

MOJAVE BRANDS INC.

CONDENSED INTERIM FINANCIAL STATEMENTS

Three Months Ended November 30, 2023

(Unaudited – Prepared by Management)

(EXPRESSED IN CANADIAN DOLLARS)

MANAGEMENT'S RESPONSIBILITY FOR INTERIM FINANCIAL REPORT

The accompanying unaudited condensed interim financial report of Mojave Brands Inc. (the "Company") has been prepared by and is the responsibility of the Company's management.

MOJAVE BRANDS INC.
CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
(Unaudited – Prepared by Management)

	Note	November 30, 2023	August 31, 2023
ASSETS			
Current assets			
Cash and cash equivalents		\$ 14,627	\$ 690,178
Interest receivable		-	1,079
Prepaid expenses	4	439,617	884
Total assets		\$ 454,244	\$ 692,141
LIABILITIES AND EQUITY			
Current liabilities			
Accounts payables and accrued liabilities	5	\$ 33,022	\$ 24,950
Due to related parties	7	-	31,913
Total liabilities		33,022	56,863
Equity			
Share capital	8	55,937,788	55,937,788
Share-based payments reserve	9	7,020,615	7,020,615
Deficit		(62,537,181)	(62,323,125)
Total equity		421,222	635,278
Total liabilities and equity		\$ 454,244	\$ 692,141

Nature of business and going concern (Note 1)

Event after the reporting period (Note 13)

Approved by the board of directors on January 29, 2024 and signed on its behalf by:

“Robert Dubeau” Director “Christopher Cooper” Director

The accompanying notes are an integral part of these financial statements.

MOJAVE BRANDS INC.
CONDENSED INTERIM STATEMENTS OF COMPREHENSIVE LOSS
THREE MONTHS ENDED NOVEMBER 30
(Unaudited – Prepared by Management)

	Note	2023	2022
EXPENSES			
Accounting		\$ 3,000	\$ 1,400
Consulting fees		155,238	-
Filing and transfer agent		7,076	3,829
Legal fees		-	233
Management fees	7	11,000	22,500
Office and general		2,610	4,451
Loss before items below		(178,924)	(32,413)
Foreign exchange gain		(4,917)	15,061
Interest income		298	2,890
Provision for doubtful receivables		(30,513)	(1,544)
Comprehensive loss for the period		\$ (214,056)	\$ (16,006)
Basic and diluted loss per common share		\$ (0.08)	\$ (0.01)
Weighted average number of common shares outstanding *		2,560,614	2,560,614

* The number of shares has been restated to reflect the 4:1 share consolidation (Note 8).

The accompanying notes are an integral part of these financial statements.

MOJAVE BRANDS INC.
CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY
(Unaudited – Prepared by Management)

	Number of Shares*	Share capital	Share-based payments reserve	Deficit	Total equity
Balance, August 31, 2023	2,560,614	\$ 55,937,788	\$ 7,020,615	\$ (62,323,125)	\$ 635,278
Comprehensive loss for the period	-	-	-	(214,056)	(214,056)
Balance, November 30, 2023	2,560,614	\$ 55,937,788	\$ 7,020,615	\$ (62,537,181)	\$ 421,222

	Number of Shares*	Share capital	Share-based payments reserve	Deficit	Total equity
Balance, August 31, 2022	2,560,614	\$ 55,937,788	\$ 7,020,615	\$ (62,254,267)	\$ 704,136
Comprehensive loss for the period	-	-	-	(16,006)	(16,006)
Balance, November 30, 2022	2,560,614	\$ 55,937,788	\$ 7,020,615	\$ (62,270,273)	\$ 688,130

* The number of shares has been restated to reflect the 4:1 share consolidation (Note 7).

The accompanying notes are an integral part of these financial statements.

MOJAVE BRANDS INC.
CONDENSED INTERIM STATEMENTS OF CASH FLOWS
THREE MONTHS ENDED NOVEMBER 30
(Unaudited – Prepared by Management)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the period	\$ (214,056)	\$ (16,006)
Items not affecting cash:		
Foreign exchange loss	-	1,614
Interest income	(298)	(2,890)
Changes in non-cash working capital items:		
Prepaid expenses	(438,733)	(242)
Trade and other payables	8,072	(837)
Amounts due to related parties	(31,913)	-
Net cash used in operating activities	(676,928)	(18,361)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	1,377	2,890
Net cash provided by investing activities	1,377	2,890
Change in cash during the period	(675,551)	(15,471)
Cash, beginning of the period	690,178	881,136
Cash, end of the period	\$ 14,627	\$ 865,665

There are no significant non-cash investing and financing transactions during the three month periods ended November 30, 2023 and 2022.

The accompanying notes are an integral part of these financial statements.

1. NATURE OF BUSINESS AND GOING CONCERN

Mojave Brands Inc., (the “Company”) was incorporated in British Columbia on November 12, 2010. 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 1540 – 1075 West Georgia Street, Vancouver, BC, V6E 3C9. The Company is a reporting issuer in British Columbia, Ontario and Alberta, and its common shares are traded on the Canadian Securities Exchange under the symbol “MOJO” and on the Frankfurt Exchange under symbol “FSE: 0HCN”.

