



GLOBAL HEMP GROUP
A HEALTHIER FUTURE THROUGH SUSTAINABLE BUSINESS STRATEGIES

Global Hemp Group Inc.

Management Discussion and Analysis
Three months ended December 31, 2020



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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, 2020 and should be read in conjunction with the Company's audited annual financial statements for the most recent year ended September 30, 2020. 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 noted 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, 2021

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.

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".

Global Hemp Group is focused on developing a multi-phased strategy to build a strong presence in the industrial hemp industry in the United States. In the first phase of the strategy, the GHG team has gained tremendous experience in the cultivation of hemp and the extraction of cannabinoids. The goal of this first phase was to create a near term revenue stream that would allow the Company to expand and develop successive phases of the strategy. The Company's Oregon Hemp Project is an example of this first phase of the strategy.

The next phase of the strategy, now underway, is what Management has always believed would be by far the most significant segment of the hemp market, the industrial aspects of hemp and the development of value-added industrial products utilizing the processing of the whole hemp plant. This is envisioned in what the Company calls its [Hemp Agro-Industrial Zone \("HAIZ"\)](#). The HAIZ is 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. The HAIZ has been designed to be replicated in any region where there is cultivation of industrial hemp.

Through partnerships, joint ventures, and acquisitions, GHG 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 that utilize the hurd (inner woody core) and fibre. In the near term, the Company will focus on hemp-based building.

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:** The HAIZ was originally conceived at a time when hemp was just making its comeback after 80 years of repression and a continued uncertain regulatory framework. Consequently, markets for most hemp products were rather shallow leading to wide swings in prices. Cannabinoid extraction is typical of such markets and it offered the best opportunity to finance the production of the less visible/attractive hemp products. Over the past two years, the more traditional hemp products (hurd and fibre) have become more established and provide real opportunities. Management expects that the time for these other hemp products has come and will become of central importance in the future of the Company.
- **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 is committed to environmentally-friendly processes and products, from farm to final consumer. Because of its light weight, transport of hemp intermediate goods is costly and carries a heavy carbon footprint. By concentrating production and processing to a zone adjacent to the farming area, the HAIZ minimizes both adverse economic and environmental effects.

Business Update

Global Hemp Group Continues to Shift Focus to Sustainable Industrial Hemp Applications

Global Hemp Group has undertaken a significant shift in business focus for 2021. GHG is being transformed from being singularly focused on the cultivation of hemp for the extraction of cannabinoids, to a Company that will be focused on the application of industrial hemp-based products for a project that will generate significant revenue, as well as real estate and water assets over time. This transformation began in September of last year with the signing of the Exclusive Strategic partnership to develop the Colorado Hemp Agro-Industrial Zone (HAIZ) in northwest Colorado ([*see the news release of Sept 16/20 for more detail*](#)).

The project 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 utilizing hemp-

based construction materials to meet historical pent-up demand in the area, which will include the 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 +US\$40 Million in water rights and infrastructure assets while generating multiple revenue streams for the Company,

Historically hemp projects have struggled as growing hemp and identifying a market to sell to, will not create a successful company. But adding a buyer for your product to the equation and becoming vertically integrated, certainly will. In the case of the Colorado project, a market has been identified with a large scale pent up demand (affordable housing) that hasn't been relieved in several decades, that also has a barrier to entry from others and will be successful without the inclusion of hemp-based building materials, making it an ideal market to enter. 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 becoming 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.

With the recent signing of the Definitive Agreement with Prescient Strategies Group (*see Subsequent Events below for further detail*) to acquire the Series A Preferred Shares of Western Sierra Resource Corporation (WSRC), GHG will gain control over the strategic water infrastructure assets that will be integral for the development of this project. The resulting alignment of GHG, WSRC and their respective management teams together under one umbrella will result in a stronger, more focused and efficient entity.

