



Global Hemp Group Inc.

Condensed Consolidated Interim Financial Statements

Nine Months Ended June 30, 2021

Unaudited

Expressed in Canadian Dollars



For Further Information Contact

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NOTICE TO READER

In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the accompanying condensed consolidated interim financial statements.

GLOBAL HEMP GROUP INC.

Consolidated Statements of Financial Position (Unaudited – expressed in Canadian dollar)

Assets

Current assets

Cash	4	510,846	16,372
Advances receivable	8(b)	182,920	–
Accounts receivable		31,304	32,203
Income tax receivable		15,493	–
Assets held for sale	14	1,043,041	5,000
Prepaid expenses		61,198	–
Biological assets	6	–	470
		1,844,802	54,045
Deposits and prepayments	7 & 8(a)	572,008	10,878
Investment in Associates	8(b)	5,941,736	–
Property and equipment	9	238,783	2,358,599
TOTAL ASSETS		\$ 8,597,329	\$ 2,423,522

Liabilities and shareholders' equity

Current liabilities

Accounts payable and accrued liabilities	5 & 11	355,068	677,461
Advances received	14	609,279	5,000
Notes payable	13	170,034	826,426
Subscription for Secured Convertible Debentures	14	350,000	–
		1,484,381	1,508,887

Non-current liabilities

Secured Convertible Preference Shares - Liability	8(c)	3,178,794	–
Derivative Liability	8(c)	2,162,286	–
Total liabilities		6,825,461	1,508,887

Shareholders' deficiency

Share capital	12	9,046,487	7,118,029
Shares to be issued		–	25,500
Reserve		6,023,010	4,146,388
Deficit		(13,427,006)	(10,332,482)
Total equity attributable to owners of parent		1,642,491	957,435
Non-controlling interest		–	(42,800)
		1,642,491	914,635
Total liabilities and shareholders' equity		\$ 8,467,952	# \$ 2,423,522

The accompanying notes are an integral part of these condensed interim consolidated financial statements

Nature of operations and going concern (Note 1)

Event after the reporting period (Note 21)

Approved and authorized for issuance by the Board of Directors on August 30, 2021

"Curt Huber"
Director

"Jeff Kilpatrick"
Director

GLOBAL HEMP GROUP INC.

Consolidated Statements of Comprehensive Loss (Unaudited – expressed in Canadian dollars)

		Three months ended June 30,		Nine months ended June 30,	
	Note	2021	2020	2021	2020
		\$	\$	\$	\$
Gross Revenue		–	–	–	28,875
Cost of Goods Sold		–	(2,478)	–	7,873
Gross Profit		–	2,478	–	21,002
Expenses					
Advertising and promotion		61,051	136	159,796	429
Amortization	9	13,561	10,913	34,623	16,370
Insurance		2,282	–	9,049	–
Interest & Bank Charges		48,753	924	61,408	3,173
Loan inducement fee	12	–	–	16,500	–
Consulting	11	22,887	–	50,166	8,878
Office and administration		2,593	1	9,245	767
Rent		–	3,000	2,000	9,000
Professional fees		37,644	20,002	74,420	26,246
Property tax		1,293	–	4,151	–
Repair and maintenance		82	(166)	5,524	(166)
Research & Development		9,331	–	9,331	29,182
Salaries and wages		50,027	–	85,877	–
Share based compensation	12	552,210	–	1,507,671	912,600
Shareholder communication		737	–	11,544	–
Travel		7	–	157	1,532
Trust and filing fees		7,413	3,951	35,942	18,846
(Loss) before other items:		(809,871)	(36,283)	(2,077,404)	(1,005,855)
Exchange gain (loss)		(21,728)	(46,143)	(19,623)	20,257
Bad debt recovery		–	2,726	1,974	2,726
Loss on settlement of services with shares		–	–	(20,000)	–
Loss on asset impairment	14	(906,046)	–	(906,046)	–
Write-off of biological assets	6	5,370	–	(58,078)	–
Gain (loss) on sale of assets held for sale		–	–	751	–
Gain on sale of equipment		(30)	–	2,034	–
Loss on disposal of a subsidiary		(45,618)	–	(45,618)	–
Interest income		–	–	–	979
Share of profit (loss) of Investment in Associates	10	–	(11,766)	–	(179,475)
Net loss		(1,777,923)	(91,466)	(3,122,010)	(1,161,368)
Current income tax (recovery)		(379)	–	25,311	–
Net loss after tax recovery		(1,778,302)	(91,466)	(3,096,699)	(1,161,368)
Other comprehensive (loss) income					
Translation adjustment		(16,492)	–	(79,586)	–
Comprehensive Loss		(1,794,794)	(91,466)	(3,176,285)	(1,161,368)
Net loss attributable to:					
Shareholders of the Company		(1,777,737)	(85,831)	(3,094,524)	(1,152,785)
Non-controlling interest		(565)	(5,635)	(2,175)	(8,583)
Other comprehensive loss attributable to:					
Shareholders of the Company		(16,492)	–	(79,586)	–
Non-controlling interest		–	–	–	–
Total comprehensive loss attributable to:					
Shareholders of the Company		(1,794,229)	(85,831)	(3,174,110)	(1,152,785)
Non-controlling interest		(565)	(5,635)	(2,175)	(8,583)
Loss per share, basic and diluted		(0.01)	(0.00)	(0.01)	(0.01)
Weighted average number of outstanding shares		271,378,007	188,197,016	254,533,624	188,197,016

The accompanying notes are an integral part of these condensed interim consolidated financial statements

GLOBAL HEMP GROUP INC.

