Global Hemp Group Inc.

Management Discussion and Analysis
Three and Nine Months ended June 30, 2017

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 the three months ended June 30, 2017 and should be read in conjunction with the Company's audited annual financial statements for the most recent year ended September 30, 2016. 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, 2017

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", and on the OTC Markets in the USA under the symbol "GBHPF".

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.

State of the Hemp and Cannabis Industries in the United States

As the hemp industry continues to mature, more detailed data is becoming available. Previously, the Hemp Industry Association (HIA) had calculated the size and growth of the hemp market in the U.S. based on approximations of sales in the categories of textiles, auto parts, building materials and other products, in addition to known data on the sales of hemp foods and body care. Now that there is more specific information available, the HIA has updated its formula to reflect a more conservative, but more accurate estimate of $573 million in sales for the hemp market for 2015.

Thirty-one states have now passed legislation that allow hemp farming as part of the 2014 U.S. Farm Bill. The HIA estimates that approximately 10,000 acres of hemp crops were planted in the U.S. in 2016. By comparison, it has been reported by Health Canada that there was a total of 75,000 acres of hemp grown in Canada in 2015, making it a more established market to operate in.

In the past two decades, several feasibility and marketing studies have been conducted by researchers at the USDA and various land grant universities and state agencies. Studies by researchers in Canada and various state agencies provide a mostly positive market outlook for growing hemp, citing rising consumer demand and the potential range of product uses for hemp. Some state reports claim that if the current restriction on growing hemp in the United States were totally removed, agricultural producers in their states could benefit. Other studies highlight certain production advantages associated with hemp or acknowledge hemp's benefits as a rotational crop or further claim that hemp may be less environmental degrading than most other agricultural crops. Some studies also claim certain production advantages to hemp growers, such as relatively low input and management requirements for the crop. *(CRS, Hemp as an Agricultural Commodity, Johnson, Renee, Jan. 26, 2016)*

By contrast the size of the market for legal marijuana (medicinal and recreational) in the United States is projected to grow to $7.1 billion in 2016, according to a report by New Frontier and ArcView Market Research. That represents 26%

growth over the previous year, driven largely by adult recreational sales of marijuana. Legal adult recreational marijuana sales in the U.S. exceeded $998 million in 2015 compared to $351 million in 2014, a 184% year-over-year growth rate. Now that four additional states legalized recreational marijuana in November 2016, it is expected that these numbers will increase significantly over the next two years.

Recently hemp derived CBD (Cannabidiol) has gained in popularity. *The Hemp Business Journal* estimated that the CBD market will grow to a $2.1 billion market in consumer sales by 2020 with $450 million of those sales coming from hemp-based sources. That's a 700% increase from 2016. In 2015, the market for consumer sales of hemp-derived CBD products was $90 million, plus another $112 million in marijuana-derived CBD products which were sold through dispensaries – bringing a total CBD market to $202 million last year.

Business Outlook

Industrial Hemp Growing Trials in Northeast New Brunswick

In early June 2017, the Company began hemp growing trials on two sites in northeast New Brunswick. This first year trial will grow three varieties of hemp, CFX-1, CFX-2 and CRS-1. On July 28, 2017 GHG announced that it had partnered with the Collège Communautaire du Nouveau Brunswick (CCNB) in Bathurst, New Brunswick. CCNB will assist the Company in research on GHG's ongoing industrial hemp trials in the region.

The project focuses on the development of an industrial cluster around the hemp crop, which will ensure a market for farmers, year-round manufacturing job opportunities for the region, and a model for the Company to attract and develop additional Hemp Agro-Industrial Zone projects in other regions.

There are three principal thrusts for these trials: hemp farming, primary processing of the crop, and secondary processing into finished products. More than one hundred farmers are expected to participate in the project by year five. The introduction of hemp into the farming system will take into consideration other farming activities of the region, so that complementarities will be fully exploited. This new, low carbon footprint plant has the potential of becoming a major regional crop similar to potatoes in the northwest of the province. Primary processing will include a decortication plant to separate fiber and hurd, a seed processing plant to extract oil and protein powder, and, when Canadian legislation allows, a facility to process flowers and leaves to extract cannabidiol (CBD) and terpenes. Markets for seed and CBD are already in full development. Marketing agreements for these products are under negotiations. The real sources of employment and environmental benefits however, are found in secondary processing, and the Company has established links with manufacturers, who will process these primary products locally into consumer products. Fiber will be cottonized to enter the textile market; hurd will be processed into hemp-lime bricks for the construction industry; and oil and seed cake will be enriched with CBD and terpenes, to produce healthy human and animal foods. The entire hemp plant will be transformed into an array of environmentally friendly products. The project is set in an incremental five-year framework, in which farmers will be helped and guided as they adapt to the new crop and explore a new farming system model. A multi-dimensional research program will be implemented to support farming activities, to improve processing methods, to develop new products, and to monitor the use and impact of products from the HAIZ. Contacts with research organizations of the region have already been established and agreements are under negotiations.

Management is actively looking at new projects in both the hemp and cannabis space that can be acquired to produce near term revenue. The Company continues to focus on developing its vision for an Hemp Agro-Industrial Zone (see below), a value-added hemp processing zone which is strategically located adjacent to hemp farming areas, that can process the entire hemp plant. These zones are designed to be replicated in any region where the law allows for the growing of industrial hemp. The Company has now signed a Letter of Intent (LOI) to partner on an Agro-Industrial Zone in the United States, and is currently exploring opportunities to replicate the Zone in Canada.

In addition, since joining the Global Hemp's Advisory Board, Frank Giese has been advising the Company on matters relating to hemp and cannabis genetics and exploring other industry opportunities within the states of Washington, Oregon and Colorado.

