



Global Hemp Group Inc.

**Management Discussion and Analysis
Three Months ended December 31, 2018**

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 December 31, 2018 and should be read in conjunction with the Company's audited annual financial statements for the most recent year ended September 30, 2018. 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 1, 2019

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 (the “Company” or “GHG”) was incorporated on October 30, 2009 in British Columbia, Canada, originally under the name Arris Holdings Inc., and on March 24, 2014 changed its name to Global Hemp Group Inc. The Company’s registered office is #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 Börse Frankfurt under the symbol “GHG”, and on the U.S. OTC Markets under the symbol “GBHPF”.

The Company is focused on a multi-phased strategy to build a strong presence in the industrial hemp industry in both Canada and the United States. The first phase of this strategy is to develop hemp cultivation for cannabinoid (CBD, CBG, CBN & CBC) extraction, creating a near term revenue stream that will allow the Company to expand and develop successive phases of the strategy. The Company’s Joint Ventures projects in Oregon, USA (<https://globalhempgroup.com/scio-oregon>) and New Brunswick, Canada (<https://globalhempgroup.com/new-brunswick>), are examples of the execution of this first phase of the strategy that are currently underway.

The second phase of the plan will focus on the development of value-added industrial products utilizing the processing of the whole hemp plant, as envisioned in the Company’s Hemp Agro-Industrial Zone (HAIZ) strategy. These zones are designed to be replicated in any region where the law allows for the cultivation of industrial hemp.

The Hemp Agro-Industrial Zone (<https://globalhempgroup.com/hempagro>) is an optimization concept that grew out of GHG’s efforts to carve a niche of its own in the spectrum of hemp industry. It seeks to build cooperative mechanisms between capital, farmers and labour, and across industrial sectors, focused on different parts of the hemp plant, to produce greater social and environmental benefits with substantial financial reward for those involved.

Benefits of the HAIZ strategy:

- Economic: Currently, the most profitable aspect of the HAIZ is cannabinoid extraction and refinement. In the near term, extraction will be the foundation that will subsidize the development of industrial applications for this strategy. Management expects that over time, the industrial applications of hemp will become the largest and most profitable aspects of the HAIZ.
- Social: From soil to shelf, the HAIZ concept is based on a collaborative rather than competitive operations model, benefiting all stakeholders throughout the process. From growing of the crops through to the final materials and products, the HAIZ concept promotes cross-sector partnerships, rural development and job creation.
- Environmental: GHG embodies a commitment to environmentally-friendly processes, from farming to production. The HAIZ concept utilizes the entire plant for the production of raw materials and products for the overall best benefits that balance profitability, as well as socio-economic and environmental impacts.

State of the Hemp Industry in the United States and Canada

The hemp industry continues to rapidly mature and more data is becoming available for analysis. In recent years, approximations of sales of hemp products only included industrial categories of textiles, auto parts, building materials, hemp foods, body care products, etc. As the industry matures and adopts standard industry practices, much more specific data is becoming available that includes the cannabinoid market. The Hemp Business Journal projects a USD \$2B hemp market by 2020 overall, while the hemp CBD market is projected to be USD \$1B within three years, according to Brightfield Group. Ultimately Global Hemp Group believes that industrial solutions will far outweigh the cannabinoid

market and for now we will use the cannabinoid market as a subsidy to stimulate the myriad of sustainable industrial solutions that hemp brings to the table.

Vote Hemp estimates that approximately 78,176 acres of hemp were planted in the U.S. in 2018, up from 25,713 acres planted in 2017, which increased from 9,770 acres planted in 2016. By comparison, it has been reported by Health Canada that there was approximately of 138,018 acres of hemp was grown in 2017, up from 82,2447 acres grown in 2016. The numbers from Health Canada for 2018 are not available yet.

Two significant events occurred in 2018 that have had a significant impact on the development of the hemp industry in North America. First, the passage of the Cannabis Act (S.C. 2018, c. 16) in Canada late last year, which legalized cannabis for adult use without medical requirements, and also removed restrictions on the processing of the flowers and leaves of hemp, allowing for extraction of cannabinoids. Prior to the passage of this Act, hemp farmers were legally required to destroy the flowers and leaves and under no circumstances could cannabinoids be extracted. Secondly, with the passing of the 2018 U.S. Farm Bill in late December, hemp and its derivatives were removed from Schedule I of the Controlled Substances Act, clearing up the legal gray area that has existed prior, when there was no distinction made between hemp and cannabis. Hemp can now be grown in all 50 States.