Consolidated Statements of Changes in Equity

(Unaudited – expressed in Canadian dollars except for number of shares)

	Share Capital			Reserve			Equity attributable to		
	Note	Number	Amount	Shares to be issued	Share-based payment reserve	Foreign currency translation	Deficit	Shareholders' equity	Non-controlling Interest
			\$		\$	\$	\$	\$	\$
Balance, September 30, 2019		188,197,016	6,691,986	–	3,664,283	–	(9,062,732)	1,293,537	65,668
Share-based compensation		–	–	–	912,600	–	–	912,600	–
Net and comprehensive loss		–	–	–	–	–	(1,152,785)	(1,152,785)	(8,583)
Balance, June 30, 2020		188,197,016	6,691,986	–	4,576,883	–	(10,215,517)	1,053,352	57,085
Balance, September 30, 2020		211,660,432	7,118,029	25,500	4,149,362	(2,974)	(10,332,482)	957,435	(42,800)
Shares issuance for services		1,000,000	90,000	–	–	–	–	90,000	–
Reallocation of fair value of options exercised		–	76,149	–	(76,149)	–	–	–	–
Share issuance on exercise of options		2,650,000	135,000	–	–	–	–	135,000	–
Shares issuance on exercise of warrants		3,382,960	394,148	–	(210,000)	–	–	184,148	–
Share issuance on conversion of convertible debenture		10,000,000	500,000	–	–	–	–	500,000	–
Share-based compensation	12	–	–	–	1,507,671	–	–	1,507,671	–
Loans inducement	12	2,100,000	42,000	(25,500)	–	–	–	16,500	–
Shares issued of private placements	12	53,200,000	691,161	–	49,686	–	–	740,847	–
Issuance of Preference Shares Warrants		–	–	–	685,000	–	–	685,000	–
Disposal of subsidiary		–	–	–	–	–	–	–	44,975
Net and comprehensive loss		–	–	–	–	(79,586)	(3,094,524)	(3,174,110)	(2,175)
Balance, June 30, 2021		283,993,392	9,046,487	–	6,105,570	(82,560)	(13,427,006)	1,642,491	–

The accompanying notes are an integral part to these condensed interim consolidated financial statements

GLOBAL HEMP GROUP INC.
Consolidated Statements of Cash Flows
(Unaudited – expressed in Canadian dollars)

	Nine months ended June 30,	
	2021	2020
Cash (used in) provided by:	\$	\$
Operating activities		
Loss for the period	(3,096,699)	(1,161,368)
Non-cash items		
Amortization	34,623	16,370
Accretion	44,799	—
Current income tax recovery	(26,059)	—
Share based compensation	1,507,671	912,600
Shares issued for service	70,000	—
Loan inducement fees	16,500	—
Write-off of biological assets	58,078	—
Loss on settlement of services with shares	20,000	—
Gain on sale of assets held for sale	(750)	—
Impairment loss of assets held for sale	906,046	—
Gain on sale of equipment	(2,034)	—
Unrealized foreign exchange (gain)	92,998	(20,257)
Share of (gain) loss of Investment in Associates	—	179,475
Interest accrual	13,114	1,652
Loss on dissolution of subsidiary	45,618	—
Changes in non-cash operating working capital		
Biological assets	(57,608)	—
Deposits and prepayments	(74,463)	—
Customer advances	—	—
Accounts receivable and sales tax receivable	2,219	27,381
Accounts payable and accrued liabilities	(155,126)	(9,770)
Due to related parties	(24,373)	—
Inventory	—	—
Cash used in operating activities	(625,446)	(53,917)
Financing activities		
Proceeds from common shares issuance on private placement	733,347	—
Proceeds from common shares issuance on exercise of options	135,000	—
Proceeds from common shares issuance on exercise of warrants	182,667	—
Proceeds from promissory note and convertible debenture subscription	865,000	—
Repayments of promissory notes	(128,740)	—
Cash provided by financing activities	1,787,274	—
Investing activities		
Investment in joint venture	—	(404,461)
Advance payment related to Western Sierra Acquisition	(182,920)	—
Deposits received from sale of assets held for sale	107,639	—
Deposits paid for the acquisition of industrial hemp assets in Colorado	(547,865)	—
Preference shares dividend payments	(33,830)	—
Proceeds on disposal of equipment	9,245	—
Cash used in investing activities	(647,731)	(404,461)
Effect of foreign exchange	(19,623)	20,257
Change in cash	514,097	(458,378)
Cash, beginning of the year	16,372	485,774
Cash, end of the period	510,846	47,653

The accompanying notes are an integral part of these condensed interim consolidated financial statements

GLOBAL HEMP GROUP INC.
Notes to the Condensed Consolidated Interim Financial Statements
Three and Nine Month Ended June 30, 2021
(Unaudited - expressed in Canadian Dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

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. Since the name change, the Company has been focused on the production and processing of industrial hemp and collaboration with companies that will enable GHG to develop and implement the Hemp Agro-Industrial Zone concept. Through partnerships, joint ventures and acquisitions, the Company will capture cash flow, revenues and value, and establish a greater collective valuation.

The Company’s registered office is located at #106 – 1169 Mt. Seymour Road, North Vancouver, BC, V7H 2Y4. The Company’s common shares are traded on Canadian Securities Exchange under the symbol “GHG”, on Börse Frankfurt under the symbol “GHG”, and on the USA OTCQB Markets under the symbol “GBHPF”.

These consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern which assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of operations. The Company’s continuation as a going concern is dependent upon its ability to attain profitable operations and generate funds there from and/or raise equity capital or borrowings sufficient to meet current and future obligations. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company’s ability to continue as a going concern. Management intends to finance operating costs over the next twelve months with debt and or private placements of common shares. Should the Company be unable to continue as a going concern, the net realizable value of its assets may be materially less than the amounts on its statement of financial position.

