

## FORM 7

### **MONTHLY PROGRESS REPORT**

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

Trading Symbol: **GHG**

Number of Outstanding Listed Securities: **211,660,432**

Date: **October 6, 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.

**September was a very busy month. Management is pleased to report that much was accomplished this month, and that we look forward to expanding on what was accomplished in September.**

#### **SCIO, OREGON HEMP PROJECT**

**As announced on Sept 16/20, the Oregon wildfires had an impact on the Scio Oregon Hemp Project. However, with the passing of the fire danger to the farm, it is business as usual. While the greenhouses and farm buildings were ultimately not damaged by fire, the resulting air quality, smoke and ash from the wildfires in the region damaged a large portion of the CBG hemp crop that is presently being grown in the field and a portion of the greenhouses. One complete greenhouse was unaffected as it was totally sealed to the outside elements and contained the youngest plants that had not begun to flower. The Scio team is evaluating how much of the current hemp crop will need to be replanted.**

#### **SALES ACTIVITY**

**The Scio team continues to pursue the sales of any remaining inventory of CBD related products. The team has engaged with a potential buying group that has interest in CBG flower, with the goal of getting commitments for the CBG flower when it is ready for harvesting.**

#### **GLOBAL HEMP BUYS OUT ITS 50% JOINT VENTURE PARTNER IN THE SCIO HEMP PROJECT**

**See #7 below for detail**

## GLOBAL HEMP FORMS EXCLUSIVE STRATEGIC PARTNERSHIP TO CREATE A SUSTAINABLE ECONOMIC ZONE IN NORTHWEST COLORADO

On September 16/20 the Company announced that it had entered into agreement to form an [Exclusive Strategic Partnership](#) to create a [Sustainable Economic Zone](#) in northwest Colorado with [Western Sierra Resource Corporation \(“WSRC”\) \(OTC: WSRC\)](#). The Economic Zone will be vertically integrated and will create multiple revenue streams for this 50/50 Partnership.

The Partnership will benefit from WSRC’s extensive existing water infrastructure, that has been diligently developed over the last 15 years and currently valued at over US\$40mil. The availability of these water resources is a key resource in developing this project and creating multiple revenue streams from key operating segments. Segment focus - irrigated industrial hemp cultivation; preliminary processing; manufacture of hemp-based (“green”) construction products; and the fabrication of environmentally friendly affordable housing utilizing the products produced in the Hemp Agro-Industrial Zone (HAIZ).

The Partnership will also seek to grow through a series of acquisitions and accumulate long term real estate assets and look to further enhance their value through the expansion of water infrastructure. Significant job creation will be an addition benefit to the region. The project will maximize the beneficial use of the water through all aspects of the Sustainable Economic Zone.

Unlike the Oregon Hemp Project that is grown as an orchard style cultivation with a focus on flower production, the Colorado project will focus on the production of hemp for hurd and fiber, which will be processed into value-added products in the HAIZ. Initially the HAIZ will focus on building materials that will then be used in the construction of affordable housing. A by-product of the processing step is hemp fiber, which can be processed into additional value-added products or sold directly to the marketplace as an additional source of revenue.

Through partnerships, joint ventures, and acquisitions, the Strategic Partnership will collaborate to build an industrial complex to fully and judiciously utilize 100% of the hemp plant with a strategic portfolio of forward-thinking companies that also believe in the disruptive potential of industrial hemp. This collaboration will form the basis of the HAIZ.

## CREATION OF RESEARCH AND DEVELOPMENT DIVISION

On September 24/20 the Company [announced that Prof. Victor Castaño, Ph.D. has joined the Company’s Advisory Board and has been appointed as the Head of Global Hemp’s newly created Research and Development Division.](#)

[Prof. Víctor M. Castaño, Ph.D.](#) is a recognized international leader in several areas of applied science and technology. He has lectured across multiple disciplinary schools in Mexico and was the founding Director of the Center for Applied

**Physics and Advanced Technology at the National Autonomous University of Mexico (UNAM) in Juriquilla, Querétaro, Mexico. He has published extensively, including 5 books and 25 patents and has received over 14,500 citations in the last few years. He is one of the most cited Latin-American scientists in his area. He is an engineer and scientist who dares to cross disciplinary boundaries.**

**Prof. Castaño is best known for his work in materials science and biomedicine, where he invented a very extensive line of new materials and technologies for various applications.**

**As an Advisor to Global Hemp, Prof. Castaño will head up the Company's Research and Development Division. There are three immediate areas of interest that Prof. Castaño and his team will actively be focused on to develop Intellectual Property that can be patented and implemented in the hemp and/or building industry, and in particular at Company's newly announced Colorado Hemp Agro-Industrial Zone.**

