MOJAVE JANE

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED AUGUST 31, 2019

REPORT DATE – DECEMBER 30, 2019

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1. INTRODUCTION

This management discussion and analysis (“**MD&A**”) of the Company covering the year ended August 31, 2019 is prepared as of December 30, 2019. This MD&A reviews and summarizes the activities of Mojave Jane Brands Inc. (formerly High Hampton Holdings Corp.) (the “Company”) and supports the financial results for the year ended August 31, 2019 with historical information. This information should be read along with the Company’s consolidated financial statements for the year ended August 31, 2019, and related notes attached thereto, which were prepared in accordance with International Financial Reporting Standards (“IFRS”). All amounts herein are stated in Canadian Dollars unless otherwise indicated. Our financial statements and the management’s discussion and analysis are intended to provide a reasonable base for the investor to evaluate our financial situation.

Forward Looking Statements

This MD&A may contain “forward looking statements” that reflect the Company’s current expectations and projections about its future results. When used in this MD&A, words such as “estimate”, “intend”, ”expect”, ”anticipate” and similar expressions are intended to identify forward looking statements, which, by their very nature, are not guarantees of the Company’s future operational or financial performance, and are subject to risks and uncertainties and other factors that could cause the Company’s actual results, performance, prospects or opportunities to differ materially from those expressed in, or implied by, these forward looking statements. In this MD&A, such forward looking statements include statements concerning the Company’s business objectives that have not yet materialized; the Company's investigation of business opportunities; the Company’s goal to commence operations; the Company’s intent and ability to raise capital; and the Company’s goal to enhance shareholder value.

Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this MD&A or as of the date otherwise specifically indicated herein. Due to risks and uncertainties identified elsewhere in this MD&A, actual results may differ materially from current expectations. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Stock Exchanges

Mojave Jane Brands Inc. 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 MD&A. Neither the CSE, nor the FSE accepts responsibility for the adequacy or accuracy of this MD&A.

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 High Hampton's ability to access private and public capital could be affected and or could not be available to support continuing operations.

2. OVERALL PERFORMANCE

Description of Business

Mojave Jane Brands Inc. was incorporated under the name Infinity Minerals Corp. on November 12, 2010, under the laws of the province of British Columbia, Canada. The name of the Company was changed to Herbal Clone Bank Canada Inc. on August 29, 2014 and then to High Hampton Holdings Corp. on June 18, 2015 and subsequently to Mojave Jane Brands Inc. on June 11, 2019. The registered office address of the Company is 1500 – 1055 West Georgia Street, P.O. Box 11117, Vancouver, BC, V6E 4N7. The principal place of business address is 8 Wellington Street East, Toronto, Ontario, MCE 1C5. The Company is a reporting issuer in British Columbia, Ontario and Alberta, and its common shares are traded on the Canadian Securities Exchange (the "CSE") under the symbol "JANE", on the Frankfurt Exchange under the symbol "FSE: 0HCN" and on the USA: OTC under the symbol HHPHF.

As of August 31, 2019, the Company owned five wholly owned subsidiaries in the US; CoachellaGro (Coachella, California), Bravo Distribution/8 Points Management (West Sacramento, California), HS-Airways/CaliGold (Sacramento, California), 420 Realty (Cudahy, California) and Mojave Jane (Coachella, California). As at August 31, 2019, the Company has classified the assets and liabilities of certain subsidiaries as held for sale. Refer to Significant Events below for further information.

The Company's principal business is the manufacturing, processing and sale of cannabis extracts. Subsequent to August 31, 2019, the Company ceased generating revenues as it vacated its leased premise in Coachella, CA, and plans to continue to seek out other potential strategic alliances, joint venture, acquisition or merger opportunities with existing licensed producers or entities offering products or services in the cannabis industry.

The Company is focused on delivering shareholder value by developing products and brands to meet consumer demands, and by taking those products and brands to the wholesale and retail markets through its partially owned delivery service, SpeedWeed. The Company also streamlines common or shared functions across the portfolio that are necessary to each business but separate from their areas of expertise (e.g., financial services, compliance, etc.). Further, the Company continues to evaluate areas of the cannabis market in the US that can build its breadth of products, brands, and distribution points.