The Company was in the business of processing and sale of cannabis extracts. Currently the Company is not generating revenues as it has closed down all its operations in the US, and plans to seek out other potential strategic alliances, joint venture, acquisition, or merger opportunities.

These financial statements have been prepared based on accounting principles applicable to a going concern, which assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company has incurred losses since inception with an accumulated deficit as at November 30, 2023 of \$62,537,181. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future and repay its liabilities arising from normal business operations as they become due. Management believes that the current cash position will be sufficient to fund the Company’s operating requirements for at least the next 12 months. Should the Company identify a business acquisition opportunity, it would be required to raise additional capital to finance the transaction.

These financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

2. BASIS OF PREPARATION

Statement of compliance

These condensed unaudited interim financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”), applicable to the preparation of interim financial statements, including International Accounting Standard (“IAS”) 34 *Interim Financial Reporting*.

The condensed interim financial statements do not include all of the disclosures required for a complete set of annual financial statements and should be read in conjunction with the audited annual financial statements for the year ended August 31, 2023, which have been prepared in accordance with IFRS as issued by the IASB.

Basis of measurement

These financial statements have been prepared on a historical cost basis except for certain financial instruments that are measured at fair values. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

Functional and presentation currency

These financial statements are presented in Canadian dollars, which is the Company’s functional currency.

MOJAVE BRANDS INC.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
THREE MONTHS ENDED NOVEMBER 30, 2023
(Unaudited – Prepared by Management)

2. BASIS OF PREPARATION (cont'd...)

Significant accounting estimates and judgments

The preparation of the Company's 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:

- the fair value measurements for financial instruments;
- the recoverability and measurement of deferred tax assets and liabilities; and
- whether the Company has sufficient financing to operate as a going concern.

Actual results may differ from those estimates and judgments.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out in the Company's audited annual consolidated financial statements for the year ended August 31, 2023 were consistently applied to all the periods presented unless otherwise noted below.

New accounting standards

There were no new or amended IFRS pronouncements effective September 1, 2023 that are expected to impact the Company's financial statements in the future.

4. PREPAID EXPENSES

	November 30, 2023	August 31, 2023
Prepaid advisory fee	\$ 438,714	\$ -
Legal retainer	903	884
	<u>\$ 439,617</u>	<u>\$ 884</u>

The Company signed a consulting agreement with Commodity Partners Inc. for capital market advisory services, effective from September 22, 2023 to August 30, 2024, for a total fee of \$610,000, inclusive of applicable taxes (fully paid). Commodity Partners Inc. became a significant shareholder of the Company through the non-brokered private placement subscription in note 14.

MOJAVE BRANDS INC.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
THREE MONTHS ENDED NOVEMBER 30, 2023
(Unaudited – Prepared by Management)

5. TRADE AND OTHER PAYABLES

	November 30, 2023	August 31, 2023
Trade payables	\$ 5,522	\$ 450
Accrued liabilities	27,500	24,500
	\$ 33,022	\$ 24,950

Trade payables of the Company are principally comprised of amounts outstanding for trade purchases relating to general operating activities. The usual credit period taken for trade purchases is between 30 to 90 days.

6. LOAN PAYABLE

In May 2020, the Company opened a Canada Emergency Business Account (“CEBA”) and received a loan of \$40,000 from the Canadian Government. The loan was unsecured and non-interest bearing until December 31, 2023. The principal amount of the loan would be reduced to \$30,000 if it is repaid before December 31, 2023. In February 2023, the Company repaid \$30,000 of the loan principal and recognized a gain of \$10,000.

7. RELATED PARTY TRANSACTIONS AND BALANCES

Amounts due to related parties of \$nil (August 31, 2023 - \$31,913) related to advances made by a director and a close family member of a director of the Company, and trade payable due to a company controlled by a close family member of a director of the Company and are unsecured, non-interest bearing, and have no specific terms of repayment. During the three months ended November 30, 2023, the Company repaid the amounts due to related parties of \$31,913.

Key management personnel include directors (executive and non-executive) and officers of the Company. The compensation paid or payable to key management personnel and entities over which they have control or significant influence during the three month periods ended November 30 is as follows:

	2023	2022
Management fees	\$ 11,000	\$ 22,500

The Company entered into the following transactions with related parties during the three months ended November 30, 2023:

- a) Incurred management fees of \$2,500 (2022 - \$nil) the Chief Executive Officer (“CEO”) of the Company.
- b) Incurred management fees of \$1,000 (2022 - \$ nil) to a company controlled by the Chief Financial Officer (“CFO”) of the Company.
- c) Incurred management fees of \$7,500 (2022 - \$22,500) to a company partially controlled by a former director of the Company.

