

CASHBOX VENTURES LTD.

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (“MD&A”)

For the three months ended March 31, 2023

Management Discussion and Analysis

The following management discussion and analysis (“**MD&A**”) of the results of the operations and financial position of Cashbox Ventures Ltd. (the “**Company**”, “**we**”, “**us**”, “**our**”) prepared for the three months ended March 31, 2023, and should be read in conjunction with the Company’s condensed consolidated interim financial statements for the three months ended March 31, 2023. Additional information regarding the Company is available on SEDAR at www.sedar.com. All figures contained in this MD&A are presented in Canadian dollars. This MD&A contains information up to and including May 29, 2023.

Forward-Looking Statements

Certain statements contained in this MD&A may constitute forward-looking statements. These statements relate to future events or the Company’s future performance. All statements, other than statements of historical fact, may be forward-looking statements.

Forward-looking statements are often, but not always, identified using words such as “seek”, “anticipate”, “plan”, “continue”, “estimate”, “expect”, “may”, “will”, “project”, “predict”, “propose”, “potential”, “targeting”, “intend”, “could”, “might”, “should”, “believe” and similar expressions. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Company believes that the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this MD&A should not be unduly relied upon by investors as actual results may vary. These statements speak only as of the date of this MD&A and are expressly qualified, in their entirety, by this cautionary statement. The Company’s actual results could differ materially from those anticipated in these forward-looking statements because of various risk factors, including, but not limited to:

- assumptions about the ability of the Company to raise necessary capital for its existing operations and expansion plans,
- the ability of the Company to attract new investment opportunities,

Operational Overview

The Company

Overview

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 owned 100% of the issued and outstanding shares of One Web Services, Inc. (hereafter "One Web") and OWS Canada, Inc. (together "the Group"). OWS Canada, Inc. and One Web were dissolved on April 1, 2022 and June 27, 2022, respectively. All comparative figures are on a consolidated basis.

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

On March 29, 2023, the Company entered into a definitive agreement (hereafter "the Purchase Agreement") with LiCan Exploration Inc. (hereafter "LiCan"). Under the terms of the Purchase Agreement, the Company will acquire LiCan, and will continue as a mining issuer focused on the exploration and development of mineral properties in Ontario. (the "Transaction"). LiCan is a private Ontario company which has a portfolio of lithium exploration properties under option in Northern Ontario (the "Optioned Properties"). Pursuant to the Purchase Agreement, the Company has agreed to acquire all of the issued and outstanding shares of LiCan. Each LiCan shareholder will receive, in exchange for each LiCan share it holds, 0.4078 of a common share in the capital of the Company at a deemed issuance price of \$0.10 per share, resulting in the issuance of 4,975,160 of the Company's shares after giving effect to a 10:1 share consolidation of the Company's existing shares. At closing, and prior to giving effect to the Company's \$1,750,000 subscription receipt offering, existing shareholders will hold approximately 75% of the combined entity (the "Resulting Issuer") and the former shareholders of LiCan will hold the remaining 25% interest. At closing, the Resulting Issuer will change its corporate name from "Cashbox Ventures Ltd." to "Volta Metals Ltd." and subject to the approval of the Canadian Securities Exchange (the "CSE"), trade on the CSE under a new trading symbol. On May 26, 2023 the Transaction was closed. See "*Highlights*" below for further details on the Transaction.

Although the Company was successful in raising funds in the past and was able to liquidate its investment in the publicly listed shares as a source of funding, there is no assurance that the Company will be successful in its future endeavours or become viable and continue as a going concern. Consequently, these material uncertainties raise significant doubt regarding the Company's ability to continue as a going concern.

Highlights

Bridge Loan

Following the execution and delivery of the Agreement with LiCan, the Company advanced to LiCan the principal amount of \$200,000 ("the Loan") to be used for general corporate matters and property development, in accordance with the following schedule:

- i) \$50,000 within five (5) business days of the execution of the LOI by LiCan;
- ii) \$50,000 on or before February 10, 2023;
- iii) \$50,000 on or before March 10, 2023; and
- iv) \$50,000 on or before April 10, 2023.

