



Global Hemp Group Inc.

Management Discussion and Analysis

Three Months ended December 31, 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. (the "Company" or "GHG") for three months ended December 31, 2014 ("2015 Q1") and should be read in conjunction with the Company's audited annual financial statements for the recent year ended September 30, 2014 and condensed consolidated interim financial statements for three months ended December 31, 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 March 2, 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". 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 and XETRA Exchange in Europe under the symbol "GHG", and on the USA OTC Markets under the symbol "GBHPF".

Business Outlook

The Company is focused on 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 complementary companies that will enable GHG to capture cash flow, revenues and value from its acquisitions and establish a far greater collective valuation than GHG or the individual companies would have on their own.

There is a perfect storm on the horizon for the hemp and cannabis industries, as there is significant economic need for job creation and tax generation in most countries around the world, along with a strong demand for sustainable technologies, low carbon footprint housing, highly nutritional food and effective medicines. Hemp and cannabis can provide many of these necessary solutions and GHG is well positioned to take advantage of these oncoming changes.

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 initial revenues will be generated from its Advisory & Training Division, which will centre on providing a host of consulting services from; agronomics and technology, to product development and distribution, as well as brokerage services to hemp and cannabis producers, processors, manufacturers and distributors.

GHG has recently entered into a mutual consulting agreement with Green Dot Consulting Inc. (Green Dot), of Burbank, California (*see additional information on Green Dot below*), an experienced leader in cannabis industry education, data analytics, legislation, product and business development, extractions, genetics, and more, building brands like Cannabis Career Institute, CannaTrends, CannaJobs and many others.

Initial consulting work will consist of expanding curriculum and speaking at classes for the Cannabis Career Institute. Green Dot is also in the business of constructing cannabis cultivation facilities in the United States. It is expected that GHG will have an opportunity to consult on many facets of the project, including design, materials selection and sourcing, construction, automation, optimization and management of these facilities in conjunction with Green Dot.

In fiscal year 2015, with its expansion into the cannabis sector, the Company plans to launch an Environmental Impact Division ("EID") to address the environmental impact of the cannabis sector, a sector that is already consuming 1% of

all energy used in the United States. The Company will be offering solutions to cannabis grow facility operators to significantly reduce energy consumption and provide cost effective solutions for managing water, humidity and the agricultural waste produced from these facilities.

With the Company's pending 50% acquisition of its strategic partner House of Hemp, in South Africa, the Company will have an opportunity to tap into the premier hemp company in that country, just as the hemp industry is about to open up to commercial production and distribution. Initial revenues will be generated from the processing of hemp seed into hemp oil and protein powder, for sale to the food industry. Once established, there is a significant opportunity to utilize the hemp waste/straw to create building materials for the construction of affordable and sustainable housing in conjunction with the Reconstruction and Development Programme in South Africa. Once established in South Africa, it is anticipated that there will be expansion opportunities to a number of other countries in Africa. The Company will position itself, with local partners, to capture a portion of the affordable and sustainable housing market throughout many countries in the developing world. In this way it will impact on an industry responsible for up to 40% of CO₂ emissions, and a significant contributor to climate change, while generating an increasing revenue stream for the Company.

Proposed Financing

Subsequent to the 2015 Q1, 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.

Letter of Intent - House of Hemp

The Company 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.

Business Update

Hemp Seed Purchase with Alberta Farmers

On April 28, 2014, and as amended July 4, 2014, the Company entered into Purchase Agreements with various farmers (collectively the "Sellers") for the purchase of 1,500,000 pounds of hemp seeds ("Inventory") for \$1,500,000.

Under the Purchase Agreements, the Company agreed to pay the purchase price in four instalments as follows:

- \$150,000 on July 4, 2014 (paid);
- \$225,000 on July 31, 2014;
- \$375,000 on September 15, 2014; and
- \$750,000 at the time the Company picks up the Inventory.

The Company is in default on remaining payments due after July 4, 2014 and the liability of \$1,350,000 has been included in accrued liabilities as at September 30, 2014 and \$1,186,104 on December 31, 2014.

The outstanding balance owing to the Seller is subject to an interest of 1% per month and the Inventory bears storage cost until the Inventory was picked up. During 2015Q1, the Company incurred \$30,000 interest expenses (recorded to the statement of comprehensive loss) and storage cost \$6,804 (capitalized to the Company's Inventory).

Under the arrangement of the Company, an arm's length third party purchased 200,000 pounds of the hemp seeds directly from the Seller in November and December 2014. As a result, the Company's inventory and accounts payable have been both reduced by \$200,000 during 2015 Q1.

In January 2015, the Company entered into agreements with the Sellers that release any rights and claim to the Inventory produced by the Sellers and authorizes the Sellers to sell the Company's Inventory to New Organics Inc. (a company that GHG introduced to the farmers). In the event that New Organics Inc. has not purchased all of the Hemp Seed by July 1, 2015, then the Sellers have been further authorized to sell to such other purchasers as the Sellers, acting reasonably, may determine to be advisable.

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.

Green Dot Consulting Agreement

On February 3, 2015, GHG announced that it had entered into a mutual consulting agreement with Green Dot Consulting Inc. (GDC), of Burbank, Calif., an experienced leader in cannabis industry education, data analytics, legislation, product and business development, extractions, genetics, and more. The GDC team has a long and successful record building brands like Cannabis Career Institute, CannaTrends, CannaJobs and many others.

The agreement calls for Green Dot to consult for the company on the expansion of its business model into the medical cannabis industry and associated projects, and GHG will consult with Green Dot on its expansion into the hemp industry and associated projects.

