



MOJAVE JANE BRANDS INC.
(formerly High Hampton Holdings Corp.)

FORM 51-102F1
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED AUGUST 31, 2020

INTRODUCTION

This Management's Discussion and Analysis ("MD&A") has been prepared by the management of Mojave Jane Brands Inc. ("Mojave Jane" or the "Company") as of December 22, 2020, and should be read in conjunction with the audited consolidated financial statements of the Company together with the related notes thereto for the year ended August 31, 2020. The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). All amounts 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. Additional information related to the Company and its operations is available on SEDAR at www.sedar.com and on the Company web site at www.mojavejane.com.

FORWARD-LOOKING STATEMENTS

This MD&A contains "forward-looking information" within the meaning of applicable Canadian securities legislation. Forward-looking information includes, but is not limited to, information with respect to the Company's future business plans and strategy. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects" (or "does not expect"), "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" (or "does not anticipate"), or "believes", and other similar words and phrases, or which states that certain actions, events, or results "may", "could", "might", or "will" occur. Forward-looking information is based on assumptions and expectations which the Company considers are reasonable, and which are based on management's experience and its perception of trends, current conditions, and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made. The assumptions used to develop forward-looking information include, but not limited to, assumptions about:

- The general business and economic conditions;
- The timing of the receipt of regulatory and governmental approvals, permits and authorizations necessary to implement and carry on the Company's planned business objectives;
- The nature and location of the Company's plants, and the timing of the ability to commence its business operations;
- The Company's ability to secure the necessary consulting, technical and related services and supplies on favourable terms;
- The Company's ability to attract and retain key staff;

- Treatment of the Company’s business under governmental regulatory regimes and tax laws and the renewal of the Company’s license thereunder;
- The anticipated terms of the consents, permits and authorizations necessary to carry out the planned operations and the Company’s ability to comply with such terms on a cost-effective basis;
- Fluctuations in the price of common shares and the market for the common shares: and
- The ability of the Company to generate cash flow from operations and from financing activities.

Although the Company believes that the assumptions and expectations reflected in such forward-looking information are reasonable, undue reliance should not be placed on forward-looking information. The Company can give no assurance that forward-looking information, or the assumptions and expectations on which it is based, will prove to be correct. The Company does not undertake to revise or update any forward-looking information, except in accordance with applicable laws. Readers should not place undue reliance on forward looking information.

Forward-looking information is subject to known and unknown risks and uncertainties that may cause the actual results, or performance of the Company to be materially different from those expressed or implied by such forward-looking information. These risks and uncertainties include risk and uncertainties associated with the medical marijuana industry, such as the potential changes in government regulation, and the uncertainty of predicting operating and capital costs. They also include risks and uncertainties that affect the business environment generally, such as changes in interest rates and the condition of financial markets, and changes in exchange rates, and other risks identified herein under “Risks and Uncertainties”.

COMPANY OVERVIEW

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 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” and on the Frankfurt Exchange under the symbol “FSE: 0HCN”.

The Company’s principal business was the manufacturing, processing and sale of cannabis extracts. Currently the Company is not generating revenues as it conducts a strategic review of the Company’s operations. The Company has entered into negotiations with former partners and creditors to ensure it will be able to continue as a going concern. The ability of the Company to do so depends on the outcome of these negotiations. While progress is being made and a pathway to a positive outcome is visible, the Board can provide no guarantees as to the success of the current negotiations and restructuring efforts. A go forward plan will be developed on the results of the strategic review.

Key activities during fiscal 2020

- The Company decided not to complete the intended acquisition of CB Asset Management announced in July 2019. 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 letter of intent 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. The intention was to consolidate all of the Company’s manufacturing and packaging activities under one roof, significantly reducing overall operating expenses. Due to an extreme change in market conditions, management decided to terminate the PC4 acquisition plan and reevaluate its go forward strategy.
- In September 2019 the Company made the second tranche investment in 2083 Group and increased the Company’s ownership interest in 2083 Group to just over 26%. In May 2020, due to 2083 Group’s inability to

execute on its business plan the Company decided not to proceed with further investment in 2083 Group and thus wrote off all capitalized investment costs.