Subsequent Events

Subsequent to August 31, 2019, the Company executed on a number of initiatives that significantly reduce operational expenses, while focusing the business of the Company on the following three strategic pillars:

1. Manufacturing: the Company decided not to complete the intended acquisition of CB Asset Management. The originally agreed upon acquisition price of $7.5 million no longer reflected market realities. Instead, In November 2019, the company announced the execution of a binding LOI to acquire 100% of the member's interests in Pacific Crest 4, LLC (PC4). The deal includes a Type 7 (volatile and non-volatile) manufacturing license, extraction and related equipment, operations, and property lease in Adelanto, California. This will enable the Company to consolidate all its manufacturing and packaging activities under one roof, significantly reducing OpEx spend. The transaction, expected to close in January 2020, is a foundational asset in Mojave Jane's infrastructure, and will also house third-party manufacturing and white labeling, such as for beverage related products through its exclusive license with HAI Beverages. The total consideration for the Adelanto transaction is $1.2 million, of which $700,000 is in the form of a convertible debenture.

2. Brands: the Company is in the process of expanding the product portfolio of its premium chocolate brand CALIGOLD. Furthermore, the Company intends launching additional brands, supported by the manufacturing capabilities of the Adelanto property once the transaction has been completed

3. The Company also announced the reversal of the Bravo transaction. The Bravo vendors will return the 4.5 million shares issued in the transaction. Following the reversal, Mojave intends to focus on operating at the higher-margin end of the value chain, with products, brands and direct to consumer distribution and delivery, while significantly reducing OpEx spend.

4. In November 2019, management also took steps to eliminate real estate rentals that were under-utilized. Specifically, the facility leases in City of Industry and West Sacramento were terminated to substantially reduce recurring operating costs.

5. In November 2019, Mojave Jane suspended further development of its Cudahy facility as the Company elects to consolidate operations and committed to a plan to find a buyer for the asset. 420 Realty in Cudahy holds six cannabis licenses in Cudahy, California to support manufacturing, distribution, processing, non-storefront retail (delivery), and boutique (R&D) cultivation.

6. In August 2019, the Company closed a $2.8M CAD private placement to provide working capital and funds to invest in assets, such as SpeedWeed (2083 Group).

3. ANNUAL REVIEW

New Business Opportunities and Significant Events

During the year ended August 31, 2019, the Company identified and evaluated a number of new business relationships aimed at expanding presence in California and beyond. The primary focus of new business development was to identify potential partners and assets that can support the Company's efforts to build consumer brands and products, both for recreational use and for wellness.

On November 12, 2018, the Company acquired all the issued and outstanding shares of Mojave Jane, LLC. In consideration, the Company paid $66,053 in cash and issued an aggregate of 8,974,352 common shares of the Company with the shares being subject to escrow until certain milestone conditions are met, triggering a staggered share release. Mojave Jane LLC had a licensed facility operating in Coachella, CA, where the Company focused on its cannabis extracts product line. Subsequent to August 31, 2019, the Company's sub-lease for its Mojave Jane LLC premise ended. As a result, the Company ceased earning revenues from Mojave Jane LLC's operations and all equipment held at this premise was moved to storage and is currently idle pending the move-in to a new licensed facility.

During the year ended August 31, 2019, the Company reached agreement and executed a subscription and acquisition of shares with the 2083 Group ("2083") that enables the Company to acquire up to 40% of 2083 for $2.6M USD in total consideration. To date, the Company has acquired approximately 20% interest in 2083.

2083 brings a number of assets to bear on the Company's mission. First, 2083 owns and operates SpeedWeed, a California brand delivering cannabis and related products in Southern California. Through SpeedWeed, the Company can introduce brands and products directly to the consumer marketplace, and the Company can make use of consumer data generated by SpeedWeed's customers to influence product and brand development across the Company's portfolio.

During the year, the Company shifted its strategy away from large scale cultivation to focus on extraction, consumer brands, and distribution/delivery. In doing so, the Company made a decision to put a hold on development activities at the CoachellaGro site in favor of pursuing smaller scale cultivation to meet its production needs. As a result, the Company committed to a plan to dispose of this asset. This decision has implications on value as it changes the asset from a potential operating asset, which it was previously valued at, to one that is valued based on its land value only. Consequently, the Company recorded an impairment charge of $5,077,872 during the year ended August 31, 2019 and classified CoachellaGro as an asset held for sale.

During the year ended August 31, 2019, the Company determined that it would not proceed with its planned construction of and utilization of the leased facility in the city of Cudahy, California, held by its subsidiary, 420 Realty, LLC, and initiated a plan to locate a buyer for 420 Realty, LLC. As a result, 420 Realty was reclassified as an Asset Held for Sale, and the Company recorded an impairment of $6,186,695 to write down the assets held in 420 Realty to its estimated fair value of $559,020.

