



Global Hemp Group Inc.

(formerly Arris Holdings Inc.)

Management Discussion and Analysis

Year ended September 30, 2014

Management's Discussion and Analysis

The following is management's discussion in respect of the results of operations and financial position of Global Hemp Group Inc., formerly Arris Holdings Inc. (the "Company" or "GHG") for the year ending September 30, 2014 and should be read in conjunction with the Company's audited annual financial statements for the same year ending September 30, 2014. The Company's financial statements have been presented in accordance with International Financial Reporting Standards and are presented in Canadian dollars unless otherwise specified. Additional information, including the above mentioned financial statements, which contain extensive disclosure of the history of the Company are available on SEDAR (www.sedar.com) and at the Company's website (www.globalhempgroup.com)

This MD&A has been prepared effective as of January 30, 2015

Forward Looking Statements

The information presented in this MD&A contains statements concerning future results, future performance, intentions, objectives, plans and expectations that are, or may be deemed to be, "forward-looking statements" or "forward-looking information" (collectively "forward-looking statements") as those terms are used in the Private Securities Litigation Reform Act of 1995 and similar Canadian laws.

Such forward-looking statements, including but not limited to those with respect to the price of metals, the timing and amount of estimated future mineralization and economic viability of properties, capital expenditures, costs and timing of exploration projects, permitting timelines, title to properties, the timing and possible outcome of pending exploration projects and other factors and events described in this MD&A involve known and unknown risks, uncertainties and other factors such as general economic and business conditions, change in foreign currency exchange rates, 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 such forward-looking statements. Since forward looking statements address future events and conditions, by their nature, they involve inherent risks and uncertainties. Readers should verify all claims and do their own due diligence before investing in any securities mentioned or implied in this document. Investing in securities is speculative and carries a high degree of risk.

These statements are based on management's current expectations and are subject to a number of uncertainties and risks that could cause actual results to differ materially from those described in the forward-looking statements. Forward-looking statements are based on management's current plans, estimates, projections, beliefs, and opinions and we do not intend nor do we undertake any obligation to update or revise any forward-looking statements whether written or oral that may be made by or on the Company's behalf should the assumptions related to these plans, estimates, projections, beliefs and opinions change, except as required by securities law.

The following table outlines certain significant forward-looking statements contained in this MD&A and provides the material assumptions used to develop such forward-looking statements and material risk factors that could cause actual results to differ materially from the forward looking statements.

Forwarding looking statements	Assumptions	Risk factors
<i>The Company may further raise capital in the future to finance the Company's operations through equity or debt financing, including related party loan, or through other arrangements including but not limited to joint-venturing.</i>	<i>Based on management's current plan in raising capital in the future.</i>	<i>Change in interest rate, support by related parties, change in condition of capital market</i>

Overall Performance

Background & Nature of Business

Global Hemp Group Inc. (formerly Arris Holdings Inc.) was incorporated on October 30, 2009 in British Columbia, Canada 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 200 – 8338 120th Street, Surrey, BC, V3W 3N4. The Company's common shares are currently traded on Canadian Securities Exchange ("CSE") under the symbol "GHG", on Boerse-Frankfurt Exchange under the symbol "GHG", on XETRA Exchange in Europe under the symbol GHG, and on the USA OTC Markets under the symbol "GBHPF".

Business Outlook

The Company is acquiring and/or joint venturing with companies across all sectors of the hemp and cannabis industries in an effort to build a "soil-to-shelf" portfolio of complimentary companies that will enable GHG to capture revenues, cash flow, and value from its acquisitions and establish a far greater collective valuation than GHG or the individual companies would have on their own.

GHG is starting its Fiscal 2015 with an operational restructuring, an expansion of its business model to include cannabis and a refocusing on revenue producing initiatives, while putting capital intensive research and development oriented initiatives on hold.

The Company's expanded business model into the cannabis industry will begin with addressing the already large environmental impact of an industry that is still in its infancy but already consuming 1% of all energy used in the United States. GHG will provide building optimization solutions, efficient building design, and environmental waste management services as part of its new core businesses.

