is a multi-year project that has a development horizon of 20+ years. This will include large scale hemp cultivation, manufacturing of value-added products made from the hemp produced and then utilized in the Company's affordable housing development. As GHG continues to expand its real estate footprint in Colorado and consequently increasing industrial activity, the need for additional employees for the Company's various business segments will continue to increase.

Lending

As at the date of this AIF, GHG does not have any loans outstanding.

Social or Environmental Policies

GHG strives to live by the Values of **SUSTAINABILITY** (Environmental and Economic), **COLLABORATION** (Shared learning, application, development and growth for all), **IMPACT** (now and for future generations) and **HEALTH** (as for without health, we have nothing).

The Vision is to expand operations to build a solid and sustainable supply chain for the Company and its partners to create more stable revenues and higher monetary returns, while making a positive impact on society.

DIVIDENDS AND DISTRIBUTIONS

GHG has not declared nor paid any cash dividends on any of its issued shares since its inception. Other than requirements imposed under applicable corporate law, there are no other restrictions on the Company's ability to pay dividends under the Company's constating documents. The Company has not paid any dividends on the Common Shares since its incorporation. The Company has no present intention of paying dividends on the Common Shares, as it anticipates that all available funds will be invested to finance the growth of its business and, when appropriate, retire debt.

DESCRIPTION OF CAPITAL STRUCTURE

The Company's authorized share capital consists of Class A common shares without par value (each a "**Common Share**"), and an unlimited number of Class B preferred shares (each a "**Class B Share**") without par value.

As at September 30, 2020, the issued and outstanding share capital consisted of 211,660,432 Common Shares. No preferred Class B Shares were issued or outstanding. As of the date of this AIF, there were 268,490.060 Common Shares issued and outstanding in the share capital of the Company and no Class B Shares issued or outstanding.

Class A Common Shares

The special rights and restrictions attached to the Common Shares are as follows:

(a) The holders of the Common Shares shall be entitled to receive notice of, to attend and to vote at any general meetings of the shareholders of the Company.

(b) Subject to payment of dividends declared but unpaid on the Class B Shares, dividends may be declared and paid, in the discretion of the directors, at any time upon the Common Shares to the exclusion of all or any other class or classes of shares or may be declared and paid upon all or any other class or classes of shares, to the exclusion of the Common Shares.

(c) In the event of the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, or in the event of the redemption, purchase or acquisition of any shares, the reduction of capital or any other return of capital, the holders of the Common Shares shall be entitled to receive, before any distribution of any part of the assets of the Company to the holders of any other shares except the Class B Shares, an amount equal to the paid-up capital thereon and any dividends declared thereon and unpaid, and if any of the assets of the Company thereafter remain available for distribution, the holders of the Common Shares shall be entitled to such assets.

<u>Class B Preferred Shares</u>

The Class B Shares may be issued from time to time in one or more series and shall, as a class, have attached thereto the following special rights and restrictions:

(a) The directors, by resolution duly passed before the issuance of Class B Shares of the series to which the resolution relates, may, subject to the *Business Corporations Act (British Columbia),* do any one or more of the following:

(i) determine the maximum number of shares of any of those series of Class B Shares that the Company is authorized to issue, determine that there is no maximum number or alter any such determination previously made, and may authorize the alteration of the Notice of Articles accordingly;

(ii) alter these Articles, and authorize the alteration of the Notice of Articles, to create an identifying name by which the shares of any of those series of Class B Shares may be identified or to alter any identifying name previously created; and

(iii) alter these Articles and authorize the alteration of the Notice of Articles to attach special rights or restrictions to the shares of any of those series of Class B Shares or to alter any such special rights or restrictions including, without limitation: (A) the rate, amount or method of calculation of dividends and whether the same are subject to adjustments; (B) whether such dividends are cumulative, partly cumulative or non-cumulative; (C) the dates, manner and currency of payments of dividends and the date from which they accrue or become payable; (D) if redeemable or purchasable (whether at the option of the Company or holder or otherwise), the redemption or purchase prices and currencies thereof and terms and conditions of redemption or purchase, with or without provision for sinking or similar funds; € the voting rights, if any; (F) any conversion, exchange or reclassification rights; and (G) any other terms not inconsistent with these provisions.

(b) The holders of Class B Shares as a class shall, in preference to the holders of the Class A Shares, be entitled to receive dividends. The holders of the Class B Shares of any series shall also be entitled to such other preference, not inconsistent with these provisions, over the holders of the Class A Shares and the shares of any other class ranking junior to the Class B Shares.

