

# Hemp: The Sustainable Solution for a Greener Future

CONSUMER CYCLICAL | HEALTHCARE

Could the next great real estate play potentially be growing under our feet?

Charlie Larson, the founder of **Global Hemp Group Inc.** ([CSE: GHG](#), [OTCQB: GBHPF](#), [Forum](#)) had a vision that the industrial products from hemp would be the biggest aspects of the industry as a whole ... and it looks like he may be right.

Hemp is now on the radar of cannabis investors – for several reasons. First, hemp as distinguished from marijuana by its less than 0.3% THC threshold actually has many more commercial/industrial applications than the marijuana. Second, as cannabis laws are normalized around the world, hemp is already legal (and available to be commercialized) in many more markets than marijuana.

The legal hemp industry has principally been focusing on CBD production (a non-psychoactive extract from the plant) as a quick source of revenues. The rise of the CBD industry attracted attention and capital while most other hemp products were neglected. The talk of cannabinoids and CBD side-tracked the development of these other value-added hemp products as CBD was an avenue where money could be found. During this time, many hemp projects struggled, because of lack of capital and the difficulty of identifying viable markets.

To this day, most of the hemp acreage in the USA has been devoted to CBD production, but that is beginning to change.

Many have hailed hemp as a revolutionary crop. A simple opportunity that could fit into



Images via Global Hemp Group Inc.

a swath of industries; ... however, if consumers are not buying the product, even the best projects fail to see their true potential. Environmentally sound projects often cost more than the more carbon heavy operations. Until markets address this bias towards carbon-based products, many environmentally friendly products like hemp will likely continue to face an uphill battle.

But GHG's leadership team has identified a market that can utilize sustainable, hemp-based products in a sector that has a serious need and ready market – the pent-up demand for affordable housing.

Management believes that utilizing the hemp

plant for various applications, be it for building materials, biocomposites, bioplastics, or its fibre, was ultimately the direction that the industry was going to take. Had the 80-year moratorium on hemp never happened, many, if not all of the industries it touches would have been overhauled for using it in their development. For instance, what would have become of cotton? It is proven to be very environmentally unfriendly, as it uses large amounts of water and pesticides for growing, unlike hemp.

Let's dig a little deeper into the hemp advantage and how GHG plans to capitalize on it through their business model and partnerships.



2005 - First Hemp House built in North America by GHG's Hemp Technical Advisor Gabriel Gauthier

**Housing need explained:**

The demand for hemp continues to increase and prospects for the future are limitless.

To understand the long-term potential of hemp in the building industry, consider the fact that Europe has been building hemp houses for a long time, hundreds are typically built a year and that number is growing, while in North America, hemp-based building materials have been slow to be adopted.

Headquartered in Vancouver, British Columbia, Global Hemp Group is focused on a multi-phased strategy to build a strong presence in the industrial hemp industry in the United States. GHG is developing its Hemp Agro-Industrial Zone (HAIZ) to produce value-added industrial products utilizing whole plant processing.

**Global Hemp Group's Strategy:**

Develop "green" and "affordable" homes in a Planned Unit Development utilizing hemp-based construction materials to create significant real estate and water assets, and multiple revenue streams.

When the Company targets affordable housing, they are looking at building a home in the

\$250,000 - \$425,000 range.

GHG's operations will be focused in northwest Colorado. It is very difficult to buy a home in the area for under \$1.2 million (a problem many of our U.S. and Canadian readers can relate to), a figure rather out of reach for the average worker's means. There are noted affordable housing shortages across North America where many cities can never keep up with the demand. This is particularly true with this region which requires more than 200 units a year to fulfill present demand.

Any company that could feed this demand for housing supply would see great attention from the masses, because - "If you build it, they will come."

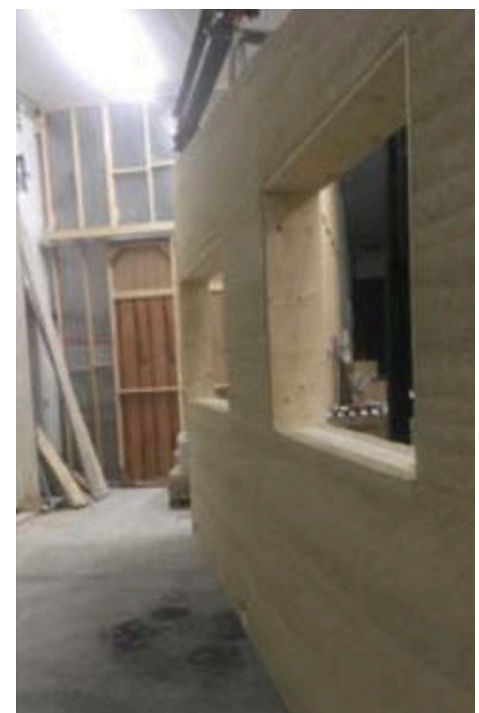
This real-estate play by Global Hemp Group is likely to pay off by virtue of the demand. Management wants to grow these hemp-based building materials right at their Colorado facility.

To make this Hemp Agro-Industrial Zone a reality, GHG is acquiring the Series A Preferred Shares of **Western Sierra Resource Corp.** ([OTC: WSRC](#), [Forum](#)) in a private transaction from the holder. This will consolidate the water assets and management of this comprehensive resource company under the umbrella

of GHG and enhance funding opportunities for the project.

This project has been ready since 2015, but the world was not ready. Fast forward nearly six years and now the time is right, people are receptive. President Biden's focus on climate change should see the green wave come along stronger than in recent years.