In Fiscal 2015, the Company plans to perform comprehensive research and analysis on companies in these industries, both public and private, seeking acquisition and joint venture opportunities with experienced experts in the industry. GHG portfolio companies operate synergistically, enabling greater efficiencies, profitability and value through the economies of scale created from operating as a cohesive group. The Company also plans to provide consulting services, from agronomics and technology to product development and distribution. In addition, GHG will provide brokerage services to hemp and cannabis producers, processors, manufacturers and distributors.

In most cases it will be too costly and take too long to develop new products, technologies or expertise through organic, internal expansion. There is a race to develop successful business models in this industry in an effort to capitalize on the window of market opportunity. This is still a very fragmented industry, and companies need guidance and resources to establish themselves as start-ups and/or to expand operations. The GHG team takes a methodical and fundamental approach to researching companies in these industries in order to identify the best opportunities for strategic acquisition or joint venture. The acquisition team performs thorough due diligence before it makes any recommendations to the board on all companies it is considering for potential acquisition or joint venture.

There is a perfect storm on the horizon for the hemp and cannabis industries, with the significant economic need for job creation and tax generation in most countries around the world. There is strong demand for newer, sustainable technologies, for healthy housing and highly nutritional food and effective medicines. Hemp and cannabis can provide

many of these necessary solutions. Not nearly enough is being done to correct the World's environmental crisis fast enough, and too many impoverished people are starving and have no means of subsistence. Hemp addresses these issues head on. Rural development and job creation is the cornerstone of the hemp industry. The impact on carbon footprints and cleaning up the environment with hemp is significant. Millions of impoverished people can be fed, clothed and housed in a relatively short period of time by starting with a handful of hemp seeds. For these reasons the Company has partnered with the House of Hemp in South Africa.

In addition, the legislative scenario surrounding hemp and cannabis is changing for the better, with governments and politicians finally recognizing the potential hemp has to solve many environmental and social problems, and to contribute significantly to the world economy. Cannabis as a medicine is rapidly gaining the attention of the medical community and consumers who are beginning to understand the myriad of benefits medical cannabis has without the toxic side effects of pharmaceuticals.

In the New Year, GHG is preparing to expand its business model to include the medical cannabis sector. The Company has launched an Environmental Optimization Division ("EOD") to address the already huge and worsening environment impact of the cannabis sector. The Company will be offering solutions to cannabis grow operators that will significantly reduce energy consumption and provide cost effective solutions for managing the agricultural waste produced by these facilities. The states and countries that have legalized cannabis are host to many of these facilities and as more states and countries legalize cannabis the problem continues to grow with the industry. The Company's EOD will address this environmental crisis head on before it becomes too big to manage and causes irreparable harm to an already fragile environment.

Letter of Intent- House of Hemp

Subsequent to the year ended September 2014, the Company announced that it had signed a Letter of Intent to acquire a 50% interest in House of Hemp (Pty) LTD ("HoH") on December 29, 2014. HoH has been awarded a permit from the Department of Agriculture and the Department of Health to legally cultivate and process hemp in South Africa.

Founded in 1999, House of Hemp is South Africa's largest supplier of hemp raw material and finished products. Founder Dr. Thandeka Kunene has been researching hemp for more than the 15 years that HoH has been in existence. She brings a tremendous amount of unique experience and knowledge to this venture and the development of the hemp industry in South Africa. Dr. Kunene has developed strong, long-term relationships with agencies within the South African government required to complete research trials and usher in a commercial hemp industry in South Africa. This will provide jobs, rural development, and social solutions while improving the quality of life and economic standing for the proud citizens of South Africa.

Pursuant to the LOI, GHG has been granted an exclusive 90 day period to complete its due diligence and settle on a mutually agreed final valuation for House of Hemp, which is not expected to exceed US\$420,000. The consideration for this transaction will be a combination of 50% cash and 50% common shares of GHG or other such combination as is suitable to the parties. GHG has also granted a Right of First Refusal to acquire the balance of HoH in the future.

The cash component of this acquisition will only be used for direct investment in the development of new hemp-based businesses and/or enhancement of ongoing business endeavours, as outlined in the current business plan. Initial focus for revenue generation of the combined entity will be the sale of hemp oil to the food industry in South Africa and the completion of HoH's own oil pressing plant, constructed from hemp building materials.

