

FORM 7

MONTHLY PROGRESS REPORT

Name of Listed Issuer: **GLOBAL HEMP GROUP INC.** (the "Issuer").

Trading Symbol: **GHG**

Number of Outstanding Listed Securities: **24,291,458**

Date: **February 5, 2024**

1. Provide a general overview and discussion of the development of the Issuer's business and operations over the previous month. Where the Issuer was inactive disclose this fact.

The Company is focused on two business segments:

1) Industrial Hemp: This division is focused on, but not limited to, the carbon negative use of hemp-based construction materials and carbon neutral bio-energy sources.

2) Biopharma: The Health and Wellness Division is acquiring exclusive licensing of patents and other IP. To date the Company has executed agreements for partnerships with companies like B-Organic R&D Corp. and Apollon Formularies plc.

The Company continues to work on expanding both these segments with additional opportunities and people to assist in developing its business segments.

The Company continues to work with B-Organic R&D Corp. to conclude the definitive agreement relating to the exclusive licensing of its Bioactive Lipid Agents (BLA) technology, a patented innovative matrix which is able to increase the solubility and bioavailability of numerous poorly soluble pharma ingredients, including cannabinoids.

On January 15, 2024 the Company announced the execution an Exclusive Option Agreement to acquire Serres Thériault (2021) Inc., a multi-faceted vertically integrated cannabis operator in News Brunswick.

This transaction provides the Company a clear pathway to further diversify its activities in the industry and importantly, access to licenses from Health Canada. This will be an important step in furthering the Company's R&D ambitions for its Health and Wellness division, which initial foundation encompasses the Exclusive Licenses relating to key patents and IP acquired from Apollon Formularies plc in 2023. For further details see #5 below or the Company's [news release of Jan 15/24](#).

Debt Settlement - On Jan 15/24 the Company announced that it had settled \$150,000 of its outstanding long term unsecured debt (due March 8, 2025) for units at \$0.05 per unit. Each Unit is comprised of one common share in the capital of the Company (each a "Common Share") and one non-transferable Common Share purchase warrant

(each a “Warrant”). Each Warrant entitles the holder to acquire one Common Share at a price of \$0.10 per share, exercisable until January 15, 2027. The remaining balance of \$300,000 plus accrued interest at 12% per annum, will continue to accrue interest until maturity on March 8, 2025, if not converted prior to maturity into units with the same terms and conditions as the above referenced initial debt settlement amount.

On January 16, 2024 GHG announced that further to its news release of January 15, 2024, that it cancelled the non-brokered private placement (“PP”) of up to 15,000,000 units (each a “Unit”) at \$0.05 per Unit for gross proceeds of up to \$750,000, and that it intends to complete a non-brokered private placement of up to 8,900,000 units (each a “Unit”) at \$0.05 per Unit for gross proceeds of up to \$445,000 (the “Offering”). Each Unit is comprised of one common share in the capital of the Company (each a “Common Share”) and one non-transferable Common Share purchase warrant (each a “Warrant”). Each Warrant entitles the holder to acquire one Common Share at a price of \$0.10 per share, exercisable until January 15, 2027. The Company intends to use the net proceeds from the Offering for general working capital purposes. It is anticipated that this placement will close in multiple tranches, with the first tranche of \$67,500 for 1,350,000 Units expected to close in one week. No insider will participate in the Offering.

On January 16, 2024 GHG closed the first tranche of the PP and issued an aggregate of 1,350,000 units (“Units”) at a price of \$0.05 per Unit to raise aggregate gross proceeds of \$67,500. Each Unit consists of one common share of the Company and one common share purchase warrant (a “Warrant”). Each Warrant entitles the holder thereof to acquire one additional common share of the Company at an exercise price of \$0.10 until January 15, 2027. The Company may close additional tranches of the Offering up to an additional amount of CDN\$377,500.

Per the Exclusive Option Agreement with Serres Thériault (2021) Inc. (“STI”), the Company issued on January 25, 2024, 2,000,000 restricted common shares (the “Common Shares”) to STI’s nominees. These Common Shares which will carry three separate trading restriction release dates as listed below, were issued at a deemed price of \$0.055 and in accordance with securities regulations that are applicable:

- i 1,000,000 Common Shares that will have the applicable 4 months plus one day regulatory hold period, being until May 25, 2024;
- ii 500,000 Common Shares to be released on the eight-month anniversary of the Effective Date, being until September 11, 2024; and
- iii 500,000 Common Shares to be released on the twelve-month anniversary of the Effective Date, being until January 11, 2025.

