Global Hemp Group Inc.

Management Discussion and Analysis

For the Three and Six Months ended March 31, 2020

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 and six months ended March 31, 2020 and should be read in conjunction with the Company's audited annual financial statements for the most recent year ended September 30, 2019. 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 June 1, 2020.

Forward Looking Statements

In the interest of providing the shareholders and potential investors of Global Hemp Group Inc. with information about the Company, including management's assessment of the Company's future plans and operations, certain information provided in this MD&A constitutes forward-looking statements or information (collectively, "forward-looking statements"). Forward-looking statements are typically identified by words such as "may", "will", "should", "could", "anticipate", "expect", "project", "estimate", "forecast", "plan", "intend", "target", "believe" and similar words suggesting future outcomes or statements regarding an outlook. Although these forward-looking statements are based on assumptions the Company considers to be reasonable based on the information available on the date such statements are made, such statements are not guarantees of future performance and readers are cautioned against placing undue reliance on forward-looking statements. By their nature, these statements involve a variety of assumptions, known and unknown risks and uncertainties, and other factors which may cause actual results, levels of activity, and achievements to differ materially from those expressed or implied by such statements. The forward-looking information contained in this MD&A is based on certain assumptions and analysis by management of the Company (the "Management") in light of its experience and perception of historical trends, current conditions and expected future development and other factors that it believes are appropriate.

The material factors and assumptions used to develop the forward-looking statements herein include, but are not limited to, the following: (a) the regulatory climate in which the Company operates will continue to be favorable to the Company's business; (b) the continued sales success of the Company's products; (c) the continued success of sales and marketing activities; (d) there will be no significant delays in the development and commercialization of the Company's products; (e) the Company will continue to maintain sufficient and effective production and R&D capabilities to compete on the attributes and cost of its products; (f) the Company's ability to deal with adverse growing conditions (due to pests, disease, fungus, climate or other factors) in a timely and cost-effective manner; (g) there will be no significant reduction in the availability of qualified and cost-effective personnel resources; (h) new products will continue to be added to the Company's portfolio; (i) demand for hemp-based wellness products will continue to grow in the foreseeable future; (j) there will be no significant barriers to the acceptance of the Company's products in the market; (k) the Company will be able to maintain compliance with applicable contractual and regulatory obligations and requirements; (l) there will be adequate liquidity available to the Company to carry out its operations; and (m) superior products do not develop that would render the Company's current and future product offerings undesirable and the Company is otherwise able to minimize the impact of competition and keep pace with changing consumer preferences; and (n) the Company will be able to successfully manage and integrate acquisitions.

The Company's forward-looking statements are subject to risks and uncertainties pertaining to, among other things, revenue fluctuations, nature of government regulations, economic conditions, loss of key customers, retention and availability of executive talent, competing products, common share price volatility, loss of proprietary information, product acceptance, system infrastructure functionality, information technology security, cash available to fund operations, crop risk, availability of capital and, international and political considerations, including but not limited to those risks and uncertainties discussed under the heading “Risk Factors” in this MD&A. The impact of any one risk, uncertainty, or factor on a particular forward-looking statement is not determinable with certainty as these are interdependent, and the Company’s future course of action depends on Management’s assessment of all information available at the relevant time. Except to the extent required by law, the Company assumes no obligation to publicly update or revise any forward-looking statements made in this MD&A, whether as a result of new information, future events, or otherwise. All subsequent forward-looking statements, whether written or oral, attributable to the Company or persons acting on the Company’s behalf, are expressly qualified in their entirety by these cautionary statements.

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 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 Venture hemp farm in the state of Oregon, in the United States, is an example of the execution of this first phase of the strategy (https://www.globalhempgroup.com/oregon-1).

The second phase of the strategy 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 (https://www.globalhempgroup.com/hemp-agro-industrial-zone). These zones are designed to be replicated in any region where there is the cultivation of industrial hemp.