(c) Unless specifically subordinated in priority by the special rights and restrictions attached to any particular series of Class B Shares, the holders of the Class B Shares as a class shall be entitled, on the distribution of the assets of the Company on the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, or on any other distribution of the assets of the Company among its shareholders for the purpose of winding-up its affairs, to receive in priority before any distribution shall be made to holders of the Common Shares or any other shares of the Company ranking junior to the Class B Shares with respect to repayment of capital, the amount paid up with respect to each Class B Share held by each of them respectively, together with the premium (if any) payable respectively on redemption of each such series of Class B Shares and all accrued and unpaid dividends (if any) which for such purpose shall be calculated as if such dividends were accruing on a day-to-day basis up to the date of such distribution. After payment to the holders of Class B Shares of the amounts so payable to them, such holders shall not be entitled to share in any further distribution of the property or assets of the Company except as specifically provided in the special rights and restrictions attached to any particular series.

(d) No Class B Shares or shares of a class ranking prior to or on a parity with the Class B Shares with respect to the payment of dividends or the distribution of assets in the event of liquidation, dissolution or winding up of the Company, whether voluntary or involuntary, or any other distribution of the assets of the Company among its shareholders for the purpose of winding-up its affairs, may be issued if the Company is in arrears in the payment of dividends on any outstanding series of Class B Shares without the approval of the holders of the Class B Shares given by a resolution passed by a majority of the holders of the Class B Shares.

(e) Except as hereinafter referred to or as required by law or in accordance with any voting rights which may from time to time be attached to any series of Class B Shares, the holders of Class B Shares as a class shall not be entitled as such to receive notice of, to attend or to vote at any meeting of the shareholders of the Company; provided that the holders of Class B Shares as a class shall be entitled to notice of meetings of shareholders called for the purpose of authorizing the dissolution of the Company or the sale of its undertaking or a substantial part thereof, or as required by the *Business Corporations Act (British Columbia).*

(f) The rights, privileges, restrictions and conditions attaching to the Class B Shares as a class may be added to, removed or changed but only with the approval of the holders of the Class B Shares given in accordance with the requirements of the *Business Corporations Act (British Columbia).*

(g) Where Class B Shares are issued in more than one series with identical preferred, deferred or other special rights, privileges, restrictions, conditions and designations attached thereto, all such series of Class B Shares shall rank *pari passu* and participate equally and proportionately without discrimination or preference as if all such series of Class B Shares had been issued simultaneously and all such series of Class B Shares may be designated as one series.

The dilutive securities are summarized as follows for the year ending September 30, 2020:

Security Type	**Common Shares Issuable (#)**	**Exercise price (average) ($)**	**Cash proceeds or debt reduction if exercised ($)**
Warrants	43,642,299	$0.12	5,237,075
Stock Options	16,000,000	$0.07	1,120,000
Convertible Debentures	Nil	Nil	Nil
Interest on Convertible Debentures	Nil	Nil	Nil

MARKET FOR SECURITIES

Trading Price and Volume

The common shares of the Company are listed for trading on the CSE under the symbol "GHG". The table below summarizes the range and volume of trading prices for each of the months stated:

Month	Price Range ($)		Total Volume (#)
	High	Low	
October 2019	0.05	0.035	2,365,385
November 2019	0.045	0.03	2,610,231
December 2019	0.04	0.025	3,109,504
January 2020	0.03	0.02	3,759,839
February 2020	0.045	0.025	2,608,207
March 2020	0.04	0.01	6,848,076
April 2020	0.025	0.015	2,955,556
May 2020	0.025	0.015	8,668,990
June 2020	0.02	0.015	3,964,733
July 2020	0.025	0.01	6,461,662
August 2020	0.025	0.015	2,555,596
September 2020	0.02	0.01	5,118,477

Prior Sales

During the financial year ended September 30, 2020, the Company issued the following securities convertible into common shares:

Date of Issuance	Security	Number of Securities	Issue/Exercise Price Per Security
November 15, 2018	Units (1)	308,631	$0.13
November 29, 2018	Units(2)	2,200,000	$0.36
February 7, 2019	Units(3)	338,666	$0.13
August 9, 2019	Stock Option(4)	5,750,000	$0.06
September 10, 2020	Units(5)	11,076,741	$0.05

(1) Each unit consisted of one common share and one half warrant for a total of 154,315 warrants. Each warrant entitles a holder to purchase one common share with an exercise price of $0.13 and expire on November 7, 2019. The Company determined the fair value of the shares was $35,493 and the warrants was $8,964.

(2) Each unit consisted of one common share and one warrant. Each warrant entitles a holder to purchase one common share with an exercise price of $0.36 and expires on July 31, 2021. On March 19, 2019, 1,000,000 units of these 2,200,000 units were cancelled due to the termination of a participant in the escrow pool. On June 24, 2019, 1,100,000 units were issued consisting of one common share and one warrant. Each warrant entitles a holder to purchase one common share with an exercise price of $0.36 and expires on July 31, 2021. The units issued are held in an escrow pool for the employees and advisors of the Company's CBA Oregon joint-venture. Escrow shares are released in two tranches following the EBITDA of CBA Oregon reaching $1,000,000 and $2,000,000. As at September 30, 2020, the milestones required for the release of shares issued into the escrow pool had not been reached.

