

Cashbox Ventures Ltd.
(formerly Wikileaf Technologies Inc.)
Unaudited Interim Condensed
Consolidated Financial Statements
September 30, 2021

Unaudited Interim Condensed Consolidated
Financial Statements

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Cashbox Ventures Ltd.

Consolidated Statements of Financial Position

As at

(In Canadian dollars)

(Unaudited)

	September 30, 2021	December 31, 2020
	\$	\$
ASSETS		
Current		
Cash	77,245	286,248
Accounts receivable	32,110	17,888
Prepaid expenses	1,443	23,337
	<u>110,798</u>	<u>327,473</u>
Long-term		
Investment in publicly listed company (Note 6)	6,814,538	
Equipment	2,498	5,966
	<u>6,927,834</u>	<u>333,439</u>
LIABILITIES		
Current		
Trade and other payables (Note 7)	273,902	224,888
Income tax payable (Note 6)	7,715	
	<u>281,617</u>	<u>224,888</u>
EQUITY		
Share capital (Note 8)	16,311,540	14,982,206
Contributed surplus	4,797,436	4,893,306
Accumulated other comprehensive income	50,171	58,437
Deficit	<u>(14,512,930)</u>	<u>(19,825,398)</u>
	<u>6,646,217</u>	<u>108,551</u>
	<u>6,927,834</u>	<u>333,439</u>

Going concern (Note 2)

The accompanying notes are an integral part of the interim condensed consolidated financial statements.

On behalf of the Board,

/s/ Connor Cruise

Director

/s/ Murray Hinz

Director

Cashbox Ventures Ltd.

Consolidated Statements of Comprehensive Income (Loss)

For the periods ended September 30, 2021 and 2020

(In Canadian dollars)

(Unaudited)

	Three months ended		Nine months ended	
	2021	September 30, 2020	2021	September 30, 2020
	\$	\$	\$	\$
Revenue	12,831	34,140	67,745	56,038
Expenses				
Salaries and benefits	188,649	338,071	746,146	1,442,462
Professional fees	221,780	140,509	511,790	922,863
Change in fair value of investment in publicly listed company	481,026		481,026	
Insurance	26,444	35,902	104,315	101,468
Marketing and entertainment	56,365	22,106	101,617	46,048
Share-based compensation	(86,077)	34,923	(1,270)	160,447
Dues and subscriptions	17,488	18,364	41,553	49,318
Office supplies	11,533	16,224	36,576	47,835
Listing fees	4,238	5,650	7,628	13,786
Management fee (Note 9.1)		16,950	5,000	82,687
Interest on convertible debentures			4,734	
Depreciation of equipment	1,156	5,161	3,468	23,952
Bank charges	(83)	941	3,101	4,461
Rental expense		7,145		47,422
Interest on notes payable to related party (Note 9.2)		5,207		17,178
Licensing fees		317		2,968
(Gain) loss on disposition of equipment			(2,400)	2,492
Gain on disposition of assets (Note 6)	(7,295,564)		(7,295,564)	
	<u>(6,373,045)</u>	<u>647,470</u>	<u>(5,252,280)</u>	<u>2,965,387</u>
Net earnings (loss) before income taxes	6,385,876	(613,330)	5,320,025	(2,909,349)
Current income taxes (Note 6)	7,557		7,557	
Net earnings (loss)	<u>6,378,319</u>	<u>(613,330)</u>	<u>5,312,468</u>	<u>(2,909,349)</u>
Items that will be reclassified subsequently to profit or loss				
Change in cumulative translation adjustments	59,112	45,824	(8,266)	(85,446)
Net comprehensive income (loss)	<u><u>6,437,431</u></u>	<u><u>(567,506)</u></u>	<u><u>5,304,202</u></u>	<u><u>(2,994,795)</u></u>
Net earnings (loss) per share				
Basic and diluted	0.044	(0.005)	0.038	(0.026)
Weighted average number of shares outstanding – basic and diluted	145,145,490	113,715,484	139,073,316	113,715,484

The accompanying notes are an integral part of the interim condensed consolidated financial statements.