The Hemp Agro-Industrial Zone (“HAIZ”) is the second phase of the Company’s business strategy, an optimization model based on Global Hemp’s goal to utilize the exceptional properties of the hemp plant to produce raw materials and value-added products.

Through partnerships, joint ventures, and acquisitions, Global Hemp Group will build a strategic portfolio of forward-thinking companies that also believe in the disruptive potential of the industrial hemp plant. There are many promising sectors that will be pursued under the HAIZ, some of which include cannabinoids, nutraceuticals, superfoods, nutritional supplements, bio-composites, and building materials.

Global Hemp Group is committed to sustainability and social responsibility in a theme of “global environmental stewardship” as it pursues opportunities within these sectors. This theme drives the HAIZ concept, in order to secure a solid platform of products and services that are environmentally friendly, while producing consistent ROI for all stakeholders.

Benefits of the HAIZ strategy:

- **Economic:** In recent history the most profitable aspect of the HAIZ has been 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, these industrial applications 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:** Global Hemp Group 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.

Business Update

Scio, Oregon Hemp Project

The Scio Oregon Hemp Project is a joint venture project that is a 50% equity investment for the Company. As a result, the revenue and profit of Oregon JV is recognized as a share of profit on equity investment instead of revenue of Global Hemp (see note 8 Investment in Associates in the financial statements).

The Scio Oregon Hemp Project is located in the fertile Willamette Valley, approximately 70 miles south of Portland. The Company's 109 acre Joint Venture hemp farm was acquired in 2018 due to its history of hemp cultivation, irrigation infrastructure with sufficient authorized water rights, and a high level of organic matter in the soil, making it ideal for growing hemp. The project operates under the name Covered Bridge Acres Ltd. ("CBA"), a corporation 50% owned by GHG and 50% owned by its joint venture partner.

During the quarter, the hemp farm was able remain in operation through the Coronavirus pandemic as allowed by the State of Oregon. The CBA team continues to take all necessary precautions required to operate in a safe and responsible manner. Fortunately, the farm is of significant size to enable the team to spread out widely

throughout the property while carrying out their daily activities to prepare the farm for the 2020 cultivation.

In the first two years of operation at the Scio Oregon Hemp Project, the CBA team has field cultivated high CBD content strains of hemp, for the sale of both biomass for the extraction of cannabinoids and the sale of the more valuable hemp flower. The current market conditions for these products has changed dramatically due to general overproduction in 2019 and slower than expected sales due to the pandemic. With this in mind the CBA team has decided to change its cultivation focus for the current season. This year, CBA will focus on producing a high quality CBG (Cannabigerol) flower predominantly in its greenhouses, with a small amount of field grown CBG that will be sold to the biomass market. This "*artisanally grown"* greenhouse CBG flower will supply the smokable flower market, which has seen an increase in demand for quality CBG flower and has continued to hold its price in light of the current pressures in the CBD market.

The strain that will mainly be grown is referred to as "CBG-1". This is a cultivar that has had extensive work in developing the perfect phenotype and has been back bred to produce an average CBG content of 22%, while having a total THC content of no more than 0.3%. Greenhouse cultivation was chosen for this project to ensure the highest quality of hemp flower is being grown. The greenhouses will also allow the team to better control the growing climate and protect the plants from any end of season rains that typically occur in this region of the Willamette Valley toward the end of the growing season. After the current crop is harvested in the fall, the CBA team will complete the buildout of all greenhouses so that there can be year round growing operations on the farm.

The hemp will be grown utilizing a Screen of Green (SCROG) cultivation method which implements horizontal trellis work that allows the average plant to produce 80-90% colas which are then trimmed to produce the final product of smokable buds. To further enhance this growing method, CBA will implement a high quality nutrient schedule aimed to boost the plants vegetative growth and develop very dense, aromatic buds for the final product. These nutrients should ensure that the plants will develop to full mature fruiting and have exceptional terpenes. CBA's goal is to produce the most superior final product, making it a leader in the smokable CBG flower market in the region. The current market for top quality smokable CBG flower remains significantly higher than CBD flower of similar quality.