- In October 2019 the Company entered into a settlement agreement to assign its 100% of the membership interests of Bravo/8 Points to its former owners by receiving 337,978 common shares of the Company and returning them to the Company's treasury for cancellation. The Bravo/8 Points vendors also returned to treasury the 4.2 million common shares of the Company issued in the transaction. In May 2020, the Company completed the settlement transaction.
- In November 2019, management took steps to eliminate real estate rentals that were under-utilized. Specifically, the facility leases in City of Cudahy and West Sacramento were terminated to substantially reduce recurring operating costs.
- On August 14, 2020, the Company announced that the Company and its subsidiary HS Airway Holdings have entered into an agreement to sell the Company's 100% membership interest in Nelson & Mark, LLC, the holder of the CALIGOLD intellectual brand property, to a company controlled by two former employees and original owners of HS Airway Holdings. The transaction was closed on September 30, 2020 and 3,890,664 common shares of the Company have been returned to the Company's treasury for cancellation.

Management changes

- On November 5, 2019, the Company announced the resignation of Robert Allen, the Chairman of the Board, who left the Company to pursue his own business interests. Cam Birge, independent board member of the Company since October 2018, was appointed Chairman of the Board of Directors.
- On April 29, 2020, the Company announced the departure of Gary Latham, Chief Executive Officer ("CEO"), from the Board. Cam Birge replaced Gary Latham as CEO of the Company on an interim basis.
- On April 29, 2020, the Company announced the resignation of Thomas Baird, Chief Operating Officer of the Company.
- On July 21, 2020, the Company announced that Mr. Peeyush Varshney and Mr. Satnam Brar were appointed to the Board of Directors of the Company. The Company accepted the resignation of Mr. AJ Gentile and Mr. Dieter Macpherson as directors of the Company.

Impact of Covid-19

On March 11, 2020, the COVID-19 outbreak was declared a global pandemic by the World Health Organization. As of the date of this MD&A, the duration of the business disruptions and related financial impact on the Company of COVID-19 cannot currently be reasonably estimated. However, the Company is closely monitoring developments and adapting its business plans accordingly. The Company has implemented a work from home policy for its executives and consultants. Additionally, the Company has reduced discretionary corporate activities.

Strategic Review

In order to preserve shareholder value and continue as a going concern, the Board of Directors initiated a strategic review of the Company's assets and liabilities and its go forward plan. The success of this plan is dependent upon successful negotiations with previous partners and creditors which are underway. At this point, no guarantees can be made as to the outcome of this process.

As part of part of the outcome of the Company's strategic review of operations and assets, the Company took steps to dissolve a number of its subsidiaries including HS Airways Holdings ("HS Airway"), 420 Realty LLC ("420 Realty") and Mojave Jane, LLC ("Mojave LLC"). As the date of this MD&A, the Company has only one US subsidiary, Coachellagro Corp. ("Coachellagro").

SELECTED ANNUAL INFORMATION

The following table sets out selected financial information for the Company which has been derived from the Company's audited financial statements for the fiscal years ended August 31, 2020, 2019, and 2018.

	Fiscal 2020 (\$)	Fiscal 2019 (\$)	Fiscal 2018 (\$)
Revenues	69,521	205,067	52,211
Income (loss) from continuing operations	(3,056,189)	(8,357,800)	(8,459,558)
Net income (loss)	(6,529,154)	(39,526,914)	(9,163,617)
Income (loss) from continuing operations per share - basic and diluted	(0.03)	(0.09)	(0.18)
Net loss (loss) per share - basic and diluted	(0.06)	(0.42)	(0.18)
Total assets	661,295	6,550,422	41,707,747
Total non-current liabilities	-	-	-
Dividends	-	-	-

Factors That Affect the Comparability of the Annual Financial Data Disclosed Above

Net losses for the years ended August 31, 2020, 2019, and 2018 were \$6,529,154, \$39,526,914, and \$9,163,617, respectively. The significant increase in loss in fiscal 2019 was mainly attributable to impairment loss (2020 - \$2.9m, 2019 - \$25m, 2018 - \$nil) on goodwill, intangible assets and property and equipment and depreciation (2020 - \$0.25m, 2019 - \$2.57m, 2018 - \$0.26m). The total assets have been decreased in fiscal 2019 and fiscal 2020 as a result.