**Global Hemp's R&D Division will Initially Focus on the Following :**

**Environmentally-Friendly Construction Materials - Prof. Castaño and his team has over 30 years of experience in the development of novel construction materials from natural sources, particularly agricultural waste and/or byproducts, including many fiber-containing plants. The development underway aims to produce materials that could efficiently replace Medium Density Fibreboard (made from wood) with improved mechanical, thermal and environmental characteristics. In particular, the heat and cold insulation, for extreme weather conditions, are competitive advantages in terms of cost/benefit relationship.**

**Nanofertilizers - Nanofertilizers are emerging as a promising alternative to chemical fertilizers in agriculture. Fertilizers are normally made from potash or from ammonia, which are important petrochemical products. However, the use of these chemicals has environmental consequences that are being discussed by the experts. The use of nanotechnology, including graphene and metal oxide nanoparticles, in which the team has over 30 years of experience, opens up a ground breaking areas of R&D, in which the nanostructures allow an increase of up to 20% in plant yield, while diminishing, by orders of magnitude the use of traditional chemicals, having a positive impact on the environment and the cost of farming.**

**Enhanced Extraction from Hemp - One of the main properties of hemp is its content of cannabinoids. Normally the extraction is carried out by either solvent or CO<sub>2</sub>. Prof. Castaño and his team have experience in extraction of essential oils of various plants by using enzymes and microfauna, which represent a truly innovative and green approach to this industry.**

## ADDITIONAL EXPERTISE FOR THE ADVISORY BOARD

Management is looking to attract additional Advisors with expertise that can be utilized in the development of the Colorado Hemp Agro-Industrial Zone.



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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.

**On September 30/20 the Company announced that it has executed an agreement to acquire the remaining 50% interest in the Oregon Hemp Project from its joint venture partner Marijuana Company of America Inc. ("MCOA"). Upon completion of the transaction, the 109 acre Scio, Oregon farm and operating company**

Covered Bridge Acres Ltd. will become wholly owned by Global Hemp Group and dissolve the existing joint venture.

The terms of the agreement :

- GHG will make a payment of US\$210,000 to MCOA with US\$135,000 payable no later than September 30, 2020 (paid) and the remaining US\$75,000 payable no later than November 15, 2020.
- GHG will grant to MCOA common stock from its treasury for an amount equal to \$185,000 based on the trading price of GHG's stock at the time the settlement agreement is fully executed before September 30, 2020.

The parties agree that the settlement results in GHG owning 100% of the existing Joint Venture.

**Resulting financial reporting change – Upon completion of this transaction, Global Hemp will own a 100% economic interest and have control of the Scio Oregon Operation and the 109 acre farm (SCIO), making it a 100% wholly own subsidiary. As such, the assets, liabilities, revenue and expenses will be fully reflected in the Company's Consolidated Statement of Financial Position and Consolidated Statement of Operation. Prior to Global Hemp's acquisition of control of the Scio Oregon hemp farm and operation, the Company records its investment in SCIO in a line item called Investment in Associates on the Statement of Financial Position. In the Statement of Operation, only net profit/loss has been reported in a line item called gain/loss on Investment in Associate.**

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.

**On Sept 30/20 the Company announced that it received short term loans in the amount of C\$50,000. These non-interest bearing loans are due and payable on or before November 15, 2020. A bonus of 1,700,000 common shares was paid to the**

Lenders for this transaction. 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.

14. Provide details of any securities issued and options or warrants granted.

Security	Number Issued	Details of Issuance	Use of Proceeds <sup>(1)</sup>
Common shares	11,076,741	Issued as a result of the Rights Offering that closed on September 4/20.	Gross proceeds of \$221,534.82 for general working capital
Share purchase warrants	11,076,741	Issued as a result of the Rights Offering that closed on September 4/20. Warrants exercisable @ \$0.05 per share until Sept 4/23. In the event that the common shares of GHG trade at a VWAP of \$0.12 for 10 consecutive trading days, the Company will have the right to accelerate the expiry date of the warrants by giving notice to the holders that the warrants will expire on the 30th day after the notice.	N/A
Common shares	12,386,675	On Sept 30/20 the Company announced that it had executed an agreement to acquire the 50% interest in the Oregon Hemp project held by its JV partner. Per the Agreement, the Company issued 12,386,675 common shares at a price of C\$0.02 per share. As these shares have not been registered under the United States Securities Act of 1933, as Amended, MCOA will rely on the exemption from registration under the U.S. Securities Act provided by Rule 144, which includes a hold period of one year from the date of issue.	N/A

<sup>(1)</sup> 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.  
**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: October 6, 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>September 2019</b>	YY/MM/DD <b>2020/10/06</b>
Issuer Address <b>#106 – 1169 Mt. Seymour Road</b>		
City/Province/Postal Code <b>North Vancouver, BC V7H 2Y4</b>	Issuer Fax No. <b>N/A</b>	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>	