Global Hemp Group Inc.

(formerly Arris Holdings Inc.)

Management Discussion and Analysis
Year ended September 30, 2015

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, 2015 and should be read in conjunction with the Company's audited annual financial statements for the same year ending September 30, 2015. 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 27, 2016

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***
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.	*Based on management's current plan in raising capital in the future.*	*Change in interest rate, support by related parties, change in condition of capital market*

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 106 – 1169 Mt. Seymour Road, North Vancouver, BC, V7H 2Y4. 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 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 started Fiscal 2015 with an operational restructuring, an expansion of its business model to include cannabis and a refocusing on revenue producing initiatives, and put capital intensive research and development oriented initiatives on hold. Initial revenue for the Company is expected to be generated from its Advisory & Training Division, which will focus 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.

In fiscal year 2015, with its intention to expand 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.

Agro-Industrial Hemp Project

On July 29, 2015 the Company signed a Letter of Intent to form a Joint Venture with Western Sierra Mining Corp. (WSM) of Edmond, Oklahoma for the acquisition of agricultural lands for the purpose of hemp cultivation and the development of a Value-Added Hemp Processing Zone, strategically located adjacent to hemp farming areas.

The Partners are currently evaluating a number of locations in the Western United States where hemp can be legally grown. This Hemp Processing Zone will be the first of its kind in exploiting the full potential of the crop, in just one location. The vision for the Processing Zone is to not only process the hemp plant for seed, but to transform the seed into oil and protein powder for the food industry, utilize the leaves and flowers to extract Cannabidiol (CBD) for this new and rapidly emerging industry, and to process the straw into fibre, hurd (woody core) and dust. The fibre will be further processed for the textile industry to supplement cotton and synthetic fibres. The hurd will be processed into chips to be utilized in sustainable building materials for the construction industry, and the dust recovered will be pelletized for a variety of target markets. Initial building materials produced will be utilized in the construction of the processing facilities and affordable work force housing for the Company's employees. The design and construction of the hemp processing zone will incorporate sustainable materials and technologies with the goal of achieving a near net-zero carbon footprint. These facilities will produce sustainable hemp products that will replace carbon based products and sequester CO_2 permanently.

The Partners have identified a location and are working on arranging the necessary funding for the project. The Hemp Processing Zone will stimulate rural development and job creation in regions that need it most. This zone could potentially create 50 to 100 jobs upon initial launch, with the potential to ultimately create as many as 500 to 1,000 jobs as hemp production expands and the processing facilities are scaled up to accommodate increased production.

The funding required will be approximately $10 million, allocated in multiple tranches over a 12 to 18 month time horizon. Subsequent expansion could potentially be self-funded from production and processing revenues. A subsidiary will be created for this venture, which will be jointly owned (50/50) by the Partners. WSM will contribute $40 million in marketable assets to the venture which will be used as collateral to raise the necessary investment capital required to launch the project. GHG will contribute the necessary expertise and technology required to cultivate and process the hemp into a wide variety of value-added products.

The completion of the transaction is subject to a number of conditions, including signing of a definitive agreement within 60 days of receiving the necessary funding for the project.

<u>Skunk Magazine Acquisition</u>

As part of the development of its media division, the Company announced the signing of a Letter of Intent to acquire a 100% interest in Skunk Magazine, a well-known publication in the cannabis space.

Founded in 2005, Skunk Magazine is a Canadian print-based, cannabis-focused magazine offering feature articles about cannabis cultivation, legislation, medical and adult use of cannabis, the sustainable and social solutions that hemp offers, and exposing the secrets of the worldwide "war on drugs". Historically, advertisers in Skunk Magazine have mainly been cannabis breeders and suppliers of growing equipment. The coming expansion of the content to include hemp, environmental and social subject matter will significantly expand Skunk's advertiser base to new markets. Skunk Magazine, which has a wide readership base in North America through hard-copy subscription and newsstand sales, is now expanding on-line and will include an on-line store, Skunk TV, blogs, as well as original feature articles on a much broader range of subjects.

The consideration for this transaction is expected to be a combination of cash and GHG common shares that is suitable to both parties. The completion of the transaction is subject to a number of conditions including signing of a Definitive Purchase Agreement and Regulatory Approval. A finder's fee may be payable in connection with this transaction. The LOI with Skunk was last extended to October 22, 2015 and management is currently reviewing how best to proceed with this transaction. The completion of the transaction is subject to a number of conditions, including signing of a definitive agreement and regulatory approval.

<u>House of Hemp Acquisition</u>

The Company has signed a Letter of Intent to acquire a 50% interest in House of Hemp (Pty) LTD ("HoH"). On completion of this acquisition 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.

