

Mojave Jane signs binding letter of intent (LOI) to acquire CB Asset Management, nearly doubling extraction capacity

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CSE: JANE
OTC: HHPHF
FSE: OHCN

TORONTO, July 9, 2019 /CNW/ - Mojave Jane Brands ("**Mojave Jane**" or the "**Company**") (CSE: JANE) (OTC: HHPHF) (FSE: OHCN), a California cannabis company, today announced that it has signed a binding letter of intent ("LOI") to acquire 100% of CB Asset Management ("CBAM"), a fully-licensed cannabis operator based in Coachella with a 20-year lease on a six-acre property in the Coachella valley. The acquisition includes a licensed, operational Type 6 (ethanol) manufacturing facility that is expected to immediately boost Mojave Jane's capacity and meet growing market demands for quality extracts.

The LOI also includes licenses for distribution and roughly 4 acres of cultivation, and represents a crucial step in the Company's strategy to own its supply chain for raw material. Mojave Jane already shares a building with CBAM on the property which will accelerate the integration of both complementary businesses and ensure continuity of operations.

The acquisition will be completed through a combination of debt, equity and cash and via a "vend-in" through Greensource, LLC ("Greensource"). Greensource holds the rights to acquire CBAM, and the LOI establishes that, at closing, Mojave Jane will own those rights and will conclude the acquisition of CBAM which will then be fully integrated with Mojave Jane. The closing is expected within 30 days of this announcement, and specific terms of the agreement will be released at closing.

Coincident with the addition of CBAM's production capacity, Mojave Jane is in receipt of upgraded extraction and distillation equipment at its licensed and staffed Avenue 48 facility in Coachella. Together, CBAM and Mojave Jane are going to be able to produce roughly 170 litres of distillate monthly, and deliver it to the market as both white label and branded products.

Mojave Jane's CEO, Gary Latham commented:

"The demand for high quality, compliant extracts in California far outpaces supply. The CBAM acquisition will immediately expand our production capacity, our sales reach, and our team to satisfy that demand and produce meaningful revenue starting now. The acquisition will also give us the property we need to cultivate at a scale that meets our own demands for manufactured products and provides a base of operations for distribution in this part of the state. Having this "right-sized" cultivation site is a key part of our strategy to fully control our supply chain and develop and grow the specific strains that best meet our product requirements."

Michael Kaplan, CBAM's Managing Partner commented:

"The team at Mojave Jane understands how the cannabis business works in the Coachella Valley and more broadly, in California, and they share our desire to produce the highest quality products. Becoming a part of this team will allow CBAM to realize our vision of a production-class facility that

benefits our customers and the Valley. We are proud to put our asset under their expert management and to work closely with their team to build a larger success story in California cannabis."

About Mojave Jane Brands

Mojave Jane Brands Inc. is a Canadian-based cannabis sector brand and distribution company emerging as a true vertical integrator in California's legal cannabis space serving recreational and wellness markets. The Company's U.S. holdings are comprised of assets set up as a vertical stack including cultivation to scale, branding, packaging, manufacturing & processing, as well as, a distribution arm and the edibles brand CALIGOLD. Operating out of licensed strategic locations within the state, Mojave Jane is leveraging its consumer and brand-focused business model to generate sustainable profits delivering quality product by recognized brands.

Social Media

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

Twitter: twitter.com/mojavejane

LinkedIn: [linkedin.com/mojavejane](https://www.linkedin.com/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 0HCN 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 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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CO: Mojave Jane Brands Inc.

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