It is expected that acreage of hemp being grown in 2019 and beyond will expand significantly in Canada as breeders register higher yielding CBD cultivars with Health Canada. And, now that hemp is Federally legal, it is expected that acreage will increase exponentially in the United States in 2019 and beyond.

Hemp in Canada - Twenty years after the legalization of industrial hemp, Health Canada (HC) introduced major changes to its legislation as part of the new Cannabis Act, which came into force on October 17, 2018. The new law introduces basically two types of licenses, the Industrial Hemp license, and the Cannabis license.

The new Industrial Hemp (IH) License is based on the previous one with one major difference. It allows the harvest of hemp flowers and leaves and their drying for further processing. Until this year, such flowers and leaves were left in the field and plowed under. This opens up the burgeoning Cannabidiol (CBD) market to hemp farmers. Currently HC approved hemp cultivars contain less than 5% CBD, but even at these lower concentrations this is a true game changer. CBD yields of 1.5 to 8 kg/acre are possible and at prices for crude CBD oil of US\$2,500 to US\$3,500/kg, one can readily appreciate the new opportunities to have significantly improved returns per acre.

Other significant changes in the legislation include:

- the lifting of restrictions regarding hemp farming near schools and public grounds;
- simpler application process for IH licenses and longer validity, 5 years instead of one;
- reduction of security requirements for the storage of flowers and leaves.

Hemp cultivation remains restricted to approved hemp cultivars.

This year's production in New Brunswick comes under the purview of the new law, which means that the company must sell its production to a licensed cannabis processor to extract its CBD content.

Business Update

As part of Phase One of Company's development plan, the Company embarked on hemp cultivation in both Canada and the United States with its Joint Venture funding partner Marijuana Company of America (the "Partners"). Nearly 160 acres of hemp was grown at the projects in 2018, employing both orchard style and field crop methods. This was the first

year that both methods we employed giving the Company an opportunity to evaluate the best method of creating biomass for the extraction of cannabinoids.

SCIO, OREGON, USA – High Yielding CBD Hemp Project

Located in the fertile Willamette Valley, approximately 70 miles south of Portland, the Company's 109 acre Joint Venture farm was acquired in 2018 because of a history of hemp cultivation, irrigation infrastructure with sufficient authorized water rights to allow for irrigated cultivation, and contained a high level of organic matter in the soil, making it ideal for hemp cultivation. The 2018 cultivation utilized the lower 33 acres of the farm and produced 48,000 pounds of dried biomass.

The team in Scio is in the process of hammermilling the biomass prior to it being sent out for extraction of the cannabinoids. This next level of processing will not only prepare the biomass for extraction but will also reduce the storage space requirements by more than 50% as the bulk of the plants is reduced in size. This is the next step in monetizing the 2018 harvest.

Preparation for the 2019 cultivation at the farm is now well underway, with the team targeting June 1st as the planting date this year. The Company continues to evaluate ways to expand the project in the area. Discussions are underway with local farmers who have expressed interest in partnering with the Company for the 2019 season.

NEW BRUNSWICK, CANADA Hemp Project

The Partners are developing a multi-phase hemp/CBD project on the Acadian peninsula, in northeast New Brunswick (NB), Canada. Four farmers were contracted to grow hemp on 125 acres in the region for cannabinoid extraction in a field cropping style. This was the second year that the hemp was grown in region, after a 20 year hiatus.

The project produced 17.5 tonnes of dried biomass from the 2018 harvest. Management anticipates significantly better results with improved genetics and the further refinement of farming and processing practices. Industrial hemp cultivars containing 4-5% CBD already on trial in NB would more than double the performance of current cultivars used in 2018 but have yet to be registered for use as a Health Canada approved cultivar.

Management is assessing how best to monetize the 2018 harvest. Until recently, the lack of processing infrastructure has been a bottleneck for the entire emerging hemp industry. The change of legislation in late 2018 allowing for the extraction of the flowers and leaves from the hemp plant has been a catalyst for investment in this type of processing infrastructure in the industry. This is now beginning to translate into more opportunities to monetize hemp biomass going forward. The Company is in discussions with a number of potential purchasers of the biomass at this time and is working to secure an agreement with a processing partner.

Cash Crop Today Media, LLC

The Company holds a 50% equity interest in Cash Crop Today Media, LLC ("CCT") (<http://cashcroptoday.com>). CCT is a global media, branding, and technology company that is focused on reporting the latest industry news related to investment information, entrepreneurship, politics, and technology from the industrial hemp and cannabis sectors. CCT offers an array of business to business and consumer marketing services such as digital media placement and advertising, curated video content development, management of social media campaigns, and regional, national, and international distribution. CCT continues to develop its brand and build out its online presence.