2. STATEMENT OF COMPLIANCE

These condensed interim consolidated financial statements for nine months ended June 30, 2021, together with the comparative figures herein have been prepared in accordance with International Accounting Standards (“IAS”) 34 “Interim Financial Reporting” (“IAS 34”) using accounting policies consistent with the International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

These consolidated condensed interim financial statements do not include all of the information required of a full annual financial report and is intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the end of the last annual reporting period. It is therefore recommended that these condensed interim financial statements be read in conjunction with the audited annual financial statements of the Company for the most recent year ended September 30, 2020.

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

These condensed consolidated interim financial statements have been prepared on an accrual basis and are based on historical costs, except for financial instruments measured at their fair value. These condensed consolidated interim financial statements are presented in Canadian dollars, unless otherwise noted.

GLOBAL HEMP GROUP INC.**Notes to the Condensed Consolidated Interim Financial Statements****Three and Nine Month Ended June 30, 2021****(Unaudited - expressed in Canadian Dollars)**

Significant estimates and assumptions

The preparation of financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Estimates where there is significant risk of material adjustments to assets and liabilities in future accounting periods include the fair value measurements for financial instruments, the recoverability and measurement of deferred tax assets and the fair value of inventory.

Significant judgments

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying the Company's financial statements include:

- the assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty.

Biological assets

The Company's biological assets consist of hemp plants and are valued using the cost approach. Production costs are capitalized to biological assets and include all direct and indirect costs relating to biological transformation. The Company measures and adjusts the biological assets to cost, up to the point of harvest, which becomes the basis for the cost of finished goods inventories after harvest. Unrealized gains or losses arising from the changes in fair value less cost to sell during the period are included in the results of operations for the related period.

New Accounting standards issued but not yet applied

At the date of the approval of the consolidated financial statements, a number of standards and interpretations were in issue but not yet effective. The Company considers that these new standards and interpretations are either not applicable or are not expected to have a significant impact on the Company's consolidated financial statements.

4. CASH AND CASH EQUIVALENTS

	June 30, 2021	September 30, 2020
	\$	\$
Bank demand deposits	510,846	16,372
	510,846	16,372

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	June 30, 2021	September 30, 2020
	\$	\$
Trade payables	449,554	393,017
Accrued liabilities	34,891	275,307
Taxes payable	-	9,137
	484,445	677,461

GLOBAL HEMP GROUP INC.
Notes to the Condensed Consolidated Interim Financial Statements
Three and Nine Month Ended June 30, 2021
(Unaudited - expressed in Canadian Dollars)

6. BIOLOGICAL ASSETS

The Company's biological assets consist of hemp plants and the capitalized direct costs for cultivation prior to 2021 harvesting season.

7. DEPOSITS AND PREPAYMENTS

	June 30, 2021	September 30, 2020
	\$	\$
Refundable Deposit on acquisition for Western Sierra Resources Transaction (see Note 8)	12,856	-
Deposits for Industrial Hemp Colorado Properties	547,865	-
Other deposits	11,287	-
	572,008	-

8. ACQUISITION OF PREFERRED SHARES OF WESTERN SIERRA RESOURCE CORPORATION

- (a) On February 8, 2021, the Company announced that it has signed the Definitive Agreement with Prescient Strategies Group LLC ("PSG") to acquire all of its Western Sierra Resource Corporation ("WSRC") Series A Preferred Share holdings ("WSRC Prefs") in a private, third party transaction.

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, 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 transaction, GHG issued 15,000,000 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 redemption 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.

GLOBAL HEMP GROUP INC.**Notes to the Condensed Consolidated Interim Financial Statements****Three and Nine Month Ended June 30, 2021****(Unaudited - expressed in Canadian Dollars)**

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.

Closing of the transaction is expected to be on or about late February to early March of 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*).

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.

As at June 30, 2021, GHG made advances totaling \$137,539 (US\$ 108,227) related to the acquisition of the preferred shares of WSRC. The details of the advances are as follows:

	Canadian Dollar	US Dollar
	\$	\$
Refundable deposit on Letter of Intent (Note 7)	12,856	10,000
Advance for preferred shares dividend payment (Note 8(b))	33,827	27,516
Advance for settlement of WSRC Loan	182,920	147,091
	229,603	184,607

- (b) On May 14, 2021, PSG exchanged its 11,006,400 WSRC Prefs for 11,006,400 GHG Prefs. As a result, the Company controls 46.85% of the voting rights of WSRC. The Company estimated the fair value of this investment of 11,006,400 WSRC Prefs at \$5,941,736 (US\$4,906,875).

The allocation of the estimated fair value associated with the consideration given up by the Company on May 14, 2021 is as follows:

	Canadian Dollar	US Dollar
	\$	\$
GHG Prefs - Convertible Preference Shares Liabilities (Note 8(c))	3,094,450	2,555,496
GHG Prefs - Foreign Exchange Derivative Liabilities (Note 8(c))	2,162,286	1,785,685
Fair value of 15,000,000 warrants of the Company	685,000	565,695
Investment in Associate - WSRC Prefs	5,941,736	4,906,876

- (c) 11,006,400 GHG Prefs issued to PSG on May 14, 2021 is classified as financial liability under IAS 32 due to the fixed maturity date of 10 years from issuance date and the mandatory redemption value of US\$5,503,220 (11,006,440 GHG Prefs at US\$0.50) at maturity date. The Company determined that embedded derivatives exist due to US Dollars being the GHG Prefs denominated currency versus the Company's

GLOBAL HEMP GROUP INC.**Notes to the Condensed Consolidated Interim Financial Statements****Three and Nine Month Ended June 30, 2021****(Unaudited - expressed in Canadian Dollars)**

function currency in Canadian Dollars. As a result, the Company estimated the fair value of the Foreign Exchange Derivative Liabilities at \$2,162,286 (US\$1,785,685) on the date of initial recognition on May 14, 2021.