Founded in 1999, House of Hemp is South Africa's largest supplier of hemp raw material and finished products and the only company in South Africa to been awarded a permit from the Department of Agriculture and the Department of Health to legally cultivate and process hemp in South Africa. 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, the parties will complete 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 is anticipated to be a combination of 50% cash and 50% common shares of GHG or other such combination as is suitable to the parties, with any cash component only being used for direct investment in the development of new hemp-based businesses and/or enhancement of ongoing business endeavours, as outlined in the current HoH business plan. GHG has also been granted a Right of First Refusal to acquire the balance of HoH in the future.

The completion of the transaction is subject to a number of conditions including signing of a Definitive Purchase Agreement and Regulatory Approval. No finder's fee will be payable in connection with this transaction. The LOI with HOH was last extended to October 22, 2015 and management is currently reviewing how best to proceed with this transaction.

Business Update

Agro-Industrial Hemp Project

On January 26, 2016 the LOI between Global Hemp Group and Western Sierra Mining regarding the Agro-Industrial Hemp Project was amended to extend the deadline for completion of the Definitive Agreement to within 60 after the funding of the project. The partners continue to work on arranging the necessary capital to proceed with the project. The completion of the transaction is subject to a number of conditions, including signing of a Definitive Agreement.

Hemp Seed Sales to Colorado Hemp Works

On November 17, 2015 the Company announced the completion of an initial sale of whole raw hemp seed to Colorado Hemp Works LLC (CHWS) for use in an oil pressing processing test. Upon successful testing, GHG and CHWS will enter into a longer term supply contract to supply CHWS from Canada, until commercial quantities of seed is available in Colorado.

Colorado Hemp Works is the first, and only US-based commercial hemp seed processor. They wholesale a wide range of food-grade products all derived from this one versatile seed. Unlike their international counterparts, Colorado Hemp Works is able to offer natural food companies local and on-demand processing. Instead of products sitting in large warehouses for months before being shipped to customers, they offer the freshest products available through processing seed just days before their customers are ready to use these ingredients in their own products.

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 seed ("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 was in default on the remaining payments due after July 4, 2014 and the liability of $1,350,000 was 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.

Under the arrangement of the Company, an arm's length third party purchased a total of 200,000 pounds of the hemp seed 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 released any rights and claim to the Inventory produced by the Sellers and authorized 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. had not purchased all of the hemp seed by July 1, 2015, the Sellers were authorized to sell to such other purchasers as the Sellers, acting reasonably, may determine to be advisable.

On September 3, 2015, the Company and the Producers, executed a Settlement Agreement and Release document whereby the Escrowed Funds were released to the Producers in settlement of any and all accrued monies owed to them and released the Company from any further obligation relating to the agreements executed by the parties. The outstanding balance owing to the Producers was subject to storage costs and interest of 1% per month. During the year ended September 30, 2015, the Company incurred storage and interest costs of $144,500, which has been settled in the Settlement Agreement and Release Document and, accordingly, has been recorded in the statement of comprehensive loss.

Convertible Debenture Financing

On May 4 and June 12, 2015, the Company announced the closing of the first and second tranche of $125,000 each of its non-brokered private placement convertible debenture for a total of $250,000. The debenture has an annual interest rate of 15%, with no interest being 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. The funding consists of $70,000 cash and $180,000 in exchange for forgiveness of indebtedness for monies previously paid on behalf of the Company. A finder's fee totalling $5,600 and 112,000 warrants exercisable at $0.05 per share for a period of one year from the date of the subscription was paid on this placement.

On December 17, 2015, the Company completed the first tranche of a non-brokered private placement of Convertible Debentures for gross proceeds of $27,000. The principal amount of the Debentures matures within three years and accrues interest at 15% per annum, payable on the maturity date. The principal amount of the Debentures is convertible into common shares of the Company and any accrued but unpaid interest thereon is convertible into shares at a price of $0.015 per share at any time before the maturity date. For every $1,000 of the Debenture purchased, the investor received 20,000 warrants exercisable at a price of $0.05 per share for a period of three years.

Selected Yearly Information

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

	2015 $	2014 $	2013 $
Revenues	11,833	-	-
Net Loss	482,863	2,613,958	66,203
Net Loss per share, basic & diluted	0.00	0.02	0.00
Total Assets	37,568	1,506,595	812
Total Long Term Liabilities	259,330	-	-
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, 2015 **$**	**June 30, 2015** **$**	**March 31, 2015** **$**	**December 31, 2014** **$**	**September 30, 2014** **$**	**June 30, 2014** **$**	**March 31, 2014** **$**	**December 31, 2013** **$**
Revenue	-	11,833	-	-	-	-	-	-
Operating expenses	(41,256)	(204,296)	(65,445)	(25,545)	(1,616,750)	(409,494)	(407,345)	(30,816)
Loss from continued operations & net loss	(83,960)	(256,724)	(104,583)	(55,545)	(1,942,920)	(232,517)	(407,345)	(30,816)
Loss per share, basic & diluted	(0.00)	(0.00)	(0.00)	(0.00)	(0.02)	(0.00)	(0.00)	(0.00)

The Company is in its early stage and has not earned a significant amount of 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 incurred in 2014 Q2 increased and management expects operating costs may go up further when the Company started to increase its business activities in the future.