Cashbox Ventures Ltd.

Consolidated Statements of Changes in Equity

For the nine-months ended September 30, 2021 and 2020

(In Canadian dollars)

(Unaudited)

	Number	Share capital Amount \$	Contributed surplus \$	Accumulated other comprehensive income \$	Deficit \$	Total equity (deficiency) \$
Balance as at December 31, 2020	119,765,484	14,982,206	4,893,306	58,437	(19,825,398)	108,551
Private placement units issuance (Note 8)	19,000,000	950,000				950,000
Private placement units issuance cost (Note 8)		(20,000)				(20,000)
Conversion of convertible notes (Note 8)	6,094,681	304,734				304,734
Exercise of restricted stock units (Note 8)	1,750,000	94,600	(94,600)			
Transactions with shareholders	26,844,681	1,329,334	(94,600)			1,234,734
	146,610,165	16,311,540	4,798,706	58,437	(19,825,398)	1,343,285
Share-based compensation (Note 8)			(1,270)			(1,270)
Net earnings					5,312,468	5,312,468
Exchange differences on translating foreign operations				(8,266)		(8,266)
Balance as at September 30, 2021	146,610,165	16,311,540	4,797,436	50,171	(14,512,930)	6,646,217
Balance as at December 31, 2019	113,715,484	14,770,456	1,947,920	30,108	(16,241,833)	506,651
Share-based compensation (Note 8)			160,447			160,447
Net loss					(2,909,349)	(2,909,349)
Exchange differences on translating foreign operations				(85,446)		(85,446)
Balance as at September 30, 2020	113,715,484	14,770,456	2,108,367	(55,338)	(19,151,182)	(2,327,697)

The accompanying notes are an integral part of the interim condensed consolidated financial statements.

Cashbox Ventures Ltd.

Consolidated Statements of Cash Flows

For the periods ended September 30, 2021 and 2020

(In Canadian dollars)

(Unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2021	2020	2021	2020
			\$	\$
OPERATING ACTIVITIES				
Net earnings (loss)	6,378,319	(613,330)	5,312,468	(2,909,349)
Non-cash items				
Change in fair value of investment in publicly listed company	481,026		481,026	
Share-based compensation	(86,077)	34,923	(1,270)	160,447
Interest on convertible notes			4,734	
Depreciation of equipment	1,156	5,161	3,468	23,952
(Gain) loss on disposition of equipment			(2,400)	2,492
Gain on disposition of assets	(7,295,564)		(7,295,564)	
Net change in working capital items	51,082	(12,644)	64,319	21,120
Net cash used in operating activities	(470,058)	(585,890)	(1,433,219)	(2,701,338)
INVESTING ACTIVITIES				
Proceeds from disposal of equipment			2,400	4,649
Purchase of equipment				(137)
Net cash from investing activities			2,400	4,512
FINANCING ACTIVITIES				
Issuance of private placement units			950,000	
Issuance of convertible notes			300,000	
Private placement units issuance costs			(20,000)	
Net cash from financing activities			1,230,000	
Net decrease in cash	(470,058)	(585,890)	(200,819)	(2,696,826)
Cash, beginning of period	545,241	1,454,193	286,248	3,562,858
Exchange difference on cash	2,062	(14,222)	(8,184)	(11,951)
Cash, end of period	77,245	854,081	77,245	854,081

The accompanying notes are an integral part of the interim condensed consolidated financial statements.

Cashbox Ventures Ltd.

Notes to Interim Condensed Consolidated Financial Statements

September 30, 2021

(In Canadian dollars)

(Unaudited)

1. GOVERNING STATUTES, NATURE OF OPERATIONS AND CHANGE IN CORPORATE NAME

Cashbox Ventures Ltd. (hereafter "the Company") was incorporated under the British Columbia Business Corporations Act on April 3, 2018. The Company's head office is in Federal Way, Washington.