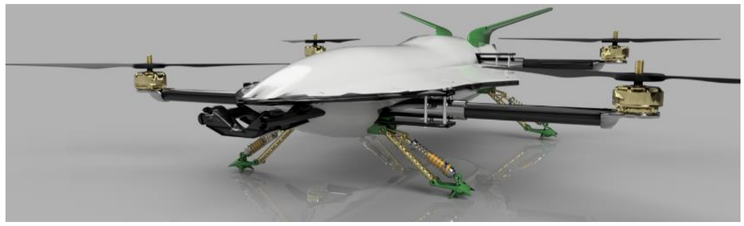
Sales Update - Some initial sales have been completed on the 2019 biomass however other sales have been delayed due to current virus conditions. The CBA team is continuing to pursue these sales where possible. The team also continues to assess additional value-added products that can be produced and marketed utilizing the Company's biomass and oils, thereby maximizing the value that the Company can receive for its inventory.

Development of the First Hemp Biocomposite Drone for Commercial Agricultural Monitoring

Global Hemp Group and Q Worx LLC ("QWorx") are developing the first commercial hemp biocomposite (H-Fiber) drone specifically designed to monitor large scale farming. The main fuselage of the drone, along with other parts, are being made from hemp that was grown on the Company's hemp farm in Scio, Oregon.

Research & Development into the use of hemp biocomposites is ramping up. H-Fiber will undoubtedly be utilized as a replacement for carbon or glass fiber in a myriad of commercial applications as demonstrated in the drone project.

The project entered Phase II in early 2020, which included a complete refinement of the design of the drone. These changes will result in lowering the manufacturing costs and increasing output capacity by reducing build times. Completion of the current development phase will require additional flight and sensor testing, which will be undertaken over the course of the current growing season.



Cold Air Rapid Drying System

The Company entered into an additional Technology Development Agreement (https://bit.ly/QWorx_Agr2) with Q Worx LLC ("Qworx") to develop a cold air rapid drying system for hemp and cannabis flower.

This unique drying system, which has a shell made of hemp biocomposite, will deliver a more efficient drying solution than traditional drying systems that use heat. By using cold air for drying and curing versus the traditional warm air, degradation of cannabinoids that occurs when heat is applied will be greatly reduced. The system is designed to reduce labor and fuel costs associated with most current drying systems and will significantly reduce the drying time for the flower. Completion of this project has been delayed due to the Covid-19 virus but is expected to be available for beta testing on this year's harvest later in the year.

Cash Crop Today Media, LLC ("CCTM")

The Company holds a 50% equity interest in CCTM (http://cashcroptoday.com). CCTM is a media distribution company, distributing quality hemp and cannabis content with the goal of being a voice for the hemp and cannabis industry. Captivating hemp and cannabis aficionados through digital streaming brands. CCTM's outlets include some of the first of its kind: CashCropToday, CannaVid.TV, The Foodie Dispensary, Growed and Healthy CBD Reviews.

CashCropToday ("CCT") is a hemp and cannabis industry resource for stocks and new investment trends, with informal interviews from leaders in the industry. CCT is currently receiving an average of over 670,000 unique visitors per month and growing.

CannaVid.TV, is a streaming network found on Apple TV, Amazon Fire Stick, Roku, and the IOS & Android app stores. Cannavid is currently acquiring documentaries and shows about hemp & cannabis lifestyle, growing, and entertainment. The channel will launch later this year.

CCTM continues to grow its overall viewership and advertising revenue.

<u>Subsequent Events</u>

Global Hemp is extremely sad to announce the passing of Charles Larsen, the Company's President and CEO since the inception of the Company. Mr. Larsen was a visionary and pioneer in the hemp industry in the United States, and a strong believer in the disruptive potential of hemp. He will be sorely missed by his colleagues at Global Hemp who extend their sincerest condolences to his family.