In June 2019, the Company announced a re-launch and name change from High Hampton Holdings to Mojave Jane Brands Inc. That change also included a change in the Company's CSE ticker from CSE:HC to CSE:JANE. The relaunch and renaming are consistent with the company's previously announced change in strategy and its focus on California business. The Company firmly believes that California brands will set the tone for the US cannabis industry for the foreseeable future. And our cornerstone of "Extracting Value – Delivering Growth" means that we will become highly focused on delivering extraction revenue along with revenue from derivative products.

Board and Management Changes

On March 6, 2019, Dieter MacPherson, the current Senior Vice President of Operations, at Aurora Cannabis Inc. (ACB-TSX), was appointed as an independent member to the Company's board of directors.

On April 12, 2019, Richard Polanco and Christian Scovenna resigned as directors and Gary Latham, CEO of Mojave Jane Brands Inc. and AJ Gentile, CEO of 2083 Group were appointed to the board of directors in their place.

On April 18, 2019, Robert Allen was appointed as the new Chairman of the board. Mr. Allen has been an independent director of the Mojave Jane Brands Inc. board since June 2018. Due to significantly increased demands on his time through its other business ventures, Mr. Allen decided to resign from the Board on November 5, 2019. In the interim, his position as Chairman is taken up by Mr. Cam Birge, who also acts as Interim CFO of the Company following the departure of Ms. Fitzmaurice in July, 2019.

In May 2019, the Company announced the departure of Christian Scovenna from the management team. Mr. Scovenna had acted in the past as interim CEO, and as capital markets and investor relations advisor in his role as VP of Business Development. The Company thanks Mr. Scovenna for his service.

On April 12, 2019, Daniel Petrov resigned as director.

4. DISCUSSION OF OPERATIONS

The following discussion and analysis of the operating results and financial condition of the Company should be read in conjunction with the Company's consolidated financial statements and notes thereto for the year ended August 31, 2019.

As a development stage company, commercial, revenue generating operations during the year ended August 31, 2019 were limited. The Company is anticipated to operate at a loss until CaliGold and Mojave Jane, LLC become fully operational and scale to capacity. The Company ceased earning revenues subsequent to August 31, 2019, as its lease for the Mojave Jane, LLC facility ended and it also halted its operations at CaliGold during the year. As the Company finalizes arrangements and completes a transaction to consolidate its operations in a new facility, revenues are anticipated to start up again and the Company will also utilize Speedweed's platform and direct to consumer model. The Company will require additional financing in order to fund further working capital and cover its general and administrative costs.

The operations of the Company are, and will continue to be focused on manufacturing (extraction/distillation), edibles development and production, product, brands, and delivery. In short, Mojave Jane will make cannabis products that will be marketed and delivered through 2083.

The company intends to purchase raw product (biomass) in the spot market. Doing so exposes the company to shifts in pricing based on market conditions, which can work in the company's favor or against its interests. The company maintains relationships with brokers, distributors and growers for supply of raw material.

Mojave Jane will extract material through both volatile and non-volatile processes. Products delivered by Mojave Jane will include, but are not limited to clear distillate, concentrates, and products that deliver those distillates and concentrates to consumers (e.g., vape pens, shatter, etc.). Mojave Jane intends to continue to go to market with white label and branded products, scaled to market demands. Mojave Jane began limited production in July 2019. Expanded operations are anticipated to commence upon completion of the Adelanto facility and the subsequent consolidation of the Company's operations at this new licensed location.

CaliGold will continue to develop and produce highly regarded edible products in California, including chocolate bars, drinking chocolates, chocolate covered edibles (e.g., nuts), and concentrates. CaliGold will acquire source materials (distillates) from Mojave Jane and supplemental partners as needed. Important to CaliGold's brand values, their products will continue to be strain specific, and will focus first on the qualities and characteristics of the cannabis. The finest chocolates will continue to be sourced from Colombia. CaliGold halted operations in 2019 when the state challenged its landlord's compliance with regulations around cohabitation of cannabis operations. CaliGold is anticipated to recommence operations in early 2020. In the meantime, it continues R&D on new products to be announced and introduced to the market in early 2020.

Delivery operations began to develop in Q2, with Speedweed adding consumers, products, and stores to its portfolio. Speedweed anticipates further expansion of consumers, stores, and products in the remainder of 2019 and beyond as locations are added to serve strategic geographies in Southern California. The Company views this expansion, along with its ability to introduce products directly to consumers, as important to its long-term success. The Company's investment in the 2083 Group is recorded using the equity method as management determined that the Company has significant influence over the 2083 Group. During the period from the Company's acquisition of 20.75% interest to August 31, 2019, 2083 Group incurred a loss of $72,875, of which $20,042 is attributable to the Company before impairment of goodwill (see below).