Management Cease Trade Order - On January 30, 2024 GHG announced that it anticipates a delay in the filing of the financial statements required pursuant to Part 4 of National Instrument 51-102 Continuous Disclosure Obligations (the “Instrument”), the management’s discussion and analysis (“MD&A”) relating to the audited annual financial statements, as required by Part 5 of the Instrument, as well as the CEO and CFO certificates relating to the audited annual financial statements, as required by National Instrument 52-109 – Certification of Disclosure in Issuers’ Annual and Interim

Filings (collectively the “Required Filings”), as a result of the necessity of appointing a new Chief Financial Officer (CFO) during the audit period and due to the resignation of the previous CFO. The recruitment of a suitable replacement, as well as the subsequent onboarding process to familiarize the new CFO with the Company's accounting procedures, caused further delays in completing the audit within the prescribed timeframe.

The Instrument requires that the Company's audited financial statements and MD&A for the fiscal year ended September 30, 2023 be filed by January 29, 2024. The Company and its auditor are in the process of completing the associated audit work to complete these audited financial statements. The Company expects that the Required Filings will be completed and filed on or before March 29, 2024.

In connection with the anticipated delays in making the Required Filings within the time periods mandated by the Instrument, the Company has applied for and received a management cease trade order (“MCTO”) under National Policy 12-203 Management Cease Trade Orders (“NP 12-203”) by the British Columbia Securities Commission, as principal regulator for the Company. The MCTO will restrict all trading by the Company's CEO and CFO in securities of the Company, whether direct or indirect. The issuance of the MCTO will not affect the ability of persons who are not directors, officers or insiders of the Company to trade their securities. The MCTO will remain in effect until the Required Filings are filed or until it is revoked or varied.

The Company confirms that it intends to satisfy the provisions of the alternative information guidelines described in NP 12-203 by issuing bi-weekly default status reports in the form of a news release for so long as it remains in default of the requirement to make the Required Filings. The Company has no material information relating to its affairs that has not been generally disclosed.

2. Provide a general overview and discussion of the activities of management.
See #1 above.
3. Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law.
NONE
4. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.
None
5. Describe any new business relationships entered into between the Issuer, the Issuer's affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.
On January 15, 2024 the Company announce that it has executed an Exclusive Option Agreement (the “Agreement”) to acquire Serres Thériault (2021) Inc. (“STI”), a multi-faceted vertically integrated cannabis operator in News Brunswick.

About STI and its Holdings

The facility is currently licensed for Cannabis Micro Processing, a Farmgate Retail Store (opening April 2024), Research & Development. The Agreement covers the acquisition of the 8.6-acre compound and its five buildings for production and sales, along with property a 6,000 sq feet of Greenhouse, equipment, inventory, genetics, Intellectual Property, an onsite retail location, and one offsite retail location.

In November 2023, STI's wholly owned and operated offsite retail store located in St. Quentin, New Brunswick, opened its doors to the public. This is one of only eight exclusive private retail outlets located in the province of New Brunswick. STI advises that sales at this retail location have exceeded expectations to date and has already reached profitability.

Pinnacle Farms, a second retail operation owned by STI is slated to open in April 2024. This store will be licensed as a Farmgate retail model operation in New Brunswick with exclusive distribution of products manufactured by STI. This retail outlet is located within the existing compound.

STI's current micro processing license gives it authorization to sell dry cannabis products to provincial authorities and other licensed producers across Canada. The site is currently authorized to sell seven approved products, with seven additional products having been submitted and are pending approval. STI advises that preparations are underway for expansion of the current packaging area, including the addition of authorized activities for processing and transformation, which are pending approval by Health Canada. This addition of activities will allow for sale of cannabis extracts, cannabis topicals and cannabis edibles, with four new cannabis products in these categories ready for submission.

STI is focused on using craft quality cannabis at an attractive price point. In addition, an exclusive deal with a Cannabis Research License located onsite, allows STI to develop exciting new strains, recipes and proprietary products that it will introduce on a national level to first time cannabis consumers, cannabis enthusiasts, and connoisseurs alike. Part of STI's growth strategy entails expansion of its R&D efforts.

Product distribution from Pinnacle Farms, STI's onsite retail store, is expected to begin April. STI is in discussion with a Quebec partner to increase its distribution channels into the provinces of Quebec and Ontario. In addition, STI will upgrade to a Standard Processing, Packing and Sales License, with further upgrades to include a Cultivation License for a one-acre outdoor cultivation site. The compound will encompass every permitted activity in the Canadian Cannabis Industry. Construction for the planned upgrades has already been completed.

