

# FORM 7

## MONTHLY PROGRESS REPORT

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

Trading Symbol: GHG

Number of Outstanding Listed Securities: 188,197,016

Date: August 7, 2020

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.

### Scio, Oregon Hemp Project

The hemp farm continues to operate at full capacity. The CBA team remains committed in taking all necessary precautions required to operate the farm in a safe and responsible manner.

Greenhouse operations continue to focus on the production of high quality CBG (Cannabigerol) flower. This "hand crafted artisanally grown" CBG flower will supply the smokable flower market when it is harvested in the fall. The team is now working on filling the fourth greenhouse with CBG clones in the 20 gallon bags (as seen in the pictures).



*CBG clones freshly planted 5-6 weeks ago*



*Same CBG clones 1 week ago*

The "CBG-1" strain being grown this year is expected to have an average CBG content of 22%, and a total THC content of less than 0.3%. As you will see in the picture to the left, the hemp plants have grown significantly since last month's report. Greenhouse cultivation was chosen over field growing this year to ensure the highest quality of hemp is being grown. The greenhouses will also allow the team to better control the growing climate and protect the plants from any end of season rains that typically occur in this region of the Willamette Valley toward the end of the growing season. After the current crop is harvested in the fall, the CBA team will complete the buildout of all greenhouses so that there can be a year-round growing operation at the farm.



The hemp is being grown utilizing a Screen of Green (SCROG) cultivation method which implements horizontal trellis work that allows the average plant to produce 80-90% colas which are then trimmed to produce the final product of smokable buds. To further enhance this growing method, CBA has implemented a high quality nutrient schedule aimed to boost the plants vegetative growth and develop very dense, aromatic buds for the final product. These nutrients should ensure that the plants will develop to full mature fruiting and have exceptional terpenes. The team's goal is to produce the most superior final product, making it a leader in the smokable CBG flower

market in Oregon. The current market for top quality smokable CBG flower remains significantly higher than CBD flower of similar quality.

While sales of CBD related products on the wholesale level have been fairly quiet over the last several months due to the impact of the Covid-19 and current market conditions, the team has noted that they are starting to receive enquiries from potential purchasers, indicating a potential pickup of the CBD market in Oregon. The team continues to pursue sales of CBA's remaining inventory of CBD products.

#### Instagram



Follow the development of the Scio Oregon Hemp Project and the projects being developed through GHG's partnership with Qworx LLC, on Instagram [@hemp\\_global](https://www.instagram.com/hemp_global)



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2. Provide a general overview and discussion of the activities of management.  
**See 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.  
**None**
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 and options or warrants granted.

Security	Number Issued	Details of Issuance	Use of Proceeds (1)
<b>None</b>			<b>N/A</b>

<sup>(1)</sup> State aggregate proceeds and intended allocation of proceeds.

On July 31, 2020 the Company announced that it will be making a rights offering (the "Rights Offering") in which holders of record of the Company's common shares, as of the record date of August 4th 2020 (the "Record Date"), will receive rights to subscribe for units of the Company.

Full details of the Rights Offering are included in a Rights Offering circular, which will be filed today under GHG' profile on SEDAR at [www.sedar.com](http://www.sedar.com). The circular and related materials will also be mailed to registered holders of Common Shares as of the Record Date.

**Rights Offering Details** - Each registered shareholder of the Company resident in Canada as of the close of business on the Record Date will receive one right (a "Right") for every three (3) common share held.

One Right entitles the shareholder to purchase one unit (a "Unit") at a price of \$0.02 per Unit (the "Basic Subscription Privilege"). The Rights will expire at 5:00 p.m. (Eastern Time) on September 4, 2020 (the "Expiry Date"). Holders of Rights who fully exercise their Rights under the Basic Subscription Privilege will also be entitled to subscribe, on a pro rata basis, for additional Units, if available, that were not subscribed for by other holders of Rights (the "Additional Subscription Privilege"), subject to certain limitations as set out in the Company's Rights offering circular (the "Rights Offering Circular").

Each Unit will consist of one (1) Common Share of the Company and one (1) full Share Purchase Warrant (the "Warrant"). Each whole Warrant will entitle the holder to purchase one additional Common Share at a price of \$0.05 for a period of thirty-six (36) months from its issuance. The Rights will be transferable and listed for trading on the Canadian Securities Exchange (the "Exchange"). The Warrants, when issued, are also expected to be listed on the Exchange, subject to GHG satisfying the distribution requirements of the Exchange.

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.

The Rights will be listed and posted for trading on the Exchange under the symbol "GHG.RT" and will expire at 12:00 p.m. (Eastern Time) on the Expiry Date, after which time unexercised Rights will be void and of no value. The CUSIP number for the Rights is 37953Y112.

