

## **Global Hemp Group Subsidiary Contracts to have CBD Extracted from Hemp Biomass**

Vancouver, BC -- (May 17, 2019) -- **GLOBAL HEMP GROUP INC. (“GHG” or the “Company”)** (CSE: **GHG** / OTC: **GBHPF** / FRANKFURT: **GHG**) is very pleased to announce that its subsidiary, Covered Bridge Acres Ltd. (CBA), has entered into a contract with Richardson Gap Farm LLC (RGF) to extract cannabinoids from all of the hemp biomass produced at the Company’s Scio Oregon hemp farm. CBA is the operating company for the project, a 50/50 joint venture with Marijuana Company of America, Inc. (OTCQB: MCOA).

As previously announced, CBA has been working with a number of hemp buyers and extraction facilities in Oregon to process the Company’s biomass. RGF was one such company that ran an extraction test on the Company’s biomass, converting it to distillate (see picture below). Key reasons for choosing RGF are; supporting Oregon hemp development and the local Scio community, the excellent quality of the product they produce, as well as the proximity to the CBA farm. Working with a local company only 5.1 miles away, reduces transport costs and the associated carbon footprint, and enables CBA management to easily oversee the extraction process.



The contract with RGF will process the biomass into CBD distillate. The output would then be split on a 55/45 basis, with 55% going to CBA. Based on the results from a recent test run by RGF, CBA’s 55% share of the distillate produced is expected to be 400 to 500 kg. CBA is

currently selling distillate produced from earlier test extraction runs for US\$4000 – US\$5,000 per kg. The initial supply of biomass has been delivered to RGF and processing is expected to begin within the next 2-4 days.

In addition, RGF is currently converting 16 kg of CDB crude oil produced from the various test runs with other processors to distillate, on a 20% tolling basis. The final product is expected to be delivered to CBA earlier next week.

“While monetizing the biomass from our first hemp crop in Oregon has taken longer than we expected, we have now selected a processing partner that meets all the criteria we were looking for, with the added benefit of being one of our neighbors in Scio that is also contributing to the development of the hemp industry in the local community”, said Charles Larsen, President of Global Hemp.

CBA has also engaged H&H Wood Products (H&H) to selectively log a small hillside section of land surrounding the upper field at the Scio farm. H&H will be responsible for all logging operations, as well as transport and marketing of the logs, and CBA will be responsible for replanting the area logged. The agreement calls for CBA and H&H to share the net profit from the sale of the logs on a 50/50 basis.

In addition, the Company recently held its Annual General and Special Meeting. Management is pleased to report that all resolutions were passed by the shareholders at the Meeting.

The Board of Directors and Officers for the upcoming year will consist of:

|                    |   |
|--------------------|---|
| Charles Larsen     | - Director, President and CEO                       |
| Curt Huber         | - Director, CFO and Chairman of the Audit Committee |
| Paul Perrault      | - Director and Audit Committee Member               |
| Jeffrey Kilpatrick | - Director and Audit Committee Member               |

The Board of Directors would like to thank all shareholders for their continued support. Proceeds from the sale of this biomass will be used to expand the operation in Scio for this coming year.

#### **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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