



GLOBAL HEMP GROUP
A HEALTHIER FUTURE THROUGH SUSTAINABLE BUSINESS STRATEGIES

CSE: GHG FF: GHG OTC: GBHPF

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GLOBAL HEMP GROUP SIGNS BINDING AGREEMENT TO ACQUIRE CONTROL OVER STRATEGIC WATER INFRASTRUCTURE ASSETS IN COLORADO

Vancouver, BC -- (January 18, 2021) -- **GLOBAL HEMP GROUP INC. (“GHG” or the “Company”)** (CSE: **GHG / OTC: GBHPF / FRANKFURT: GHG**) is pleased to announce that it has signed a binding Letter of Intent with Prescient Strategies Group LLC (“PSG”) to acquire its Western Sierra Resource Corporation (“WSRC”) Preferred A Class Share holdings (“WSRC Prefs”) in a private, third party transaction. The resulting acquisition of these WSRC Prefs will give GHG control over WSRC, and specifically its strategic water infrastructure assets that will be an integral part of the Company’s Colorado Hemp-Agro Industrial Zone project as originally announced on September 16, 2020. The parties have agreed to develop the project through *Innovative Hemp Technologies*-a wholly owned GHG U.S. subsidiary. The resulting alignment of GHG, WSRC and their respective management teams together under one umbrella will result in a stronger and more focused and efficient entity.

As part of the contemplated transaction, GHG is in the process of commissioning updated appraisals on these water assets. Documented historical valuations of the 4,000 acre feet of water rights and associated infrastructure are based on a 2013 and 2015 MAI appraisal and engineering reports, as well as a water law attorney’s comprehensive summary of various historic water rights appraisals and their relationship with land values dated March 2017. All of which support a value of US\$40,000,000 or higher. GHG intends to conduct a third party valuation of this initial assessment value to support such appraisal.

Transaction Details:

Prescient Strategies Group LLC currently holds 19,875,000 Series A WSRC Prefs (with Voting Rights of 100 votes per share). On signing of the Definitive Agreement, which is expected to be concluded on or about January 25, 2021, GHG will acquire 11,006,440 unencumbered WSRC Prefs from PSG for 11,006,400 GHG Preferred B shares (“GHG Prefs”) (the “Initial Issuance”), as more fully outlined below.

An additional 8,868,560 WSRC Prefs have been pledged as collateral to secure US\$3,842,269 loans to WSRC (the “Loan”). These encumbered WSRC Prefs will also be acquired by GHG upon the restructuring WSRC’s existing debt (the “WSRC Debt”) by way of, but not limited to, the consolidation, refinance or extension of the existing WSRC Debt (the “WSRC Debt Restructuring”). Further to the WSRC Debt Restructuring, the WSRC Debt will have a maturity of a minimum of three (3) years, with the objective of replacing existing notes and releasing the WSRC Prefs as collateral.

As part of the contemplated transaction, GHG will issue 10,000,000 common share purchase warrants to PSG (the “GHG Warrants”). The GHG Warrants will be exercisable for a period of five (5) years at a price per GHG Warrants of CAD\$0.05 per share.

GHG Pref Details:

The GHG Prefs shall have a par value of US\$0.50 per preferred share and a maturity date of ten (10) years following their issuance. The GHG Prefs will be non-voting, will pay an annual dividend of US\$0.01

per share, paid in cash or shares at the option of the holder, and will be convertible into two (2) common shares of GHG for every GHG Pref held by each holder thereof.

The GHG Prefs will be secured by the WSRC Prefs. The GHG Prefs are redeemable by GHG at face value plus any accrued and unpaid dividends any time after the refinancing of the WSRC Debt and the term of the WSRC Debt has been extended to a period of at least three (3) years.

Should PSG decide to sell its GHG Prefs in a private third party transaction, GHG will be granted a thirty day Right of First Refusal (the "GHG ROFR") to match any *bona fide* offer by a third-party, before PSG can act on such third-party offer.

Conditions Precedent to signing the Definitive Agreement:

- The Parties completing final due diligence on or before January 25, 2021;
- WSRC restructuring certain unsecured debt prior to the issuance of the GHG Prefs;
- GHG committing to provide the necessary initial payments to complete the transaction and other Debt Restructuring.

Upon completion of the acquisition of all WSRC Prefs, GHG will nominate additional WSRC board members and advisors as required, the whole subject to nomination procedures of WSRC.

Throughout this entire process, GHG will work closely with and provide support to the management of WSRC in order to maximize the value of WSRC's assets.

As soon as practicable each party shall provide all necessary information and documentation to permit an application to the Canadian Securities Exchange (the "CSE") for approval of the Transaction, if required.

Curt Huber, President of GHG stated, "This is a project that we have envisioned for a number of years. Sustainable green construction is an important cornerstone of this vision. By aligning all parties under one umbrella and with the water assets serving as a foundation, we will be able to move forward more rapidly and efficiently towards building what we expect will be significant shareholder value".

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About Global Hemp Group Inc.

Global Hemp Group Inc. (CSE: GHG / OTC: GBHPF / FRANKFURT: GHG), is focused on a multi-phased strategy to build a strong presence in the industrial hemp industry the United States. The Company is headquartered in Vancouver, British Columbia, with hemp cultivation operations in the state of Oregon. The first phase of this strategy is to develop hemp cultivation for extraction of cannabinoids and the smokable CBG flower market with the objective of creating a near term revenue stream. The second phase of the strategy focuses on the development of value-added industrial hemp products utilizing the processing of the entirety of the hemp plant, as envisioned in the recently announced [Colorado Hemp Agro-Industrial Zone](#) (HAIZ) project. Global Hemp's Research and Development Division headed by [Prof. Víctor M. Castaño, Ph.D.](#) Prof. Castaño, a recognized leader in several areas of applied science and technology brings an amazing wealth of knowledge and experience in a number of different disciplines. There are three immediate areas of interest that Prof. Castaño and his team will actively be focused on to develop Intellectual Property that can be patented and implemented in the hemp and/or building

industry, and in particular at Company's newly announced Colorado Hemp Agro-Industrial Zone.

For Further Information Contact Global Hemp Group

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Cautionary Note Regarding Forward Looking Statements

Certain information set forth in this news release may contain forward-looking statements that involve substantial known and unknown risks and uncertainties. These forward-looking statements are subject to numerous risks and uncertainties, certain of which are beyond the control of Global Hemp Group Inc., including, but not limited to the impact of general economic conditions, industry conditions, volatility of commodity prices, currency fluctuations, dependence upon regulatory approvals, the availability of future financing and exploration risk, the legality of cannabis and hemp. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking statements. Except as required by law, Global Hemp Group Inc. disclaims any intention and assumes no obligation to update or revise any forward looking statements to reflect actual results, whether as a result of new information, future events, changes in assumptions, changes in factors affecting such forward looking statements or otherwise.

The CSE has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.