Global Hemp Group Inc.

Management Discussion and Analysis
Three and Nine Months ended
June 30, 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 nine months ended June 30, 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 August 31, 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. 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). 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.

<u>BUSINESS UPDATE</u>

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).

Newly planted CBG clones

CBG clones approximately 6 weeks later

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.

The hemp farm continues to operate with full team in place. CBA remains committed to taking all necessary precautions required to operate the farm in a safe and responsible manner in light of Covid-19.

Greenhouse operations continue to focus on the production of high quality CBG (Cannabigerol) flower. This *"hand crafted artisanally grown"* CBG flower will supply the smokable flower market when it is harvested in the fall beginning in October. The team is now filled the fourth greenhouse with CBG clones being grown in "living soil" in 20 gallon bags (as seen in the pictures above and to the left). There is now approximately 14,000 square feet of greenhouse full of CBG hemp plants at the farm.

The "CBG-1"strain being grown this year is expected to have an average CBG content of 22%, and a total THC content of less than 0.3%. As you will see in the picture to the left, the hemp plants grow rapidly in the greenhouse setting where they are tended to daily. The focus on greenhouse cultivation was chosen over field growing this year to ensure the highest quality of hemp flower is being grown. The greenhouses will also allow the team to better control the growing climate, which will ensure that there is no threat of weather damage to 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. A small outdoor CBG cultivation is also being grown which is more focused for its biomass that will be used for extraction.

After the current crop is harvested in the fall, the CBA team will complete the buildout of all greenhouses so that there can be a year-round growing operation at the farm. With ample space on the farm for expansion, the CBA team is planning on enlarging the greenhouse footprint to increase the growing capacity for its year round growing operation.

This year's crop is being 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 has implemented 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. Organic growing practices are observed on the farm. Nutrients used on the CBG crop this year include BioFlux, an organic, fermented microbial solution that is designed to replace or supplement chemical nutrient programs. It can produce rapid growth and greening in a wide variety of agricultural crops and garden plants similar to responses seen from nitrogen fertilizers, yet it contains no immediately plant available nitrogen. Instead, BioFlux contains hundreds of species of bacteria and fungi, which make nutrients that are locked up in soil molecules available to the plant, and also produce natural plant growth hormones. The goal of the project is to produce the most superior final product, making it a leader in the smokable CBG flower market in Oregon. The current market for top quality smokable CBG flower remains significantly higher than CBD flower of similar quality.

The Potential of this year's CBG crop

The current season's greenhouse operation is growing approximately 600 CBG hemp plants. The Scio team estimates that each plant will produce between 2 and 5 pounds of flower per plant. The current market for CBG flower ranges in price from $200 - $500 per pound based on growing methods and quality of the flower (as seen in current listings on the RAWmarket.place https://hemp.rawmarket.place/). The higher priced flower tends to be "artisanally grown" in greenhouses and organic. While the greenhouse operation is not certified organic, the team does observe all organic practices on the farm. In addition, it is CBA's intention to go to year round cultivation, thus being able to produce three crops per year from the greenhouse operation.

Sales Activity

While sales of CBD related products on the wholesale level have been fairly quiet over the last several months due to the impact of the Covid-19 and current market conditions, the team has noted that they are starting to receive enquiries from potential purchasers, indicating a potential pickup of the CBD market in Oregon. The team continues to pursue sales of any of CBA's remaining inventory of CBD related products. The team is also been engaging buyers who are interested in the current CBG flower crop, with the goal of getting commitments for the flower before it is harvested.

MANAGEMENT CHANGES

On May 21, 2020, the Company announced a number of changes to its Officers and Directors. The Company sadly announced 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.

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.

In addition, 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.

SUBSEQUENT EVENTS

Rights Offering

On July 31, 2020, the Company announced that it will be making a rights offering (the "Rights Offering") in which holders of record of the Company's common shares, as of the record date of August 4, 2020 (the "Record Date"), will receive rights to subscribe for units of the Company.