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 convert as much of the conventional building materials used at the project into sustainable, hemp-based building materials for use 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 fibres and microfibres

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

Master Hemp Builder Joins GHG Team

The Company continues to build out its hemp expertise. On October 6, 2020 the Company announced that Gabriel Gauthier, a Master Hemp Builder and pioneer in hemp construction in North America joined the GHG team. This will fortify the Company's in-house hempcrete/hemp building expertise. Mr. Gauthier will advise on the utilization and application of hemp building materials and hemp construction for the Company's [Colorado HAIZ](#).

Mr. Gauthier is also experienced in hemp processing and gained extensive knowledge of hemp construction by training under the guidance of hemp Master Builders in France over a period of three years. In 2005 he built the first hemp house in North America, located east of Montreal, Quebec, in Canada. Mr. Gauthier established a Research and Development division of his own, where he has begun the manufacturing of prefabricated hemp houses, another first in North America.

Mr. Gauthier has built more than 50 hemp houses in Quebec and Ontario, in addition to renovating over 100 homes using hemp materials. As a result, he has developed a network of engineers and architects interested in the design of hemp houses.

Access to Hemp Building Professionals

On February 12, 2021 the Company announced that it has become a member of the U.S. Hemp Building Association ("USHBA"). As the Company proceeds with the development of its Colorado HAIZ the ability to access a resource such as the USHBA and other industry professionals will be of great benefit.

The Mission of the [U.S. Hemp Building Association](#) is to support and advocate for hemp building professionals, hemp building projects and hemp building materials in the United States. Through initiatives that focus on forwarding the acceptance of hemp into building codes, creating educational material, and gathering information about current products, buildings utilizing hemp, and supply chain options, they endeavour to provide the industry the tools it needs to flourish. "Together we can change the world".

With the world filled with concerns over health and environmental issues, hemp building products provide a solution to both. The use of chemicals in our buildings have increased as we try to improve their fire resistance and thermal performance. This has increased the prevalence of Sick Building Syndrome caused by the exposure to these toxins. Hemp materials can replace the use of these chemical laden products and improve the health of people living in them.

The construction industry has one of the largest carbon footprints of any industry. As the world continues to focus on ways to lower their negative impact on the environment, the construction industry will require an overhaul. Hemp building materials trap carbon absorbed by the plant during the growing process into the building sequestering them for the life of the structure. Houses built using locally sourced hemp that are constructed with hempcrete can be carbon negative. The positive impact of using hemp in building materials is clear, and it is our objective to make it commonly understood.

Jacob Waddell, President of the USHBA stated, "The future will demand improvements in our

construction practices to create a sustainable industry. Hemp is our opportunity to improve the health of our families and our world by building smarter. Please join the USHBA in making healthy hemp homes a reality.”

To find out more about membership in the USHBA, click on this link [USHBA Membership Plans](#) .

Research & Development Division

R&D is an important component of Company’s business model and the Hemp Agro-Industrial Zone (HAIZ). Setting up in Mexico is timely, now that the country is in the process of legalizing hemp and cannabis. Intellectual Property created through the R&D Division will not only be utilized at the Company’s projects, but the goal is to create patented technology that Global Hemp can also widely market.

With an 80+ year moratorium on hemp being removed in many parts of the world, a resurgence of R&D for the industrial applications of hemp has begun in earnest. We are now seeing new and innovative products that are utilizing the hurd and fibre of the hemp plant. This will only gain momentum over time as more countries legalize hemp and more people become aware of the properties of hemp.

The R&D Division is headed by Prof. Victor Castaño, a recognized leader in multiple areas of applied science and technology. He is based at the National Autonomous University of Mexico, Mexico’s largest university and highly ranked in the world for its research and innovation. Prof Castaño and his team bring an amazing wealth of knowledge and experience to the Division in multiple disciplines. They are actively focused on the development of Intellectual Property that can be patented and implemented in the hemp and/or building industry, and in particular applied at the Company’s Colorado Hemp Agro-Industrial Zone.

Pending legalization of cannabis and hemp in Mexico will make hemp material (hurd and fibre) more accessible in-country, creating more opportunities for the R&D Division to develop hemp-based environmentally-friendly construction materials.