STI also has an exclusive agreement with a hemp producer in New Brunswick that will be focusing on production of 500 acres of hemp for cannabinoid extraction of a highly sought after CBG strain for the 2024 cultivation season.

We are pleased with our visit to the STI facilities in New Brunswick. Experience has shown that this industry is very much about the people, and we are confident that we have found a group that we can work with to build a successful business and create shareholder value going forward.

DEAL TERMS

Acquisition of the Option

- The term of the option (the “Option”) shall commence on the date of the signing of the Agreement (the “Effective Date”) and shall expire upon the earlier of:
 - i. the twenty-four (24) months anniversary of the Effective Date (the “Option Term”);
 - ii. the payment of the amount of \$1,500,000, ranging from \$1,450,000 to \$1,600,000 as more fully detailed below; or
 - iii. the early termination of the Agreement pursuant to Termination below.
- To acquire the option, the Company will issue a total of 2,000,000 restricted common shares (the “Common Shares”) to STI, and its nominees on the Effective Date. These Common Shares which will carry three separate trading restriction release dates as listed below, will be issued at a deemed price of \$0.055 and in accordance with securities regulations that are applicable:
 - i. 1,000,000 Common Shares that will have the applicable 4 months plus one day regulatory hold period.
 - ii. 500,000 Common Shares to be released on the eight-month anniversary of the Effective Date.
 - iii. 500,000 Common Shares to be released on the twelve-month anniversary of the Effective Date.
- Assumption of the monthly mortgage payment of STI’s cannabis compound (the “Mortgage Payments”) starting the Effective Date, in the amount of \$5,850.00.

Assets to be Acquired

The 8.6-acre cannabis compound in New Brunswick includes:

- Land, Property and Equipment, which includes five buildings
- Licenses for Cannabis Micro Processing, Packaging and Sales
- 6,000 sq feet of Greenhouse;
- One of only eight exclusive private New Brunswick retail outlets
- Exclusive partnership deal with Hemp License holder
- Exclusive partnership deal with Cannabis Research License holder
- Intellectual Property associated to 12 cannabis recipes poised for near future distribution
- Partnerships with strain developers of Genetics including strains with high value CBD, CBG, CBN, THVC

Purchase Price for the Assets of STI

- Cash Payments
 - i. \$50,000 to be paid on the first, fourth, seventh, and tenth month following the Effective Date (the “First Year Payments”).
 - ii. The balance of \$250,000 to be paid by the closing date upon exercise of the Option (the “Closing Date”) if GHG exercises the Option within a year from the Effective Date, with applicable deductions made from the Mortgage Payment.
 - iii. If GHG does not exercise the Option within the first year and the First Year Payments are not paid, GHG will pay a lump sum amount of \$600,000 on the

Closing Date, with deductions made from any First Year Payment and Mortgage Payments.

- **Non-convertible note of \$1,000,000 bearing an interest rate of 8% per annum and matures twenty-four (24) months from the Closing Date**
- **2,000,000 Common Shares will be issued to STI or its nominees which will carry three separate trading restriction release dates as listed below, and will be issued at a deemed price that will be based on the closing market price of the Common Shares on the CSE on the trading day prior to the Closing Date and in accordance with securities regulations that are applicable:**
 - i. **1,000,000 Common Shares that will have the applicable 4 months plus one day regulatory hold period**
 - ii. **500,000 Common Shares to be released on the eight-month anniversary of the Closing Date.**
 - iii. **500,000 Common Shares to be released on the twelve-month anniversary of the Closing Date.**

Assumption of Liabilities

- **GHG may elect to assume a debt, an obligation, and liability (each, a “Debt”) owed by STI of every kind or nature during the term of the Option.**
- **In the event GHG does not exercise the Option, the Debts will be treated as a loan which will bear an interest rate of 8% and a term of twelve (12) months from the date GHG provided to STI a notice to not exercise the Option.**
- **In the event that GHG exercises the Option, GHG will assume all Debts and liabilities of the STI which currently totals \$1.34 million.**

Board Appointment - GHG granted STI the right to appoint one of its members to the board of directors of GHG, subject to corporate and securities laws compliance by the nominee.

No Shop Clause - During the term of the Option, STI and its affiliates and their directors, officers and similar agents shall not solicit, initiate or encourage the submission of any proposal or offer from any person relating to the acquisition of the Business or any portion of its Assets. In the event of any breach of this clause, STI shall pay a break-up fee of CDN\$500,000 to GHG.