On May 21, 2020, the Company announced a number of changes to its Officers and Directors. Curt Huber, the Company's current CFO and Director will assume the role of President, CEO and Chairman of the Board. Mr. Huber has been a Director of the Company since 2014 and has been involved in development and day to day operations of the Scio Oregon hemp project since its inception in early 2018. He is an experienced director and senior officer who has been involved in all facets of public companies for more than 30 years in many different sectors, including mining, oil and gas, and technology.

Furthermore, Global Hemp is pleased to welcome Sebastian Tang, CPA, to the Company as its new CFO. Mr. Tang has been involved in the accounting and preparation of the Company's financial statements for the past several years and is well acquainted with Global Hemp and its projects. Additionally, Mr. Tang has significant experience in the financial management and planning of publicly listed issuers. He has held executive positions, including CFO and corporate controller in other public and private ventures. Before starting his own firm, he worked in public practice for 7 years, including two years at Ernst & Young, and 8 years in private practice with Hunter Dickinson Inc.

The Company is also pleased to announce that Michel Lebeuf Jr, a Partner at the law firm of Dunton Rainville LLP's Montreal office, has joined the Board of Directors. Mr. Lebeuf practices primarily in securities law, particularly in the areas of institutional and corporate financing, natural resources, fintech, life science, cannabis, as well as in public and private mergers and acquisitions. He represents public issuers, securities brokers, buyers, sellers, bankers, and financial advisors. He provides strategic advice on access to public capital markets, securities, and structured products. Mr. Lebeuf also has extensive experience in corporate transactions, public and private transfers, and institutional funding.

Instagram

Follow the development of the Scio Oregon Hemp Project and the projects being developed through GHG's partnership with Qworx on Instagram @hemp_global

Selected Quarterly Information

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

	Quarter Ended							
	31-Mar-20	31-Dec-19	30-Sep-19	30-Jun-19	31-Mar-19	31-Dec-18	30-Sep-18	30-Jun-18
	$	$	$	$	$	$	$	$
Revenue	-	28,875	1,207	-	1,381	-	-	-
Operating (expenses) recovery	5,776	(1,035,285)	720,989	(47,310)	(126,819)	(3,092,888)	(1,072,630)	(45,418)
Net Income (Loss) from continued operations & net loss	(53,141)	(1,016,761)	660,196	(340,297)	(167,078)	(3,071,134)	(1,302,591)	(155,691)
Loss per share, basic & diluted	(0.00)	(0.01)	0.00	0.00	0.00	(0.01)	(0.01)	0.00

Results of Operations

Quarter Ended March 31, 2020 ("2020 Q2")

Loss for 2020 Q2 was $53,141 (Quarter Ended March 31, 2019 ("2019 Q2") – loss of $167,078). The $53,141 loss was mainly a combined result of having operating expenses (recovery) of ($5,776) (2019 Q2 –$126,819), share of loss of investment in associates of $146,305 (2019 Q2 - $15,981), and exchange gain of $86,409 (2019 Q2 – Loss of $18,754). The decrease in consulting fees (recovery) of ($12,500) (2019 Q2 - $42,000) to the directors compared to 2020 Q2 was mainly due to the reversal of over-accrued year-end September 30, 2020 consulting fees to the directors in the current quarter. The significant decrease in advertising and promotion of $NIL in 2020 Q2 (2019 Q2 - $53,212) was due to the one-time marketing campaign in 2019 Q2. Rent decrease in 2020 Q2 for $3,000 (2019 Q2 – $9,225). These rent expenses in 2020 Q2 were related the office rent for the New Brunswick subsidiary which has been reduced since 2019 Q3.

Share of loss of investment in associates of $146,305 during 2020 Q2 (2019 Q2 - Loss of $15,981) 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. The significant increase in the loss for 2020 Q2 was due to the allocation of the accumulated direct cost (approx. US$550,000) of the Oregon operation since January 2019 from biological assets previously capitalized into inventory. Approximately US$300,000 of these inventories were charged to cost of sales against the sales of corresponding products for approx. US$89,000 during the current quarter.