The completion of the transaction is subject to a number of conditions including signing of a Definitive Purchase Agreement by March 15, 2015 and Regulatory Approval. No finder's fee will be payable in connection with this

transaction. Due diligence on House of Hemp transaction is currently ongoing.

Proposed Financing

Subsequent to the year ended September 30, 2014, the Company proceeded with a non-brokered private placement convertible debenture for up to \$250,000 in January 2015. The debenture will have an effective annual interest rate of 15%. No interest will be payable during the three year term but will accrue until maturity or until conversion. Each \$1,000 of the debenture will come with 28,571 warrants exercisable at a price of \$0.05 for a period of three years. The debenture is convertible into shares of the Company at \$0.035/share at any time during the three year term. The funds raised from this financing will be used for the working capital of the Company. As at the date of this report, none of the convertible debentures are issued.

Business Update

Contract for 1.5 million pounds of Hemp seed with Alberta Farmers

In April 2014 the Company entered in various hemp grain production contracts (collectively the “Initial Agreement”) to purchase 1,500,000 pounds of cleaned, raw hemp seed at a price of \$1.00 per pound for a total of \$1,500,000, from a group of seven Alberta farmers (“Farming Group”). The Initial Agreement called for escrow payments of \$375,000 to be made in May, July and September (75% of the contract value), with the balance on delivery. In July, the Company negotiated amended agreements which called for payments of \$150,000 to be deposited in trust on signing of the agreement, \$250,000 on July 31st and \$375,000 on September 15th, with the balance due on delivery of the 1.5 million pounds of hemp seeds (collectively the “Amended Agreement”). As an inducement to amend the agreement, the Company agreed to issue the farmers a total of 1,500,000 warrants exercisable at a price of \$0.15 per share for a period of three years from the date of issuance.

The Company deposited the first payment of \$150,000 into the escrow account as required, but was unable to meet the remaining payments and went into default on the Amended Agreement. In November and December 2014, subsequent to the year ended September 30, 2014, New Organics Inc. (“New Organics”), a private U.S. Company paid for and received 200,000 pounds of the seed (13.3% of the contract), from the 1.5 million pounds of hemp seed provided by the farmers. New Organics intends to enter into a formal contract with the Farming Group to acquire all 1.5 million pounds of seed at the price of \$1.00 per pound upon the execution of a settlement agreement between the farmers and GHG. The Company anticipates the settlement agreement with the Farming Group will be completed in the month of February, 2015.

The \$150,000 held in the trust will be released to GHG, less sales expenses (storage, interest and legal fees), upon completion of the sale of all 1,500,000 pounds of seed. The actual amount returned to GHG is not certain as of the date of this report.

Letter of Intent with Africa Frontier Partners

During Fiscal 2014, the Company entered into a letter of intent with Africa Frontier Partners (AFP) with the intention to introduce industrial hemp to the African nations that AFP represents. After slow progress due to the education of government officials, the Company shifted its initial focus to South Africa which is much more progressive on the subject of hemp. Our prospective business affiliate, HoH has already conducted two years of pre-commercial trials on hemp in South Africa. In Fiscal 2015, GHG is currently establishing base operations in South Africa and will reengage AFP after the current, third year trials are completed by HoH and when South Africa eventually allows commercial

production of hemp related products. At that stage the Company will seek to transfer technology and regulatory framework developed in South Africa to the African Nations that AFP represents.

Investment in HempNatura

On April 15, 2014, the Company received an exclusive 5 year off take agreement ("HNI Agreement") from HempNatura, Inc. ("HNI"). In this HNI Agreement, HNI agrees to purchase their raw material used in production exclusively from the Company.