As at August 31, 2019, 2083 Group had total assets of $69,866 USD and total liabilities of $183,309 USD. The Company evaluated the carrying value of its goodwill in 2083 Group and estimated the net recoverable amount to be $1 of the cash generating unit and the Company recorded an impairment of $1,361,886 which as been included in net loss from investment in associate.

As at August 31, 2019, the Company had current assets of $4,412,428. In addition, there were current liabilities in the amount of $1,346,022 which was comprised of accounts payable of $970,047, loans payable totaling $25,884, liabilities related to assets held for sale of $150,406, $181,903 owing to management team, directors and former directors, and contingent consideration provision for $17,782 in relation to the acquisition of Mojave Jane, LLC.

During the year ended August 31, 2019, the Company’s operations were limited to initial capacity for both Mojave Jane, LLC and CaliGold. Capacity was limited primarily by availability of equipment as Mojave Jane waited for higher capacity equipment. A new high capacity CO2 extraction system was delivered and brought on line in January 2019. The new system allows for production of approximately 110 liters of distillate monthly.

With this expansion, upon moving to a new location, Mojave Jane, LLC will resume production of bulk distillate and add branded products that make use of the distillate, such as vape pens, cartridges, edibles, etc. CaliGold will also begin to use the products produced by Mojave Jane, LLC in its line of edibles.

5. SELECTED FINANCIAL INFORMATION

(expressed in canadian dollars)	Year ended August 31,		
	2019	**2018**	**2017**
Office and general	3,227,388	436,785	81,481
Advertising and promotion	1,162,504	1,886,228	24,014
Management fees	552,589	1,526,748	5,425
Professional fees	1,855,846	2,081,855	731,358
Communications and travel	257,137	362,358	26,157
Research and Development	48,032	-	-
Amortization	1,208,267	48,215	-
Debt Settlment loss (gain)	-	-	(75,000)
Interest Income	78,677	37,550	5,049
Bad Debt expense	487,154	68,854	-
Other Expenses	319,973	-	-
Share-based compensation	1,105,025	1,045,500	-
Interest Expense	-	139,006	9,763
Foreign Exchange Loss (Gain)	(10,813)	188,853	3,807
Loss from discontinued operations	(17,061,893)	(704,059)	-
Impairment of intangible assets	(5,491,307)	-	-
Impairment of fixed assets	(107,636)	-	-
Impairment of goodwill	(6,905,978)	-	-
Impairment of investments	(1,381,928)	-	-
Write down inventory	-	-	-
Net loss	(39,526,914)	(9,163,617)	(801,956)
Net loss per share - basic and diluted	(0.42)	(0.18)	(0.13)
Cash flow used in operations	(11,345,569)	(6,997,531)	(486,699)
Cash and cash equivalents	1,612,270	15,078,822	4,978,685
Working Capital	3,066,406	14,429,262	4,642,676

Year ended August 31, 2019 compared to Year ended August 31, 2018

Office and General

(expressed in Canadian dollars)	Year ended August 31, 2019	2018
Salaries and wages	2,230,761	112,580
Insurance	93,156	9,204
Administration and other expenses	353,826	202,488
Rent	465,371	20,394
Regulatory and shareholder filing fees	84,274	92,119
Advertising and promotion	1,162,504	1,886,228
Total	$ 4,389,892	$ 2,323,013

Salaries

Salaries and bonuses are higher than the comparable period due to the direct hire of salaried employees by the Company and its subsidiaries during the year ended August 31, 2019. The increased wages and benefit expense are attributable to the increased headcount to support the growth of various business functions of the Company. Included in salaries are the cumulative signing bonuses, of $634,318, for both the newly appointed CEO and COO.

Administration and other expenses

Administration expenses are significantly higher than the comparable period. This increase was primarily due to increase general office expenses due to the inclusion of all administration and office expenses for the Company's subsidiaries. The overall increase reflects the Company's growth and building of commercial capacity and capability.

Rent

The increased rent expense is primarily attributable to the acquisition of the rental obligations from the 420 Realty, Bravo Distribution, CaliGold and Mojave Jane transactions. The additional office space and facilities was intended to support the Company's development in the United States.

Regulatory and Shareholder filing fees

Regulatory and shareholder filing fees are lower than the comparable period due to a timing difference.

Advertising and Promotion

During the year ended August 31, 2019, advertising and promotion was lower than the comparable period due to a reduction in advertising personnel. The Company will continue to invest in marketing and market analytics capabilities by hiring talented staff and engaging key consultants.