DISCUSSION OF OPERATIONS

The Company halted its operations at HS Airway in September 2019. The lease for the Mojave LLC facility ended in November 2019. In April 2020, management initiated a strategic review of the Company's assets and liabilities. The general administrative expenses in the second half of fiscal 2020 are related to the costs of maintaining the Company while management attempts to develop a go forward plan.

During the year ended August 31, 2020, the Company reported a net loss of \$6,592,154 as compared to a net loss of \$39,526,914 for the year ended August 31, 2019. The net loss for fiscal 2020 consists of a net loss of \$3,056,189 (2019 - \$8,357,800) from its continuing operations and a net loss of \$3,472,965 (2019 - \$31,169,114) from its discontinued operations. The loss from discontinued operations include the operating results of Coachellagro, HS Airway, Mojave LLC, 420 Realty and Bravo/8 Points, and was mainly attributable to impairment loss of \$2,879,919 (2019 - \$25,188,481), office and general operating expenses of \$403,235 (2019 - \$2,136,003) and depreciation of \$214,227 (2019 - \$2,400,633).

The general administrative expenses from continuing operations excluding share-based payment expenses for the year ended August 31, 2020 were \$2,339,977 (2019 - \$5,325,406). The decrease over the prior period has been driven by management's efforts to reduce costs in all areas of operations. The variance was mainly attributable to:

- Accounting and audit of \$385,250 (2019 - \$227,277) include accounting fees of \$296,000 (2019 - \$66,527) and audit fees of \$89,250 (2019 - \$160,750). The Company previously had an in-house accounting team on salary.

Upon the resignation of the former CFO in July 2019, the Company hired temporary contract consulting firms to assist with its fiscal year end closing and annual audit. In January 2020, the Company switched to another consulting firm with a lower cost. \$55,000 of the audit fee was related to audit work for fiscal 2019.

- Consulting fees of \$185,434 (2019 - \$664,096) consist of fees to business development and corporate communications consultants and has decreased due to the Company's effort to cut costs.
- Legal fees of \$257,125 (2019 - \$416,645) has decreased over the comparative period due to the decrease in acquisition activities.
- Management fees of \$57,043 (2019 - \$565,173) relate to fees to the Company's management team and has decreased significantly over the comparative period as a result of the Company's effort to cut costs.
- Marketing and promotion of \$580,312 (2019 - \$991,302) include costs of various marketing, media and investor awareness initiatives. All the marketing contracts were entered during fiscal 2019 and had been terminated in fiscal 2020.
- Office and general of \$59,918 (2019 - \$165,135) has decreased significantly over the comparative period as a result of the Company's effort to cut costs.
- Rent of \$185,531 (2019 - \$223,239) has decreased over the comparative period due to the reduction of its real estate rentals. The Company has ended leases in seven locations.
- Salaries and benefits of \$350,026 (2019 - \$1,748,423) included management salaries and benefits of \$257,007 (2019 - \$1,378,589) and employee salaries of \$93,019 (2019 - \$369,834). All employees were laid off in February 2020.
- Travel of \$43,108 (2019 - \$186,484) has decreased significantly over the comparative period due to the decrease in acquisition and general corporate activities.

SUMMARY OF QUARTERLY RESULTS

The following table sets forth selected unaudited financial information for the Company's eight most recent quarters ending with the last quarter for the three months ended August 31, 2020.

	For the Three Months Ended							
	Fiscal 2020				Fiscal 2019			
	Aug. 31, 2020	May 31, 2020	Feb. 29, 2020	Nov. 30, 2019	Aug. 31, 2019	May 31, 2019	Feb. 28, 2019	Nov. 30, 2018
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Total revenues	-	-	-	69,521	114,159	507	43,013	47,388
Net income (loss) from continuing operations	(245,664)	(935,449)	(510,134)	(1,364,942)	(3,631,878)	(2,203,956)	(970,410)	(1,551,556)
Net income (loss)	63,531	(3,572,136)	(1,258,197)	(1,762,352)	(24,140,366)	(8,644,474)	(3,086,266)	(3,655,808)
Net income (loss) from continuing operations per share - basic and diluted	(0.00)	(0.02)	(0.01)	(0.01)	(0.03)	(0.02)	(0.02)	(0.02)
Net income (loss) per share - basic and diluted	0.00	(0.03)	(0.01)	(0.01)	(0.23)	(0.07)	(0.03)	(0.03)