Rights Offering Details

Each registered shareholder of the Company resident in Canada as of the close of business on the Record Date will receive one right (a "Right") for every three (3) common share held.

One Right entitles the shareholder to purchase one unit (a "Unit") at a price of $0.02 per Unit (the "Basic Subscription Privilege"). The Rights will expire at the end of the business day on September 4, 2020 (the "Expiry Date"). Holders of Rights who fully exercise their Rights under the Basic Subscription Privilege will also be entitled to subscribe, on a pro rata basis, for additional Units, if available, that were not subscribed for by other holders of Rights (the "Additional Subscription Privilege"), subject to certain limitations as set out in the Company's Rights offering circular (the "Rights Offering Circular").

Each Unit will consist of one (1) Common Share of the Company and one (1) full Share Purchase Warrant (the “Warrant”). Each whole Warrant will entitle the holder to purchase one additional Common Share at a price of $0.05 for a period of thirty-six (36) months from its issuance. The Rights will be transferable and listed for trading on the Canadian Securities Exchange (the "Exchange"). The Warrants, when issued, are also expected to be listed on the Exchange, subject to GHG satisfying the distribution requirements of the Exchange.

In the event that the Company’s common shares trade on the Canadian Securities Exchange (or such other exchange on which the common shares may be traded at such time) at a volume weighted average price of $0.12 per share or more for a period of 10 consecutive trading days, the Company will have the right to accelerate the expiry date of the Warrants by giving notice to the holders thereof and, in such case, the Warrants will expire on the 30th day after the date on which such notice is given to the holder by the Company.
The Rights Offering is not subject to any minimum subscription level. If the Rights Offering is fully subscribed, the Company will issue up to 62,732,338 new common shares and Warrants to purchase up to an additional 62,732,338 common shares, for total gross proceeds of approximately $1,254,646. If the Rights Offering is fully subscribed and all of the Warrants issued on closing of the Rights Offering are exercised, the additional proceeds to the Company will be $3,136,617.

There are currently 188,197,016 common shares issued and outstanding. If all Rights are exercised, the Company’s issued and outstanding shares will increase to 250,929,354 and if all Warrants covered by this Rights Offering are exercised, the issued and outstanding shares will be 313,661,692.

Global Hemp Social Media

The Company has recently updated its various social media. Please join us:

Like us on Facebook

Follow the development of the Scio Oregon Hemp Project on Instagram @hemp_global

Follow us on Twitter: https://twitter.com/Hemp_Global

Selected Quarterly Information

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

	Quarter Ended							
	30-Jun-20	31-Mar-20	31-Dec-19	30-Sep-19	30-Jun-19	31-Mar-19	31-Dec-18	30-Sep-18
	$	$	$	$	$	$	$	$
Revenue	-	-	28,875	1,207	-	1381	-	-
Operating (expenses) recovery	(38,761)	5,776	(1,088,426)	720,989	(47,310)	(126,819)	(3,092,888)	(1,072,630)
Net Income (Loss) from continued operations & net loss	(91,466)	(53,141)	(1,069,902)	660,196	(340,297)	(167,078)	(3,071,134)	(1,302,591)
Loss per share, basic & diluted	(0.00)	(0.00)	(0.01)	0.00	0.00	0.00	(0.01)	(0.01)

Results of Operations

Quarter Ended June 30, 2020 ("2020 Q3")

Loss for 2020 Q3 was $91,466 (Quarter Ended June 30, 2019 ("2019 Q3") – loss of $340,297). The $91,466 loss was mainly a combined result of having operating expenses of $38,761 (2019 Q3 –$47,310), share of loss of investment in associates of $11,766 (2019 Q3 – Profit of $31,620), and exchange loss of $46,143 (2019 Q3 – loss of $16,083). The decrease in overall operating expenses from $47,310 in 2019 Q3 to $38,761 in 2020 Q3 is mainly due to the reduction of consulting fees from $5,000 in 2019 Q3 to $NIL in 2020 Q3.