Professional Fees

(expressed in Canadian dollars)	Year ended August 31, 2019	Year ended August 31, 2018
Consulting fees	872,086	1,508,584
Legal fees	613,628	453,788
Audit and Accounting fees	370,131	119,483
Total	$ 1,855,845	$ 2,081,855

Consulting, Legal Audit and Accounting fees

Consulting fees consists of management consultants, business development consultants and communication consultants. Legal and audit fees are related to compliance and other legal costs related to business development initiatives and financings. During the year ended August 31, 2019, consulting fees were significantly lower compared to the comparable period due to the reduction of consulting fees for the Company's subsidiaries. The audit and accounting fees relate to external and internal financial reporting requirements. The increase in legal fees is due to the acquisition of Mojave Jane, investment in 2083, business development and ongoing legal matters.

Impairment of Intangible Assets

As at August 31, 2019, the Company recognized an impairment of $3,395,788 pertaining to the goodwill of Mojave Jane and an impairment of $342,671 pertaining to the intangible assets due to decline in the estimated recoverable amount of the assets from future related cash flows.

As at August 31, 2019, the Company recognized an impairment of $3,510,190 pertaining to the goodwill of CaliGold which was recognized upon acquisition given that the carrying value of the CaliGold CGU is not likely to be recoverable from future related cash flows. At August 31, 2019, the Company also recognized an impairment of $5,148,636 pertaining to the intangible assets acquired upon the acquisition of CaliGold due to decline in the estimated recoverable amount of the intangible assets from future related cash flows.

The Company also recorded impairment charges pertaining to its reclassification of certain assets group as "Held for Sale. Refer to the Assets Held for Sale and Discontinued Operations discussion below.

Assets Held for Sale and Discontinued Operations

During the year ended August 31, 2019, the Company initiated a plan to dispose of certain asset groups. As a result, certain asset groups were reclassified as assets held for sale as at August 31, 2019. The asset groups classified as held for sale are as follows:

1) Coacheallagro

   The Company acquired Coachellagro Corp. ("Coachellagro") during the year ended August 31, 2017 in order to develop its cannabis production business. As part of the acquisition of Coachellagro, the Company acquired a parcel of land in Coachella, California, where it intended to build a facility. During the year ended August 31, 2019, the Company determined that it would no longer pursue the development of the land and committed to a plan to locate a buyer for the land. As a result, the Company reclassified Coachellagro as an asset held for sale and recorded an impairment of $5,077,872 to write down the asset group to the lesser of its carrying value and fair value less cost to sell, which was determined through an assessment of the market value of similar parcels of land.

(Expressed in Canadian Dollars)

2) Bravo Distro

The Company acquired Bravo Distro during the year ended August 31, 2018. In consideration, the Company issued a total of 4,200,000 common shares of the Company (the "Payment Shares"). All Payment Shares issued in connection with the Acquisition are held in escrow with 50% of the Payment Shares to be released 12 months from the closing of the Acquisition, subject to meeting certain conditions, and the remaining 50% Payment Shares to be released 24 months from the closing of the Acquisition, subject to meeting certain conditions. During the year ended August 31, 2019, the Company determined that the terms for the release of the Payment Shares held in escrow were determined to have not been met, and as a result the Company commenced actions to return these Payment Shares to treasury.

During the year ended August 31, 2019, the Company determined indicators of impairment existed with respect to certain intangible assets previously recognized on acquisition of Bravo Distro. An impairment test was subsequently performed by the Company, resulting in an impairment charge of $1,160,538 on its intangible assets where the carrying value exceeded the estimated recoverable amount. The Company also determined that it would not proceed with executing its business plan for Bravo Distro, and entered into negotiations to sell back Bravo Distro to its previous owners. As a result, Bravo Distro was reclassified as an Asset Held for Sale, and the Company recorded a further impairment of $250,838 to write down the intangibles assets held in Bravo Distro to $Nil.

3) 420 Realty

During the year ended August 31, 2019, the Company determined that it would not proceed with its planned construction of and utilization of the leased facility in the city of Cudahy, California, and initiated a plan to locate a buyer for 420 Realty, LLC. As a result, 420 Realty was reclassified as an Asset Held for Sale, and the Company recorded an impairment of $6,186,695 to write down the assets held in 420 Realty to $559,020, which represents the lower of the carrying value and fair value less costs to sell, which was determined by a re-measurement of the favorable lease intangible asset at the current estimated market rate for a similar lease.