The Rights Offering is not subject to any minimum subscription level. If the Rights Offering is fully subscribed, the Company will issue up to 62,732,338 new common shares and Warrants to purchase up to an additional 62,732,338 common shares, for total gross proceeds of approximately \$1,254,646. If the Rights Offering is fully subscribed and all of the Warrants issued on closing of the Rights Offering are exercised, the additional proceeds to the Company will be \$3,136,617.

There are currently 188,197,016 common shares issued and outstanding. If all Rights are exercised, the Company's issued and outstanding shares will increase to 250,929,354



and if all Warrants covered by this Rights Offering are exercised, the issued and outstanding shares will be 313,661,692.

To the knowledge of the Company, no directors, senior officers and persons controlling over 10% of the Common Shares of the Company (collectively, the “Insider Group”), as the date hereof, will be participating in this Rights Offering or expressed their intention to participate in the Rights Offering.

A Notice of Rights Offering and a Rights certificate will be mailed to each registered shareholder of the Company resident in Canada as at the Record Date. Registered shareholders who wish to exercise their Rights must complete the Rights certificate, and deliver the certificate together with the applicable purchase funds, to the Subscription Agent, Odyssey Trust Company, before 5:00 p.m. (Eastern Time) on the Expiry Date. Shareholders who own their shares of the Company through an intermediary, such as a bank, trust company, securities dealer or broker, will receive materials and instructions from their intermediary.

The terms of the Rights Offering and the procedures for exercising Rights will be explained in the Rights Offering Circular. The Rights Offering Circular will be available under the Company's profile on the SEDAR website at [www.sedar.com](http://www.sedar.com) on July 31, 2020.

The Rights Offering will be made only in applicable jurisdictions in Canada, and is not, and under no circumstances is to be construed as an offering of any securities for sale in, or to a resident of any jurisdiction, other than Canada, or a solicitation therein or an offer to buy or sell securities.

However, certain holders of common shares of the Company in jurisdictions outside of Canada may be able to participate in the Rights Offering where they can establish that the transaction is exempt under applicable laws. If you are a holder of shares of the Company and reside outside of Canada, please review the Notice of Rights Offering and Rights Offering Circular to determine your eligibility and the process and timing requirements to receive and, or, exercise your Rights. The Company requests any ineligible holder interested in exercising their Rights to contact the Company at their earliest convenience.

There is no stand-by guarantor that will be participating in the Rights Offering. The Company intends to use the net proceeds raised from the Rights Offering for Business Expansion Opportunities and general working capital as further described in the Rights Offering Circular.

The above use of net proceeds reflects the current intention of the Company based on information currently available to it and on current circumstances, economic and otherwise. The actual use of the net proceeds of the Rights Offering may vary depending on operational and capital needs and the progress of the research and development programs from time to time. Accordingly, management of the Company will have the discretion in the application of the proceeds of the Rights Offering. Twilight Capital Inc. is acting as financial advisor to the Company for the Rights Offering.

**No U.S. Offering or Registration** - This news release the Company put out on July 31, 2020 did not constitute an offer to sell, or the solicitation of an offer to buy securities in any jurisdiction, including the United States, other than the provinces and territories of Canada. The securities offered under the Rights Offering will not be or have not been

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registered under the United States *Securities Act of 1933*, as amended (the "US Securities Act"), or the securities laws of any state of the United States. Such securities may not be offered or sold in the United States or to, or for the account or benefit of, any U.S. Person (as defined in Regulation S of the US Securities Act) or person in the United States except in transaction exempt from or not subject to the registration requirements of the US Securities Act and applicable state securities laws.

15. Provide details of any loans to or by Related Persons.  
**None**
16. Provide details of any changes in directors, officers or committee members.  
**None**
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: August 7, 2020

**Curt Huber**  
Name of Director or Senior Officer

**"Curt Huber"**  
Signature

**President & CEO**  
Official Capacity

<b>Issuer Details</b>		For Month End	Date of Report
Name of Issuer <b>Global Hemp Group, Inc.</b>		<b>July 2019</b>	YY/MM/DD <b>2020/08/07</b>
Issuer Address <b>#106 – 1169 Mt. Seymour Road</b>			
City/Province/Postal Code <b>North Vancouver, BC V7H 2Y4</b>		Issuer Fax No. N/A	Issuer Telephone No. <b>(424) 354-2998</b>
Contact Name <b>Curt Huber</b>		Contact Position <b>President &amp; CEO</b>	Contact Telephone No. <b>(424) 354-2998</b>
Contact Email Address <b>info@globalhempgroup.com</b>		Web Site Address <b>www.globalhempgroup.com</b>	