Hemp Agro-Industrial Zones (HAIZ)

The 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 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 Hemp Agro-Industrial Zone will also 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.

On July 29, 2015, the Company signed a LOI 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. The completion of the transaction is subject to a number of conditions, including signing of a Definitive Agreement. The project requires funding of approximately US$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. On January 26, 2016, the LOI between Global Hemp Group and Western Sierra Mining was amended so that the deadline for the signing of a Definitive Agreement was changed to, "within 60 days after funding has been received for the project". The partners have now identified a location suitable for the project and continue to work on arranging the necessary capital to proceed.

Warrant Repricing

On August 29, 2017, the Company announced that it has extended the term of, and repriced 4,668,105 common share purchase warrants (the "Warrants") issued pursuant to a private placement announced July 29, 2014. The Warrants, originally due to expire August 1, 2017 carried an exercise price of $0.15. Each of these 4,668,105 warrants will now entitle the holder thereof to purchase one common share of GHG at an exercise price of $0.10. The new expiry date of the Warrants will be July 31, 2019.

Convertible Debentures

During the year ended September 30, 2015, the Company completed two non-brokered private placements of 250 units of Debentures for gross proceeds of $250,000. The principal amount of the Debentures matures on November 17, 2017 (the "Maturity Date") and accrue interest at 15% per annum payable on the Maturity Date. The Debentures are unsecured. 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 $0.035 per share at any time before the Maturity Date. Each $1,000 of the Debentures includes 28,571 warrants exercisable at a price of $0.05 for a period of three years.

On August 24, 2017, the final 90 units of the Debentures plus accrued interest was converted into 3,485,732 shares of the Company.

Selected Quarterly Information

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

Quarter Ended	June 30, 2017	March 31, 2017	December 31, 2016	September 30, 2016	June 30, 2016	March 31, 2016	December 31, 2015	September 30, 2015
	$	$	$	$	$	$	$	
Revenue	-	-	-	-	-	6,474	554	-
Operating expenses	(14,020)	(26,377)	(12,784)	(39,132)	(13,353)	(21,857)	(20,354)	(41,256)
Net Income (Loss)	(14,020)	(25,159)	(14,904)	2,486	(19,936)	(25,063)	(23,433)	(83,960)
Loss per share, basic & diluted	(0.00)	(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 a significant amount of revenue since inception. Its past results of operation were not subject to seasonality.

Results of Operations

<u>Nine months ended June 30, 2017 ("2017 Nine Months")</u>

Loss for 2017 Nine Months was $54,083 (2016 Nine Months – loss of $68,432). The $40,063 loss was mainly a combined result of having operating expenses of $42,829 (2016 Nine Months –$48,181), and interest expenses of $12,252 (2016 Nine Months – $21,833). The interest incurred in 2017 and 2016 Nine Months was related to the accrued interest on Company's outstanding convertible debentures. The lower accrued interest in 2017 Nine Months was due to the conversion of the convertible debentures during the twelve months ended June 30, 2017 which resulted in a lower average balance of outstanding convertible debentures during 2017 Nine Months.

<u>Quarter ended June 30, 2017 ("2017 Q3")</u>

Loss for 2017 Q3 was $14,020 (2016 Q3 – loss of $19,936). The $14,020 loss was mainly a combined result of having operating expenses of $10,061 (2016 Q3 –$13,353), and interest expenses of $3,959 (2016 Q3 - $6,583). The lower accrued interest in 2017 Q3 was due to the conversion of the convertible debentures during the twelve months ended June 30, 2017 which resulted in a lower average balance of outstanding convertible debentures during 2017 Q3.

As at June 30, 2017, the Company had $47,802 cash (September 30, 2016 - $563), accounts payable and accrued liabilities of $188,529 (September 30, 2016 - $275,699).

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, 2017, the Company had a working capital deficiency of $210,025.

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 for up to $123,581 to be closed in February 2017 (see "Private Placement 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	153,861,241
Warrants	16,470,205
Stock Options	6,400,000

Off-Balance Sheet Arrangements

The company does not have off-balance sheet arrangements.

Transactions with Related Parties

Key Management Compensation:

Item 1.

	Nature of transactions	Nine months ended June 30, 2017	2016
		$	$
Director and officer	Consulting fees	15,000	-

As at June 30, 2017, $NIL was owing to the CFO and director of the Company (September 30, 2016 - $1,225) and $7,500 consulting fee (Nine months ended June 30, 2016 - $NIL) was paid to a company owned by the CFO. As at June 30, 2017, a consulting fee of $7,500 was paid to a director of the Company (Nine months ended June 30, 2016 - $NIL). As at June 30, 2017, $24,675 was owing to companies controlled by a relative of a former director (September 30, 2015 - $24,675), As at June 30, 2017 $10,366 was owing to an ex-director of the Company (September 30, 2016 - $10,497) and $11,020 (September 30, 2016 - $11,385) was owing to the former CFO of the Company.

As at June 30, 2017, The CEO of the Company subscribed 1,519,350 units consist of 1,519,350 class A common shares and 1,519,350 share purchase warrants were issued for gross proceeds of $45,581.

During the year ended September 30, 2016, a director of the Company provided the Company a credit of $53,000 for consulting services provided during the year ended September 30, 2014. During the year ended September 30, 2015, the Company incurred occupancy cost of $15,000 to companies controlled by a relative of a former director.

Financial Instruments and Other Instruments

Refer to Notes 7 to the Company's interim financial statements for the three months ended June 30, 2017.

Changes in Accounting Policies including Initial Adoption

Refer to Notes 3 to the Company's interim financial statements for the three months ended June 30, 2017.

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 & CEO
Curt Huber	Director & CFO
Dr. Paul Perrault	Director
Jeffrey Kilpatrick	Director