(3) Each unit consisted of one common share and one half warrant for a total of 169,333 warrants. Each warrant entitles a holder to purchase one common share with an exercise price of $0.13 and expire on February 7, 2020. The Company determined the fair value of the shares was $38,947 and the warrants was $13,796.

(4) Each unit consists of one free trading common shares and one share purchase warrants (the "Warrants") with an initial expiry term of thirty six months exercisable at a price of $0.05. In the event that the Company's common shares trade on the CSE (or such other exchange on which the common shares may be traded at such time) at a volume weighted average price of $0.12 per share or more for a period of 10 consecutive trading

days, the Company will have the right to accelerate the expiry date of the Warrants by giving notice to the holders thereof and, in such case, the Warrants will expire on the 30th day after the date on which such notice is given to the holder by the Company.

(5) Each option entitles the holder to purchase one common share of the Company at $0.06 per share. 4,750,000 of the stock options fully vested on the grant date and 1,000,000 vested 25% on grant date and then 25% on each of December 31, 2019, 2020, and 2021. The expiry date of these options is August 8, 2024. The fair value of these options was determined to be $314,417 using the Black-Scholes option pricing model with the following weighted average assumptions: expected life of 5 years, volatility of 143%, dividend yield of 0%, and risk-free rate of 1.26%. The Company recognized cumulative share based compensation of $304,809 in connection with this grant.

Subsequent to the financial year ended September 30, 2020, the Company issued the following securities convertible into common shares:

Date of Issuance	Security	Number of Securities	Issue/Exercise Price Per Security
November 26, 2020	Stock Option(1)	5,300,000	$0.05
December 11, 2020	Units(2)	51,600,000	$0.015/$0.05
December 11, 2020	Warrants(3)	1,880,000	$0.05
January 25, 2021	Stock Option(4)	5,300,000	$0.055
January 25, 2021	Warrants(5)	9,000,000	$0.055
January 27, 2021	Stock Option(6)	2,500,000	$0.06

(1) Each option entitles the holder to purchase one common share of the Company at $0.05 per share. All stock options fully vested on the grant date. The expiry date of these options is November 25, 2025. The fair value of these options was determined to be $101,437 using the Black-Scholes option pricing model with the following weighted average assumptions: expected life of 4.97 years, volatility of 197%, dividend yield of 0%, and risk-free rate of 0.43%.

(2) Each unit is comprised of one common share of the Company (a "Common Share" and collectively, the "Common Shares") and one common share purchase warrant (each whole warrant a "Warrant" and collectively, the "Warrants") of the Company. Each whole Warrant shall entitle the holder thereof to acquire one additional Common Share at a price of $0.05 per Common Share for a period expiring on September 8, 2023. The warrants will be listed for trading on the CSE after the expiry of the hold period and will have identical terms to the 11,076,741 listed warrants of the Company currently outstanding and trading under the ticker symbol GHG.WT. In the event that the Company's common shares trade on the Canadian Securities Exchange (or such other exchange on which the common shares may be traded at such time) at a volume weighted average price of $0.12 per share or more for a period of 10 consecutive trading days, the Company will have the right to accelerate the expiry date of the Warrants by giving notice to the holders thereof and, in such case, the Warrants will expire on the 30th day after the date on which such notice is given to the holder by the Company. All securities issued are subject to a four-month plus a day hold period from the date of issuance in accordance with applicable securities laws.

(3) On December 11, 2020, 1,600,000 common shares and 1,880,000 share purchase warrants of the Company were issued as a finder's fee for the above private placement. The 1,880,000 share purchase warrants are exercisable at $0.05 with the expiry date on September 8, 2023. The fair value of 1,880,000 warrants granted during the three months ended December 31, 2020 related to the finder's fees was determined to be $49,686 using the Black-Scholes option pricing model with the following assumptions: expected life of 2.74 years, volatility of 203%, dividend yield of 0%, and risk-free rate of 0.30%.

(4) Each option entitles the holder to purchase one common share of the Company at $0.055 per share. All stock options fully vested on date of grant. The expiry date of these options is January 25, 2026.

(5) The common share purchase warrants are exercisable into one common share of the Company at a price of $0.05 per share and have an expiry date of January 25, 2026.

(6) Each option entitles the holder to purchase one common share of the Company at $0.06 per share. All stock options fully vested on the date of grant. The expiry date of these options is January 27, 2026.