On November 27, 2020 the Company announced that it was expanding its hemp R&D efforts in Mexico with the addition of [Irving Fernandez-Cervantes](#). Mr. Cervantes will be in charge of the preparation and characterization of hemp fiber-reinforced materials for construction applications. His expertise in spectroscopic, chemical and physical characterization of composite materials will be of great relevance in the development of novel, patentable construction materials.

On February 26, 2021 the Company announced that it has signed a Research Collaboration Agreement with [Aramat Querétaro](#) (“Aramat”), an organization focused on the recognition of the substantive rights of cannabis users and legal cannabis and hemp cultivator in Mexico. The collaboration is the next step in GHG’s vision of expanding its Research Division in Mexico.

In addition to the ongoing sharing of knowledge and expertise relating to hemp between the parties, Aramat has committed to grow industrial hemp to supply the R&D Division with hemp hurd and fibre for its ongoing research. The Company is currently sourcing a number of different varieties of industrial

hemp seed that will be tested in an initial 1-2 hectare cultivation. GHG and Aramat are currently evaluating a number of proposed locations based on climate, soil and general growing conditions. A final location will be determined in the near future.

This collaboration is part of the Company's bigger vision to expand its collaboration partners while furthering development of Intellectual Property that can be patented, utilized by the Company and or marketed to the industry.

Aramat Querétaro is a civil organization, headquartered in the state of Querétaro, that is focused on the recognition of the substantive rights of cannabis users relating to recreational, medicinal and industrial cannabis. The club's Mission is to promote health, legality, training and development in all aspects of cannabis. Prior to the organization's official formation, Francisco Gerardo Martínez Ramos, Founder and President of Aramat Querétaro, first saw the need to study different treatments derived from cannabis aimed at helping patients with epilepsy.

Initially the group started out by having private events, with restricted access to close friends and relatives who sought to inform and express themselves and share their knowledge and experiences. Then in 2017 the group organized the first "Aramat Querétaro Cannabis Meeting", an event that has been held every year since, except for 2020 due to the ongoing pandemic. In 2019, the event was held at the Autonomous University of Querétaro, where it was free, open to the public, and had speakers from the medical, scientific, psychological and legal communities.

The group is made up of experts in the law, agriculture, biology, engineering, crop development and greenhouses, and have been providing comprehensive services for the preparation and development of cannabis projects. They have been establishing collaborations with doctors and pain clinics for consultation and participation of these experts in their public events which include interviews on local radio stations and in forums public. They have been working on the development of protocols, regulations and implementation of Mexican standards with Mexican companies that are committed to this new industry. In 2019 another facet emerged from the organization with the creation of the Aramat Cannabis Legal Consultancy. The Consultancy offers legal services in the areas of criminal, constitutional, administrative and corporate law to not only its members, but to the general public.

The group has derived great pleasure from the opportunity to share their knowledge with many communities in regions throughout the country. This has allowed Aramat Querétaro to develop projects that further the legal cannabis industry in Mexico. They have also been published in one the highest circulation cannabis related magazines in Latin America and Spain.

Francisco Gerardo Martinez Ramos, President of Aramat Queretaro stated, "We are a small club in the number of members, but large, due to the principles, values and professional knowledge of each one".

Scio, Oregon Hemp Project

The Scio team are continuing the major end of season cleanup at the farm in Scio and preparing the farm for the spring.

Subsequent Events

Signing of Definitive Agreement to Acquire Control Over Strategic Water Infrastructure Assets

On February 8, 2021 the Company announced that it had signed a Definitive Agreement with Prescient Strategies Group LLC (“PSG”) to acquire all of its Western Sierra Resource Corporation (OTC: WSRC) (“WSRC”) Series A Preferred shares (“WSRC Prefs”) in a private, third party transaction.

Closing of the transaction is expected to be on or about early March 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 [February 8, 2021](#).

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 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.

Consulting Agreements and Issuance of Options and Warrants

On January 25, 2021 the Company announced that it had granted stock options to purchase up to 5,300,000 common shares of the Company at an exercise price of \$0.055 per share. The options have a term of five years expiring January 25, 2026 and shall vest in immediately.