The initial recognition of the Secured Convertible Preference Shares Liability portion for \$3,094,450 (US\$2,555,496) is the residual amount of the fair value of the WSRC Prefs after the allocation of \$2,162,286 (US\$1,785,685) to the Foreign Exchange Derivative Liabilities and \$685,000 (US\$565,695).

The effective interest rate or the discount rate for the Secured Convertible Preference Shares Liabilities is estimated at 11.15%. The cash obligations associated with the GHG Prefs with the assumption of no conversion to maturity are as follows:

	Annual Dividend	Mandatory Redemption Value
Due Date	US Dollars	US Dollars
Friday, May 13, 2022	110,064	-
Saturday, May 13, 2023	110,064	-
Monday, May 13, 2024	110,064	-
Tuesday, May 13, 2025	110,064	-
Wednesday, May 13, 2026	110,064	-
Thursday, May 13, 2027	110,064	-
Saturday, May 13, 2028	110,064	-
Sunday, May 13, 2029	110,064	-
Monday, May 13, 2030	110,064	-
Tuesday, May 13, 2031	110,064	5,503,220
Total	1,100,644	5,503,220

The continuity of the Secured Convertible Preference Shares Liabilities is as follows:

	Canadian Dollar	US Dollar
	\$	\$
Balance, September 30, 2020	-	-
Initial Recognition	3,094,450	2,555,496
Dividends advances	(33,827)	(27,516)
Accretion	44,799	36,805
Foreign exchange	73,372	-
Balance, June 30, 2021	3,178,794	2,564,785

GLOBAL HEMP GROUP INC.
Notes to the Condensed Consolidated Interim Financial Statements
Three and Nine Month Ended June 30, 2021
(Unaudited - expressed in Canadian Dollars)
9. PROPERTY AND EQUIPMENT

	Land	Buildings	Office furniture	Trucks & Vehicles	Farming equipment	Incorporation costs	Total
Cost:	\$	\$	\$	\$	\$		\$
Balance, September 30, 2019	-	-	-	-	353,197	642	353,839
Additions	-	-	-	-	-	-	-
Disposal	-	-	-	-	-	-	-
Balance, June 30, 2020	-	-	-	-	353,197	642	353,839
Acquisition of control of subsidiaries (Note 10)	1,067,123	379,164	1,696	47,800	237,141	-	1,732,924
Allocation from acquisition consideration (Note 10)	469,996	160,371	-	-	-	-	630,367
Foreign currency translation	(3,111)	(985)	(2)	(99)	(853)	-	(5,050)
Reclassification as assets held for sale	-	-	-	-	(353,197)	-	(353,197)
Balance, September 30, 2020	1,534,008	538,550	1,694	47,701	236,288	642	2,358,883
Disposal	-	-	-	-	(5,382)	(642)	(6,024)
Foreign currency translation	(75,380)	(27,010)	(125)	(3,444)	(18,327)	-	(124,286)
Reclassification as assets held for sale	(1,458,628)	(511,540)	-	-	-	-	(1,970,168)
Balance, June 30, 2021	-	-	1,569	44,257	212,579	-	258,405
Amortization:							
Balance, September 30, 2019	-	-	-	-	134,927	-	134,927
Change for the period	-	-	-	-	15,728	-	15,728
Balance, June 30, 2020	-	-	-	-	150,655	-	150,655
Balance, September 30, 2020	-	113	2	30	139	-	284
Disposal	-	-	-	-	-	-	-
Change for the period	-	21,385	240	3,516	16,280	-	41,421
Foreign currency translation	-	(417)	(7)	(103)	(475)	-	(1,002)
Reclassification as assets held for sale	-	(21,081)	-	-	-	-	(21,081)
Balance, June 30, 2021	-	-	235	3,443	15,944	-	19,622
Net book value:							
At June 30, 2021	-	-	1,334	40,814	196,635	-	238,783
At June 30, 2020	-	-	-	-	202,542	642	218,912

GLOBAL HEMP GROUP INC.
Notes to the Condensed Consolidated Interim Financial Statements
Three and Nine Month Ended June 30, 2021
(Unaudited - expressed in Canadian Dollars)

10. INVESTMENT IN JOINT VENTURES

	CBA Oregon	41389 Farms	Total
Balance as at September 30, 2019	536,303	525,076	1,061,379
Contributions - cash	285,437	119,023	404,460
Share of profit or (loss) for the period	(153,686)	(25,788)	(179,474)
Balance as at June 30, 2020	668,054	618,311	1,286,365
Balance as at September 30, 2020 & June 30, 2021	-	-	-

a) Scio, Oregon Project

Incorporation of 41389 Farms Ltd and Acquisition of Agricultural Property

On March 23, 2018, the Scio, Oregon Project was incorporated as an Oregon Corporation. The Company held 50% of the shares and the other 50% were held by MCOA until September 28, 2020 when the Company acquired a 100% interest (Note 7 to the audited financial statements for the year ended September 30, 2020).

b) CBA Oregon

On May 8, 2018, the Company and MCOA entered into a joint venture agreement for the development of a hemp farm. CBA Oregon was incorporated under the laws of Oregon State on April 19, 2018. The Company held 50% of the shares and the other 50% were held by MCOA until September 28, 2020 when the Company acquired a 100% interest (Note 7 to the audited financial statements for the year ended September 30, 2020).