ESCROWED SECURITIES

The following table includes the balance of escrowed securities as at September 30, 2020:

Designation of Class	Number of Securities held in Escrow	Percentage of Class
Common Shares	2,300,000(1)	1.09%
Options	Nil	-
Warrants	2,300,000(1)(2)	5.27%

(1) The shares and warrants in the table above are part of an Escrow Pool that was established when the Company undertook the Oregon Hemp

Project as an incentive for the staff and consultants to the project for the successful development and maximization of shareholder value. The Milestones for the release of the escrow pool are as follows: (i) 50% of the Escrow Pool will be released when Covered Bridge Acres Ltd. (CBA), the Company's operating company for the Oregon project generates EBITDA of US$1,000,000, and (ii) the remaining 50% of the Escrow Pool will be released when CBA generates EBITDA of US$2,000,000. To date, the original Milestones have not been reached.

(2) 1,200,000 common share purchase warrants are exercisable into one common share of the Company at a price of $0.36 per share and have an expiry date of July 31, 2021 and the remaining 1,100,000 common share purchase warrants are exercisable into one common share of the Company at a price of $0.36 per share and have an expiry date of June 20, 2022.

DIRECTORS AND OFFICERS

Name, Occupation and Security Holding

The following table sets forth information regarding the directors and executive officers of the Company as of the date of this AIF. The term of office for the Directors expires at the Company's next Annual General Meeting.

Name, Position with the Company, Residence	Present Principal Occupation	Director Since	Shares Beneficially Owned or Controlled (1)
Curt Huber (2) *Director, President & CEO* Burnaby, BC	Mr. Huber is an independent corporate and financial consultant. and Business Development for AB Minerals Corp. (a private corporation).	November 17, 2014	5,150,000
Sebastian Tang, *CPA CFO* Burnaby, BC	Mr. Tang has significant experience in the financial management and planning of publicly listed issuers. He has held executive positions, including CFO and corporate controller in other public and private ventures.	May 21, 2020	0
Dr. Paul T. Perrault *Director* Montreal, QC	Dr. Perrault is trained in cooperative development (M.A.) and in Economics of Rural Development (Ph. D.) focusing on farming systems in Africa.	December 29, 2014	645,000
Jeffrey Kilpatrick (2) *Director* Ocala, FL	Mr. Kilpatrick is a Program Supervisor for the Alachua County Department of Court Services in Gainesville, Florida, a Senior Board Member for the Association of Pretrial Professionals of Florida, and President Elect for the National Association of Pretrial Services Agencies (NAPSA).	January 19, 2015	100,000
Michel Lebeuf Jr. (2) *Director,* Montreal, QC	Mr. Lebeuf practices primarily in securities law, particularly in the areas of institutional and corporate financing, natural resources, fintech, life science, cannabis, as well as in public and private mergers and acquisitions.	May 21, 2020	0

Notes:
(1) Information as to ownership of shares has been taken from the list of registered shareholders maintained by the Company's transfer agent or has been provided by the individual or from SEDI.
(2) Member of the Audit Committee

As of the date of the AIF, the directors and executive officers, as a group, beneficially owned, directly or indirectly, or exercised control or direction over 5,895,000 Common Shares, representing approximately 2.79% of the issued and outstanding Common Shares.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

No director or executive officer of the Company is, as at the date of this AIF, or has been within 10 years before the date of this AIF, a director, chief executive officer or chief financial officer of any company (including the Company), that:

(a) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer, or

(b) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

No director or executive officer of the Company, nor a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company:

(a) is, as at the date of this AIF, or has been within 10 years before the date of this AIF, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

(b) has, within 10 years before the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

No director or executive officer of the Company has been subject to:

(a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

(b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director.

Conflicts of Interest

The Company's directors and officers may serve as directors or officers, or may be associated with, other reporting companies, or have significant shareholdings in other public companies. To the extent that such other companies may participate in business or asset acquisitions, dispositions, or ventures in which the Company may participate, the directors and officers of the Company may have a conflict of interest in negotiating and concluding terms respecting the transaction. If a conflict of interest arises, the Company will follow the provisions of the *Business Corporations Act* (British Columbia) ("**BCBCA**") dealing with conflict of interest. These provisions state that where a director has such a conflict, that director must, at a meeting of the Company's directors, disclose his or her interest and refrain from voting on the matter unless otherwise permitted by the BCBCA. In accordance with the laws of the Province of British Columbia, the directors and officers of the Company are required to act honestly, in good faith, and the best interest of the Company.

