



CSE: GHG FF: GHG OTC: GBHPF

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Global Hemp Group Provides Revenue Update

Vancouver, BC -- (August 9, 2019) -- **GLOBAL HEMP GROUP INC. (“GHG” or the “Company”)** (CSE: **GHG / OTC: GBHPF / FRANKFURT: GHG**) is pleased to announce that its JV subsidiary Covered Bridge Acres Ltd. (CBA) has begun generating revenue through operations at its hemp farm in Scio, Oregon.

Through a combination of the sales of raw biomass, plantlets, CBD crude oil and CBD distillate that was produced from various processing test runs, along with other farm operations, revenue generated to date by CBA in its first year of operations is US\$525,500 (approx. CDN\$695,000).

The most recent transaction, the sale of 10,000 lbs of shucked biomass, was sold to an Oregon extraction facility for US\$400,000 (approx. CDN\$530,000). The CBA team is currently working with this party and a number of others to complete the purchase of the remaining inventory.

Originally CBA was expecting to monetize the 2018 hemp biomass after entering into a processing agreement with Richardson Gap Farm LLC (RGF), as announced on May 18, 2019. RGF has been unable to process the agreed upon quantities of CBA’s biomass due to unforeseen issues with their processing equipment. Although RGF produces high quality distillate, CBA was no longer willing to delay the monetization of its biomass any further and decided to sell the biomass to another extractor. With multiple offers on the table to purchase the biomass, CBA shucked the biomass (removed stalks and stems) and completed the sale.



CBA still has approximately 4,000 lb of unshucked biomass out for processing into distillate by additional extractors and will split the final product on a 50/50 basis. Once processed, it will be sold along with

inventory on hand (8 kg of 92% distillate that was processed by RGF from crude oil CBA received from other processors test runs). Recent sales of this type of distillate has been in the \$4,000 per kg range.

Innovation and mechanization are keys to reducing labour costs on the farm. In preparation for the handling of this year's harvest, the CBA team has designed a shucking machine to remove the flowers and leaves from the stalk and stems. They are in the process of fabricating a prototype and have reserved a small amount of biomass to test the equipment. Once shucked, the biomass will be processed into distillate for sale on the open market later this summer.

2019 Cultivation at the Scio Oregon Farm

A significantly larger quantity of biomass is expected from this year's harvest as compared to the previous year, due to improved genetics, a longer growing season with earlier planting, and more plants in the ground. This year, the CBA team planted approximately 22% more plants at the farm (49,000 plants compared to only 40,000 in 2018). With the late start in 2018 due to timing of the farm acquisition, CBA's access to higher quality genetics was limited. As a result, approximately 4,000 male plants were required to be culled from the field, netting approximately 36,000 plants at harvest. With improved, more stable genetics this year, the number of male plants that will be required to be culled from the field should greatly be reduced. In addition, cultivars planted this year are expected to produce a higher CBD yield from improved genetics.

In addition, incentive stock options have been granted to Directors, Officers and Consultants of the Company to purchase up to an aggregate 5,750,000 common shares of the Company, pursuant to the terms of the Company's stock option plan as approved by the shareholders on April 26, 2019. The stock options are exercisable at a price of \$0.06 per share for a period of a five (5) years.

Instagram



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

About Global Hemp Group Inc.

Global Hemp Group Inc. (CSE: GHG) (OTC: GBHPF) (FRANKFURT: GHG), is focused on a multi-phased strategy to build a strong presence in the industrial hemp industry in both Canada and the United States. The Company is headquartered in Vancouver, British Columbia, with hemp cultivation operations in New Brunswick and Oregon. The first phase of this strategy is to develop hemp cultivation with the objective of extracting cannabinoids (CBD, CBG, CBN & CBC) and creating a near term revenue stream that will allow the Company to expand and develop successive phases of the strategy. The second phase of the plan will focus on the development of value-added industrial hemp products utilizing the processing of the whole hemp plant, as envisioned in the Company's Hemp Agro-Industrial Zone (HAIZ) strategy.

Cautionary Note Regarding Forward Looking Statements

Certain information set forth in this news release may contain forward-looking statements that involve substantial known and unknown risks and uncertainties. These forward-looking statements are subject to numerous risks and uncertainties, certain of which are beyond the control of Global Hemp Group Inc., including, but not limited to the impact of general economic conditions, industry conditions, volatility of commodity prices, currency fluctuations, dependence upon regulatory approvals, the availability of future financing and exploration risk, the legality of cannabis and hemp. Readers are cautioned that the

assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking statements. Except as required by law, Global Hemp Group Inc. disclaims any intention and assumes no obligation to update or revise any forward looking statements to reflect actual results, whether as a result of new information, future events, changes in assumptions, changes in factors affecting such forward looking statements or otherwise.

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

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