

## Rights Offering Notice pursuant to National Instrument 45-106

*The securities offered hereby have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or the securities laws of any state of the United States. This Rights Offering notice does not constitute an offer to sell or a solicitation of an offer to buy any of the securities offered hereby within the United States, and the securities offered herein may not be offered or sold in or into the United States or to U.S. persons unless registered under the U.S. Securities Act and applicable state securities laws, or pursuant to an exemption from such registration requirements. "United States" and "U.S. person" are as defined in Regulation S under the U.S. Securities Act.*



### Global Hemp Group Inc.

#### Notice to Shareholders – July 31, 2020

The purpose of this notice is to advise holders of common shares ("**Common Shares**") of Global Hemp Group Inc. (the "**Company**" or "**GHG**") of a proposed offering of rights ("**Rights**") of the Company (the "**Rights Offering**").

References in this notice to we, our, us and similar terms mean to the Company. References in this notice to you, your and similar terms mean to the Company's shareholders.

#### 1. Who can participate in the Rights Offering?

The Company is issuing to Eligible Holders (defined below) as at the close of business (5:00 p.m. Eastern time) on August 4, 2020 (the "**Record Date**") transferable Rights to subscribe for Common Shares ("**Common Shares**") and transferable share purchase warrants ("**Warrants**"), both the Common Shares and the Warrants are collectively referred to as the "**Securities**", on the terms set forth in this notice.

#### 2. Who is eligible to receive Rights?

The Rights will be offered to registered shareholders (the "**Eligible Holders**") in each province and territory of Canada (the "**Eligible Jurisdictions**"). You will be presumed to be resident in the place shown in our records as your registered address, unless the contrary is shown to our satisfaction.

This notice is not to be construed as an Offering of the Rights, nor are the Securities issuable upon exercise of the Rights offered for sale, in any jurisdiction outside the Eligible Jurisdictions or to shareholders who are residents of any jurisdiction other than the Eligible Jurisdictions (the "**Ineligible Holders**").

**Ineligible Holders will not receive a Rights Certificate (as described below), but will be sent a letter describing how Ineligible Holders may, in the Company's discretion, participate in the Rights Offering.**

#### 3. How many Rights are we Offering?

We are offering an approximate maximum of 62,732,338 Rights.

#### 4. How many Rights will you receive?

We are offering each Eligible Holder one Right for every three (3) Common Shares held as at the Record Date of August 4, 2020. The Company will not be issuing fractional Rights. All fractional Rights will be rounded up to the next highest whole number of Rights.

#### 5. What does one Right entitle you to receive?

Each Right will entitle an Eligible Holder to purchase one unit (a "**Unit**") at a price of \$0.02 per Unit (the "**Basic Subscription Privilege**"). 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.

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 30<sup>th</sup> day after the date on which such notice is given to the holder by the Company.

Any Eligible Holder who exercises all of their Rights under the Basic Subscription Privilege will also have the additional privilege of subscribing, pro rata, for additional Units at the subscription price (the "**Additional Subscription Privilege**"). The Units available under the Additional Subscription Privilege will be those Units issuable under the Rights Offering that have not been subscribed and paid for under the Basic Subscription Privilege by 5:00 p.m. (Eastern Time) on September 4, 2020.

Any Eligible Holder who exercises their Rights must enclose payment in Canadian funds by certified cheque, bank draft or money order payable to the order of the Company's transfer agent, Odyssey Trust Company.

#### 6. How will you receive your Rights?

**Registered Eligible Holders** – If you are a registered holder of Common Shares, a certificate (the "**Rights Certificate**") representing the total number of Rights which you are entitled to as at the Record Date will be sent to you by mail.

**Beneficial Eligible Holders** – You are a beneficial holder of Common Shares if you hold your Common Shares through a securities broker or dealer, bank or trust company or other participant (a "**Participant**") in the book-based system administered by CDS Clearing and Depository Services Inc. ("**CDS**"). The total number of Rights to which all beneficial Eligible Holders as at the Record Date are entitled will be issued to and deposited with CDS following the Record Date. If you are a beneficial Eligible Holder, we expect you will receive a confirmation of the number of Rights issued to you from the applicable Participant in accordance with the practices and procedures of that Participant. CDS will be responsible for establishing and maintaining book- entry accounts for Participants holding Rights.

**Ineligible Holders** – If you are an Ineligible Holder, you will find enclosed an exempt purchaser status certificate. If you deliver a completed and executed exempt purchaser status certificate to the Company on or before August 21, 2020 and your eligibility to participate in the Rights Offering is confirmed by the Company, the Rights Agent will forward to you a Rights Certificate evidencing the number of Rights you are entitled to. If you do not satisfy the Company as to your eligibility to participate in the Rights Offering on or before August 21, 2020, the Rights Agent will attempt, on a best efforts basis, to sell your rights on the Canadian Securities Exchange ("**CSE**") prior to the Expiry Time.

The Rights Agent's ability to sell the rights, and the prices obtained for the rights, are dependent on market conditions. The proceeds received by the Rights Agent, if any, from the sale of the rights, net of any applicable costs, expenses and taxes, will be divided among the Ineligible Holders on a pro rata basis according to the total number of Common Shares held by them on the Record Date.

The United States is an Ineligible Jurisdiction. The securities of the Company, including the Rights and the Securities issuable upon exercise of the Rights, have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any U.S. state. Consequently, this Rights Offering is not being made to, or for the account or benefit of, persons in the United States or U.S. Persons, and is not to be construed as a public offering of any securities for sale to a U.S. Person or a person in the United States or a solicitation thereto or therein of an offer to buy any securities of the Company.

Payment of the Subscription Price will constitute a representation to the Company and, if applicable, to the Participant (as defined herein) by the subscriber (including by its agents) that: (i) the subscriber is not a citizen or resident of an Ineligible Jurisdiction, and (ii) the subscriber is not purchasing the Common Shares and/or Warrants for resale to any person who is a citizen or resident of an Ineligible Jurisdiction.

#### **7. When and how can you exercise your Rights**

If you are a registered Eligible Holder who receives a Rights Certificate, you must complete and deliver your Rights Certificate, together with the applicable payment, before 5:00 p.m. (Eastern time) (the “**Expiry Time**”) on September 4, 2020 (the “**Expiry Date**”). **Rights not exercised at or before the Expiry Time will be void and of no value.**

If you are a beneficial Eligible Holder, you must arrange exercises, transfers or purchases of Rights through your Participant before the Expiry Time on the Expiry Date, or such earlier time as required by your Participant. We expect that each beneficial Eligible Holder will receive a customer confirmation of issuance or purchase, as applicable, from their Participant through which the Rights are issued in accordance with the practices and policies of such Participant.

CDS will be responsible for establishing and maintaining book-entry accounts for Participants holding Rights. Participants may establish their own deadlines for receiving instructions prior to the Expiry Time and you should therefore immediately contact your Participant to instruct them to exercise or sell or transfer your rights as the case may be.

#### **8. What are the next steps?**

***This notice contains key information that you should know about the Company. You can find more details in our Rights Offering Circular, a copy of which can be obtained on the Company's profile at [www.SEDAR.com](http://www.SEDAR.com) or you can ask your dealer representative for a copy or contact the Company at (424) 354-2998. You should read the Rights Offering Circular, along with the Company's continuous disclosure record on SEDAR, to make an informed decision regarding your Rights.***

**DATED** at North Vancouver, British Columbia, this 31<sup>st</sup> day of July, 2020.

**Global Hemp Group Inc.**

“Curt Huber”

By: Curt Huber, CEO