The recoverable amount, which represents the lesser of the carrying value and fair value less costs of sale, of the above noted assets groups are as follows:

	Coachellagro	**Bravo Distro**	**420 Realty**	**Total**
	$	**$**	**$**	**$**
Current assets	-	75,782	-	75,782
Land and favorable leases	1,474,215	-	559,020	2,033,235
Property and equipment	-	177,718	-	177,718
Total assets	1,474,215	253,500	559,020	2,286,735
Current liabilities	-	150,406	-	150,406
Long-term debt	-	60,907	-	60,907
Total liabilities	-	211,313	-	211,313
Net assets	1,474,215	42,187	559,020	2,075,422

(Expressed in Canadian Dollars)

During the year ended August 31, 2019, net loss attributable to the asset groups held for sale are as follows:

	Coachellagro	Bravo Distro	420 Realty	Total
	$	$	$	$
EXPENSES				
Office and general	304,435	886,737	-	1,191,172
Advertising and promotion	-	3,837	-	3,837
Professional and consulting fees	-	1,186,767	-	1,186,767
Amortization	-	684,431	519,406	1,203,837
Communications and travel	-	75,960	-	75,960
Total expenses	304,435	2,837,732	519,406	3,661,573
Loss before other income (expenses)	(304,435)	(2,837,732)	(519,406)	(3,661,573)
OTHER INCOME (EXPENSES)				
Interest income	-	1,519	-	1,519
Impairment of intangible assets	-	(1,411,376)	(5,077,561)	(6,488,937)
Impairment of property and equipment	(5,077,872)	-	(1,109,134)	(6,187,006)
Other expense	(573,843)	(152,053)	-	(725,896)
Net loss from discontinued operations	**(5,956,150)**	**(4,399,642)**	**(6,706,101)**	**(17,061,893)**

During the year ended August 31, 2018, net loss attributable to the asset groups held for sale are as follows:

	Coachellagro	Bravo Distro	420 Realty	Total
	$	$	$	$
EXPENSES				
Office and general	39,249	76,111	-	115,360
Advertising and promotion	-	292	-	292
Professional and consulting fees	-	369,039	-	369,039
Amortization	-	126,944	84,582	211,526
Communications and travel	-	7,842	-	7,842
Total expenses	39,249	580,228	84,582	704,059
Net loss from discontinued operations	**(39,249)**	**(580,228)**	**(84,582)**	**(704,059)**

6. SUMMARY OF QUARTERLY RESULTS AND REVIEW OF THE YEAR ENDED AUGUST 31, 2019

The table below summarizes the financial results for each of the Company's eight most recently completed quarters. The following financial data has been prepared in accordance with IFRS and all figures are stated in Canadian dollars.

The Company had a source of revenue during the year ended August 31, 2019. The Company will operate at a loss unless and until it is able to start producing revenue from its newly acquired subsidiaries, acquires a revenue-producing asset/business or merge or joint venture with a revenue-producing venture. The Company will require additional financing to fund due diligence expenditures and cover its general and administrative costs.

	2018/2019	2018/2019	2018/2019	2018/2019	2017/2018	2017/2018	2017/2018	2017/2018
(expressed in Canadian dollars)	Jun-Aug	Mar-May	Dec-Feb	Sept-Nov	Jun-Aug	Mar-May	Dec-Feb	Sept-Nov
Expenses / other expenses	26,114,008	9,482,737	3,265,522	3,669,900	3,413,267	2,833,418	1,343,929	1,296,599
Net loss	(24,140,365)	(8,644,474)	(3,086,266)	(3,655,809)	(3,595,389)	(2,807,824)	(1,452,764)	(1,320,995)
Net loss per share - basic and diluted	(0.29)	(0.07)	(0.03)	(0.03)	0.01	(0.04)	(0.11)	(0.04)
Cash and cash equivalents	1,612,270	1,758,091	5,233,441	9,259,533	15,078,822	19,638,198	3,488,309	3,262,657
Assets	6,289,108	31,449,721	39,474,718	42,582,093	41,707,747	26,859,540	9,259,912	8,814,878
Working Capital	3,066,406	2,635,414	5,868,268	10,281,202	14,429,262	20,839,650	3,556,939	3,909,926

7. SUMMARY OF CASH FLOWS

(expressed in Canadian dollars)	Year ended August 31, 2019	2018
Cash used in operating activities	(11,345,632)	(6,997,531)
Cash used in investing activities	(3,242,234)	(3,520,751)
Cash provided by financing activities	1,145,716	20,618,419
	(13,442,150)	10,100,137

Operating Activities

For the year ended August 31, 2019, the Company had a cash outflow of $11,345,632 compared to a cash outflow of $6,997,531 in the prior comparable period. This increase is due to an increase in corporate expenditures and operational expenditures during the period support the growth of various business functions of the Company.