PROMOTERS

A "Promoter" is defined in the *Securities Act* (British Columbia) as a "person who (a) alone or in concert with other persons directly or indirectly takes the initiative of founding, organizing or substantially reorganizing the business of the issuer; or (b) in connection with the founding, organization or substantial reorganization of the business of the Company, directly or indirectly receives, in consideration of services or property or both, 10% or more of a class of the Company's own securities or 10% or more of the proceeds from the sale of a class of the Company's own securities of a particular issue.

As of September 30, 2020 and as of the date of this AIF, no person can be considered as a promoter of the Company.

AUDIT COMMITTEE

Audit Committee Charter

The Company's audit committee has various responsibilities as set forth in National Instrument 52-110 *Audit Committees* ("**NI 52-110**") made under securities legislation, concerning constitution of its audit committee and its relationship with its independent auditor and among such responsibilities being a requirement that the audit committee establish a written charter that sets out its responsibilities.

The Company's audit committee is governed by an audit committee charter which is attached as Schedule "A".

Composition of the Audit Committee

As at the date of this AIF, the Audit Committee is comprised of three (3) directors, Curt Huber, Michel Lebeuf and Jeff Kilpatrick. Michel Lebeuf and Jeff Kilpatrick are considered "independent" as that term is defined in applicable securities legislation. Curt Huber, as President and Chief Executive Officer of the Company is not independent.

All three audit committee members have the ability to read and understand financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements and are therefore considered "financially literate".

All of the audit Committee members are businessmen with experience in financial matters; each has an understanding of accounting principles used to prepare financial statements and varied experience as to the general application of such accounting principles, as well as the internal controls and procedures necessary for financial reporting, garnered from working in their individual fields of endeavor.

Since the commencement of the Company's most recently completed financial year ended September 30, 2020, the board of directors has not failed to adopt a recommendation of the audit committee to nominate or compensate an external auditor.

Reliance on Certain Exemptions

The Company is not relying on:

1. the exemption in section 2.4 (*De Minimis Non-audit Services*) of NI 52-110 (which exempts all non-audit services provided by the Company's auditor from the requirement to be pre-approved by the Audit Committee if such services are less than 5% of the auditor's annual fees charged to the Company,

are not recognized as non- audit services at the time of the engagement of the auditor to perform them and are subsequently approved by the Audit Committee prior to the completion of that year's audit); or

2. an exemption from the requirements of NI 52-110, in whole or in part, granted by a securities regulator under Part 8 (Exemptions) of NI 52-110.

Pre-Approval Policies and Procedures

The audit committee has adopted specific policies and procedures for the engagement of non-audit services as described in the Audit Committee Charter attached as Schedule "A" to this AIF.

External Audit Service Fees (By Category)

In the following table, "audit fees" are fees billed by the Company's external auditor for services provided in auditing the Company's annual financial statements for the subject year. "Audit-related fees" are fees not included in audit fees that are billed by the auditor for assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements. "Tax fees" are fees billed by the auditor for professional services rendered for tax compliance, tax advice and tax planning. "All other fees" are fees billed by the auditor for products and services not included in the foregoing categories.

The fees paid by the Company to its external auditor for services rendered to the Company in each of the last two fiscal years, by category, are as follows:

Financial Year Ending	Audit / Audit Related Fees	Tax Fees	All Other Fees
September 30, 2019	45,488	2,500	Nil
September 30, 2020	45,549	Nil	Nil

The Company is relying on the exemption contained in section 6.1 of NI 52-110 from the requirements of Part 3 Composition of the Audit Committee (as described in 'Composition of the Audit Committee' above) and Part 5 Reporting Obligations of NI 52-110 (which requires certain prescribed disclosure about the Audit Committee in the Company's AIF).

Corporate Governance

Corporate governance relates to the activities of the board of directors of the Company (the "Board"), the members of which are elected by and are accountable to the shareholders, and takes into account the role of the individual members of management who are appointed by the Board and who are charged with the day to day management of the Company. The Board and senior management consider good corporate governance to be central to the effective and efficient operation of the Company.

National Policy 58-201 Corporate Governance Guidelines ("**NP 58-201**") establishes corporate governance guidelines which apply to all public companies. The Company has reviewed its own corporate governance practices in light of these guidelines. National Instrument 58-101 Disclosure of Corporate Governance Practices ("NI 58-101") also requires the Company to disclose annually in its Information Circular certain information concerning its corporate governance practices.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Legal Proceedings and Regulatory Actions

During the financial year ended September 30, 2020, other than as described below, there are no legal proceedings to which the Company is a party to or to which any of its property is subject outside of the ordinary course of the Company's business, and no such proceedings are known to the Company to be contemplated.

INTERESTS OF MANAGEMENT & OTHERS IN MATERIAL TRANSACTIONS

Interests of Management & Others in Material Transactions

To the best of the Company's knowledge, no director, executive officer or shareholder who beneficially owns, directly or indirectly, or exercises control or direction over more than ten percent (10%) of the outstanding securities of the Company, or known associate or affiliate of any such person, has or had any material interest, direct or indirect, in any transaction within the last three years or in any proposed transaction, that has materially affected or is reasonably expected to materially affect the Company.

