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#106 – 1169 Mt. Seymour Rd, North Vancouver, BC V7H 2Y4

## **GLOBAL HEMP GROUP AND MARIJAUNA COMPANY OF AMERICA ISSUE FINAL REPORT ON NEW BRUNSWICK HEMP/CBD PROJECT**

Vancouver, British Columbia – January 10, 2018 – **GLOBAL HEMP GROUP INC.** (“**GHG**” or the “**Company**”) (CSE:GHG / FF:GHG / OTC:GBHPF) and Marijuana Company of America, Inc. (“**MCOA**”) (OTC: MCOA), industrial hemp and cannabis corporations, are pleased to provide a final report on the first phase of their industrial hemp project in New Brunswick.

On September 5, 2017, MCOA and GHG announced their joint venture to develop commercial hemp production on the Acadian peninsula of New Brunswick, Canada.

In this first phase of GHG and MCOA’s (the “Partners”) multi-phase hemp project in northeast New Brunswick (NB), the Partners have successfully cultivated industrial hemp during the 2017 growing season (*see Phase One Hemp Trial Results below*). For this phase of the project, the Partners only grew hemp for research purposes, as this was the first time in 20 years that industrial hemp was grown in the region. The objective of phase one was to re-introduce hemp into the area, and ensure that it could be productive under New Brunswick growing conditions prior to significantly increasing cultivation acreage and building a hemp processing facility in the region, in future phases of the project.

The Partners are preparing for the proposed changes to Canadian legislation expected in 2018 that will permit cannabidiol (CBD) extraction from industrial hemp. Health Canada is currently consulting industry representatives regarding the regulations that will accompany the new cannabis legislation expected by July 1, 2018.

The Partners are now focusing on the next season of crops. Farmers have been recruited and a minimum of 125 acres of hemp cultivation is planned for 2018, with the goal of increasing the acreage under cultivation to 1,000 acres by year three of the project. This first commercial crop will focus on CBD extraction. GHG is required to have a processing license to do this type of extraction and will be submitting an application shortly. The Partners are currently considering sites in northeast New Brunswick to locate their processing facilities. In addition, discussions are underway regarding the purchase of extraction equipment for cannabinoids, and straw processing equipment for building materials. The companies expect the facilities to be in place and operational for the 2018 harvest in October.

Under the joint venture MCOA will facilitate access to international markets for the project’s CBD production, product development and distribution, while GHG will provide technical and management expertise. MCOA has Right of First Refusal as the primary off-taker of the cannabinoids from all future hemp cultivation projects.

## **RENEWAL OF GHG'S HEMP LICENSE IN CANADA**

GHG's industrial hemp license was renewed for 2018. Under current legislation, hemp flowers and leaves grown under field conditions cannot be processed. It is expected that this will be allowed under new 2018 regulations, but will still require additional licenses: one to extract the CBD and another to sell CBD for medical or non-medical purposes. In anticipation of this change, GHG will be applying for a license under the Narcotics Control Regulations (NCR) to extract CBD, and an additional license under the Access to Cannabis for Medical Purposes (ACMPR) to sell it to wholesale and retail customers in Canada.

## **FINAL TRIAL RESULTS**

The trial consisted of fifteen test plots with three different varieties and as many planting densities of hemp, in two different locations east and west of Bathurst.

The trials were sampled and collected materials were measured at Collège Communautaire du Nouveau Brunswick (CCNB), Grand Falls laboratory where standard drying and measuring procedures were applied to the hemp straw, flowers, and leaves collected. Straw yields averaged 1.0-2.5 T/ha, whereas the combined flowers and leaves of the plant averaged 1.25-2.10 T/ha. The Partners are confident that with an earlier planting date, adequate soil preparation, and a higher fertilizer application, yields will be improved in future seasons.

Cannabinoid analysis of the flowers and leaves was completed by RPC - Science & Engineering (RPC), an accredited laboratory located in Fredericton, NB. Contrary to expectations leaves, rather than the flowers, contained a greater concentration of CBD, largely explained by laboratory procedures. The highest concentration that was found was the CFX-1 leaf sample that resulted in 1.46% for the 30 kg/ha plant density compared to 1.17% for the flowers. Also, it should be noted that the CBD concentration in flowers is consistently higher at densities of 30 kg/ha across all varieties that were tested.

Frank Giese, an advisor to GHG, will consult on the 2018 cultivation to assist in increasing both plant yield and cannabinoid production. Through his experience, he has bridged the fundamentals of scientific research and hemp/cannabis breeding, as well as the use and development of modern cultivation and processing techniques in his breeding work. He has become proficient in breeding cannabinoid rich varieties of hemp, as well as being very experienced in auto flower breeding.

Further to the Company's news release of October 10, 2017, announcing GHG and MCOA entering into a Letter of Intent with Space Cowboys, Inc. to form a joint venture on their Colorado hemp project, the companies were unable to complete satisfactory due diligence on the project and have let the LOI expire and will not be proceeding with the project. The Company continues to evaluate other hemp projects in both Canada and the United States.

## **About Global Hemp Group Inc.**

Global Hemp Group ("GHG") is a publicly traded company founded in 2012, headquartered in British Columbia, Canada with base operations in Montreal and Southern California. The Company is focused on the production and processing of hemp and cannabis, and collaboration with companies that will enable GHG to develop and implement the Hemp Agro-Industrial Zone concept. Through partnerships, joint ventures and acquisitions, the Company will capture cash flow, revenues, and value, and establish a greater collective valuation.

**About Marijuana Company of America, Inc.**

MCOA is a corporation which participates in: (1) product research and development of legal hemp-based consumer products under the brand name “hempSMART™”, that targets general health and well-being; (2) an affiliate marketing program to promote and sell its legal hemp-based consumer products containing CBD; (3) leasing of real property to separate business entities engaged in the growth and sale of cannabis in those states and jurisdictions where cannabis has been legalized and properly regulated for medicinal and recreations use; and, (4) the expansion of its business into ancillary areas of the legalized cannabis and hemp industry, as the legalized markets and opportunities in this segment mature and develop.

For more information, visit <http://globalhempgroup.com>

*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.*

*The CSE has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.*