Subsequent Events

- On January 14, 2019, 1,200,000 options were exercised for proceeds \$120,000.

Selected Quarterly Information

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

	QUARTER ENDED							
	Dec 31	Sept 30	June 30	Mar 31	Dec 31	Sept 30	June 30	Mar 31
	2018	2018	2018	2018	2017	2017	2017	2017
	\$	\$	\$	\$	\$	\$	\$	\$
Revenue	-	-	-	-	-	-	-	6,474
Operating Expenses	(3,092,888)	(1,072,630)	(45,418)	(75,062)	(78,339)	(758,437)	(15,920)	(26,377)
Net Income (Loss) from continued operations & net loss	(3,071,134)	(1,302,591)	(155,691)	(49,498)	(77,739)	(757,031)	(14,020)	(25,159)
Loss per share, basic & diluted	(0.02)	(0.01)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)

Results of Operations

Quarter Ended December 31, 2018 ("2019"Q1)

Loss for 2019 Q1 was \$3,071,134 (Quarter Ended December 31, 2017 ("2018 Q1") – loss of \$77,739). The \$3,071,134 loss was mainly a combined result of having operating expenses of \$3,092,888 (2018 Q1 –\$78,339), share of loss of investment in associates of \$24,394 (2018 Q1 - \$Nil), interest income of \$8,025 (2018 Q1 - \$Nil) and exchange gain of \$38,123 (2018 Q1 – Gain of \$600). Consulting fees of \$Nil (2018 Q1 - \$49,277) to the directors as directors opted to receive the compensation in the form of share purchase warrants instead of cash. Legal fees of \$3,577 (2018 Q1 - \$15,271.38). The fund raising and business development activities during 2018 Q1 account for the decrease in the loss compared to 2019 Q1.

The decrease in consulting fees and legal fees in 2019 Q1 compared to 2018 Q1 was offset by the increase in share based compensation from \$Nil in 2018 Q1 to \$3,042,000 in 2019 Q1 as discussed previously that the directors took compensation warrants instead of cash during 2019 Q1.

Interest income increased in 2019 Q1 compared with 2018 Q1 due to the completion of fundraising in 2018 Q2 resulted in interest earning GIC instrument since 2018 Q2 to 2019 Q1.

Share of loss of investment in associates of \$24,394 during 2019 Q1 was related to the 50% share of the operating losses incurred by Covered Bridge Acres Ltd., the Oregon Joint Venture company incorporated in April 2018.

As at December 31, 2018, the Company had \$502,529 cash (September 30, 2018 - \$964,609), accounts payable and accrued liabilities of \$293,611 (September 30, 2018 - \$308,218), notes payable of \$27,350 (September 30, 2018 - \$26,799) and \$6,445,535 in share capital (September 30, 2018 - \$6,409,271).

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, 2018, the Company had a working capital of \$567,978.

Management realizes that the current liquidity and capital on hands are not sufficient to develop the Company into a viable business. In order to improve the working capital, 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	188,097,016
Warrants	35,387,978
Stock Options	17,150,000

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,	
Nature of transactions		2018	2017
		\$	\$
Directors	Consulting fees	49,277	49,277
Directors	Share-based compensation	3,042,000	-

During the three months period ended December 31, 2018, 6,000,000 share purchase warrants¹ were granted to Charles Larsen, the Chief Executive Officer ("CEO) of the Company with an exercise price of \$0.12 per warrant and expiry date on December 10, 2023 as compensation for the CEO's service. Share-based compensation of \$1,014,000 were recognized during the period.

During the three months period ended December 31, 2018, 6,000,000 share purchase warrants¹ were granted to Curt Huber, the Chief Financial Officer ("CFO) of the Company with an exercise price of \$0.12 per warrant and expiry date

on December 10, 2023 as compensation for the CFO's service. Share-based compensation of \$1,014,000 were recognized during the period.

As at December 31, 2018, \$289 (September 30, 2018-\$7,512) was owing to the CFO of the Company.

During the three months period ended December 31, 2018, 6,000,000 share purchase warrants¹ were granted to Mr. Paul Perrault, a director (the "Director") of the Company with an exercise price of \$0.12 per warrant and expiry date on December 10, 2023 as compensation for the Director's service. Share-based compensation of \$1,014,000 were recognized during the period.

¹ The warrants will vest 40.0% on issuance, 30.0% on December 15, 2019, and 30.0% on December 15, 2020.

Financial Instruments and Other Instruments

Refer to Notes 11 to the Company's interim financial statements for the three months ended December 31, 2018.

Changes in Accounting Policies including Initial Adoption

Refer to Notes 3 to the Company's interim financial statements for the three months ended December 31, 2018.

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