11. RELATED PARTY TRANSACTIONS

Key Management Compensation:

		Nine months ended June 30,	
Nature of transactions		2021	2020
		\$	\$
President/CEO	Salaries/Consulting fees	74,800	7,500
Director	Consulting fees	24,900	-
CFO	Accounting fees	5,000	4,500
Director	Legal fees	53,123	3,345
Directors and officers	Share-based compensation	630,809	912,600

Included in accounts payable and accrued liabilities, there were \$129,377 (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 nine months ended June 30, 2021, the Company incurred salaries and accrued vacation pay of \$74,800 for the service of the President/CEO (Nine months ended June 30, 2020 - \$7,500 consulting fees) and recognized share based compensation of \$365,905 (Nine months ended June 30, 2020 - \$304,200). The President/CEO participated in the private placement closed on December 11, 2020 (note 10) though a subscription of 4,000,000

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units at \$0.015/unit for \$60,000. A balance of \$14,809 (including accrued wages paid in April and accrued vacation pay) was owed to the CEO as at June 30, 2021 (September 30, 2020 - \$52,500).

During the nine months ended June 30, 2021, the Company incurred accounting fees of \$5,000 for the service of an entity owned by the CFO (Nine months ended June 30, 2020 - \$4,500) and recognized share based compensation of \$16,000 (Nine months ended June 30, 2020 - \$NIL). Balance accrued for the CFO service of \$1,500 was recorded as at June 30, 2021 (September 30, 2020 - \$2,000).

During the nine months ended June 30, 2021, the Company incurred legal fees of \$53,123 (Nine months ended June 30, 2020 - \$3,345) for the service of a law firm controlled by a director appointed in May 2020 and recognized share based compensation of \$35,000 for a Director. On March 9, 2021, the director exercised 500,000 stock options with exercise price of \$0.055/share. A balance of \$85,245 was owed to the law firm as at June 30, 2021 (September 30, 2020 - \$31,078).

During the nine months ended June 30, 2021, the Company incurred consulting fee of \$24,900 (Nine months ended June 30, 2020 - \$NIL) to an entity controlled by a director of the Company and recognized share based compensation of \$189,904 for the director (Nine months ended June 30, 2020 - \$304,200). A balance of \$18,750 was owed to the director as at June 30, 2021 (September 30, 2020 - \$26,250).

During the nine months ended June 30, 2021, the Company recognized share based compensation of \$24,000 (Nine months ended June 30, 2020 - \$NIL) to a director. A balance of \$9,073 was owed to the director as at June 30, 2021 (September 30, 2020 - \$15,000).

12. CAPITAL STOCK

Authorized

Unlimited number of common shares and Class B preferred shares without par value.

Issued and outstanding

On October 8, 2020, 1,700,000 common shares of the Company were issued for the loan inducement.

On November 30, 2020, 400,000 common shares of the Company were issued for the loan inducement.

On December 11, 2020, the Company closed a private placement of non-brokered private placement, consisting of 51,600,000 units ("Units") at a price of \$0.015 per Unit for gross proceeds of \$774,000 (the "Private Placement"). Each unit is comprised of one common share of the Company (a "Common Share" and collectively, the "Common Shares") and one common share purchase warrant (each whole warrant a "Warrant" and collectively, the "Warrants") of the Company. Each whole Warrant shall entitle the holder thereof to acquire one additional Common Share at a price of \$0.05 per Common Share for a period expiring on September 8, 2023. The warrants were listed for trading on the CSE after the expiry of the hold period and will have identical terms to the 11,076,741 listed warrants of the Company currently outstanding and trading under the ticker symbol GHG.WT. 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. All securities issued are subject to a four-month plus a day hold period from the date of issuance in accordance with applicable securities laws.

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On December 11, 2020, 1,600,000 common shares and 1,880,000 share purchase warrants of the Company were issued as a finder's fee for this private placement. The 1,880,000 share purchase warrants are exercisable at \$0.05 with the expiry date on September 8, 2023.

On January 26, 2021, 1,000 share purchase warrants with exercise price at \$0.05/share were exercised resulted in the issuance of 1,000 common shares.

On February 3, 2021, 295 share purchase warrants with exercise price at \$0.05/share were exercised resulted in the issuance of 295 common shares.

On February 10, 2021, 8,333 share purchase warrants with exercise price at \$0.05/share were exercised resulted in the issuance of 8,333 common shares.

On February 22, 2021, 1,000,000 common shares were issued to a third-party consultant in exchange for advertising and promotion service at a value of \$70,000. The closing quote of the shares on February 22, 2021 was \$0.09. A loss on settlement of service with shares for \$20,000 was recognized during the six months ended March 31, 2021 due to the difference between the fair value of the shares issued at \$90,000 and the agreed service value of \$70,000.

On March 1, 2021, 20,000 share purchase warrants with exercise price at \$0.05/share were exercised resulted in the issuance of 20,000 common shares.

On March 9, 2021, 500,000 share purchase options with exercise price at \$0.055/share were exercised resulted in the issuance of 500,000 common shares.

On March 18, 2021, 353,332 share purchase warrants with exercise price at \$0.05/share were exercised resulted in the issuance of 353,332 common shares.

On March 23, 2021, 2,150,000 share purchase options with exercise price at \$0.05/share were exercised resulted in the issuance of 2,150,000 common shares.

On June 25, 2021, 3,000,000 share purchase warrants with exercise price at \$0.055/share were exercised resulted in the issuance of 3,000,000 common shares.

On June 28, 2021, the holder of the Secured Convertible Debenture with a face value of \$500,000 converted into 10,000,000 units with resulted in the issuance of 10,000,000 common shares and 10,000,000 share purchase warrants.

During the nine months ended June 30, 2020, there were no shares issued or returned to the Company's treasury.

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Warrants

A continuity of the Company's warrants is as follows:

	Number of Warrants	Weighted average exercise price	Weighted average number years to expiry
Balance, September 30, 2020	43,642,299	\$ 0.12	1.99
Exercise	(3,382,960)	\$ 0.05	-
Expired	(169,333)	\$ 0.13	-
Granted	87,480,000	\$ 0.05	4.01
Balance, June 30, 2021	127,570,006	\$ 0.08	2.55

The fair value of 1,880,000 warrants granted during the three months ended December 31, 2020 related to the finder's fees was determined to be \$49,686 using the Black-Scholes option pricing model with the following assumptions: expected life of 2.74 years, volatility of 203%, dividend yield of 0%, and risk-free rate of 0.30%.