FOURTH QUARTER

In the fourth quarter ended August 31, 2020 the Company incurred a net income of \$63,531 (2019 - a loss of \$24,140,365). The current period's loss consists of a net loss of \$245,664 (2019 - \$24,140,366) from its continuing operations and a net income of \$309,195 (2019 - a loss of \$20,508,488) from its discontinued operations. The loss from the continuing operations for the fourth quarter relates primarily to general administrative expenses of \$172,186 (2019 - \$2,112,473), provision for doubtful receivables of \$190,628 (2019 - \$487,154), partially offset by gain from reversal of accounts payable of \$104,663 (2019 - \$nil). The general administrative expenses are mainly related to costs of maintaining the Company while management is conducting a strategic review and developing a go

forward plan. The main expense items include accounting and audit fees of \$39,225 (2019 - \$197,161), insurance of \$27,876 (2019 - \$29,574), legal fees of \$72,924 (2019 - \$78,459) and management fees of \$22,500 (2019 - \$240,287).

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, 2020, the Company had a cash balance of \$56,841, a decrease of \$1,555,429 from the cash balance of \$1,612,270 on August 31, 2019. During year ended August 31, 2020, the Company spent \$3,159,130 in operating activities and invested \$532,329 in 2083 Group. The Company financing activities in fiscal 2020 include net proceeds of \$1,876,114 raised through a private placement financing, loan proceeds of \$40,000 received from the Canadian Government, \$32,400 spent on share repurchase and \$25,270 on lease payments.

The Company had working capital deficiency of \$387,596 excluding assets and liabilities held for sale as at August 31, 2020 compared to working capital of \$930,077 as at August 31, 2019.

Going Concern

As at the date of this MD&A, the Company had not yet achieved profitable operations and expects to incur further losses in the development of its business objectives. At present, the Company may not have sufficient capital resources to settle its current liabilities. The Company had working capital of approximately \$207,153 (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. In November 2020, the Company received a loan advance of \$33,700 from a close family member of a director of the Company. The loan is due on demand, unsecured and non-interest bearing.

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.

RELATED PARTY TRANSACTIONS AND BALANCES

Amounts due from related party of \$nil (August 31, 2019 - \$86,909) related to payroll taxes paid on behalf of the former CEO of the Company. The amount was due on demand, unsecured and non-interest bearing. During the year ended August 31, 2020, the Company recorded an allowance for the full amount of \$88,250 due to the uncertainty of the collectability of the amount.

Amounts due to related parties of \$41,250 (August 31, 2019 - \$181,983) were director and management fees due to directors and officers of the Company and are unsecured, non-interest bearing, and have no specific terms of repayment.

Key management personnel include directors (executive and non-executive) and officers of the Company. The compensation paid or payable to key management personnel during the years ended August 31 is as follows:

	2020	2019
Management and director fees	\$ 57,043	\$ 556,289
Salaries and benefits	257,007	1,378,589
Share-based payments	-	837,025
Total	\$ 314,050	\$ 2,771,903

The Company entered into the following transactions relating to key management personnel and entities over which they have control or significant influence during the year ended August 31, 2020:

- a) Incurred management fees of \$41,250 (2019 - \$nil) and director fees of \$16,250 (2019 - \$33,000) to the Interim CEO of the Company.
- b) Incurred salaries of \$128,434 (2019 - \$513,327) to the former Chief Executive Officer of the Company.
- c) Incurred salaries of \$128,573 (2019 - \$513,231) to the former Chief Operating Officer of the Company.
- d) Incurred management fees of \$7,543 (2019 - \$11,700) to the former corporate secretary of the Company.
- e) Incurred salaries of \$nil (2019 - \$352,031) and management fees of \$nil (2019 - \$69,843) to the former Chief Financial Officer of the Company.
- f) Incurred management fees of \$nil (2019 - \$336,520) to a former officer and director of the Company.
- g) Incurred management fees of \$nil (2019 - \$32,671) to a former officer and director of the Company.
- h) Incurred management fees of \$nil (2019 - \$15,115) to a former officer of the Company.
- i) Incurred director fees of \$nil (2019 - \$57,440) to three former directors of the Company.