Investing Activities

For the year ended August 31, 2019 and 2018 the Company had cash outflows of $3,242,234 and $3,520,751, respectively, due to capital contributions made to the Company's acquired subsidiaries and land development costs.

Financing Activities

For the year ended August 31, 2019, the Company obtained cash from financing activities of $1.1M compared to $20.6M in the comparable period. In 2018, the Company raised a significant amount of financing through its private placements whereas in 2019, financing activity was fairly limited.

8. LIQUIDITY AND CAPITAL RESOURCES

The Company's primary objectives in capital management are to safeguard the Company's ability to continue as a going concern to provide returns for shareholders and to maintain sufficient funds to finance the Company's operations. Capital is comprised of the Company's shareholders' equity. As at August 31 2019, the Company's shareholders' equity was $5,009,914.

As at August 31, 2019, the Company had not yet achieved profitable operations and expects to incur further losses in the development of its business objectives, all of which may cast significant doubt about the Company's ability to continue as a going concern. As at August 31, 2019, the Company's current resources were sufficient to settle its current liabilities. The Company had working capital surplus of approximately $3 million (including assets and liabilities held for sale) as at the end of the period. The Company's ability to continue as a going concern is dependent upon its ability to obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due and to attain future profitable operations. While the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms acceptable to the Company. Further, if an equity offering is used to raise required additional capital, it may result in dilution to existing shareholders based on the size of such an offering. Failure to obtain such additional financing could result in delay or indefinite postponement of the development of the Company's business and may cast significant doubt upon the Company's ability to continue as a going concern.

9. OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on its financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to investors, except for guarantees.

10. TRANSACTIONS BETWEEN RELATED PARTIES

During the year ended August 31, 2019, the Company incurred the following expenses payable as compensation to directors, officers and companies that are controlled by directors of the Company:

Key management personnel compensation

(expressed in Canadian dollars)	Year ended August 31, 2019	
	2019	**2018**
Salaries and bonuses	1,642,018	-
Management fees	552,589	1,526,748
Professional Fees	-	83,350
Stock-based compensation	837,025	1,065,590
Total	$ 3,031,632	$ 2,675,688

Key management personnel are persons responsible for planning, directing and controlling the activities of an entity, and include directors, the chief executive officer, chief financial officer and chief operation officer.

As at August 31, 2019, the Company has balances payable totaling $Nil to former officers and to a Company controlled by a former Officer (2018 - $373,944) which are due on demand, unsecured and is non-interest bearing.

As at August 31, 2019, the Company has a balance payable of $181,903 due to certain directors (2018 - $21,854) for key management compensation which is due on demand, unsecured and is non-interest bearing.

As at August 31, 2019, the Company has a balance receivable from related parties of $86,909 (2018 - $Nil) related to payroll taxes paid on behalf of a director and officer of the Company. The amount is due on demand, unsecured and non-interest bearing.

During the year ended August 31, 2019, the Company incurred termination benefit costs of $494,920 (2018-$Nil) in severance payouts and $23,275 in share based compensation to certain management personnel. These amounts are included in the key management personnel compensation noted above.

During the year ended August 31, 2018, the Company acquired 420 Realty, whereby the former CEO of the Company, David Argudo, was also part of the management team of 420 Realty LLC.

11. CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

Note 3 of the Company's condensed consolidated financial statements for the year ended August 31, 2019 sets out the Company's significant accounting policies. There have been no changes in the Company's accounting policies during the period which had a significant impact on the Company's financial statements.

12. FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The Company classifies its financial instruments in the following categories: at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale and financial liabilities. The classification depends on the purpose for which the financial instruments were acquired. Management determines the classification of its financial instruments at initial recognition.

The Company does not have any derivative financial assets and liabilities.

Financial Risk Management

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate, foreign exchange rate, and commodity price risk).

Risk management is carried out by the Company's management team with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

Credit Risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfil its payment obligations. The Company's credit risk is primarily attributable to cash and cash equivalents. Cash and cash equivalents consist of cash in bank accounts with reputable financial institutions with strong credit ratings which are closely monitored by management and in trust accounts with the Company's legal representatives.

