



CSE: GHG FF: GHG OTC: GBHPF

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GLOBAL HEMP GROUP COMPLETES DEFINITIVE AGREEMENT TO ACQUIRE CONTROL OVER STRATEGIC WATER INFRASTRUCTURE ASSETS IN COLORADO

Vancouver, BC -- (February 8, 2021) -- **GLOBAL HEMP GROUP INC. (“GHG” or the “Company”)** (CSE: GHG / OTC: GBHPF / FRANKFURT: GHG) is pleased to announce that it has signed the Definitive Agreement with Prescient Strategies Group LLC (“PSG”) to acquire all of its Western Sierra Resource Corporation (OTC: WSRC) (“WSRC”) Preferred A Class Share holdings (“WSRC Prefs”) in a private, third party transaction.

Closing of the transaction is expected to be on or about February 9, 2021 upon fulfillment of certain Conditions Precedent, including:

- WSRC restructuring certain unsecured debt prior to the issuance of the GHG Prefs;
- GHG providing the necessary initial payments to complete the transaction and other Debt Restructuring (*completed*).

For complete details of the transaction, please refer to the Company’s news release of January 18, 2021. As soon as practicable, each party shall provide all necessary information and documentation to the Canadian Securities Exchange (the “CSE”).

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 (“HAIZ”) project. Documented historical valuations of the 4,000 acre feet of water rights and associated infrastructure are based on 2013 and 2015 MAI appraisals and engineering reports, which collectively support a value of US\$40,000,000 or higher. GHG has contracted a third party valuation of this initial assessment value to support such appraisal.

The Colorado HAIZ will be developed under the banner of Innovative Hemp Technologies (“IHT”). IHT’s core objective; to develop “green” and “affordable” homes in a Planned Unit Development (“PUD”) utilizing hemp-based construction materials to meet historical pent-up demand in the area, which will include development of large scale irrigation and cultivation of industrial hemp, and the manufacture of hemp-based construction products and textiles. This will significantly expand the existing water rights and infrastructure assets while generating multiple revenue streams for the Company.

By utilizing a campus setting like that of the HAIZ, the Company will efficiently implement these vertically integrated functions (water, agriculture, processing, housing). Proven industry professionals have been engaged to work alongside IHT’s management in the areas of agriculture, R&D, manufacturing, and construction to achieve the Company’s objectives.

Execution of the HAIZ project will create substantial shareholder value through the incremental introduction of additional (multiple) revenue streams to meet IHT’s objectives and set GHG on a path to become a leader in sustainable hemp-based “green” construction in the United States. The Colorado “HAIZ” will become a “showcase” project to demonstrate “green” hemp construction products and technologies for third-party offtake and for replication in other suitable U.S. markets.

The project will leverage the existing water rights and infrastructure to turn “dry land” farming acreage into irrigated land with valuable water rights that can subsequently be used to develop “affordable housing” and high value agricultural crops such as industrial hemp. GHG’s vision is to take the hemp grown onsite and replace as much of the conventional building materials used at the project with sustainable, hemp-based building materials used in the housing development. This project contemplates a 25-year build-out. The luxuries of a long-term project with demonstrably high demand are:

- a) economies of scale;
- b) opportunity to implement learned efficiencies;
- c) opportunity to continually fine-tune product offerings through intimate familiarity with a specific market;
- d) access to new markets stemming from other by-products of the hemp processing, such as fibre and microfibre.

These elements combined with predictably increasing prices and diminishing competition over the project term are likely to result in improved profitability year-over-year.

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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 current phase of the strategy focuses on the development of “sustainable” and “green” value-added industrial hemp products utilizing the processing of the entirety of the hemp plant, as envisioned in the [Colorado Hemp Agro-Industrial Zone](#) (HAIZ) project. In addition, Global Hemp Group has established a Research and Development Division to actively pursue the development of Intellectual Property that can be patented and implemented in the hemp and/or building industry, and in particular at Company’s Colorado HAIZ. The Division will be headed by [Prof. Víctor M. Castaño, Ph.D.](#) from the National Autonomous University of Mexico, a recognized leader in areas of applied science and technology. The R&D team brings an amazing wealth of knowledge and experience in multiple disciplines and will initially focus on development of Environmentally-Friendly Construction Materials, Nanofertilizers and Enhanced Extraction from Hemp.

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.