The fair value of the graded vesting portion for the nine months period ended June 30, 2021 for the 9,000,000 warrants granted in January 2021 related to the consulting services was determined to be \$571,989 using Black-Scholes option pricing model with the following assumptions: expected life of 5 years, volatility of 261%, dividend yield of 0%, and risk-free rate of 0.42%.

As at June 30, 2021, the Company had the following warrants outstanding:

Date Issued	Expiry Date	Exercise Price	Number of Warrants Outstanding
February 28, 2017	February 28, 2022	\$0.05	1,519,350
March 7, 2018	March 1, 2023	\$0.15	12,376,875
November 29, 2018	July 31, 2021	\$0.36	1,200,000
December 12, 2018	December 10, 2023	\$0.12	16,200,000
June 24, 2019	July 31, 2021	\$0.36	1,100,000
September 11, 2020	September 8, 2023	\$0.05	10,693,781
December 11, 2020	September 8, 2023	\$0.05	53,480,000
January 25, 2021	January 25, 2026	\$0.055	6,000,000
May 14, 2021	May 14, 2026	\$0.05	15,000,000
June 28, 2021	September 8, 2023	\$0.05	10,000,000
			127,570,006

Stock options

On May 17, 2021, the Company granted 4,000,000 stock options to external consultants. 1,000,000 stock options of this grant are fully vested on grant date whereby each option entitles the holder to purchase one common share of the Company at \$0.05 per share. 3,000,000 stock options of this grant have not met the vesting condition as

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at June 30, 2021 and these stock options entitle the holder to purchase one common share of the Company per each stock option at \$0.05 per share. The expiry date of these options is May 17, 2026. The fair value of these options was determined to be \$150,000 (\$50,000 for stock options vested as at June 30, 2021 and \$150,000 for stock option not yet vested as at June 30, 2021) using the Black-Scholes option pricing model with the following weighted average assumptions: expected life of 5.00 years, volatility of 243%, dividend yield of 0%, and risk-free rate of 0.95%.

On May 3, 2021, the Company granted 3,000,000 stock options to external consultants. Each option entitles the holder to purchase one common share of the Company at \$0.05 per share and fully vested on grant date. The expiry date of these options is May 3, 2026. The fair value of these options was determined to be \$150,000 using the Black-Scholes option pricing model with the following weighted average assumptions: expected life of 5.00 years, volatility of 245%, dividend yield of 0%, and risk-free rate of 0.92%.

On January 27, 2021, the Company granted 2,500,000 stock options to external consultants. Each option entitles the holder to purchase one common share of the Company at \$0.06 per share and fully vested on grant date. The expiry date of these options is January 27, 2026. The fair value of these options was determined to be \$200,000 using the Black-Scholes option pricing model with the following weighted average assumptions: expected life of 5.00 years, volatility of 261%, dividend yield of 0%, and risk-free rate of 0.41%.

On January 25, 2021, the Company granted 5,300,000 stock options to external consultants. Each option entitles the holder to purchase one common share of the Company at \$0.055 per share and fully vested on grant date. The expiry date of these options is January 25, 2026. The fair value of these options was determined to be \$371,000 using the Black-Scholes option pricing model with the following weighted average assumptions: expected life of 5.00 years, volatility of 261%, dividend yield of 0%, and risk-free rate of 0.44%.

On November 30, 2020, the Company granted 5,300,000 stock options to external consultants. Each option entitles the holder to purchase one common share of the Company at \$0.05 per share and fully vested on grant date. The expiry date of these options is November 25, 2025. The fair value of these options was determined to be \$101,437 using the Black-Scholes option pricing model with the following weighted average assumptions: expected life of 4.97 years, volatility of 197%, dividend yield of 0%, and risk-free rate of 0.43%.

On August 9, 2019, the Company granted 5,750,000 stock options to directors and consultants. Each option entitles the holder to purchase one common share of the Company at \$0.06 per share. 4,750,000 of the stock options fully vested on the grant date and 1,000,000 vested 25% on grant date and then 25% on each of December 31, 2019, 2020, and 2021. The expiry date of these options is August 8, 2024. The fair value of these options was determined to be \$314,417 using the Black-Scholes option pricing model with the following weighted average assumptions: expected life of 5 years, volatility of 143%, dividend yield of 0%, and risk-free rate of 1.26%. The Company recognized cumulative share based compensation of \$300,746 in connection with this grant.

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A continuity of the Company's options is as follows:

	Options	Weighted average exercise price	Weighted average number years to expiry
Balance, September 30, 2020	16,000,000	\$0.072	1.86
Cancelled	(2,500,000)	\$0.16	-
Exercised	(2,650,000)	\$0.051	-
Expired	(6,100,000)	\$0.056	-
Granted	20,100,000	\$0.053	4.63
Balance, June 30, 2021	24,850,000	\$0.053	3.80

As at June 30, 2021, the Company had the following options outstanding:

Date Granted	Expiry Date	Exercise Price	Number of Options Outstanding	Number of options Exercisable
September 20, 2017	September 20, 2021	\$0.05	5,200,000	5,200,000
September 24, 2018	September 20, 2023	\$0.16	150,000	150,000
August 9, 2019	August 8, 2024	\$0.06	2,050,000	2,050,000
November 30, 2020	November 25, 2025	\$0.05	3,150,000	3,150,000
January 25, 2021	January 25, 2026	\$0.055	4,800,000	4,800,000
January 27, 2021	January 27, 2026	\$0.06	2,500,000	2,500,000
May 3, 2021	May 3, 2026	\$0.05	3,000,000	3,000,000
May 17, 2021	May 17, 2026	\$0.05	4,000,000	1,000,000
			24,850,000	21,850,000

Share based payment reserve

The share-based payment reserve records items recognized as stock-based compensation expense and other share-based payments until such time that the stock options or warrants are exercised, at which time the corresponding amount will be transferred to share capital.