The Company owns 100% of the issued and outstanding shares of One Web Services, Inc. and OWS Canada, Inc. (hereafter "One Web").

The Company together with One Web (together referred to as "the Group") operated wikileaf.com, an online price comparison website, to help consumers find location-based pricing information about individual cannabis strains and products, which was the Group's only operating segment, until the assets were sold on September 15, 2021.

On March 31, 2021, the parent company of the Group, Feather Company Ltd. (formerly Nesta Holdings Co. Ltd.), sold a portion of the common shares of the Company to a third party and, as a result, it no longer has control over the Company, however it exercises significant influence. Subsequent to period end, Feather Company Ltd. sold the remainder of the common shares they held in the Company to various third parties and as a result no longer has significant influence on the Group.

On November 3, 2021, the Company changed its name from Wikileaf Technologies Inc. to Cashbox Ventures Ltd.

The Company is listed on the Canadian Securities Exchange (CSE) under the ticker "CBOX" (formerly "WIKI").

2. GOING CONCERN ASSUMPTION

The accompanying consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS), in particular on the assumption that the Group will continue as a going concern, meaning it will be able to realize its assets and discharge its liabilities and commitments in the normal course of operations.

Since inception, until this quarter, the Group has incurred operating losses. As at September 30, 2021, the Group has an accumulated deficit of \$14,512,930 (\$19,825,398 as at December 31, 2020). The Group has not yet completed its efforts to establish a stabilized source of revenue sufficient to cover operating expenses and relies on other sources of funds to cover such expenses.

Cashbox Ventures Ltd.

Notes to Interim Condensed Consolidated Financial Statements

September 30, 2021

(In Canadian dollars)

(Unaudited)

2. GOING CONCERN ASSUMPTION (Continued)

On September 15, 2021, the Group sold all of its digital and intangible assets (the "Assets") for a share consideration valued at \$7,500,000 of the publicly listed shares of Fire & Flower Holdings Corp., based on the ten trading day volume weighted average price of the shares as of the date of the agreement. However, the sale of the shares are restricted with a four month holding period.

On October 28, 2021, the Group signed a secured promissory note, for an amount of \$700,000, with MMCAP International Inc. SPC ("MMCAP"), a shareholder who exercises significant influence over the Group. The note is repayable within six months of the issuance date and is subject to an interest rate of 7% per annum. In exchange, the Group issued MMCAP 1,500,000 warrants to purchase common shares of the Company. Each warrant will be exercisable for one common share at an exercise price of \$0.06 for a period of three years from the date of the grant.

The Group's management believes that the promissory note will provide sufficient funding to support the Groups current operations until the four month holding period on the public shares has elapsed and the shares can be liquidated to provide an additional source of funding for the Group.

3. GENERAL INFORMATION, STATEMENT OF COMPLIANCE WITH IFRS AND NEW ACCOUNTING POLICIES

These unaudited interim condensed consolidated financial statements for the three and nine months ended September 30, 2021, were prepared in accordance with International Accounting Standard (IAS) 34, Interim Financial Reporting using accounting policies adopted in the Group's most recent annual financial statements for the year ended December 31, 2020, except for compound financial instruments, units, warrants and investments in listed companies. They do not include all of the information required in annual financial statements in accordance with International Financial Reporting Standards (IFRS) and should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2020. Unless otherwise noted below, the Group has consistently applied the same accounting policies throughout all periods presented, as if these policies were always in effect.

These interim consolidated financial statements were approved and authorized for issue by the Board of Directors on November 24, 2021.

These interim consolidated financial statements are presented in Canadian dollars, which is the functional currency of the Company.

Cashbox Ventures Ltd.

Notes to Interim Condensed Consolidated Financial Statements

September 30, 2021

(In Canadian dollars)

(Unaudited)

3. GENERAL INFORMATION, STATEMENT OF COMPLIANCE WITH IFRS AND NEW ACCOUNTING POLICIES (Continued)

New accounting policies

Compound financial instruments

The component parts of compound financial instruments (convertible notes issued by the Group) are classified separately as financial liabilities and equity component in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. At the date of issue, the liability component is recognized at fair value, which is estimated using the borrowing rate available for similar non-convertible instruments.