The Loan bears simple interest at the rate of 5% per annum and the outstanding principal amount and accrued interest thereon will be due and payable in full by LiCan on April 10, 2024 ("the Maturity Date") (waived); provided that on or prior to the Maturity Date, LiCan may repay all or part of the Loan from time to time without notice, bonus, penalty or premium; and further provided that, if the Proposed Transaction is structured as an acquisition by the Company of all the outstanding LiCan Shares, then upon the closing of the Transaction ("the Closing"), the Loan will become an intercompany loan and accounted for accordingly.

Financing

On March 2, 2023, the Company completed a non-brokered, private placement of 17,500,000 subscription receipts in the capital of the Company at a price of \$0.10 per subscription receipt for gross proceeds of \$1,750,000. The funds are held in trust pending the closing of the proposed Transaction, whereby each subscription receipt will result in one common share in the capital of the Company (as it will exist following the completion of the Transaction and after giving effect to a 10:1 consolidation of the Company's common shares).

Financial Overview

Selected Financial Information

The following tables highlight certain information and financial data of the Company for each of the two most recently completed financial years ended December 31, 2022 and 2021. Information set forth below should be read in conjunction with the Company's audited consolidated financial statements for the indicated years ended.

Selected Annual Information

	2022	2021
Revenue	-	69,400
Net income (loss)	(2,268,052)	2,140,273
Cash	1,054,186	156,315
Total assets	1,358,763	4,529,910
Total liabilities	100,606	991,535
Total shareholders' equity	1,258,158	3,538,375

Summary of Quarterly Results

CDN \$	Q1 2023	Q4 2022	Q3 2022	Q2 2022
Revenue	-	-	-	-
Net income (loss)	(111,811)	(293,284)	(252,423)	(1,892,280)
Cash and term deposits	849,661	1,054,186	702,880	408,470
Total assets	3,010,994	1,358,763	1,494,753	1,850,681
Total liabilities	110,611	100,606	7,157	167,713

CDN \$	Q1 2022	Q4 2021	Q3 2021	Q2 2021
Revenue	-	1,655	12,831	28,617
Net income (loss)	113,283	(3,172,193)	6,378,319	(547,285)
Cash	397,748	156,315	77,245	545,241
Total assets	4,701,364	4,529,910	6,927,834	598,108
Total liabilities	1,008,326	991,535	281,617	245,249

Results of Operations for the three months ended March 31, 2023

Revenue

The Company divested all of its online operations during 2021, which was the Company's only revenue source. Accordingly, the Company did not generate any revenue during 2022 and year-to-date.

Operating Expenses

Overall, operating expenses decreased from \$136,122 in Q1 2022 to \$117,183 in the current period. The decrease in key operating expenses was primarily due to the Company divesting of all its digital asset operations and incurred additional related expenses in Q1 of 2022.

Key expense items include salaries and benefits of \$40,007 (March 31, 2022 - \$75,488), professional fees of \$44,931 (March 31, 2022 - \$4,000), share-based compensation of \$4,037 (March 31, 2022 - \$8,582) and insurance of \$18,245 (March 31, 2022 - \$17,619).

Salaries and benefits decreased due to fewer personnel. Professional fees increased in 2022 due to the timing of the Company's annual audit.

Summary of Outstanding Share Data

The Company had the following securities issued and outstanding as at March 31, 2023 and the date of this MD&A:

Securities	Outstanding
Issued and outstanding common shares	166,252,477
Warrants	1,500,000
Stock options	7,618,304

Of the total remaining options outstanding, 4,627,524 will be forfeited pending completion of the Transaction.