To strengthen the relationship with HempNatura, the Company also entered into an agreement to purchase 20 percent of the common shares of HempNatura Inc. for USD\$250,000 (the "Transaction"). In exchange, the Company will also receive a promissory note issued by HempNatura Inc. with the principal of USD\$250,000 (the "Promissory Note"). This Promissory Note will be repaid with 10% interest per annum amortized over a three years period starting on the first monthly anniversary of the issuance of the Promissory Note. This Transaction has not yet completed as at the date of this report as the Company is not able to advance HNI the full amount of USD\$250,000, as required. This HNI Agreement is being re-negotiated. During the year ended September 30, 2014, the Company recorded \$48,735 bad debt in connection with the advance already paid to HNI.

Board Reorganization

During Fiscal 2014, Charles Larsen was appointed director and Chief Executive Officer on December 12, 2013 and subsequently President on April 15, 2014. Dr. Reid Jilek and Mikhail Gurfinkel were elected as directors on February 7, 2014.

On November 17, 2014 Curt Huber, a corporate and financial consultant, with over 25 years of public company experience was appointed as a Director of the Company replacing Mikhail Gurfinkel. On December 29, 2014 Dr. Paul Perrault, a consultant trained in co-operative development (MA) and economics of rural development (PhD), was appointed as a Director of the Company to replace Sandy Janda, and on January 19, 2015, Jeff Kilpatrick, a consultant specializing in Criminal Justice Administration and a member of LEAP - Law Enforcement Against Prohibition was also appointed to the Board.

Selected Annual Information

Selected annual information of the Company in the last three years is as follows:

	2014	2013	2012
	\$	\$	\$
Revenues	-	-	-
Net loss	2,613,598	66,203	116,199
Net loss per share, basic and diluted	0.02	0.00	0.01
Total assets	1,506,595	812	16,373
Total long term liabilities	-	-	-
Cash dividend	-	-	-

Selected Quarterly Information

The following table summarizes the results of operations for the Company's eight most recent quarters:

	Quarter Ended							
	September 30, 2014	June 30, 2014	March 31, 2014	December 31, 2013	September 30, 2013	June 30, 2013	March 31, 2013	December 31, 2012
	\$	\$	\$	\$	\$	\$	\$	\$
Revenue	-	-	-	-	-	-	-	-
Operating expenses	(1,616,750)	(409,494)	(407,345)	(30,816)	(22,176)	(18,750)	(11,310)	(13,967)
Loss from continued operations and net loss	(1,942,920)	(232,517)	(407,345)	(30,816)	(22,176)	(18,750)	(11,310)	(13,967)
Loss per share, basic and diluted	(0.02)	(0.00)	(0.00)	(0.00)	0.00	0.00	0.00	0.00

The Company is in its early stage and has not earned significant revenue since inception. Its past results of operation were not subject to seasonality. During the second quarter ended March 31, 2014 (“2014 Q2”), the Company had new management team and switched its focus in the agriculture and manufacturing in industrial hemp sector. As a result, the operating expenses started to increase since 2014 Q2. Management expects operating costs may go up further when business activities are further increased in the future.

Results of Operations

Year Ended September 30, 2014 (“Fiscal 2014”)

Loss for Fiscal 2014 was \$2,613,598 (Fiscal 2013 – loss of \$66,203). The \$2,613,598 loss was mainly a combined result of having operating expenses of \$2,464,405 (Fiscal 2013 –\$66,203), bad debt of \$48,735 (Fiscal 2013 - \$Nil), and finance fees of \$74,740 (Fiscal 2013 - \$Nil). These bad debt and finance fees incurred in Fiscal 2014 are related to the Company’s business development in connection with the industry hemp sector. There were no similar activities in Fiscal 2013.

Operating expenses increased by \$2,398,202 as the Company had a new management team and board of directors in this period. Business activities increased substantially in the second, third and fourth quarter of the year in order to develop the Company a viable business. Main component of operating expense are share based compensation of \$1,277,795 (Fiscal 2013-\$Nil), consulting fees of \$589,162 (Fiscal 2013 - \$5,000), business development of \$142,505 (Fiscal 2013 - \$Nil), and trust and filing fees of \$125,915 (Fiscal 2013 - \$13,142). The Company granted various options to its officers and directors in Fiscal 2014. As a result, \$1,277,795 stock-based compensation was recorded. There was no similar transaction in Fiscal 2013. The trusting and filing fees increased as the Company incurred expenditures for listing its shares on Boerse-Frankfurt Exchange, on US OTC market, and for the application fees paid to CSE for name change and change of business.