Foreign currency translation reserve

The foreign currency translation reserve records unrealized exchange differences arising on translation of foreign operations that have a functional currency other than the Company's reporting currency.

Basic and diluted loss per share

Diluted loss per share does not include the effect of 127,570,006 warrants and 24,850,000 options as the effect would be anti-dilutive.

13. NOTE PAYABLE**a) 41389 Farms**

On April 30, 2018, the vendor of the farmland property held by 41389 Farms (the "Oregon Farmland Property") issued a promissory note to 41389 Farms in the amount of US\$695,000 (the "Note Payable").

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Interest rate

The initial interest rate shall be Four Percent (4.0%) for the period up to September 30, 2018. The interest rate shall be adjusted effective on October 1 of each year during the term of this Note. The adjusted interest rate will be determined by adding 1.15 percentage points (1.15%) to the Ten Year US Treasury Note as of the market close on September 30 of each year. This amount will be the new interest rate until the next following October 1, when the rate shall again be adjusted. The adjusted interest rate for the interest calculation for the fiscal period ended September 30, 2021 was 2.83%.

Payment term

Maker shall make monthly payments to the vendor in the amount of US\$7,036. The first payment was due on June 1, 2018 and subsequent payments due on the first day of each month thereafter, until May 1, 2021, when the entire principal balance and accrued unpaid interest shall be all due and payable.

Any prepayment shall not postpone the due date of any subsequent payments, unless the lender shall otherwise agree in writing. There is no penalty for prepayment. A late payment penalty of 5% shall apply to any payment not made within 15 days of its due date.

On February 27, 2021, the Company and the vendor agreed to extend the due date of the entire balance from May 1, 2021 to December 31, 2021. The interest rate will be adjusted to 5.4% per annum for the period from October 1, 2021 to December 31, 2021.

Balance due as at June 30, 2021 and September 30, 2020

As at June 30, 2021, the principal balance outstanding was \$137,177 (US\$110,680) (September 30, 2020:\$745,221 (US\$558,678)). The entire balance was subsequently settled on July 28, 2021 at the closing of the sale of the Oregon Farmland Property. The balance due as at September 30, 2019 was included in the investment in joint ventures.

b) *Short-term loans*

The Company received short term loans in the amount of \$15,000 during the quarter ended December 31, 2020 and \$50,000 during the fourth quarter of the year ended September 30, 2020. These short-term loans are non-interest bearing loans and were settled by cash repayments of \$25,000 on December 11, 2020, \$7,500 on December 14, 2020 and \$25,000 on December 21, 2020 and through the issuance of common shares valued at \$7,500 on December 6, 2020.

Two tranches of bonus shares totaling 2,100,000 common shares were issued to the Lenders for this transaction as a loan inducement: First tranche of 1,700,000 common shares with total fair value of \$34,000 were recorded on the share issuance date on October 8, 2020 whereby the Company recognized fair value of \$25,500 of the \$34,000 during the fiscal year ended September 30, 2020. Second tranche of 400,000 common shares with fair value of \$9,000 were recorded on the share issuance date on November 30, 2020.

c) *Innovative Inc.*

On December 1, 2014, the Company converted \$18,355 of its accounts payable owing to a company ("Lender"), controlled by the relative of a former director, into a promissory note. This promissory note is payable on demand and bears interest of 12% per annum. The promissory note is secured by a general and continuing collateral security in favor of the Lender. As of June 30, 2021, the Company had a balance payable of \$32,857 (September 30, 2020-\$31,205).

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14. ASSETS HELD FOR SALE

Sale of the Oregon Farmland Property and settlement of the Note Payable

On May 10, 2021, 41389 Farms Ltd., the Company's wholly own subsidiary in Oregon entered into the sales agreement for the disposal of its Oregon Farmland Property including land and building with a carry cost of \$1,949,087 for gross proceeds of US\$900,000 and U\$841,569 net proceeds after transaction costs and related legal trust fees totalling U\$58,431. As a result, the Company recognized a loss on impairment of the assets held for sale in the amount of \$906,046 to write-down the carrying value to approximate the net proceeds of \$1,043,041 (U\$841,569).

On May 28, 2021, \$486,774 (U\$402,759) of the gross proceeds were paid directly to the creditor of the Farmland Mortgage: \$483,901(U\$400,381.71) were credited directly towards the principal balance and \$2,873(U\$2,377) were for interest expense to May 28, 2021.

On June 2, 2021, the Company received the partial payment of \$122,505 (U\$88,690) in cash.

As at June 30, 2021, \$609,279 (U\$491,449) of the net proceeds were released to the Company with in cash (\$122,505 or U\$88,690) and credits in the form of payment towards of mortgage balance and interest (\$486,774 or U\$402,759).

On July 2, 2021, the Company received the partial release of the gross proceeds of U\$149,805.

On July 2, 2021, U\$25,000 of the net proceeds were paid directly to the creditor of the Farmland Mortgage.

On July 28, 2021, the Company received the remaining balance of the net proceeds of U\$88,261 in cash and the title of the Farmland was transferred to the purchaser.

15. SECURED CONVERTIBLE DEBENTURES

On June 22, 2021, the Company issued 500 units of debentures for gross proceeds of \$500,000. The principal amount of the debentures matures on September 8, 2023 (the "Maturity Date"), are secured, and accrue interest at 7% per annum. The principal amount of the debentures and any accrued but unpaid interest thereon is convertible into shares at a price of \$0.05 per share at any time before the Maturity Date and share purchase warrants with an exercise price of \$0.05 per share and an expiry date of September 8, 2023.