TRANSFER AGENT AND REGISTRAR

Odyssey Trust, at its principal office in Vancouver, is acting as the transfer agent and registrar for the Company.

The auditors of the Company are Dale Matheson Carr-Hilton and Labonte, CA. Dale Matheson Carr-Hilton and Labonte, CA is independent within the meaning given to this term in the *Harmonized rules of professional conduct of chartered professional accountants of Canada*.

MATERIAL CONTRACTS

As of the date of this AIF, the Company has entered into the following material contracts that would be required to be disclosed pursuant to *NI 51-102 respecting Continuous Disclosure Obligations*:

a) On September 5, 2017, the Company announced that he has established a joint venture with Marijuana Company of America, Inc. ("**MCOA**") to participate in the development of its New-Brunswick hemp project. MCOA, a California based cannabis and hemp research and development company, whose business includes the marketing and distribution of hemp based consumer wellness products, will assist GHG in developing commercial hemp production in New Brunswick;

b) On October 10, 2017, the Company announced that it had, jointly with MCOA entered into a letter of intent with Space Cowboys Inc. ("**Space Cowboys**"), a fully licensed and compliant hemp derived cannabinoid producer in Colorado for the purposes of forming a joint venture pursuant to which the Company and MCOA will invest $2,500,000 in exchange for a 25% equity interest in Space Cowboys, such investment will be used to expand Space Cowboys' cultivation operation;

c) On May 1, 2018, the Company announced the acquisition with MCOA of a 109-acre agricultural property in Scio, Oregon (the "**Property**"), for the cultivation of high CBD yielding hemp for the upcoming 2018 growing season. The Property, located in the fertile Willamette Valley approximately 70 miles south of Portland, Oregon, was acquired for US$1.1 million. The terms of the acquisition include a cash down payment of US$130,000 and the issuance of 2,100,000 common shares in the share capital of GHG valued at US$275,000, to be delivered within 15 days of closing;

d) On May 9, 2018, the Company announced the entering into a joint-venture agreement with MCOA to cultivate high yielding CBD hemp at the Property. Pursuant to the terms of the joint-venture agreement, Company and MCOA will jointly invest a total of US$1.2 million in the development of the project in 2018. Funding for the project will be done on a 50/50 basis. MCOA and GHG have engaged TTO Enterprises Inc. ("TTO") to manage the project. TTO will earn a 15% equity interest in the project. GHG and MCOA have the right to exchange 10% of TTO's equity initial interest of 15% for common shares and share purchase warrants of both of GHG and MCOA, based on specific milestones being met;

e) On June 1, 2018, the Company announced that it has acquired a 50% equity interest in Cash Crop Today Media, LLC ("**CCT**") pursuant to a purchase agreement entered between GHG and CCT, a global media company focused on the industrial hemp and cannabis sectors. Pursuant to the terms of the agreement, GHG will pay a total of US$150,000 for its 50% interest in CCT, comprised of US$60,000 in cash and the issuance of 600,000 common shares of GHG, valued at US$90,000 and to be delivered to CCT within 15 days of closing;

f) On May 17, 2019, the Company announced that its subsidiary, Covered Bridge Acres Ltd. (CBA), has entered into a contract with Richardson Gap Farm LLC (RGF) to extract cannabinoids from all of the hemp biomass produced at the Company's Scio Oregon hemp farm. CBA is the operating company for the project, a 50/50 joint venture with MCOA. The contract with RGF will process the biomass into CBD distillate. The output would then be split on a 55/45 basis, with 55% going to CBA;

g) On July 18, 2019, the Company announced that it has entered into a Technology Development Agreement with Q Worx LLC ("**QWorx**") to develop the world's first commercial hemp biocomposite (H-Fiber) drone specifically designed to monitor large scale cultivations, initially focusing on hemp. All on-field beta testing of the drone will be conducted at the Company's JV hemp farm in Scio, Oregon;

h) On October 31, 2019, the Company has informed that it has entered into a second Technology Development Agreement with QWorx to develop a cold air rapid drying system specially designed for drying hemp and cannabis flower;

i) On September 16, 2020, the Company announced that it has entered into agreement to form an Exclusive Strategic Partnership to create a Sustainable Economic Zone in northwest Colorado with Western Sierra Resource Corporation ("**WSRC**"). The Economic Zone will be vertically integrated and will generate multiple revenue streams for this 50/50 Partnership;

j) On September 30, 2020, the Company announced that it has executed an agreement to acquire the remaining 50% interest in the Oregon Hemp Project from its joint venture partner MCOA. Upon completion of the transaction, the 109 acre Scio, Oregon farm and operating company Covered Bridge Acres Ltd. will become wholly owned by Global Hemp Group and dissolve the existing joint venture. GHG will make a payment of $USD210,000 to MCOA with $USD 135,000 payable no later than September 30, 2020 and the remaining $USD 75,000 payable no later than November