Initially GHG will consult for Cannabis Career Institute (CCI) on expanding curriculum to include coursework on hemp economics, business opportunities, building materials, food and nutrition, cultivation, genetics, processing and biocomposites. GHG staff will be hired to speak at CCI classes on the business of hemp and the entrepreneurial opportunities available in the hemp industry. In addition, Green Dot is gearing up for several cultivation facility construction projects that it intends to build with hemp materials. GHG will consult on the design, materials selection and sourcing, construction, automation, optimization and management of these facilities.

Global Hemp Group has been receiving an increasing number of inquiries regarding consulting on medical-cannabis-related projects as the industry continues to rapidly expand. With this agreement in place, the company now has a strong partner in Green Dot Consulting that enables it to pursue a wide range of projects in the medical cannabis space.

Board Reorganization

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 Quarterly Information

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

| | Quarter Ended | | | | | | | |
|---|-------------------|--------------------|---------------|----------------|-------------------|--------------------|---------------|----------------|
| | December 31, 2014 | September 30, 2014 | June 30, 2014 | March 31, 2014 | December 31, 2013 | September 30, 2013 | June 30, 2013 | March 31, 2013 |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Revenue | - | - | - | - | - | - | - | - |
| Operating expenses | (25,545) | (1,616,750) | (409,494) | (407,345) | (30,816) | (22,176) | (18,750) | (11,310) |
| Loss from continued operations and net loss | (55,545) | (1,942,920) | (232,517) | (407,345) | (30,816) | (22,176) | (18,750) | (11,310) |
| Loss per share, basic and diluted | (0.00) | (0.02) | (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

2015 Q1

Loss for 2015 Q1 was \$55,545 (2014 Q1 – loss of \$30,816). The \$55,545 loss was mainly a combined result of having operating expenses of \$25,545 (2014 Q1 –\$30,816), and interest expenses of \$30,000 (2014 Q1 - \$Nil). The interest incurred in 2015 Q1 was related to the Company's outstanding payments to the Sellers of the Company's Inventory as discussed in the above.

Operating expenses in 2015 Q1 were not significantly different from the same period of last year. Main component of operating expense are consulting fees of \$19,000 (2014 Q1 - \$3,750), professional fees of \$2,500 (2014 Q1 - \$2,813), and trust and filing fees of \$2,750 (2014 Q1 - \$18,036). The trusting and filing fees decreased as the Company incurred non-recurring expenditures for listing its shares on Boerse-Frankfurt Exchange in 2014 Q1. No similar transactions in 2015 Q1.

As at December 31, 2014, the Company had \$1,487 cash (September 30, 2014 - \$4,445), inventory of \$1,306,804 (September 30, 2014 - \$1,500,000), accounts payable and accrued liabilities of \$1,356,243 (September 30, 2014 - \$1,514,060), and \$2,967,168 share capital (September 30, 2014 - \$2,967,168)

The decrease of inventory and accounts payable and accrued liabilities have been discussed in the section of "Hemp Seed Purchase with Alberta Farmers"

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 December 31, 2014, the Company had a working capital deficiency of \$144,619.

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 after the three months ended December 31, 2014 (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 2015 Q1, the Company did not have financing activities and investing activities.

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 | 9,266,905 |
| Stock Options | 13,774,999 |

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:

Key Management Compensation:

| | | Three months ended December 31, | |
|---|-----------------|---------------------------------|-------|
| | | 2014 | 2013 |
| | | \$ | \$ |
| Companies controlled by the relative of a former director (Lucky Janda) | Consulting fees | - | 3,750 |
| Paul Perrault (director) ¹ | Consulting fees | 10,000 | - |

¹These fees were incurred as a consultant to the company, prior to becoming a Director on December 29, 2014.

During three months ended December 31, 2014, the Company incurred rent expense of \$Nil (three months ended December 31, 2013 - \$3,750) to companies controlled by a relative of a former director (Lucky Janda).

As at December 31, 2014, \$57,957 (9/30/2014-\$48,574) was owing to directors (Paul Perrault and Dr. Reid Jilek) , \$8,867 (9/30/2014-\$7,723) was owing to the CEO and \$13,069 (9/30/2014-\$12,611) was owing to the ex-CFO (Robert Hymers).

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 and Note 8 to the Company's condensed consolidated interim financial statements for 2015 Q1.

Significant Accounting Policies including Initial Adoption

Refer to Notes 3 to the Company's audited financial statements for the year ended September 30, 2014 and Note 3 to the Company's condensed consolidated interim financial statements for 2015 Q1.

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

GHG 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.

Change in Political Climate

Both hemp and cannabis are controversial in political arenas a change in political control between parties could potentially result in politicians who are not support of hemp and cannabis legalization using political influence in an attempt to reverse the legalization progress which has been building momentum in recent years.

Permits and Licenses

The hemp and cannabis industries 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

| | |
|-------------------|---|
| Charles Larsen | Director, President, & CEO |
| Curt Huber | Director & CFO (appointed in 2015 Q1) |
| Dr. Reid Jilek | Director and Chief Business Development Officer |
| Paul Perrault | Director (appointed in 2015 Q1) |
| Jeff Kilpatrick | Director (appointed in 2015 Q2) |
| Sandy Janda | Director (resigned in 2015 Q1) |
| Mikhail Gurfinkel | Director (resigned in 2015 Q1) |
| Robert Hymers | Ex-CFO (resigned in 2015 Q1) |