As at September 30, 2014, the Company had \$4,445 cash (September 30, 2013 - \$812), inventory of \$1,500,000 (September 30, 2013 - \$Nil), accounts payable and accrued liabilities of \$1,514,060 (September 30, 2013 - \$31,591), and \$2,967,168 share capital (September 30, 2013 - \$1,874,000)

The \$1,500,000 increase of inventory was mainly financed by an increase of accounts payable and accrued liabilities .

Quarter ended September 30, 2014 (2014 Q4)

Loss for 2014 Q4 was \$1,942,920 (2013 Q4 –\$22,176). The \$1,942,920 loss was mainly a combined result of having operating expenses of \$1,616,750 (2013 Q4 –\$22,176), bad debt of \$48,735 (2013 Q4 - \$Nil), and finance fees of \$74,740 (2013 Q4 - \$Nil).

As discussed in the above, the Company's business development activities increased substantially since 2014 Q2. As a result, operating expenses in 2014 Q4 increased significantly comparing to the same quarter in last year.

Main components of operating expense are share based compensation of \$1,277,795 (2013 Q4-\$Nil), consulting fees of \$193,945 (2013 Q4 - \$Nil), business development of \$142,505 (2013 Q4 - \$Nil), and trust and filing fees of \$54,425 (2013 Q4 - \$5,708). The Company granted various options to its officers and directors in Fiscal 2014. As a result, \$1,277,795 stock-based compensation was recorded. There was no similar transaction in 2013 Q4. The trusting and filing fees increased as the Company listed its shares on three different stock exchanges in 2014 Q4 while listing on only one stock exchange (CSE) during 2013 Q4.

Liquidity and Capital Resources

Financing of operations has been achieved primarily through equity and debt financing. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when they are due. As at September 30, the Company had a working capital deficiency of \$85,278.

Management realizes that the current liquidity and capital on hands are not sufficient to develop the Company into a viable business. In order to eliminate the working capital deficiency, proceeded with a non-brokered private placement convertible debenture for up to \$250,000 in January 2015 (see "Proposed Financing" subsection).

The Company may further raise capital in the future to finance the Company's operations through equity or debt financing, including related party loan, or through other arrangements including but not limited to joint-venturing.

While the Company believes it will be able to raise additional financing when required, there is no guarantee that the Company can complete equity or debt financings in the future. There are inherent risks associated with the equities market and fluctuations in this market could negatively impact the Company's liquidity and access to capital resources. See the "Risks and Uncertainties" for further discussion of the risks the Company may have.

The Company does not have capital commitments and its capital resources are not subject to external restrictions.

During Fiscal 2014, the Company received \$731,930 from its financial activities by issuing shares, units throughout the year.

During Fiscal 2014, the Company used \$48,735 in its investing activities in connection with the HNI Agreement and the Transaction.

Proposed Transactions

There are no other proposed transactions that may have material impact to the Company except the Proposed Financing disclosed in the above

Outstanding Share Data

As at the date of this MD&A, the Company has the following shares or equities that are convertible to the Company's share capital on a one-to-one basis:

Common Shares	137,917,544
Warrants	9,266,985
Stock Options	12,474,999

Off-Balance Sheet Arrangements

The company does not have off-balance sheet arrangements.

Transactions with Related Parties

Related party transactions not disclosed elsewhere are as follows:

a) Transactions with key management personnel:

Key management personnel include those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Board of Directors and the Company's CEO and CFO. The aggregate values of transactions relating to key management are as follows:

		Year ended September 30,	
		2014	2013
		\$	\$
Companies related to the spouse of a director (Sandy Janda)	Consulting/ administration	30,500	5,262
Company controlled by the Ex-President (Lucky Janda)	Rent	17,500	30,000
CEO, director (Charles Larsen)	Consulting fees	66,512	Nil
Ex-CFO (Larry Tsang)	Consulting fees	7,988	Nil
Ex-CFO (Robert Hymers)	Consulting fees	24,233	Nil
Ex- director (Donald Steinberg)	Consulting fees	58,314	Nil
Director (Paul Perrault)	Consulting fees	53,000	Nil
Director (Reid Jilek)	Consulting fees	58,314	Nil
Ex-Director (Mikhail Gurfinkel)	Consulting fees	55,984	Nil

b) Balances due to related parties:

Amounts due to related parties are unsecured, non-interest bearing and due on demand. As at September 30, 2014 and 2013, the Company's accounts payable and accrued liabilities included the following balances owing to related parties.