CONTINGENCIES

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.

In July 2020, a former consultant of the Company filed a claim against a subsidiary of the Company in California claiming an unpaid settlement amount related to consulting services provided. The Company is currently reviewing the claim. Due to the uncertainty of the timing and the amount of estimated future cash outflows relating to this claim, no provision had been recognized.

CRITICAL ACCOUNTING ESTIMATES

The preparation of the Company's consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting

period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from those estimates and judgments. The impacts of such estimates are pervasive throughout the financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised.

Areas requiring a significant degree of estimation and judgment by the Company's management relate to but are not limited to:

- whether an indication of impairment loss or a reversal of an impairment loss exists for property, plant and equipment and finite lived intangible assets;
- determining the fair values of identifiable assets acquired, liabilities assumed, contingent consideration for business combinations and asset acquisitions;
- judgments used in determining if an acquisition constitutes a business combination or asset acquisition;
- judgments used in determining whether the Company has acquired significant influence over an entity;
- discount rates and cash flows used to calculate the recoverable amounts for cash generating units for the purposes of determining whether an impairment of goodwill and indefinite lived intangible assets exists;
- estimates and judgments used in determination of the fair value less cost to sell of assets held for sale and finite lived intangible assets;
- amortization methods and periods used for property, plant and equipment and finite lived intangible assets;
- estimates and judgments used in determination of the manufacturing costs, selling costs, wastage and expected yield for inventory;
- the collectability of accounts or loans receivable;
- the fair value measurements for financial instruments;
- the recoverability and measurement of deferred tax assets and liabilities;
- the fair value estimation of share-based payments and awards;
- whether the Company has sufficient financing to operate as a going concern; and
- determining the classification of contingent consideration as a financial liability or equity.

Actual results may differ from those estimates and judgments.

FINANCIAL INSTRUMENTS

As of August 31, 2020 and 2019, the carrying amounts of trade and other receivables, accounts payables, and amounts due to related parties carried at amortized cost are considered a reasonable approximation of their fair values due to the relatively short period to maturity of these financial instruments.

Financial risk management

The Company's financial risks arising from its financial instruments are credit risk, liquidity risk, interest rate risk and foreign currency exchange 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 potential loss to the Company if the counter party to a financial instrument fails to meet its contractual obligations. The credit risk of the Company is associated with cash and trade and other receivables. The credit risk with respect to its cash is minimal as they are held with high-credit quality financial institutions. The Company's receivables consist of GST recoverable due from the Canadian Government. Management does not expect these counterparties to fail to meet their obligations.

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 they fall due. As at August 31, 2020, the Company has a cash balance of \$56,841 and current liabilities of \$454,141. The Company's financial liabilities include accrued expenses and trade and other payables which have contractual maturities of 30 days or are due on demand. The Company's accounts payable and due to related parties have contractual maturities of less than 30 days and are subject to normal trade terms. The loan payable is not contractually repayable before December 31, 2022.

Interest rate risk

The Company is exposed to interest rate risk arising from cash held in Canadian financial institutions. The interest rate risk on cash is not considered significant due to its short-term nature and maturity. The exposure to interest rates for the Company is considered minimal. The Company has not used any financial instrument to hedge potential fluctuations in interest rates.

Foreign exchange rate risk

Foreign currency exchange risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's functional currency is the Canadian dollar and administrative expenditures are transacted in Canadian dollars. The Company funds its operations in the United States by using USD converted from its Canadian bank accounts. At August 31, 2020, the Company had financial assets of \$19,582 and financial liabilities of \$52,617 denominated in United States dollars. A 10% strengthening of the US dollar would affect net loss by approximately \$3,000. The Company does not hedge its foreign exchange risk.