15, 2020; and GHG will grant to MCOA common stock from its treasury for an amount equal to $185,000 based on the trading price of GHG's stock at the time the settlement agreement is fully executed before September 30, 2020;

k) On January 18, 2021, the Company announced that it has signed a binding Letter of Intent with Prescient Strategies Group LLC ("**PSG**") to acquire its WSRC Preferred A Class Share holdings ("**WSRC Prefs**") in a private, third party transaction. The resulting acquisition of these WSRC Prefs will give the Company the control over WSRC, and specifically its strategic water infrastructure assets that will be an integral part of the Company's Colorado Hemp-Agro Industrial Zone project as originally announced on September 16, 2020. The parties have agreed to develop the project through Innovative Hemp Technologies, a wholly owned Company's U.S. subsidiary;

l) On January 25, 2021, the Company announced that it has entered into three consulting agreements. The first Consulting Agreement is with Twilight Capital Inc., the second is with Prof. Víctor M. Castaño, Ph.D. and third is with Gabriel Gauthier. Terms of the consulting agreements, effective January 25, 2021, the Company to issue 3,000,000 warrants exercisable at the current market price, but in no case less than $0.05;

m) On February 8, 2021, the Company announced that it has signed the Definitive Agreement with PSG to acquire all of its WSRC Prefs in a private, third party transaction. Closing of the transaction is expected to be on or about February 9, 2021 upon fulfillment of certain Conditions Precedent;

n) On February 12, 2021, the Company announced that it has entered into a 6-month marketing and consulting contract with North Equities Corp., ("**North Equities**") of Toronto. As compensation, the Corporation has issued North Equities 1,000,000 Common Shares at a deemed price of $0.07 CDN per Common Share. All Common Shares issued to North Equities have been placed under a 6-month hold period; and

o) On February 26, 2021, The Company announced that it has signed a Research Collaboration Agreement with Aramat Querétaro, an organization focused on the recognition of the substantive rights of cannabis users and legal cannabis and hemp cultivator in Mexico.

INTEREST OF EXPERTS

Name of Experts

The following are the persons or companies who were named as having prepared or certified a statement, report or valuation in this AIF either directly or in a document incorporated by reference and whose profession or business gives authority to the statement, report or valuation made by the person or company:

> Dale Matheson Carr-Hilton and Labonte, CA, the Company's independent auditors, has prepared an independent audit report dated January 28, 2021 in respect of the Company's audited consolidated financial statements for the years ended September 30, 2020.

Interest of Experts

Dale Matheson Carr-Hilton and Labonte, CA is independent from the Company within the meaning given to this term in the *Code of ethics of chartered professional accountants*.

None of the named experts or legal counsel was employed on a contingent basis, owns an amount of shares in the Company, or its subsidiary which is material to that person, or has a material, direct or indirect economic interest in the Company or its subsidiary.

No direct or indirect interests in the property of the Company or of an associate or affiliate of the Company is received or is to be received by a person or company whose profession or business gives authority to a statement made by the person or company and who is named as having prepared or certified a part of the Annual Information Form or prepared or certified a report or valuation described or included in the Annual Information Form.

ADDITIONAL INFORMATION

Additional information relating to the Company is available under the Company's profile on SEDAR at www.sedar.com. Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities, and securities authorized for issuance under the Company's stock option plans is contained in the Company's Management Information Circular for its Annual General Meeting of Shareholders to be held on April 16, 2021. Additional financial information is provided in the Company's Audited Consolidated Financial Statements and Management's Discussion and Analysis for the year ended September 30, 2020 and in the Financial Statements and Management's Discussion and Analysis for the fiscal quarters ending after that date.

SCHEDULE "A"

CHARTER OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS OF GLOBAL HEMP GROUP INC. (the "Company")

1. Purpose

1.1. The Audit Committee is ultimately responsible for the policies and practices relating to integrity of financial and regulatory reporting, as well as internal controls to achieve the objectives of safeguarding of corporate assets; reliability of information; and compliance with policies and laws. Within this mandate, the Audit Committee's role is to:

(a) support the Board of Directors in meeting its responsibilities to shareholders;

(b) enhance the independence of the external auditor;

(c) facilitate effective communications between management and the external auditor and provide a link between the external auditor and the Board of Directors;

(d) increase the credibility and objectivity of the Company's financial reports and public disclosure.