The key reason for the decrease of the loss for 2020 Q3 compared against 2019 Q3 was due to the one-time event of a fair value write-down of $309,000 of the biomass owned by the New Brunswick Subsidiary in 2019 Q3.

During 2020 Q3, the Company recorded the share of loss from investment in associates of $11,766 mainly due to the increase in unit cost of the cost of goods sold in the quarter and the 50% share of the profits related to the biomass sales and logging service revenue generated by the Oregon Joint Venture during 2019 Q3 (2019 Q3 – Profit of $31,620).

Nine Months Ended June 30, 2020 ("2020"Q3 YTD")

Loss for 2020 Q3 YTD was $1,161,368 (Nine Months Ended June 30, 2019 ("2019 Q3 YTD") – loss of $3,578,509). The $1,161,368 loss was mainly a combined result of having operating expenses of $1,005,855, which included non-cash Share Based Compensation for the warrants vesting in December 2019 in the amount of $912,000 (2019 Q3 YTD – $3,267,017, which included non-cash Share Based Compensation for the vesting of options and warrants in the amount of $3,054,000), share of loss of investment in associates of $179,475 (2019 Q3 YTD - $8,755), write-off of biological assets $NIL (2019 Q3 YTD - $309,000) and exchange gain of $20,257 (2019 Q3 YTD – Gain of $3,286). Consulting fees of $8,878 (2019 Q3 YTD - $47,000) to the directors was mainly due to the reversal of over-accrued year-end September 30, 2019 consulting fees to the directors in the current quarter. Research and development expenses of $29,182 (2019 Q3 YTD - $NIL) were related to the new initiative in developing dryers and drone.

Share of loss of investment in associates of $179,475 during 2020 Q3 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 Q3 was due to the allocation of the accumulated direct cost (around 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 around U$89,000 during 2020 Q3 YTD.

As at June 30, 2020, the Company had $47,653 cash (September 30, 2019 - $485,774), accounts payable and accrued liabilities of $411,773 (September 30, 2019 - $421,543), notes payable of $30,654 (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 June 30, 2020, the Company had a working capital deficit of $378,470.

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 Rights Offering 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	32,565,558
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	**Nine months ended June 30, 2020**	**2019**
		$	$
Directors & Officers	Consulting fees	16,723	35,000
Directors	Share-based compensation	912,600	3,042,000

During the nine month period ended June 30, 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. The final 1,800,000 warrants from this issuance is scheduled to vest December 15, 2020. These warrants have been cancelled with the passing of the Charlie Larsen, as announced on May 21, 2020. Share-based compensation of $304,000 were recognized during the period.

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

During the nine-month period ended June 30, 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 June 30, 2020, $52,500 (September 30, 2019-$52,500) was owing to the CEO and ex-CFO of the Company.

During the nine-month period ended June 30, 2020, 1,800,000 share purchase warrants were vested for Mr. Paul Perrault, a 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 June 30, 2020, $41,250 fees (September 30, 2019-$51,250) were payable to Mr. Paul Perrault and Mr. Jeff Kilpatrick who are the two directors of the Company.

During the nine-month period ended June 30, 2020, the Company incurred $4,500 professional fee for Mr. Sebastian Tang, the newly appointed Chief Financial Officer ("CFO). Professional fee accrual of $1,500 for the CFO was included in the accrued liability as at June 30, 2020.

During the nine-month period ended June 30, 2020, the Company incurred $3,345 legal fee for Dunton Rainville LLP, a law firm which Mr. Michel Lebeuf, a newly appointed director owns. As at June 30, 2020, the Company owed a balance of $45,387 to this law firm.

Changes in Accounting Policies including Initial Adoption

Refer to Notes 3 to the Company's interim financial statements for the nine months ended June 30, 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:

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.

COVID-19 (Coronavirus)

On March 11, 2020, the current outbreak of COVID-19 (Coronavirus) was declared a global pandemic, which has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. As a result, global equity markets and oil prices have experienced significant volatility and weakness. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Company as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.

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

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