

Mojave Jane

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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.

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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.

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