Liquidity Risk

The Company's approach to managing liquidity risk is to ensure that it will have enough liquidity to meet liabilities when due. As at August 31, 2019, the Company had enough cash on hand to meet its current liabilities. The Company's accounts payable, due to related parties and loan payable have contractual maturities of less than 30 days and are subject to normal trade terms.

Market Risk

Market risk is the risk of loss that might arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

i) Interest Rate Risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company is exposed to limited interest rate risk as its secured convertible debentures bear fixed interest rates.

ii) Foreign Currency Risk:

The Company holds cash and cash equivalents in bank and investment accounts denominated in United States dollars. The Company's subsidiaries are domiciled in the United States and have a US dollar functional currency. Therefore, the Company is subject to risk in fluctuations in the exchange rate of the United States dollar.

13. CAPITAL MANAGEMENT

The Company manages its capital structure and adjusts it, based on the funds available to the Company, in order to support the development of the Company's land in Coachella, California and additional acquisition opportunities. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company defines capital to include all components of its shareholders' equity.

The Company is not exposed to any externally imposed capital requirements. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the period ended August 31, 2019.

14. CLASSIFICATION OF FINANCIAL INSTRUMENTS

The following is an analysis of the Company's financial assets measured at fair value on a recurring basis as at August 31, 2019:

	Level 1	Level 2	Level 3
Cash and cash equivalents	$ 1,612,270	$ -	$ -

15. FAIR VALUE

The fair value of the Company's financial assets and liabilities approximates the carrying amount.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

16. COMMITMENTS AND CONTINGENCIES

(i) Pursuant to the terms of the underlying share purchase agreement with shareholders of the 2083 Group, the Company is committed to investing an additional $1,185,000 USD upon the achievement of certain milestones by the 2083 Group.

(ii) The Company's subsidiary 420 Realty LLC maintains a lease at a building located at 4311-4315 Santa Ana St., Cudahy, California 90201. The lease expires on July 31, 2027 and can be extended by five years with an option term.

(iii) The Company's subsidiary HS Airway Holdings maintains a lease at a building located at 241 N. 10th Street, Suite 6, Sacramento, CA, 95811. The lease expires on January 31, 2022.

(iv) The Company's subsidiary HS Airway Holdings maintains a lease at a building located at 3145 Tiger Run Court, Suite 113, Carlsbad, CA, 92010. The lease expires on March 31, 2021

(v) The Company's subsidiary HS Airway Holdings maintains a lease at a building located at 248 Redondo Ave, Sacramento, CA, 95815. The lease expires on January 31, 2020.

(vi) The Company's subsidiary HS Airway Holdings maintains a lease at a building located at 1041 Folger Street, Berkeley, CA, 94702. The lease expires on December 31, 2021.

(vii) The Company's subsidiary HS Airway Holdings maintains a lease at a building located at 3350 East 9th Street, Oakland, CA, 94601. The lease expires on December 19, 2020 and has a one-time option to cancel the lease effective December 19, 2019.

(viii) The Company's subsidiary Mojave Jane LLC maintained a sublease at 84805 48th Avenue, Coachella, CA, 92236. The sublease expired on September 23, 2019.

(ix) The Company maintains a lease at a building located at 451 East Main Street, Studio 10, Ventura, CA, 93001. The lease expires on February 29, 2020 and can be extended by one year with an option term.

(x) The Company maintains a lease at a building located at Puente Hills Business Center, 17700 Castleton Street, Suite 238, City of Industry, CA, 91748. The lease expires on August 31, 2023.

(xi) The Company maintains a sublease at a building located at 8 Wellington Street East, Toronto, ON, MCE 1C5. The sublease expires on December 30, 2019.

(Expressed in Canadian Dollars)

The lease commitments for the above noted leases are as follows:

	$
Less than one year	782,998
Two to five years	2,187,447
Greater than five years	1,281,719
	4,252,164

From time to time, the Company is engaged in various legal proceedings and claims that have arisen in the normal course of business. The outcome of all the proceedings and claims against the Company is subject to future resolution, including the uncertainties of litigation. Management believe that the probable ultimate resolution of any such proceedings and claims, individually or in the aggregate, will not have a material adverse effect on the financial condition of the Company.

OUTSTANDING SHARE INFORMATION

As at August 31, 2019	
Authorized	Unlimited
Issued and outstanding shares	107,039,185
Options outstanding	4,750,000
Warrants	33,729,462
Fully diluted	145,518,647

As at December 30, 2019	
Authorized	Unlimited
Issued and outstanding shares	121,329,301
Options outstanding	4,500,000
Warrants	49,659,962
Fully diluted	175,489,263

Additional information relating to the Company is available on SEDAR at www.sedar.com.