Termination

The Option Agreement may be terminated, and the transactions contemplated may be abandoned at any time prior to Closing:

- **by mutual written consent of GHG and STI;**
- **by GHG or STI if the Closing shall not have occurred on or before the two-year anniversary of this Agreement; provided that the right to terminate the Agreement shall not be available to any party whose failure to fulfill any of its obligations under this Agreement has been the cause of, or resulted in, the failure of the Closing to occur on or before such date; and by GHG at any time upon ninety (90) days' prior written notice to STI.**

6. Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer's affiliates or third parties or cancellation of any financing arrangements that have been previously announced.

None

7. Describe any acquisitions by the Issuer or dispositions of the Issuer's assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from or the disposition was to a Related Person of the Issuer and provide details of the relationship.
None
8. Describe the acquisition of new customers or loss of customers.
None
9. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trade-marks. **None**
10. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs. **None**
11. Report on any labour disputes and resolutions of those disputes if applicable.
None
12. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.
None
13. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.
None
14. Provide details of any securities issued/returned to treasury, and options or warrants granted.

Security	Number Issued	Details of Issuance	Use of Proceeds ⁽¹⁾
Common shares	2,000,000	Issued pursuant to the Exclusive Option Agreement with Serres Thériault (2021) Inc. ("STI")	No funds received relating to this issuance, this was consideration for STI granting GHG the Option.
Common shares	1,350,000	Non-Brokered Private Placement - 1 st tranche closing of the PP. \$0.05 per Unit, each Unit is comprised of one common share and one non-transferable Common Share purchase warrant. Each Warrant entitles the holder to acquire one Common Share at a price of \$0.10 per share, exercisable until Jan 15/27.	General Working Capital
Warrants	1,350,000		N/A
Common shares	3,000,000	Debt Settlement - GHG settled \$150,000 of its outstanding long term unsecured debt (due	N/A

Warrants	3,000,000	March 8, 2025) for units at \$0.05 per unit. Each Unit is comprised of one common share and one non-transferable Common Share purchase warrant. Each Warrant entitles the holder to acquire one Common Share at a price of \$0.10 per share, exercisable until Jan 15/27.	N/A
----------	-----------	---	-----

⁽¹⁾ State aggregate proceeds and intended allocation of proceeds.

15. Provide details of any loans to or by Related Persons.
None

16. Provide details of any changes in directors, officers or committee members.
On January 11, 2024 announce the appointment of Yousef Kamhiyah CPA, CBV, as Chief Financial Officer of the Company.

Mr. Kamhiyah is a Chartered Professional Accountant with a complementary Chartered Business Valuations license. He brings over 15 years of extensive Canadian experience in accounting, business valuation, tax, and business strategy. Demonstrating a highly technical proficiency with dual qualifications (CPA + CBV), Mr. Kamhiyah has successfully valued over 100 companies spanning diverse industries. His leadership extends to the real estate sector, where he has overseen finance and accounting teams, ensuring meticulous accuracy, timely execution, and adherence to mandates.



Prior to assuming his role as GHG’s CFO, Mr. Kamhiyah established Accuvalue in 2019, his boutique CPA CBV firm based in Montreal, Canada. His strategic management approach has been instrumental in contributing to the success of various companies he has worked with in the past. Prior to the formation of his independent accounting company, Yousef worked for a number of major accounting firms serving both public and private corporations in the areas of audit support, business and share valuations, and tax planning & compliance.

On the same day, the Company also announced the resignation of Stephen Barnhill Jr. as Director of the Company.

17. Discuss any trends which are likely to impact the Issuer including trends in the Issuer’s market(s) or political/regulatory trends.
None

Certificate of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. As of the date hereof there where is no material information concerning the Issuer which has not been publicly disclosed.

3. The undersigned hereby certifies to CNSX that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all CNSX Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated: February 5, 2024 .

Curt Huber
 Name of Director or Senior Officer

“Curt Huber”
 Signature

Director
 Official Capacity

Issuer Details		For Month End	Date of Report
Name of Issuer Global Hemp Group Inc.		January 2024	YY/MM/DD 2024/02/05
Issuer Address #106 – 1169 Mt. Seymour Road			
City/Province/Postal Code North Vancouver, BC V7H 2Y4		Issuer Fax No. N/A	Issuer Telephone No. 778-726-2900
Contact Name Curt Huber		Contact Position Director	Contact Telephone No. 778-726-2900
Contact Email Address info@globalhempgroup.com		Web Site Address www.globalhempgroup.com	