Subsequently, the liability component is measured at amortized cost using the effective interest method until extinguished upon conversion or at maturity. The value of the conversion option classified as equity component is determined at the date of issue by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This amount is recognized in equity, net of income tax effects, and is not subsequently remeasured. When and if the conversion option is exercised, the equity component of convertible debt instruments will be transferred to share capital. If the conversion option remains unexercised at the maturity date of the convertible debt instruments, the equity component of the convertible debt instruments will be transferred to another equity account. No gain or loss is recognized upon conversion or expiration of the conversion option.

Transaction costs related to the issue of convertible debt instruments are allocated to the liability and equity component in proportion to the initial carrying amounts. Transaction costs relating to the equity component are recognized directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortized over the term of the convertible debt instruments using the effective interest method.

Units

Unit issue proceeds are allocated between the shares and warrants issued using the residual method. Proceeds are first applied to shares according to the quoted price at the time of issuance and any residual proceeds are allocated to the warrants.

Warrants

Warrants are classified as equity when they are derivatives over the Group's own equity that will be settled only by the Group exchanging a fixed amount of cash for a fixed number of the Group's own equity instruments.

Cashbox Ventures Ltd.

Notes to Interim Condensed Consolidated Financial Statements

September 30, 2021

(In Canadian dollars)

(Unaudited)

3. GENERAL INFORMATION, STATEMENT OF COMPLIANCE WITH IFRS AND NEW ACCOUNTING POLICIES (Continued)

New accounting policies (Continued)

Investment in publicly listed company

Investment in publicly listed company is accounted for as financial assets as described in the consolidated financial statement of December 31, 2020, with the exception of their subsequent measurement, which is measured at fair value. Changes in the fair value of investment in publicly listed company is immediately recognized in earnings. The investment in publicly listed company is a Level 1 fair value measurement based upon quoted prices in active markets for identical assets.

4. NEW OR REVISED ACCOUNTING STANDARDS

Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Group

At the date of authorization of these interim consolidated financial statements, several new, but not yet effective, standards, amendments to existing standards and interpretations have been published by the International Accounting Standards Board (hereafter "the IASB"). None of these standards, amendments or interpretations have been adopted early by the Group.

Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. New standards, amendments and interpretations have not been disclosed as they are not expected to have a material impact on the Group's consolidated financial statements.

5. ESTIMATES

When preparing the interim consolidated financial statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expense. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

The judgements, estimates and assumptions applied in the interim consolidated financial statements, including the key sources of estimation uncertainty, were the same as those applied in the Group's last annual financial statements for the year ended December 31, 2020. The only exceptions are the estimate of income tax liabilities which is determined in the interim consolidated financial statements using the estimated average annual effective income tax rate applied to the pre-tax income of the interim period.

Cashbox Ventures Ltd.

Notes to Interim Condensed Consolidated Financial Statements

September 30, 2021

(In Canadian dollars)

(Unaudited)

6. SALE OF ASSETS

On September 15, 2021, the Group sold all of its digital and intangible assets (the "Assets") for a share consideration valued at \$7,500,000 of the publicly listed shares of Fire & Flower Holdings Corp. based on the ten trading day volume weighted average price of the shares as of the date of the agreement, which resulted in the Group receiving 8,017,103 shares.

The sale of the shares are restricted with a four month holding period.

The fair value of the shares on the date of the sale was \$7,295,564, which was also the gain on the sale of the assets.

As at September 30, 2021, the fair value of the shares is \$6,814,538, based upon the quoted price of the public shares as at that date.

As a result of the sale of the assets, the Group generated taxable income in both of its One Web subsidiaries in Canada and the United States of approximately \$2,400,000 and \$4,900,000 respectively. In Canada, the taxable income was entirely offset by prior operating loss carryforwards. In the United States, the taxable income was offset to the extent permitted, resulting in approximately US\$22,000 (CA\$27,500) of taxable income and US\$6,000 (CA\$7,715) of income tax expense and income tax payable at a 28% tax rate.

