MOJAVE BRANDS INC.

FORM 51-102F1
MANAGEMENT DISCUSSION AND ANALYSIS
For the Three and Six Months Ended February 29, 2024

INTRODUCTION

This Management's Discussion and Analysis ("MD&A") has been prepared by the management of Mojave Brands Inc. ("Mojave" or the "Company") as of April 18, 2024, and should be read in conjunction with the unaudited interim consolidated financial statements and related notes of the Company for the three and six months ended February 29, 2024, and the audited consolidated financial statements of the Company together with the related notes thereto for the year ended August 31, 2023. 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.sedarplus.ca.

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 included 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 Brands Inc. was incorporated under the name Infinity Minerals Corp. on 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, to High Hampton Holdings Corp. on June 18, 2015, to Mojave Jane Brands Inc. on June 11, 2019, and to Mojave Brands Inc. on March 30, 2021. 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 "MOJO" and on the Frankfurt Exchange under the 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.

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 consolidated financial statements have been adjusted and restated retrospectively to reflect the share consolidation.

On December 15, 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.

Proposed transaction

On January 31, 2024, the Company entered into a binding letter of intent ("LOI") with LAI SPV Corp. ("LAI SPV") and Light AI Inc. ("LAI") under which the Company, LAI SPV and LAI will combine their respective businesses by way of a share exchange, merger, amalgamation, plan of arrangement or such other similar form of transaction (the "Transaction"). The parties intend to negotiate and execute a definitive agreement (the "Definitive Agreement") respecting the Transaction within 45 days of the execution of the LOI. The Transaction shall result in a reverse takeover ("RTO") of the Company by LAI and shall constitute a fundamental change, as defined by the policies of the Canadian Securities Exchange ("CSE"). Upon completion of the Transaction, the resulting entity (the "Resulting Issuer") will continue to carry on the business of LAI.

Under the terms of the LOI, the Company will issue 3.89 common shares in the capital of the Company (each a "Mojave Share") for each of the 8,514,957 issued and outstanding common shares in the capital of LAI (each an "LAI Share") and to issue 1 Mojave shares for each LAI SPV share outstanding by way of a share exchange, merger, amalgamation, plan of arrangement or such other comparable form as determined by the parties following a review of all relevant tax, corporate and securities law considerations and a due diligence review. It is anticipated that upon closing of the Transaction ("Closing"), the former shareholders of LAI will beneficially own, or exercise control or direction over, 33,161,113 common shares of the Resulting Issuer ("Resulting Issuer Shares") or approximately 59% of the outstanding Resulting Issuer Shares on a non-diluted basis prior to giving effect to the concurrent financings described below. On Closing, all convertible securities of LAI will be exchanged for convertible securities of the Resulting Issuer and the exercise prices or conversion prices will be adjusted accordingly in accordance with their terms. The Transaction constitutes an arms' length transaction.

The Transaction is subject to a number of conditions including, but not limited to:

a) the execution of the Definitive Agreement effecting the Transaction;
b) review and approval of the Transaction by the Boards of Directors of the Company, LAI and LAI SPV and any requisite shareholder approval;
c) review and approval of the CSE and all other regulatory bodies having jurisdiction in connection with the Transaction;
d) the LAI SPV Concurrent Financing (as defined herein) and the Mojave Concurrent Financing (as defined herein) shall have closed, or shall close concurrently with Closing;
e) completion of mutually satisfactory due diligence investigations of the parties;
f) compliance with all applicable regulatory requirements and conditions in connection with the Transaction; and
g) other condition precedents customary for a transaction such as the Transaction.

Concurrent Financings

In connection with the Transaction, the Company will complete a non-brokered private placement for gross proceeds of at least $7,500,000 (the "Mojave Concurrent Financing"). Finder's fees may be paid in connection with the Mojave Concurrent Financing within the maximum amounts permitted by the policies of the CSE.

In addition, LAI SPV will complete a non-brokered private placement of convertible debentures for gross proceeds of at least $2,500,000 and a maximum of $5,000,000 (the "LAI SPV Concurrent Financing"). The LAI SPV convertible debentures will convert automatically into common shares of LAI SPV upon completion of the Transaction.

Loan

Upon execution the LOI and in connection with the Transaction, Mojave advanced a loan of $250,000 to LAI (the "Loan"), which is evidenced by a promissory note. The Loan is non-interest bearing (except as described below) and is payable upon demand. In the event the LOI is terminated, the Loan will become due and payable, bear interest at a rate of 24% per annum from the date of issuance, and LAI will issue Mojave 277,778 common share purchase warrants of LAI (the "LAI Warrants"). The LAI Warrants will be exercisable for LAI Shares at $0.90 per LAI Share for a period of 48 months from the date of issuance. In addition, Mojave has the right to convert the Loan into LAI Shares at $0.90 per LAI Share.

Name Change

Upon completion of the Transaction, subject to shareholder approval, the Resulting Issuer will change its name to "Light AI Inc.", or such other similar name as may be accepted by the relevant regulatory authorities and approved by the board of directors of the Resulting Issuer.