<u>Six Months Ended March 31, 2020 (“2020”Q2 YTD”)</u>

Loss for 2020 Q2 YTD was $1,069,902 (Six Months Ended March 31, 2019 (“2019 Q2 YTD”) – loss of $3,238,212). The $1,069,902 loss was mainly a combined result of having operating expenses of $988,096 (2019 Q2 YTD –$3,219,707), share of loss of investment in associates of $167,709 (2019 Q2 YTD - $40,375), interest income of $979 (2019 Q2 YTD - $2,501) and exchange gain of $66,400 (2019 Q2 YTD – Gain of $19,369). Consulting fees of $8,878 (2019 Q2 - $YTD) to the directors was mainly due to the reversal of over-accrued year-end September 30, 2020 consulting fees to the directors in the current quarter. Research and development expenses of $29,182 (2019 Q2 YTD - $NIL) were related to the new initiative in developing dryers and drone.

Share of loss of investment in associates of $167,709 during 2020 Q2 YTD 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. The significant increase in the loss for 2020 Q2 was due to the allocation of the accumulated direct cost (approx. U$550,000) of the Oregon operation since January 2019 from biological assets previously capitalized into inventory. Approximately U$300,000 of these inventories were charged to cost of sales against the sales of corresponding products for approx. U$89,000 during the current quarter.

As at March 31, 2020, the Company had $100,170 cash (September 30, 2019 - $485,774), accounts payable and accrued liabilities of $395,476 (September 30, 2019 - $421,543), notes payable of $30,103 (September 30, 2019 - $29,002) and $6,691,986 in share capital (September 30, 2019 - $6,691,986).

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 March 31, 2020, the Company had a working capital deficit of $279,502.

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	188,197,016
Warrants	34,365,558
Stock Options	18,400,000

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:

	Nature of transactions	Six months ended March 31, 2020	2019
		$	$
Directors	Consulting fees	8,878	30,000
Directors	Share-based compensation	912,600	3,042,000

During the six month period ended March 31, 2020, 1,800,000 share purchase warrants were vested for Mr. Charlie Larsen, the ex-Chief Executive Officer ("Ex-CEO) of the Company with an exercise price of $0.12/warrant and expiry date on December 10, 2023 as compensation for the CEO's service. Share-based compensation of $304,000 were recognized during the period.

As at March 31, 2020, $50,000 (September 30, 2019-$51,949) was owing to the Ex-CEO of the Company.

During the six month period ended March 31, 2020, 1,800,000 share purchase warrants were vested for Mr. Curt Huber, the Current Chief Executive Officer ("CEO) and the ex-Chief Financial Officer ("Ex-CFO) of the Company with an exercise price of $0.12/warrant and expiry date on December 10, 2023 as compensation for the CFO's service. Share-based compensation of $304,000 were recognized during the period.

As at March 31, 2020, $52,500 (September 30, 2019-$52,500) was owing to the CEO and ex-CFO of the Company.

During the six month period ended March 31, 2020, 1,800,000 share purchase warrants were vested for Mr. Paul Perrault, the director (the "Director") of the Company with an exercise price of $0.12/warrant and expiry date on December 10, 2023 as compensation for the Director's service. Share-based compensation of $304,000 were recognized during the period.

As at March 31, 2020, $41,250 fees (September 30, 2019-$51,250) were payable to Mr. Paul Perrault and Mr. Jeff Kilpatrick, the two directors of the Company.

Changes in Accounting Policies including Initial Adoption

Refer to Notes 3 to the Company's interim financial statements for the three months ended March 31, 2020.

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:

<u>New Business</u>

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.

<u>Dilution to the Existing Shareholders</u>

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.

<u>Reliance on Management's Expertise</u>

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.

<u>Permits and Licenses</u>

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.

<u>Conflicts of Interest</u>

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

Curt Huber	Director, President & CEO
Michel Lebeuf	Director
Dr. Paul Perrault	Director
Jeffrey Kilpatrick	Director
Sebastian Tang	CFO