OUTSTANDING SHARE DATA

The Company had the following common shares, stock options and warrants outstanding as at the date of this report:

Issued and Outstanding Common shares	112,310,659
Stock options	500,000
Warrants	15,930,500
	128,741,159

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

New accounting policy

IFRS 16 – Leases

This standard replaces IAS 17, Leases. IFRS 16 eliminates the classification as an operating lease and requires lessees to recognize a right-of-use asset and a lease liability in the statement of financial position for all leases, with exemptions permitted for short-term leases and leases of low value assets. In addition, IFRS 16 changes the definition of a lease; sets requirements on how to account for the asset and liability, including complexities such as non-lease elements, variable lease payments and option periods; changes the accounting for sale and leaseback arrangements; and introduces new disclosure requirements. Under IFRS 16, a lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. Right-of-use assets will be initially measured at cost, which includes the initial measurement of the lease liabilities and other costs, less lease incentives. Lease liabilities will initially be measured at the present value of future lease payments and subsequently measured at amortized cost using the effective interest method.

The Company adopted IFRS 16 on September 1, 2019 using a modified retrospective approach. On initial adoption, the Company elected to record right-of-use assets based on the corresponding lease obligation. Right-of-use assets and lease obligations of \$53,345 were recorded as of September 1, 2019, with no impact on deficit. When measuring

the present value of lease obligations, the Company discounted the remaining lease payments using its incremental borrowing rate at September 1, 2019, which was a weighted-average rate of 12% per annum. All leases were subsequently terminated as at August 31, 2020.

RISK AND UNCERTAINTIES

The Company's business is subject to risks inherent in a high growth, heavily regulated enterprise, and the Company has identified certain risks pertinent to its business that may materially and adversely affect our business, products, financial condition and operating results. There are many factors that affect our business and our results of operations, some of which are beyond our control. The following is a description of important factors that may cause our actual results of operations in future periods to differ materially from those currently expected or discussed in the forward-looking statements set forth in this report relating to our financial results, operations and business prospects. Except as required by law, we undertake no obligation to update any such forward-looking statements to reflect events or circumstances after the date of this MD&A.

These risks include, but are not limited to the following:

Governmental regulation

Our business is subject to a variety of laws, regulations, and guidelines relating to the marketing, acquisition, manufacturing, management, transportation, storage, sale, packaging and labeling, and disposal of cannabis. We are also subject to laws, regulations, and guidelines relating to health and safety, the conduct of operations, taxation of products and the protection of the environment. As the laws, regulations and guidelines pertaining to the cannabis industry are relatively new, it is possible that significant legislative amendments may still be enacted - either provincially or federally - that address current or future regulatory issues or perceived inadequacies in the regulatory framework. Changes to such laws, regulations and guidelines may cause material adverse effects on our operations.

Regulatory compliance

Achievement of our business objectives are contingent, in part, upon compliance with the regulatory requirements enacted by applicable government authorities and obtaining all regulatory approvals, where necessary. We cannot predict the time required to secure all appropriate regulatory approvals for our products, or the extent of testing and documentation that may be required by government authorities. The impact of regulatory compliance regimes and any delays in obtaining, or failure to obtain, regulatory approvals may significantly delay or impact the development of our business and operations. Non-compliance could also have a material adverse effect on our business, financial condition and operations.

Business acquisition risk

A number of risks associated with business acquisition include: (i) potential disruption of our ongoing business; (ii) distraction of management; (iii) increased financial leverage; (iv) the anticipated benefits and cost savings of those transactions may not be realized fully, or at all, or may take longer to realize than expected; (v) increased scope and complexity of our operations; and (vi) loss or reduction of control over certain of our assets. The presence of one or more material liabilities and/or commitments of an acquired company that are unknown to us at the time of acquisition could have a material adverse effect on our results of operations, business prospects and financial condition. A strategic transaction may result in a significant change in the nature of our business, operations and strategy. In addition, we may encounter unforeseen obstacles or costs in implementing a strategic transaction or integrating any acquired business into our existing operations.