DISCUSSION OF OPERATIONS

Three month period ended February 29, 2024

During the three months ended February 29, 2024, the Company reported a net loss of $346,299, compared to a net loss of $29,427 for the three months ended February 28, 2023. The net loss for the 2024 quarter primarily resulted from general operating expenses of $376,866, compared to $48,242 in the 2023 quarter. The significant increase in general operating expenses was mainly due to the escalation of capital raising and marketing activities. Specifically, the variance in 2024 from 2023 was mainly attributable to:

- Consulting fees of $151,113 (2023 - $nil), $145,238 of which pertains to the consulting agreement with Commodity Partners Inc. for capital market advisory services. Commodity Partners Inc. became a significant shareholder of the Company through the non-brokered private placement completed in December 2023.
- Marketing and promotion expenses totaled $36,077 (2023 - $nil). In December 2023, the Company engaged a marketing firm at a monthly fee of $5,000 to provide capital raising, presentation pitch, and social media promotion services.
- Travel expenses amounted to $115,961 (2023 - $nil) for promotional trips incurred by LAI marketers.

Six month period ended February 29, 2024

During the six months ended February 29, 2024, the Company reported a net loss of $560,355, compared to a net loss of $45,433 for the six months ended February 28, 2023. The net loss for the 2024 period primarily resulted from general operating expenses of $555,790 (2023 - $82,199). The significant increase in general operating expenses was mainly due to the escalation of capital raising and marketing activities. Specifically, the variance in 2024 from 2023 was mainly attributable to:

- Consulting fees of $306,351 (2023 - $nil), $290,476 of which pertains to the consulting agreement with Commodity Partners Inc. for capital market advisory services. Commodity Partners Inc. became a significant shareholder of the Company through the non-brokered private placement completed in December 2023.
- Marketing and promotion expenses totaled $36,077 (2023 - $nil). In December 2023, the Company engaged a marketing firm at a monthly fee of $5,000 to provide capital raising, presentation pitch, and social media promotion services.
- Travel expenses amounted to $115,961 (2023 - $nil) for promotional trips incurred by LAI marketers.

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 February 29, 2024.

	For the Three Months Ended							
	Fiscal 2024		**Fiscal 2023**				**Fiscal 2022**	
	Feb. 29, 2024	**Nov. 30, 2023**	**Aug. 31, 2023**	**May 31, 2023**	**Feb. 28, 2023**	**Nov. 30, 2022**	**Aug. 31, 2022**	**May 31, 2022**
	($)	**($)**	**($)**	**($)**	**($)**	**($)**	**($)**	**($)**
Total revenues	-	-	-	-	-	-	-	-
Net income (loss) from continuing operations	(346,299)	(214,056)	37,523	(60,948)	(29,427)	(16,006)	(44,442)	(34,538)
Net income (loss)	(346,299)	(214,056)	37,523	(60,948)	(29,427)	(16,006)	(44,442)	(35,654)
Net income (loss) from continuing operations per share - basic and diluted	(0.04)	(0.08)	0.01	(0.02)	(0.01)	(0.01)	(0.02)	(0.01)
Net income (loss) per share - basic and diluted	(0.04)	(0.08)	0.01	(0.02)	(0.01)	(0.01)	(0.02)	(0.01)

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

The net loss for the quarters was primarily attributed to general operating expenses, which remained relatively consistent for quarters in fiscal years 2022 and 2023. The net income for the fourth quarter of fiscal 2023 primarily resulted from a gain on extinguishment of accounts payable of $103,869. The significant loss incurred in the first and second quarters of fiscal 2024 stems primarily from consulting fees paid to Commodity Partners Inc. and increased marketing activities in first six months of fiscal 2024.

LIQUIDITY AND CAPITAL RESOURCES

As at February 29, 2024, the Company held a cash balance of $24,219, a decrease of $665,959 from the cash balance of $690,178 as at August 31, 2023. The Company expended $873,111 in operating activities and advanced a loan of $250,000 to LAI pursuant to the LOI. The Company financing activities included $456,073 of net proceeds raised from a private placement financing.

The Company had working capital of $530,996 as at February 29, 2024 compared to working capital of $635,278 as at August 31, 2023.

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. 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. The aforementioned factors indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. The Company intends to complete a financing for gross proceeds of at least $7,500,000 concurrent with the proposed Transaction.

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.

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 are unsecured, non-interest bearing, and have no specific terms of repayment. During the six months ended February 29, 2024, 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 six month periods is as follows:

	Six Months Ended February 29, 2024	Six Months Ended February 28, 2023
Management fees	$ 28,500	$ 45,000
Consulting fees	145,238	-
	$ 173,738	$ 45,000

The Company entered into the following transactions with related parties during the six months ended February 29, 2024:

a) Incurred management fees of $12,500 (2023 - $nil) the Chief Executive Officer ("CEO") of the Company.

b) Incurred management fees of $8,500 (2023 - $nil) to a company controlled by the Chief Financial Officer ("CFO") of the Company.

c) Incurred management fees of $7,500 (2023 - $45,000) to a company partially controlled by a former director of the Company.

d) Incurred consulting fees of $145,238 (2023 - $ nil) to Commodity Partners Inc., a significant shareholder of the Company, for capital market advisory services.

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:

- 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.

FINANCIAL INSTRUMENTS

As of February 29, 2024, the carrying amounts of loan receivable and accounts payables 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.

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 loan receivable. The credit risk with respect to its cash is minimal as they are held with high-credit quality financial institutions. The loan receivable was a loan to LAI (Note 1). The Company does not anticipate any default on the loan receivable.

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 February 29, 2024, the Company has a cash balance of $24,219 and current liabilities of $69,268. The Company's accounts payable and accrued liabilities 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.

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	9,360,414
Stock options	-
Warrants	4,837,400
	14,197,814

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

New accounting standards

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

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:

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.

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.

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 brands Inc. has approved the contents of this management discussion and analysis on April 18, 2024.