

## Mojave Brands Inc.

### Best Efforts Prospectus Offering

## Term Sheet

November 21, 2024

A preliminary prospectus dated October 29, 2024 (the "**preliminary prospectus**") containing important information relating to the securities described in this document has been filed with the securities regulatory authorities in each of the provinces and territories of Canada, except Quebec, and is accessible through SEDAR+.

The preliminary prospectus is still subject to completion. Copies of the preliminary prospectus may be obtained from Ventum Capital Markets at [ecm@ventumfinancial.com](mailto:ecm@ventumfinancial.com). There will not be any sale or any acceptance of an offer to buy the securities until a receipt for the final prospectus has been issued.

This document does not provide full disclosure of all material facts relating to the securities offered. Investors should read the preliminary prospectus, the final prospectus and any amendment for disclosure of those facts, especially risk factors relating to the securities offered, before making an investment decision.

The securities being offered have not been, nor will they be, registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons absent registration or an applicable exemption from the registration requirements. This term sheet shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any state in which such offer, solicitation or sale would be unlawful.

Capitalized terms used, but not otherwise defined, herein have the meaning ascribed thereto in the preliminary prospectus. References to "\$" are to Canadian dollars.

- Issuer:** Mojave Brands Inc. (the "**Company**").
- Offering:** Prospectus offering on a "best efforts" basis of units (the "**Units**" and each a "**Unit**"), with each Unit comprised of one common share in the Company (each, a "**Common Share**"), and one half of one common share purchase warrant (each whole warrant, a "**Warrant**").
- Issue Price:** C\$0.55 per Unit ("**Issue Price**").
- Issue Size:** Minimum of C\$10,000,000 and maximum of up to C\$15,000,000 (the "**Offering**").
- Over-Allotment Option:** The Company will grant the Agents an option to increase the size of the Offering by up to 15.0%, exercisable in whole or in part at any time for a period of 30 days after and including the Closing Date (the "**Over-Allotment Option**").
- Warrants:** Each Warrant shall entitle the holder thereof to acquire one Common Share for an exercise price of C\$0.80 for a period 18 months following the Closing Date.
- Form of Offering:** Best efforts marketed offering of Units, subject to a formal agency agreement, including standard industry "material adverse change out", "disaster out", "regulatory out", "market out", "due diligence out" and "breach out" clauses running up to the Closing Date.

The Units will be offered (i) by way of long form prospectus of the Company to be filed in all provinces and territories of Canada, except Quebec; and (ii) may be distributed in the United States to Accredited Investors (as defined in Rule 501(a) of Regulation D ("**Regulation D**") under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**")) and to Accredited Investors that are also Qualified Institutional Buyers (as defined in Rule 144A under the U.S. Securities Act) pursuant to an exemption under Rule 506(b) of Regulation D under the U.S.

Securities Act; and (iii) may be distributed outside Canada and the United States on a basis which does not require the qualification or registration of any of the Company's securities under domestic or foreign securities laws.

**Use of Proceeds:** The Company will use the net proceeds of the Offering for operations, marketing working capital and general corporate purposes.

**Listing:** The Company has applied to have the Common Shares that comprise part of the Units, and the Common Shares issuable upon exercise of the Warrants listed on the Cboe Canada exchange under the trading symbol "ALGO". Listing is subject to approval of Cboe Canada in accordance with its original listing requirements. Cboe Canada has not conditionally approved the Company's listing application and there is no assurance that the Cboe Canada will approve the listing application.

**Eligibility:** The Units shall be eligible for RRSPs, RRIFs, RDSPs, RESPs, TFSA, FHSAs and DPSPs.

**Lead Agent:** Venum Financial Corp. on behalf of a syndicate of agents (collectively, the "Agents").

**Agents' Fee:** The Company will pay to the Agents, on the Closing Date, a cash commission equal to 7% of the aggregate gross proceeds received from the sale of the Units. In addition, the Company shall issue warrants to the Agents (collectively, the "Broker Warrants" and each a "Broker Warrant") equal to 7% of the Units sold in the Offering (including the Over-Allotment Option). Each Broker Warrant entitles the holder thereof to acquire one Common Share at the Issue Price for a period of 18 months following the Closing Date. The cash commission and numbers of Broker Warrants to be received will be reduced to 3.5% and 3.5%, respectively, for orders received through a president's list.

**Closing Date:** On or about December 10, 2024, and/or other such date(s) as agreed by Venum Capital Markets and the Company, subject to closing of amalgamation and conditional listing (the "Closing Date").