7. TRADE AND OTHER PAYABLES

	September 30, 2021	December 31, 2020
	<u>\$</u>	<u>\$</u>
Trade accounts payable	164,947	87,140
Salary payable	54,786	
Government remittance	43,748	43,748
Vacation accrual	10,421	6,154
Termination benefits payable		87,846
	<u>273,902</u>	<u>224,888</u>

8. SHARE CAPITAL

The Company's authorized share capital consists of an unlimited number of common shares, voting, participating and without par value.

	September 30, 2021	December 31, 2020
	<u>\$</u>	<u>\$</u>
Issued and fully paid		
146,610,165 (119,765,484 as at December 31, 2020) common shares	<u>16,311,540</u>	<u>14,982,206</u>

Cashbox Ventures Ltd.

Notes to Interim Condensed Consolidated Financial Statements

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(In Canadian dollars)

(Unaudited)

8. SHARE CAPITAL (Continued)

On March 4, 2021, the Company announced a private placement whereby it issued a total of 19,000,000 units at a price of \$0.05 per unit for gross proceeds of \$950,000. Each unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one common share at a price of \$0.075 for a period of two years from the date of closing. Upon closing, the Group paid \$20,000 as finder fees.

On January 15, 2021, the Company issued convertible notes in the amount of \$300,000, bearing interest at an annual rate of 12%. The convertible notes mature after one year and are convertible into common shares or, in the event the Group completes an equity financing prior to April 15, 2021, the holder of the notes is obligated to convert their notes and accrued interest thereon into equity instruments on the same terms of the equity financing. In the event the holder of the notes does not exercise their conversion rights, the Group shall repay the notes with interest on the maturity date. On March 4, 2021, the convertible notes and their accrued interest of \$4,734 were converted into units at the same terms as the March 4, 2021 private placement described above, resulting in the issuance of 6,094,681 common shares.

The fair value of the Company's share price at the date of issuance of the units was \$0.055, which is higher than the unit price and as a result, the entire amount of proceeds was allocated to the common shares issued.

As at September 30, 2021, all of the 25,094,681 warrants issued, remain outstanding.

Stock options

The following table summarizes information related to stock options:

	<u>Number of options</u>
Stock options on January 1, 2021	12,347,900
Issuance of stock options	700,000
Cancellation of stock options	<u>(5,306,072)</u>
Stock options on September 30, 2021	<u>7,741,828</u>

On January 13, 2020, the Company granted to its CEO 1,000,000 stock options, at an exercise price of \$0.12 per share and maturing in 10 years from the date of issuance. The stock options vest 25% at their one-year anniversary date and the remaining 75% on December 31, 2021 based upon financial measures of the Company. The fair value of options granted in the period ended March 31, 2020 has been estimated at \$74,951 using the Black-Scholes option pricing model with the assumptions in the table below. On June 12, 2020, the CEO departed from the Company and, as a result, the options were forfeited.

Cashbox Ventures Ltd.

Notes to Interim Condensed Consolidated Financial Statements

September 30, 2021

(In Canadian dollars)

(Unaudited)

8. SHARE CAPITAL (Continued)

Stock options (Continued)

On January 16, 2020, the Company granted 1,500,000 stock options, at an exercise price of \$0.25 per share and maturing in 10 years from the date of issuance. The stock options vest one-third at the date of the grant, one-third at the one-year anniversary date of the grant and the remaining one-third over the 24 months thereafter. These options were granted in replacement of the 2,943,755 stock options cancelled, in 2019. The fair value of the newly granted stock options has been estimated at \$83,233 and is lower than the incremental fair value of the unvested stock options which were cancelled in 2019. As a result, no additional expense was accounted for.