Market risk

Because the cannabis market and associated products and technology are rapidly evolving, both domestically and internationally, we may be unable to anticipate and/or respond to developments in a timely and cost-efficient manner. The process of developing our products is complex and requires significant costs, development efforts and third-party commitments. Our failure to develop new products and technologies and the potential disuse of our existing

products and technologies could adversely affect our business, financial condition and operations. Our success will depend, in part, on our ability to continually invest in research and development and enhance our existing technologies and products in a competitive manner.

Additional funding requirements

The Company has not generated positive cash flows from operating activities. As a result of the Company's negative cash flow from operating activities, the Company continues to rely on the issuance of securities or other sources of financing to generate the funds required to fund its business. The Company may continue to have negative operating cash flow for the foreseeable future. The Company expects to continue to increase operating expenses as it implements initiatives to grow its business. If the Company's revenues do not increase to offset these expected increases in costs and operating expenses, the Company will not be profitable. There is no assurance that the Company will be successful in achieving a return on shareholders' investments and the likelihood of success must be considered in light of the early stage of operations and the impact of COVID-19 to its business operations.

Potential U.S. entry restrictions

A foreign visitor who is involved either directly or indirectly in the cannabis industry may be subject to increased border scrutiny when attempting to enter the United States. Multiple states have legalized aspects of cannabis production, sale and consumption; however, cannabis remains illegal federally in the United States. The U.S. Customs and Border Protection previously advised that border agents may deem a foreign visitor who is involved, either directly or indirectly, in a state-legal cannabis industry as inadmissible. While unassociated trips to the United States may not result in problems entering the U.S., a foreign visitor attempting to enter the U.S. to proliferate cannabis-associated business may be deemed inadmissible, at the discretion of the border agents.

Difficulty accessing the service of banks and financial institutions

Because cannabis remains illegal federally in the United States, U.S. banks and financial institutions remain wary of accepting funds from businesses in the cannabis industry, as such funds may technically be considered proceeds of crime. Consequently, businesses involved in the cannabis industry continue to have trouble establishing banking infrastructure and relationships. The inability or limitation on our ability to open or maintain a bank account in the U.S. or other foreign jurisdictions, obtain other banking services and/or accept credit card and debit card payments may make it difficult to operate and conduct business in the United States or other foreign jurisdictions.

Uninsured or uninsurable risk

While we may have insurance to protect our assets, operations and employees, such insurance is subject to coverage limits and exclusions and may not be available for the risks and hazards to which we are exposed. No assurance can be given that such insurance will be adequate to cover our liabilities or that it will be available in the future or, at all, and that it will be commercially justifiable. We may be subject to liability for risks against which we cannot insure or against which we may elect not to insure due to the high cost of insurance premiums or other factors. The payment of any such liabilities would reduce the funds available for our normal business activities. Payment of liabilities for which we do not carry insurance may have a material adverse effect on our financial position and operations.

Litigation risk

We may become party to regulatory proceedings, litigation, mediation and/or arbitration from time to time in the ordinary course of business which could adversely affect our business. Monitoring and defending against legal actions, whether or not meritorious, can be time-consuming, divert management's attention and resources and cause us to incur significant expenses. In addition, legal fees and costs incurred in connection with such activities may be significant and we could, in the future, be subject to judgments or enter into settlements of claims for significant monetary damages. While we have insurance that may cover the costs and awards of certain types of litigation, the amount of insurance may not be sufficient to cover any costs or awards. Substantial litigation costs or an adverse result in any litigation may adversely impact our business, operating results or financial condition. Litigation may

also create a negative perception of our company. Any decision resulting from any such litigation could have a materially adverse impact on our business and company.

DISCLOSURE CONTROLS

In connection with Exemption Orders issued by each of the securities commissions across Canada, the Chief Executive Officer and Chief Financial Officer of the Company will file a Venture Issuer Basic Certificate with respect to the financial information contained in the audited annual financial statements and respective accompanying Management's Discussion and Analysis.

In contrast to the certificates under National Instrument ("NI") 52-109 (Certification of disclosure in an Issuer's Annual and Interim Filings), the Venture Issuer Basic Certification does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting as defined in NI 52-109.

APPROVAL

The Board of Directors of Mojave Jane brands Inc. has approved the contents of this management discussion and analysis on December 22, 2020.