

Mojave Jane Brands Provides Corporate Update on Acquisition of Licenses and Manufacturing

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CSE: JANE
OTC: HHPHF
FSE: OHCN

- *Signs binding letter of intent to acquire Californian assets, including licenses, lease, equipment and operations of Pacific Crest 4*
- *Establishes rapid route to revenue generation upon closing*
- *Deal replaces earlier proposed CBAM transaction, reflecting significant cost savings*

TORONTO, Nov. 14, 2019 /CNW/ - Mojave Jane (CSE: HC) (OTC: HHPHF) (FSE: OHCN), a California cannabis company, today announced it has signed a binding Letter of Intent (LOI) to acquire 100% of the members' interests in Pacific Crest 4 LLC ("Pacific Crest"), inclusive of its licenses, property lease, and all extraction equipment, as well as the operations of Pacific Crest, located in Adelanto, California (the "Adelanto Property"). The transaction is anticipated to close late November/early December.

Strategic rationale

- The Adelanto Property has Type 6 and Type 7 licenses, is operational, and has an experienced team that will join Mojave upon completion of the transaction.
- The facility's high-end volatile extraction operation complements Mojave's non-volatile capacity and will enable Mojave to enter the market shortly upon completion of the transaction with products such as oil, wax, budder and shatter.
- The building has the appropriate facility and power infrastructure for Mojave to consolidate its supercritical CO₂ extraction and wiped film distillation equipment. This facility will also enable Mojave to deliver the raw materials required for the manufacturing of Caligold bars, expand its product portfolio, as well as launch new brands.
- At 4,000 square feet, the facility provides significant space for future expansion, including licensed production of 3rd party brands, materials and products, such for Canada-based Health and Innovation (HAI Beverages), with whom the Company has an exclusive arrangement.

Transaction details

In consideration of the transaction, the Company will pay \$500,000 in cash up front, as well as enter into a one-year, secured \$700,000 convertible debenture note with the sellers, for a total consideration of \$1.2 million. The note will carry a 10% per annum interest rate, payable monthly, with the principal convertible into Mojave Jane shares, priced at market on the day prior to the closing of the transaction.

CBAM transaction not to be completed

In June 2019, the Company had announced a proposed transaction whereby Mojave would acquire CB Asset Management. The subsequent due diligence process identified a number of issues that would require Mojave Jane to spend significant additional capital for the CBAM facility to meet the

Company's requirements. Furthermore, new market realities have resulted in a repricing of assets in California at significantly lower valuations than were prevalent during the initial negotiations between Mojave and CBAM. Mojave and CBAM did not come to an agreement that sufficiently reflected these additional spending requirements and new valuation levels. At the same time, Mojave was able to negotiate a significantly superior transaction with Pacific Crest. At a total consideration of \$1.2 million, the transaction reflects very significant cost savings compared to the earlier proposed CBAM transaction, which had a proposed consideration of \$7.5 million. Consequently, it was deemed in the best interest of the Company and its shareholders not to complete the CBAM transaction and to execute on the Adelanto transaction.

Management commentary

Gary Latham, CEO of Mojave, commented

"The Adelanto transaction, once completed, enables us to rapidly move into the production of high-end concentrates and distillate, and will form a foundational piece in the execution of our strategy as it relates to brands and products. At the same time, we will be able to leverage our part ownership of SpeedWeed to accelerate distribution of our products to the Californian market."

Mr. Latham added, "While we have lost some time due to the protracted CBAM due diligence and negotiations, we were able to secure a superior and much cheaper option, removing significant potential overhang in the market. With the Adelanto Property, Mojave Jane will be very well positioned to execute on its manufacturing, brands and delivery strategy, quickly generate revenues, and accelerate growth and generate shareholder value going forward."

About Mojave Jane Brands

Mojave Jane Brands Inc. is a Canadian-based cannabis company emerging as a true vertical integrator in California's legal cannabis space, serving both the recreational and wellness markets. The Company's U.S. holdings are focused on processing and manufacturing, branding, marketing and distribution. Through ownership of high-end brands such as Caligold, partnerships with innovators such as HAI Beverages, and investments in leading distributor SpeedWeed, the Company is well positioned to capitalize on the rapidly growing legal opportunity in the world's largest cannabis market.

Social Media

Facebook: [facebook.com/mojavejane](https://www.facebook.com/mojavejane)

Twitter: twitter.com/mojavejane

LinkedIn: [linkedin.com/mojavejane](https://www.linkedin.com/company/mojavejane)

CALIGOLD Instagram: <https://www.instagram.com/caligoldofficial>

Stock Exchanges

Mojave Jane trades in Canada, ticker symbol JANE on the CSE, and in Europe, ticker symbol OHCN on the FSE. Neither the CSE, nor the FSE has approved nor disapproved the contents of this press release. Neither the CSE, nor the FSE accepts responsibility for the adequacy or accuracy of this release.

Marijuana Industry Involvement

Canadian listings (CSE) will remain in good standing as long as they provide the disclosure that is rightly required by regulators and complying with applicable licensing requirements and the regulatory framework enacted by the applicable state in which they operate. Marijuana is legal in certain states however marijuana remains illegal under US federal law and the approach to enforcement of US federal law against marijuana is subject to change. Shareholders and investors

need to be aware that adverse enforcement actions could affect their investments and that Mojave Jane's ability to access private and public capital could be affected and or could not be available to support continuing operations.

On behalf of the Board of Directors

Mojave Jane Brands Inc.

Certain statements contained in this press release constitute forward-looking information. These statements relate to future events or future performance. The use of any of the words "could", "intend", "expect", "believe", "will", "projected", "estimated" and similar expressions and statements relating to matters that are not historical facts are intended to identify forward-looking information and are based on the Company's current belief or assumptions as to the outcome and timing of such future events. Actual future results may differ materially. In particular, this release contains forward-looking information relating to the intention of the parties to complete the Acquisition and certain ancillary transactions contemplated thereby. These transactions are subject to a number of material risks, and there is no assurance that they will be completed on the terms or within the timeframes currently contemplated, or at all. The forward-looking information contained in this press release is made as of the date hereof and the Company is not obligated to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by applicable securities laws. Because of the risks, uncertainties and assumptions contained herein, investors should not place undue reliance on forward-looking information. The foregoing statements expressly qualify any forward-looking information contained herein.

All monetary references herein refer to Canadian dollars unless otherwise specified.

SOURCE Mojave Jane Brands Inc.

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