On May 11, 2020, the Company granted 710,000 stock options to its employees, at an exercise price of \$0.12 per share and maturing in 10 years from the date of issuance. 125,000 of the stock options vest immediately. 210,000 of the stock options vest one-third on the first anniversary date and then in equal monthly tranches over the following three years. The remaining 375,000 stock options vest one-quarter on the one-year anniversary date and then in equal monthly tranches over the following four years. The fair value of options granted in the period has been estimated at \$31,249 using the Black-Scholes option pricing model with the assumptions in the table below.

On July 20, 2020, the Company granted 425,000 stock options to its employees, at an exercise price of \$0.10 per share and maturing in 10 years from the date of issuance. One-third of the stock options vest in one year from the grant date and the remaining vest over the 36 months thereafter. The fair value of options granted has been estimated at \$19,561 using the Black-Scholes option pricing model with the assumptions in the table below.

On February 19, 2021, the Company granted 700,000 stock options to employees and consultants, at an exercise price of \$0.07 per share and maturing in 10 years from the date of issuance. 220,000 of the stock options vest one-tenth on the grant date and the remaining on a monthly basis for the twelve months thereafter. 280,000 of the stock options vest one-third at the one-year anniversary date of the grant and the remaining over the 36 months thereafter. 200,000 of the stock options vest one-half at the date of the grant and the remaining on a monthly basis for the twelve months thereafter. The fair value of options granted has been estimated at \$32,745 using the Black-Scholes option pricing model with the assumptions in the table below.

	<u>2021</u>
Number of stock options granted	700,000
Weighted average exercise price (\$)	0.07
Expected option life	5 years
Weighted average expected share price volatility (a)	85.00%
Weighted average risk-free interest rate	1.21%
Expected dividend yield	Nil
Fair value of stock options granted (\$)	32,745
Fair value of stock options granted per option (\$)	0.05

Cashbox Ventures Ltd.
Notes to Interim Condensed Consolidated
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September 30, 2021

(In Canadian dollars)

(Unaudited)

8. SHARE CAPITAL (Continued)

Stock options (Continued)

	2020			
Number of stock options granted	425,000	710,000	1,500,000	1,000,000
Weighted average exercise price (\$)	0.10	0.12	0.12	0.12
Expected option life	5 years	5 years	5 years	5 years
Weighted average expected share price volatility (a)	77.55%	79.04%	75.10%	76.70%
Weighted average risk-free interest rate	0.51%	0.59%	1.55%	1.61%
Expected dividend yield	Nil	Nil	Nil	Nil
Fair value of stock options granted (\$)	19,561	31,249	83,233	74,951
Fair value of stock options granted per option (\$)	0.05	0.04	0.06	0.07

Restricted stock units

July 2020 grant details

On July 6, 2020, the Company granted 1,750,000 RSUs to its directors, expiring in 10 years from the date of issuance. The RSUs vest as follows:

- 1,170,000 RSUs vest in 260,000 RSU tranches on June 7 each year starting in 2021 or upon change of control of the Company (including the sale of all or substantially all of the assets);
- 130,000 RSUs vest upon a financing of \$500,000 or more or upon a change of control of the Company (including the sale of all or substantially all of the assets);
- 450,000 RSUs vest one-third a year following the grant and the remaining vest over the 36 months thereafter or upon change of control of the Company (including the sale of all or substantially all of the assets).

The fair value of the Company's share price at the date of grant was \$0.08.

Following the financing described in Note 8 and the sale of the assets described in Note 6, all RSUs were vested and subsequently exercised.

Cashbox Ventures Ltd.