A major barrier to entry for companies wanting to develop housing in this region is access to water infrastructure. In order to annex development into the city an operation must supply its own water, but the cost of building out water infrastructure makes it challenging to develop affordable homes. That's where WSRC water assets come in. Their core project has been water, and they are looking to utilize and expand their water rights and infrastructure, currently valued at \$40.5+ million (USD). To that end, the group's Vision will incorporate land acquisition, irrigated industrial hemp cultivation; preliminary processing; manufacturing of hemp-based construction



Prefabricated Hemp House Walls

products; and fabrication of affordable homes in a Planned Unit Development utilizing those products all from a central campus adjacent to the hemp farm and known as a Hemp Agro-Industrial Zone (HAIZ).

Dry land farm acreage is currently worth as about US\$1,500 an acre in this area, but if you have water infrastructure available, your irrigated agricultural land will likely be double



*Cross section of the straw / Inner woody core source of hurd*

in value. The Company has identified approximately 1,000 acres it is purchasing which at current prices is valued at about US\$1.5 million. But if you grow a crop like hemp that you can manufacture into value-added products and can be granted the water rights for this beneficial use on this land, its value could skyrocket to – over US\$30 million.

Investors take note: This project builds real estate assets, builds water assets, and builds water infrastructure. By virtue of farming hemp, converting it to value-added products, and then selling those products to the building section, Global Hemp Group has established three different revenue streams, in addition to selling the real estate once it is built.

One of the initial steps in the Colorado project – the Company has been looking at machinery than can break the hemp plant into its prime components, hurd and fibre. The biggest problem with using hemp to manufacture products is that the processing facilities need to be close to the source of the raw material,

less than 100 kilometres (60 miles), or it is not cost-effective, because hemp is so bulky and is difficult to transport. Continued R&D in the industry is developing new machines and processes. Because of this, the cost associated with processing hemp is coming down. Lowering the processing and transportation costs with the HAIZ, along with the related energy savings for the home, will make hemp construction more competitively priced.



An added benefit of hemp construction is that the temperature variations inside the houses is less extreme, reducing energy costs. Hempcrete is breathable in the sense that it absorbs humidity in moments of excess and releases it when ambient air is too dry. Plaster-lined coating on foot-thick hempcrete walls are water and fire resistant, suck carbon out of the atmosphere and harden like stone as they recarbonate.

The beauty of growing hemp on-site is that anyone who buys a hemp-built home here will have a view of fields full of hemp plants in their back yard to look at.

### Research and Development:

Through the Company's R&D Division, the GHG's R&D team seeks to fill the research gap that has hampered the development of hemp over the last 80+ years. New processes and products will yield considerable IP potential that the project will apply in Colorado and beyond. The Company feels very strongly about

research and development and will invest even deeper into it.

GHG's R&D is based in Querétaro Mexico and is an important component to its business. With the pending legalization of hemp and cannabis in Mexico great opportunities are becoming available for GHG. The Company is currently expanding its collaboration efforts with local groups, as well as its scope of development. Having hemp grown in-country will make hurd and fibre more readily available, allowing for significant expansion of the Company's R&D efforts to develop patented Intellectual Property for hemp-based eco-friendly "green" construction materials, amongst other initiatives.

The R&D Division is headed by [Professor Victor Castaño, Ph.D.](#), a recognized international leader in several areas of applied science and technology and based at the National Autonomous University of Mexico. Prof. Castaño is building a bright and experienced team which are focused on developing various eco-friendly alternative building materials. He also brings extraction ideas to the table, along with planned further study on nano-fertilizers.

Looking ahead, Global Hemp is implementing its vision of collaboration with like-minded groups and additional research partners.

### Meet the team:

In an interview with Stockhouse Editorial, Global Hemp Group's Chief Executive Officer, Curt Huber explained that a long-time mutual friend had introduced him to the Company's founder, Charlie Larson, and he joined the management team shortly after its inception in 2014.

Western Sierra's President, Chief Executive Officer and Director, Roger Johnson is working closely with the Global Hemp team and as CEO Huber explained, he shares the Company's vision on hemp and was instrumental in creating the water assets that will be used at the Colorado HAIZ.

Paul Perrault, a Director with the Company has had a career in agricultural and institutional development and CEO Huber added that he has been key in developing GHG's industrial hemp strategy. Over his career he oversaw the creation of three institutions in Africa and also contributed to the strengthening of agricultural research organizations throughout the developing world as a researcher, then as a program director at International Service for National Agricultural Research.

### Next Steps:

A leader in hemp-based construction, that is what Global Hemp Group wants to be. Selling fibre, creating fibre value-added products, bio composites and bioplastics for its numerous applications at the HAIZ, will be the next step.

Looking ahead, the Company will accomplish this by acquiring close to 1,000 acres in the near-term, that will form the basis for additional agriculture and close to 200 acres of this land is scheduled for future development of sustainable hemp-based affordable housing.

Also included in the purchase is a commercial property where the main complex of the Hemp Agro-Industrial Zone (HAIZ) will be located. The raw material will be processed on-site into value-added products that will be used in the construction of the Company's housing development. Management is exploring both prefab hemp construction and hemp block construction methods for this project. The first order of business - build demonstration homes to show the public the benefits of hemp-based construction and begin presales of the development. This will not only create dozens of new jobs for the community, it will enable individual homeowners to make a meaningful environmental statement of their own, as well as begin solving the pent up demand for affordable housing.

### Investment summary:

The benefits of hemp for people and the environment are undeniable and they are many. Global Hemp Group is one stock for investors to watch who are looking for a unique play around the applications for hemp. This Company is

busy working to expand its R&D which findings will be used at its housing project in Colorado and is even keeping an eye on the horizon with ideas around hemp-based energy.

Traders should deepen their due diligence into Global Hemp Group as this Company works to be a first mover in the engaging hemp market but works to satisfy a housing crisis that has almost immeasurable value.



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*Interior view of walls made of hempcrete*