



Global Hemp Group Inc.

Management Discussion and Analysis
Three and nine months ended June 30, 2016

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 three months ended June 30, 2016 and should be read in conjunction with the Company's audited annual financial statements for the most recent year ended 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 August 29, 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
<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 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 "GBHPP".

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.

Management is actively looking at additional new projects in both the hemp and cannabis space that can be acquired and that will produce near term revenue for the Company. Since joining the Company's Advisory Board in February Mr. Frank Giese and has been advising the Company on matters relating to hemp and cannabis genetics and exploring other industry opportunities within Washington and Oregon states.

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 CO₂ 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.

Hemp Seed Sales

The Company was issued an industrial hemp licence in Canada for 2016 by Health Canada, Office of Controlled Substances, Industrial Hemp Section. The licence authorizes GHG to possess industrial hemp in the form of seed and grain, to export the seed and grain out of the country, as well as sell and/or provide viable grain domestically. The Company continues to look for opportunities to supply hemp seed to customers.

Business Update

Agro-Industrial Hemp Project

The partners continue to work on arranging the necessary capital to proceed with the project.

Skunk Magazine Acquisition

The Letter of Intent with Skunk has now expired and will not be renewed.

House of Hemp Acquisition

The Letter of Intent with House of Hemp has now expired and will not be renewed.

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 Quarterly Information

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

	Quarter Ended							
	June 30, 2016	March 31, 2016	December 31, 2015	September 30, 2015	June 30, 2015	March 31, 2015	December 31, 2014	September 30, 2014
	\$	\$	\$	\$	\$	\$	\$	\$
Revenue	-	6,474	554	-	11,833	-	-	-
Operating expenses	(13,353)	(21,857)	(20,354)	(41,256)	(204,296)	(65,445)	(25,545)	(1,616,750)
Loss from continued operations & net loss	(19,936)	(25,063)	(23,433)	(83,960)	(204,296)	(104,583)	(55,545)	(1,942,920)
Loss per share, basic & diluted	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.02)	(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.

Results of Operations

Nine months ended June 30, 2016 ("2016 Nine Months")

Loss for 2016 Nine Months was \$68,432 (2015 Nine Months – loss of \$416,852). The \$68,432 loss was mainly a combined result of having operating expenses of \$46,703 (2015 Nine Months –\$294,919), and interest expenses of \$21,833 (2015 Nine Months – \$124,317). The interest incurred in 2016 Nine Months was related to the accrued interest on Company's outstanding convertible debentures. The interest incurred in 2015 Nine Months was related to the accrued interest of 1% on the \$1.3 million hemp seed inventory which was offset against outstanding payable to the farmers in September 2015. During 2015 Nine Months, management focused on building the Company's business strategy, negotiation with potential suppliers of hemp seeds and potential customers, arranging convertible debenture financing that was initiated in the 2015 Nine Months, and activities to promote the Company to the public and investors. Due to the liquidity constraint, the activity level for the 2016 Nine Months was significantly lower compared to 2015 Nine Months.

Quarter ended June 30, 2016 ("2016 Q3")

Loss for 2016 Q3 was \$19,936 (2015 Q3 – loss of \$256,724). The \$19,936 loss was mainly a combined result of operating expenses of \$13,353 (2015 Q3 –\$203,929), and interest expenses of \$6,583 (2015 Q3 - \$55,179). The interest incurred in 2016 Q3 was related to the accrued interest on Company's outstanding convertible debentures. The interest incurred

in 2015 Q3 was related to the accrued interest of 1% of the \$1.3 million hemp seed inventory which was later offset against outstanding payable to the farmers in September 2015. The Company recognized share based compensation of \$Nil during 2016 Q3 (2015 Q3 – 672).

As at June 30, 2016, the Company had \$977 cash (September 30, 2015 - \$3,559), accounts payable and accrued liabilities of \$211,856 (September 30, 2015 - \$219,454).

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 June 30, 2016, the Company had a working capital deficiency of \$321,836.

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.

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	142,603,146
Warrants	15,561,655
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 transactions	Nine months ended June 30,	
		2016	2015
A director ¹	Consulting fees	\$ -	\$ 10,000

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

\$24,675 (September 30, 2015 - \$24,675) was owing to companies controlled by a relative of a former director, \$63,371 (September 30, 2015 - \$63,655) was owing to directors of the Company and \$11,025 (September 30, 2015 - \$11,385) was owing to the former CFO of the Company.

Financial Instruments and Other Instruments

Refer to Notes 7 to the Company's interim financial statements for the three and nine months ended June 30, 2016.

Changes in Accounting Policies including Initial Adoption

Refer to Notes 3 to the Company's interim financial statements for the three and nine months ended June 30, 2016.

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
Curt Huber	Director
Dr. Paul Perrault	Director
Jeffrey Kilpatrick	Director