		September 30, 2014	September 30, 2013
		\$	\$
Companies controlled by the spouse of a director (Sandy Janda)	Consulting	8,905	Nil
Director (Reid Jilek)	Expense reimbursement	5,574	Nil
CEO, director (Charles Larsen)	Consulting fees	7,723	Nil
Director (Paul Perrault)	Consulting fees	43,000	Nil
Ex-CFO (Robert Hymers)	Consulting fees	12,611	Nil
Total		77,813	Nil

Financial Instruments and Other Instruments

Refer to Notes 3 and 11 to the Company's audited financial statements for the year ended September 30, 2014.

Significant Accounting Policies including Initial Adoption

Refer to Notes 3 to the Company's audited financial statements for the year ended September 30, 2014.

Risks and Uncertainties

Readers are cautioned that the foregoing lists of risks, uncertainties and other factors are not exhaustive. Significant risks of the Company's business include the following:

New Business

Our business is subject to risks inherent in the establishment of a new business enterprise, such as limited historical financial information, limited capital resources and the inability to raise additional funds when required. No commitments to provide additional funds have been made by management or other shareholders.

Dilution to the Existing Shareholders

The Company is very likely to further issue common stock to raise additional capital. The issuance of additional equity securities by the Company could result in a significant dilution in the equity interests of existing shareholders. ,

Reliance on Management's Expertise

AHI strongly depends on the expertise of its management team and there is little possibility that this dependence will decrease in the near term. The loss of the services of any member of such team could have a material adverse effect on the Company. AHI does not have any key person insurance in place for management.

Permits and Licenses

The hemp industry may require the Company to obtain regulatory or other permits and licenses from various governmental licensing bodies. There can be no assurance that the Company will be able to obtain all necessary permits and licenses that are required to carry out the Company's hemp business.

Conflicts of Interest

Certain of the directors of the Company also serve as directors and/or officers of other companies in similar line of business. Consequently, there exists the possibility for such directors to be in a position of conflict. Any decision made by such directors involving the Company will be made in accordance with their duties and obligations to deal fairly and in good faith with the Company and such other companies. In addition, such directors will declare, and refrain from voting on, any matter in which such directors may have a conflict of interest.

Financial and Disclosure Controls and Procedures

The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they make. Investors should be aware that inherent limitations on the ability of the Company's certifying officers to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

In connection with Exemption Orders issued in November 2007 and revised in December 2008 by each of the securities commissions across Canada, the Chief Executive Officer and Chief Financial Officer of the Company will file a Venture Issuer Basic Certificate with respect to the financial information contained in the unaudited interim financial statements and the audited annual financial statements and respective accompanying Management's Discussion and Analysis.

In contrast to the certificate under National Instrument ("NI 52-109") (Certification of Disclosure in Issuer's Annual and Interim Filings), the Venture Issuer Basic Certification does not include representations relating to the

establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109.

Directors and Officers

Sandy Janda	Director (resigned after September 30, 2014)
Jack Bal	Ex- Director (resigned on December 12, 2013)
Mikhail Gurfinkel	Director (resigned after September 30, 2014)
Jamie Lewin	Ex -Chief Financial Officer (resigned in December 2013)
Larry Tsang	Ex-Chief Financial Officer – (resigned in June 2014)
Robert Hymers	Ex-CFO (resigned in December 2014)
Curt Huber	CFO and Director (appointed after September 30, 2014)
Charles Larsen	Director, President, and Chief Executive Officer
Mr. Donald Steinberg	Director (resigned on April 14, 2014)
Dr. Reid Jilek,	Director and Chief Business Development Officer
Paul Perrault	Director (appointed after September 30, 2014)