The Company also announced it will issue 9,000,000 common share purchase warrants (each a "Warrant") to consultants of the Company. Each Warrant entitles the holder to acquire one common share of the Company at a price of \$0.055 for a period of five (5) years from the date of issuance. The Warrants were issued pursuant to the terms of consulting agreements entered into by the Company and each of the consultants and each Warrant was issued at a deemed value of \$0.055 per Warrant. All Warrants and underlying shares are subject to a four month hold period from the date of issuance. The issuance of the Warrants is subject to the final approval of the CSE.

Terms of the consulting agreements, effective January 25, 2021, the Company to issue 3,000,000 warrants exercisable at the current market price, but in no case less than \$0.05. These warrants will be exercisable for a period of five years from the date of issue and will vest six months after issuance. On the one year anniversary of the agreement the Company will issue an additional 4,000,000 warrants with an exercise price based on the previous 10 day VWAP, but in no case less than \$0.05. The warrants will have a term of 5 years from the date of the one-year anniversary. On the two year anniversary of the agreement the Company will issue an additional 4,000,000 warrants with an exercise price based on the previous 10 day VWAP, but in no case less than \$0.05. The warrants will have a term of 5 years from the date of the two year anniversary. The Company and the Consultants maintain an arm's length relationship.

Warrants issued on the one year and two year anniversaries will vest in each year of issuance as follows:

- 50% of the yearly issuance on date of issuance, and
- the remaining 50% of the yearly issuance after 6 months from date of issuance

Cancellation and Issuance of Options

On January 27, 2021 the Company announced that 2,500,000 previously issued stock options granted to Directors, management and consultants on September 24, 2018 covering 2,500,000 shares have been cancelled. The exercise price of the cancelled stock option agreements was \$0.16 per share. The stock options were voluntarily surrendered by the holders for no consideration.

The Company also reported that it has granted new stock options to Directors, management and consultants aggregating 2,500,000 common shares exercise able at a price of \$0.06 per share under its stock option plan. The options vest at the date of grant and have a term of five years. None of the options were granted to individuals included in the above cancellation. The issuance of the options is subject to the CSE approval.


Social Media Consultant Engaged

In order to gain more public exposure for the Company and its projects, on February 12, 2021 the Company announced that it had entered into a 6 month marketing and consulting contract with North Equities Corp., of Toronto. North Equities specializes in various social media platforms, to facilitate greater investor engagement and widespread dissemination of the company's news as well as generating accessible content showcasing Global Hemp Group and its initiatives. Through its marketing capabilities on various social media platforms, its intended purpose is to widen the communication outreach while providing up-to-date information about GHG to a much larger audience. As compensation, the Corporation has issued North Equities 1,000,000 Common Shares at a deemed price of \$0.07 CDN per Common Share. All Common Shares issued to North Equities have been placed under a 6 month hold period.

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Selected Quarterly Information

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

	Quarter Ended							
	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	30-Sep-19	30-Jun-19	31-Mar-19
	\$	\$	\$	\$	\$	\$	\$	\$
Revenue	-	-	-	-	28,875	1,207	-	1,381
Operating (expenses) recovery	(240,440)	297,078	(38,761)	5,776	(993,872)	720,989	(47,310)	(126,819)
Net Income (Loss) from continued operations & net loss	(201,368)	(216,850)	(91,466)	(53,141)	(1,016,761)	660,196	(340,297)	(167,078)
Loss per share, basic & diluted	(0.00)	(0.00)	(0.00)	(0.00)	(0.01)	0.00	0.00	0.00

Results of Operations

Quarter Ended December 31, 2020 ("2021"Q1)

Loss for 2021 Q1 was \$201,368 (Quarter Ended December 31, 2019 ("2020 Q1") – \$1,016,761). The \$201,368 loss was mainly a combined result of having operating expenses of \$226,581 (2020 Q1 –\$993,872), share of loss of investment in associates of \$NIL (2020 Q1 - \$21,404), exchange gain of \$9,511 (2020 Q1 – Loss of \$20,009) and income tax expense recovery of \$26,059. The significant drop in the current quarter loss versus 2021 Q1 was due to the recognition of a significantly lower amount of non-cash share- based compensation in 2021 Q1 of \$164,682 compared with \$912,600 in 2020 Q1. The 2020 Q1 share-based compensation was related to the 18 million compensation warrants vested in 2020 Q1. As significant portion of the share-based compensation has been recognized in fiscal 2019 and 2020, there was only a small residual amount of share-based compensation related to the compensation warrants to recognize in 2021 Q1.