MOJAVE BRANDS INC.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
THREE MONTHS ENDED NOVEMBER 30, 2023
(Unaudited – Prepared by Management)

8. SHARE CAPITAL

Authorized share capital

The Company has authorized an unlimited number of common shares with no par value.

Issued share capital

At November 30, 2023 and August 31, 2023, the Company had 2,560,614 common shares outstanding, after giving effect to the share consolidation.

Share consolidation

On October 25, 2023, the Company completed a consolidation of the Company's issued and outstanding common shares, stock options and warrants on a basis of one (1) post-consolidation common share for every four (4) pre-consolidation common shares. All information relating to basic and diluted loss per share, issued and outstanding common shares, stock options and warrants in these financial statements have been adjusted and restated retrospectively to reflect the share consolidation.

9. SHARE-BASED PAYMENTS

Stock options

The Company's Board of Directors approved the implementation of an aggregate maximum of 10% of the issued and outstanding common shares may be issued for granting of options to directors, senior officers, full time employees of the Company, affiliates or subsidiaries, or any consultants to the Company. The terms of the awards under the Plan are determined by the Board of Directors.

The Company had no stock option transactions during the year ended August 31, 2023 and the three months ended November 30, 2023.

The options outstanding at November 30, 2023 have an exercise price of \$34 and a weighted average remaining contractual life of 0.44 year.

As at November 30, 2023, the following stock options were outstanding:

Number of Options	Exercise Price	Expiry Date
5,000	\$ 34.00	May 8, 2024

9. SHARE-BASED PAYMENTS (cont'd...)

Performance Share Units and Restricted Share Units

The Company's Board of Directors approved the implementation of a restricted share unit plan (the "RSU Plan"). Under the RSU Plan, eligible persons may (at the discretion of the Board) be allocated several RSUs as the Board deems appropriate, with vesting provisions also to be determined by the Board, subject to a maximum vesting term of three (3) years from the end of the calendar year in which RSUs were granted. Upon vesting, eligible participants shall be entitled to a cash payment equal to the number of RSUs granted, multiplied by the fair market value of the Company's common shares on the redemption date. The Company shall also have the option (at the discretion of the Board) to settle amounts owing to eligible persons via the issuance of common shares of the Company.

The Company had no RSU transactions during the year ended August 31, 2023 and the three months ended November 30, 2023. There were no RSUs outstanding as at August 31, 2023 and November 30, 2023.

Warrants

Warrants are issued as private placement incentives and measured using the residual method. Agents' warrants are measured at fair value on the date of the grant determined using the Black-Scholes Option Pricing Model.

The Company had no warrant transactions during the year ended August 31, 2023 and the three months ended November 30, 2023. The warrants outstanding at November 30, 2023 have an exercise price of \$0.60 and a weighted average remaining contractual life of 1.62 years.

As at November 30, 2023, the following warrants were outstanding:

Number of Warrants	Exercise Price	Expiry Date
1,437,500	\$ 0.60	July 12, 2025

The share-based payment reserve records items recognized as share-based compensation expense and other share-based payments until such time that the stock options or warrants are exercised, at which time the corresponding amount will be transferred to share capital.

10. CAPITAL MANAGEMENT

The Company manages its capital structure and adjusts it, based on the funds available to the Company to support the growth and development of its subsidiaries 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.

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. The Company is not subject to externally imposed capital requirements.

11. FINANCIAL INSTRUMENTS

As of November 30, 2023, the carrying amounts of accounts payables and 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, and interest rate 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. Cash and cash equivalents are carried at fair value.

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. The credit risk with respect to its cash is minimal as they are held with high-credit quality financial institutions.

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 November 30, 2023, the Company has a cash balance of \$14,627 and current liabilities of \$33,022. The Company's accounts payable have contractual maturities of less than 30 days and are subject to normal trade terms.

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.

MOJAVE BRANDS INC.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
THREE MONTHS ENDED NOVEMBER 30, 2023
(Unaudited – Prepared by Management)

12. FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs are quoted prices in markets that are not active, quoted prices for similar assets or liabilities in active markets, inputs other than quoted prices that are observable for the asset or liability, or inputs that are derived principally from or corroborated by observable market data or other means. Level 3 inputs are unobservable (supported by little or no market activity). The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

Financial instruments measured at fair value on the statement of financial position are summarized in levels of fair value hierarchy as follows. There have been no changes in these levels and no changes in classifications during the three months ended November 30, 2023.

	Level 1	Level 2	Level 3	Total
November 30, 2023				
Cash	\$ 14,627	\$ -	\$ -	\$ 14,627
August 31, 2023				
Cash and cash equivalents	\$ 690,178	\$ -	\$ -	\$ 690,178

13. EVENT AFTER THE REPORTING PERIOD

Subsequent to November 30, 2023, the Company completed a non-brokered private placement of 6,799,800 units announced at a price of \$0.07 per unit for gross proceeds of \$475,986. Each unit is comprised of one common share and one-half of share purchase warrant; each whole warrant entitles the holder to acquire one additional common share for a period of 24 months at an exercise price of \$0.11.