

Mojave Jane

09:35 31 Dec 2019

Mojave Jane highlights reduced operational expenses, new business focus in update to investors

Mojave Jane Brands Inc (CSE:JANE) (OTCMKTS:HHPHF) updated investors Tuesday on its current state of affairs as the cannabis company moves into 2020, including a number of recent decisions designed to slash operational expenses.

Specifically, the company outlined in a statement, the company has been guided by a focus on three strategic pillars: manufacturing, brands and distribution.

First, the company recently opted not to complete its planned acquisition of investment firm CB Asset Management, instead opting to sign a binding letter of intent to purchase the firm's interest in Pacific Crest 4 LLC.

READ: Mojave Jane Brands says Bravo acquisition reversal cuts costs and allows it to focus on direct to consumer model

That transaction, expected to close in January, includes a Type 7 cannabis manufacturing license in California, allowing for extraction using both volatile and non-volatile solvents, as well as equipment, operations and a property lease in Adelanto, California.

The idea, the company said, is to get all its manufacturing and packaging activities under one roof, which the new facility will do, in addition to housing third-part manufacturing and white labeling.

All in all, the change in course dropped what would've been a \$7.5 million acquisition cost down to \$1.2 million.

On the brand front, Mojave is currently expanding the product portfolio of its CALIGOLD line of chocolate. The company said it plans to launch additional brands once the Adelanto property is up and running.

In terms of distribution, the Toronto-based company boosted its ownership interest in SpeedWeed, California's largest premium cannabis delivery service and has the option to increase its interest as high as 40%.

"Once completed, the Adelanto transaction sets us up for manufacturing of our own products, as well as enables us to engage in white label production for third parties," CEO Gary Latham said in a statement. "At the same time, our investment in SpeedWeed provides us with direct to consumer distribution capabilities. This is a key asset in California, where this model enables us and SpeedWeed's brand partners to compete more effectively with the illicit market."

Much of the company's recent moves, Latham said, were designed to cut costs and position the company for future success.

For instance, just this week Mojave announced the reversal of its 2018 acquisition of Bravo Distribution, a decision it says will save more than \$500,000 a year and better reflects its focus on the direct-to-consumer model.

Price: 0.015

Market Cap: \$1.85 m

1 Year Share Price Graph



Share Information

Code: JANE

Listing: CSE

52 week High Low
0.38 0.01

Sector: Cannabis

Website: www.mojavejane.com

Company Synopsis:

Mojave Jane Brands Inc. is a Canadian-based cannabis sector brand and distribution company emerging as a true vertical integrator in California's legal cannabis space serving recreational and wellness markets. The Company's U. S.

action@proactiveinvestors.com

In November, leases at facilities in the City of Industry and West Sacramento were terminated and the company suspended development of its operations in Cudahy, a facility it is not considering selling.

"In the past few quarters, we have successfully refocused the strategic direction of Mojave," CEO Gary Latham said in a statement. "Much of the overhang from previous transactions and discontinued operations has now been cleaned up, which will result in a significant reduction of [operational expenses] going forward. In 2020, our energy and capital deployment will be focused on operating our well differentiated assets to generate revenue and growth."

All in all, Mojave has been busy shifting its focus from large-scale cultivation to extraction, consumer brands and distribution.

"Following a challenging year for us and the industry in general, we are now well positioned to capitalize on the opportunities in the world's largest legal cannabis market and generate shareholder value, and I look forward to reporting on our achievements as we execute on our strategy," Latham said.

Contact Andrew Kessel at andrew.kessel@proactiveinvestors.com

Follow him on Twitter @andrew_kessel

Proactive Investors facilitate the largest global investor network across 4 continents in 4 languages. With a team of analysts journalists & professional investors Proactive produce independent coverage on 1000's of companies across every sector for private investors, private client brokers, fund managers and international investor communities.

Contact us +44 (0)207 989 0813 action@proactiveinvestors.com

No investment advice

The Company is a publisher. You understand and agree that no content published on the Site constitutes a recommendation that any particular security, portfolio of securities, transaction, or investment strategy is suitable or advisable for any specific person. You understand that the Content on the Site is provided for information purposes only, and none of the information contained on the Site constitutes an offer, solicitation or recommendation to buy or sell a security. You understand that the Company receives either monetary or securities compensation for our services. We stand to benefit from any volume which any Content on the Site may generate.

You further understand that none of the information providers or their affiliates will advise you personally concerning the nature, potential, advisability, value, suitability or profitability of any particular security, portfolio of securities, transaction, investment, investment strategy, or other matter.

You understand that the Site may contain opinions from time to time with regard to securities mentioned in other products, including Company-related products, and that those opinions may be different from those obtained by using another product related to the Company. You understand and agree that contributors may write about securities in which they or their firms have a position, and that they may trade such securities for their own account. In cases where the position is held at the time of publication and such position is known to the Company, appropriate disclosure is made. However, you understand and agree that at the time of any transaction that you make, one or more contributors may have a position in the securities written about. You understand that price and other data is supplied by sources believed to be reliable, that the calculations herein are made using such data, and that neither such data nor such calculations are guaranteed by these sources, the Company, the information providers or any other person or entity, and may not be complete or accurate.

From time to time, reference may be made in our marketing materials to prior articles and opinions we have published. These references may be selective, may reference only a portion of an article or recommendation, and are likely not to be current. As markets change continuously, previously published information and data may not be current and should not be relied upon.

The Site does not, and is not intended to, provide investment, tax, accounting, legal or insurance advice, and is not and should not be construed as providing any of the foregoing. You should consult an attorney or other relevant professional regarding your specific legal, tax, investment or other needs as tailored to your specific situation.

In exchange for publishing services rendered by the Company on behalf of Mojave Jane named herein, including the promotion by the Company of Mojave Jane in any Content on the Site, the Company receives from said issuer annual aggregate cash compensation in the amount up to Twenty Five Thousand dollars (\$25,000).