Results of Operations

Year Ended September 30, 2015 ("Fiscal 2015")

Loss for Fiscal 2015 was $482,863 (Fiscal 2014 – loss of $2,613,598). The $482,863 loss was mainly a combined result of having operating expenses of $336,542 (Fiscal 2014 –$2,464,405), bad debt of $Nil (Fiscal 2014 - $48,735), and storage and finance costs related to the inventory held prior to the settlement of $144,500 (Fiscal 2014 - $Nil).

Operating expenses decreased by $2,130,735 as the Company made an effort to streamline the business, conserve cash to ensure long-term sustainability of the business. Main components of operating expense are share based compensation of $23,400 (Fiscal 2014-$1,277,795), consulting fees of $174,016 (Fiscal 2014 - $589,162), business development of $Nil (Fiscal 2014 - $142,505), interest related to the convertible debentures and note payable issued during the year of $22,423 (2014-$Nil) and trust and filing fees of $29,526 (Fiscal 2014 - $125,915). The Company granted 1,300,000 options to directors in Fiscal 2015. As a result, $23,400 stock-based compensation was recorded. The trust and filing fees increased as the Company incurred expenditures for listing its shares on Boerse-Frankfurt Exchange, on US OTC market.

As at September 30, 2015, the Company had $3,559 cash (September 30, 2014 - $4,445), inventory of $Nil (September 30, 2014 - $1,500,000), accounts payable and accrued liabilities of $219,454 (September 30, 2014 - $1,514,060), notes payable of $20,191 (September 30, 2014 - $Nil), convertible debentures of $259,330 (September 30, 2014 - $Nil) and $2,967,168 in share capital (September 30, 2014 - $2,967,168).

The $1,500,000 decrease of inventory was mainly due to the settlement with the farmers in September 2015 by a reduction of the inventory amount and the corresponding accounts payable and accrued liabilities.

Quarter ended September 30, 2015 (2015 Q4)

Loss for 2015 Q4 was $83,960 (2014 Q4 –$1,942,920). The $83,960 loss was mainly a combined result of having operating expenses of $41,256 (2014 Q4 –$1,616,750), bad debt of $Nil (2014 Q4 - $48,735), and storage and finance costs related to the inventory held prior to the settlement of $12,006 (2014 Q4 - $Nil).

As discussed above, the Company made an effort to streamline the business, conserve cash to ensure long-term sustainability of the business. As a result, operating expenses in 2015 Q4 decreased significantly comparing to the same quarter in last year.

Main components of operating expense are interest of $18,948 (2014 Q4-$Nil), consulting fees of $11,927 (2014 Q4 - $193,945), and professional fees of $15,743 (2014 Q4 - $22,330).

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 $301,792.

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, the Company was working with a non-brokered private placement convertible debenture for up to $250,000 where $27,000 was closed in December 2015 (see "Convertible Debenture 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 2015, the Company received $64,400 from its financial activities by issuing convertible debentures throughout the year.

Proposed Transactions

There are no 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:

Class A Common Shares	140,700,324
Warrants	15,361,655
Stock Options	9,808,333

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:

	Nature of transaction	**September 30, 2015**	**September 30, 2014**
		$	$
Chief Executive Officer ("CEO")	Consulting fees	–	66,512
Chief Financial Officer ("CFO")	Consulting fees	–	24,233
Former CFO	Consulting fees	–	7,988
Directors	Consulting fees	–	225,612
	Share based compensation	23,400	–
Former director	Consulting fees	10,000	–
Companies controlled by the relative of a former director	Consulting fees	17,500	30,500

During the year ended September 30, 2015, the Company incurred occupancy cost of $15,000 (2014 - $17,500) to companies controlled by a relative of a former director.

As at September 30, 2015, $Nil (2014-$7,723 owing to the CEO) was owing by the CEO to the company, $24,675 (2014 - $8,905) was owing to companies controlled by a relative of a former director, $63,655 (2014 - $48,574) was owing to directors of the Company and $11,385 (2014 - $12,611) was owing to the former CFO of the Company.

Financial Instruments and Other Instruments

Refer to Notes 3 and 13 to the Company's audited financial statements for the year ended September 30, 2015.

Changes in Accounting Policies including Initial Adoption

Refer to Notes 3 to the Company's audited financial statements for the year ended September 30, 2015.

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. GHG does not have any key person insurance in place for management.

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 and cannabis 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, and Chief Executive Officer (appointed on December 12, 2013 as director and CEO and appointed on April 15, 2014 as President)
Curt Huber	Director (appointed November 05, 2014)
Dr. Paul Perrault	Director (appointed on December 16, 2014)
Jeffrey Kilpatrick	Director (appointed on January 06, 2015)