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(In Canadian dollars)

(Unaudited)

8. SHARE CAPITAL (Continued)

Summary of share-based compensation expense

The following table summarizes share-based compensation expense for the three and nine month periods ended September 30, 2021 and 2020:

	Three months ended September 30,		Nine months ended September 30,	
	2021	2020	2021	2020
	\$	\$	\$	\$
Stock options	(111,044)	14,467	(58,930)	139,991
RSUs	24,967	20,456	57,660	20,456
	<u>(86,077)</u>	<u>34,923</u>	<u>(1,270)</u>	<u>160,447</u>

9. RELATED PARTY TRANSACTIONS

9.1 Transactions with related party exercising significant influence

The Group had an agreement with its former parent company, which required the Group to pay a fee of \$5,000 per month (US\$60,000 per quarter for the month of January 2020, US\$12,000 for the month of February 2020 and \$5,000 per month starting March 2020) for management services rendered. On December 10, 2020, the Group came to an agreement with the former parent company to settle the management fees payable as at that date and following the payment of the January 2021 management fee, the agreement was terminated. As at September 30, 2021 and December 31, 2020, there are no management fees payable. The amount included in expenses for the three and nine-month periods ended September 30, 2021 is nil and \$5,000 (\$16,950 and \$82,687 (US\$32,000 and \$39,550) in 2020) respectively.

9.2 Notes payable to related party

Unsecured promissory notes were issued to the former parent company. On December 10, 2020, the Group came to an agreement to settle the notes. As a result, there were no amounts outstanding as at September 30, 2021 or December 31, 2020.

The notes bore interest at prime plus 1% and the interest expense for the three and nine-month periods ended September 30, 2020 was \$5,207 (US\$4,896) and \$17,178 (US\$14,704).

9.3 Bonus payable to Chief Executive Officer

Upon the closing of the sale of assets (Note 6), the Chief Executive Officer of the Group was awarded US\$43,000 (CA\$54,786) of bonuses. Which are included in salaries and benefits in the consolidated statement of comprehensive income (loss) and salary payable on the consolidated statement of financial position.

Cashbox Ventures Ltd.

Notes to Interim Condensed Consolidated Financial Statements

September 30, 2021

(In Canadian dollars)

(Unaudited)

10. FINANCIAL RISKS

Risk management objectives and policies

The Group is exposed to various risks in relation to financial instruments. The Group's financial assets are cash and accounts receivable, which are classified at amortized cost and investment in publicly listed company, which is classified at fair value through profit and loss.

The main types of risks are credit risk, liquidity risk, foreign exchange risk and other price risk.

The Group does not actively engage in the trading of financial assets for speculative purposes.

Credit risk

Credit risk is the risk that a counterparty fails to discharge an obligation to the Group. The Group is subject to credit risk due to its cash and accounts receivable. The Group limits its exposure to credit risk for cash by placing its cash with high credit quality financial institutions.

Liquidity risk

Liquidity risk is the risk that the Group might be unable to meet its obligations as they come due. This relies on the Group's ability to raise additional equity financing in excess of anticipated needs or increasing revenues, until the restriction on the sale of the investment in publicly listed company ends.

The Group considers expected cash flows from financial assets in assessing and managing liquidity risk, in particular, its cash resources.

Foreign exchange risk

Foreign currency risk is defined as the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Foreign exchange risk is not considered significant as most of the Group's cash is in Canadian dollars; however, some expenses are settled in U.S. dollars. Currency risk results from the Group's expenses denominated in U.S. dollars.

Other price risk

The Group is exposed to other price risk due to its investment in publicly listed company since changes in market prices could result in changes in fair value of such investment.

Cashbox Ventures Ltd.

Notes to Interim Condensed Consolidated Financial Statements

September 30, 2021

(In Canadian dollars)

(Unaudited)

11. POST-REPORTING DATE EVENTS

On October 28, 2021, the Group entered into a secured promissory note, for an amount of \$700,000, with MMCAP, a shareholder who exercises significant influence over the Group. The note is repayable within six months of the issuance date and is subject to an interest rate of 7% per annum. In exchange, the Group issued MMCAP 1,500,000 warrants to purchase common shares of the Company. Each warrant will be exercisable for one common share at an exercise price of \$0.06 for a period of three years from the date of the grant. The warrants will be subject to a four month hold.

On November 8, 2021, the Group entered into a consulting agreement whereby the consultant will provide services for one year in exchange the Group issued 1,750,0000 common shares in exchange for the services.