On June 28, 2021, 500 units of the debentures with a value of \$500,000 were converted into 10,000,000 common shares and 10,000,000 share purchase warrants with an exercise price of \$0.05 and expiry date on September 8, 2023.

On July 5, 2021, the Company closed the second tranche of the debentures for gross proceeds of \$500,000. The principal amount of the debentures matures on September 8, 2023 (the "Maturity Date"), are secured, and accrue interest at 7% per annum. The principal amount of the debentures and any accrued but unpaid interest thereon is convertible into shares at a price of \$0.05 per share at any time before the Maturity Date and share purchase warrants with an exercise price of \$0.05 per share and an expiry date of September 8, 2023. As at June 30, 2021, the Company received \$350,000 debenture subscription with the remaining \$150,000 subscription received in July 2021.

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The non-controlling interest consists of 50% ownership of 703551 N.B Ltd., which was incorporated on July 5, 2018. On June 18, 2021, 703551 N.B. Ltd was dissolved.

The following is the summarized statement of financial position of 703551 N.B. Ltd, as at June 18, 2021 and September 30, 2020:

	June 18, 2021	September 30, 2020
Current:		\$
Assets	-	5,038
Total current net assets	-	5,038
Non-current		
Assets	-	642
Total non-current net assets	-	642
Total net contributions by partners	-	5,680

The following is the summarized comprehensive loss of 703551 N.B. Ltd, for the current period ended on the dissolution date and the nine months period of fiscal 2020.

	Period from October 1, 2020 to June 18, 2021	Nine months ended June 30, 2020
	\$	\$
Revenue	-	-
Costs of sales recovery	-	-
Operating expenses	(5,100)	(17,166)
Gain on assets held for sale	751	-
Net loss	(4,349)	(17,166)

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17. SEGMENT DISCLOSURE

The Company operates in one operating segment, which is acquisition, and operation of hemp related projects. The following provides segmented disclosure on the non-current assets by geographic locations:

SEGMENT DISCLOSURE (ROUNDED TO 000s)	Canada	United States	Total
June 30, 2021			
Revenue	\$ –	\$ –	\$ –
Comprehensive Loss	\$ (2,082,000)	\$ (1,094,000)	\$ (3,176,000)
Long-term Assets			
Deposits and prepayments	\$ –	\$ 572,000	\$ 572,000
Investment in associate	\$ –	\$ 5,942,000	\$ 5,942,000
Property and equipment	\$ –	\$ 239,000	\$ 239,000
June 30, 2020			
Revenue	\$ –	\$ 28,000	\$ 28,000
Comprehensive Loss	\$ (1,188,000)	\$ 27,000	\$ (1,161,000)
Long-term Assets			
Investments in Joint Venture	\$ –	\$ 1,286,000	\$ 1,286,000
Property and equipment	\$ –	\$ 203,000	\$ 203,000

18. FINANCIAL INSTRUMENTS

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's primary exposure to credit risk is on its cash. As most of the Company's cash is held by one bank, there is a concentration of credit risk. This risk is managed by using a major bank that is a high credit quality financial institution as determined by rating agencies.

Foreign exchange risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company's joint venture operations are located in the United States and at June 30, 2021 the Company has cash of \$368, convertible preference share liability of \$3,178,794 denominated in US dollars. Based on the net exposure at June 30, 2021, a 5% depreciation or appreciation in Canadian dollar against US dollar would result in a gain or loss of \$128,000.

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Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to interest rate risk is minimal.

Liquidity Risk

Liquidity risk is the risk that the Company may be unable to meet its financial obligations as they fall due. The Company reviews its working capital position regularly to ensure there is sufficient capital in order to meet short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash. Liquidity risk is assessed as high.

Fair value

The Company categorizes its financial instruments measured at fair value using a hierarchy based on the inputs used to measure fair value. The fair value hierarchy has three levels based on the reliability of the inputs used to determine fair value as follows:

Level 1: observable inputs such as quoted prices in active markets;

Level 2: inputs, other than quoted prices in active markets, that are observable either directly or indirectly; and

Level 3: unobservable inputs in which there is little or no market data, which require the reporting entity to develop its own assumptions.

The fair value of the Company's financial assets and liabilities approximates the carrying amount due to their short term nature.

19. CAPITAL MANAGEMENT

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence, safeguard the Company's ability to support the Company's activity in agriculture and manufacturing in the industrial hemp sector and to sustain future development of the business. The capital structure of the Company consists of working and share capital.

There are no restrictions on the Company's capital and there were no changes in the Company's approach to capital management during the year.

20. 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.

21. EVENTS AFTER THE REPORTING DATE

- (a) On July 7, 2021, 500 units of the debentures with a value of \$500,000 were converted into 10,000,000 common shares and 10,000,000 share purchase warrants with an exercise price of \$0.05 and expiry date on September 8, 2023.

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- (b) On July 8, 2021, the Company issued 500 units of debentures for gross proceeds of \$500,000. The principal amount of the debentures matures on September 8, 2023 (the “Maturity Date”), are unsecured, and accrue interest at 7.0% per annum. The principal amount of the debentures and any accrued but unpaid interest thereon is convertible into share units at a price of \$0.05 per share at any time before the Maturity Date and share purchase warrants with an exercise price of \$0.05 per share and an expiry date of September 8, 2023.
- (c) On July 23, 2021, 100 units of the debentures with a value of \$100,000 were converted into 2,000,000 common shares and 2,000,000 share purchase warrants with an exercise price of \$0.05 and expiry date on September 8, 2023.
- (d) On August 16, 2021, 100 units of the debentures with a value of \$100,000 were converted into 2,000,000 common shares and 2,000,000 share purchase warrants with an exercise price of \$0.05 and expiry date on September 8, 2023.