1.2. The Audit Committee will make recommendations to the Board of Directors regarding items relating to financial and regulatory reporting and the system of internal controls following the execution of the Committee's responsibilities as described herein.

1.3. The Audit Committee will undertake those specific duties and responsibilities listed below and such other duties as the Board of Directors from time to time prescribe.

2. Membership

2.1. Each member of the Audit Committee must be a director of the Company.

2.2. The Audit Committee will consist of at least three members, the majority of whom are neither officers nor employees of the Company or any of its affiliates.

2.3. The members of the Audit Committee will be appointed annually by and will serve at the discretion of the Board of Directors.

3. Authority

3.1. In addition to all authority required to carry out the duties and responsibilities included in this charter, the Audit Committee has specific authority to:

(a) engage, and set and pay the compensation for, independent counsel and other advisors as it determines necessary to carry out its duties and responsibilities;

(b) communicate directly with management and any internal auditor, and with the external auditor without management involvement; and

(c) approve interim financial statements and interim MD&A on behalf of the Board of Directors.

4. Duties and Responsibilities

4.1. The duties and responsibilities of the Audit Committee include:

(a) recommending to the Board of Directors the external auditor to be nominated by the Board of Directors;

(b) recommending to the Board of Directors the compensation of the external auditor;

(c) reviewing the external auditor's audit plan, fee schedule and any related services proposals;

(d) overseeing the work of the external auditor;

(e) ensuring that the external auditor is in good standing with the Canadian Public Accountability Board and will enquire if there are any sanctions imposed by the CPAB on the external auditor;

(f) ensuring that the external auditor meets the rotation requirements for partners and staff on the Company's audits;

(g) reviewing and discussing with management and the external auditor the annual audited financial statements, including discussion of material transactions with related parties, accounting policies, as well as the external auditor's written communications to the Committee and to management;

(h) reviewing the external auditor's report, audit results and financial statements prior to approval by the Board of Directors;

(i) reporting on and recommending to the Board of Directors the annual financial statements and the external auditor's report on those financial statements, prior to Board approval and dissemination of financial statements to shareholders and the public;

(j) reviewing financial statements, MD&A and annual and interim earnings press releases prior to public disclosure of this information;

(k) ensuring adequate procedures are in place for review of all public disclosure of financial information by the Company, prior to is dissemination to the public;

(l) overseeing the adequacy of the Company's system of internal accounting controls and internal audit process obtaining from the external auditor summaries and recommendations for improvement of such internal accounting controls;

(m) ensuring the integrity of disclosure controls and internal controls over financial reporting;

(n) resolving disputes between management and the external auditor regarding financial reporting;

(o) establishing procedures for:

i. the receipt, retention and treatment of complaints received by the Company from employees and others regarding accounting, internal accounting controls or auditing matters and questionable practices relating thereto; and

ii. the confidential, anonymous submission by employees of the Company or concerns regarding questionable accounting or auditing matters.

(p) reviewing and approving the Company's hiring policies with respect to partners or employees (or former partners or employees) of either a former or the present external auditor;

(q) pre-approving all non-audit services to be provided to the Company or any subsidiaries by the Company's external auditor; and

(r) overseeing compliance with regulatory authority requirements for disclosure of external auditor services and Audit Committee activities.

4.2. The Audit Committee will report, at least annually, to the Board regarding the Committee's examinations and recommendations.

5. <u>Meetings</u>

5.1. The quorum for a meeting of the Audit Committee is a majority of the members of the Committee who are not officers or employees of the Company or of an affiliate of the Company;

5.2. The members of the Audit Committee must elect a chair from among their number and may determine their own procedures;

5.3. The Audit Committee may establish its own schedule that it will provide to the Board of Directors in advance;

5.4. The external auditor is entitled to receive reasonable notice of every meeting of the Audit Committee and to attend and be heard thereat;

5.5. A member of the Audit Committee or the external auditor may call a meeting of the Audit Committee;

5.6. The Audit Committee will meet separately with the President and separately with the Chief Financial Officer of the Company at least annually to review the financial affairs of the Company;

5.7. The Audit Committee will meet with the external auditor of the Company at least once each year, at such time(s) as it deems appropriate, to review the external auditor's examination and report; and

5.8. The chair of the Audit Committee must convene a meeting of the Audit Committee at the request of the external auditor, to consider any matter that the auditor believes should be brought to the attention of the Board of Directors or the shareholders.

6. <u>Reports</u>

The Audit Committee will record its recommendations to the Board in written form which will be incorporated as a part of the minutes of the Board of Directors' meeting at which those recommendations are presented.

7. <u>Minutes</u>

The Audit Committee will maintain written minutes of its meetings, which minutes will be filed with the minutes of the meetings of the Board of Directors.