Consulting fees of \$2,559 (2020 Q1 - \$21,378) to the directors as the directors opted to receive the compensation in the form of cash instead of share-based compensation in the current period. Professional fees increased from \$4,845 in 2020 Q1 to \$18,040 in the current quarter was due to the completion of the private placement financing during 2021 Q1. Research and development expenses of \$NIL (2020 Q1 - \$32,854) were related to the new initiative in developing dryers and drone in 2020 Q1. Interest and bank charge increased from \$1,276 in 2020 Q1 to \$8,133 in the current quarter was due to the consolidation of the farmland mortgage loan of 41389 Farms Ltd.in the current quarter. 41389 Farms Ltd. has become a wholly-own subsidiary of the Company since September 28, 2020.

Share of loss of investment in associates of \$21,404 during 2020 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, 2020, the Company had \$315,428 cash (September 30, 2020 - \$16,372), \$2,258,923 property and equipment (September 30, 2020 - \$2,358,599), accounts payable and accrued liabilities of \$450,093 (September 30, 2020 - \$677,461), notes payable of \$706,476 (September 30, 2020 - \$826,426) and \$7,856,143 in share capital (September 30, 2020 - \$7,118,029).

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, 2020, the Company had a working capital deficit of \$668,486.

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.

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	266,970,060
Warrants	106,112,671
Stock Options	26,600,000

Off-Balance Sheet Arrangements

The company does not have off-balance sheet arrangements.

Transactions with Related Parties

		Three months ended December 31,	
Nature of transactions		2020	2019
		\$	\$
CFO	Accounting fees	1,500	1,500
Director	Legal fees	14,591	4,970
Directors	Share-based compensation	59,809	912,600

Included in accounts payable and accrued liabilities is \$78,545 (September 30, 2020 - \$128,04) due to directors and officers for unpaid consulting fees and expense reimbursements. These amounts are unsecured, non-interest bearing with no fixed payment terms.

During the three months ended December 31, 2020, the Company incurred consulting fees of \$NIL for the service of Mr. Curt Huber, the President/CEO (Three months ended December 31, 2019 - \$10,000) and recognized share based compensation of \$29,905. The President/CEO participated in the private placement closed on December 11, 2020 (note 10) through a subscription of 6,000,000 units at \$0.015/unit. A balance of \$NIL was owed to the CEO as at December 31, 2020 (September 30, 2020 - \$52,500).

During the three months ended December 31, 2020, the Company incurred accounting fees of \$1,500 for the service of Mr. Sebastian Tang, the CFO (Three months ended December 31, 2019 - \$1,500). Balance due to the CFO of \$3,500 was recorded as at December 31, 2020 (September 30, 2020 - \$2,000). The balance was subsequently settled in February 2021.

During the three months ended December 31, 2020, the Company incurred legal fees of \$14,591 (Three months ended December 31, 2019 - \$4,970) for the service of Dunton Rainville LLP, a law firm controlled by Mr. Michel Lebeuf, a director newly appointed in May 2020. A balance of \$41,295 was owed to the law firm as at December 31, 2020 (September 30, 2020 - \$31,078).

During the three months ended December 31, 2020, the Company recognized share based compensation of \$29,904 to Dr. Paul Perrault, a director of the Company (Three months ended December 31, 2019 - \$304,200). A balance of \$18,750 was owed to the director as at December 31, 2020 (September 30, 2020 - \$26,250).

A balance of \$15,000 was owed to Mr. Jeffrey Kilpatrick, a director of the Company as at December 31, 2020 (September 30, 2020 - \$15,000).

Financial Instruments and Other Instruments

Refer to Notes 3 to the Company's financial statements for the year ended September 30, 2020.

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