Liquidity and Capital Resources

	Three Months Ended	
	March 31, 2023	March 31, 2022
Net cash used in operating activities	(79,525)	(190,606)
Net cash provided by (used in) investing activities	(654,338)	432,039

The Company's net cash used in operations during the three months ended March 31, 2023 was \$79,525 compared to \$190,606 in the comparative quarter. The increase was largely attributed to funds held in trust in connection with the subscription receipt financing. The Company continues to anticipate negative cash flows from operations for the foreseeable future.

The Company's net cash used in investing activities during the three months ended March 31, 2023 was \$654,338 compared to cash inflows of \$432,039 in the comparative quarter. During the current period, the Company invested in term deposits and made loan advances, whereas the Company received cash from the sale of assets in the comparative quarter.

The Company's net cash provided by financing activities is due to the subscription receipt financing that closed during the quarter. There were no financing activities in the comparative quarter.

As at March 31, 2023, the Company had working capital (including funds held in trust) of \$2,689,822 (December 31, 2022 – \$1,047,596). As at March 31, 2023, the Company has an accumulated deficit of \$20,064,988 (December 31, 2022 - \$19,953,177). The Company has not yet completed its efforts to establish a stabilized source of revenue sufficient to cover operating expenses.

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As at March 31, 2023, and December 31, 2022, the Company's capital is composed of cash, funds held in trust, term deposits, loan receivable, and shareholders' equity. A summary of the Company's capital structure is as follows:

	March 31, 2023	December 31, 2022
	\$	\$
Cash	320,323	1,054,186
Funds held in trust	1,750,000	-
Term deposits	529,338	25,000
Loan receivable	150,000	-
	<u>2,749,661</u>	<u>1,079,186</u>
Total shareholders' equity	<u>2,900,383</u>	<u>1,258,158</u>

The Company's primary objectives, when managing its capital, are to maintain adequate levels of funding to support operations of the Company and to maintain corporate and administrative functions.

The capital structure of the Company is managed to provide sufficient funding for operating activities. Funds are primarily secured through a combination of selling its investment and equity capital raised by way of private placements and short-term debt. There can be no assurance that the Company will be able to continue raising equity capital and short-term debt in this manner. The Company invests all capital that is surplus to its immediate needs in short-term, liquid and highly rated financial instruments, such as cash and other term deposits, which are all held with major financial institutions.

There were no changes to the Company's approach to capital management during the period ended March 31, 2023. The Company is not subject to external capital requirements.

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements from the date of its incorporation to the date of this MD&A.

Related Party Transactions

Key management is the personnel having the authority and responsibility for planning, directing and controlling the Company and include the Board of Directors, CEO and the CFO. Key management compensation included the following:

	Three months ended	
	March 31, 2023	March 31, 2022
	\$	\$
Management compensation	40,000	70,000
Share-based payments	4,037	3,029
Total	<u>44,037</u>	<u>73,029</u>

Financial Instruments and Other Instruments

Fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value, by reference to the reliability of the inputs used to estimate the fair values:

Level 1: Valuations based on quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Valuations based on directly or indirectly observable inputs in active markets for similar assets or liabilities, other than Level 1 prices, such as quoted interest or currency exchange rates; and

Level 3: Valuations based on significant inputs that are not derived from observable market data, such as discounted cash flow methodologies based on internal cash flow forecasts.

As at March 31, 2023, the Company's financial instruments consisted of cash, funds held in trust, term deposits, loan receivable, and trade and other payables. The fair value of these financial instruments approximate their carrying value because of the short-term nature of these instruments.

Financial risks

The Company's risk exposures arising from financial instruments and the impact on the Company's condensed consolidated interim financial statements are summarized below:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's cash, funds held in trust, and term deposits are deposited with high credit rated banks, therefore the credit risk is limited. Upon completion of the Transaction, the loan receivable will convert to an intercompany balance. The loan receivable is unsecured and will convert to an intercompany balance pending completion of the Transaction.

Liquidity risk

Liquidity risk is the risk that the Company is not able to meet its financial obligations as they fall due. The Company may seek additional financing through debt or equity offerings, but there can be no assurance that such financing will be available on terms acceptable to the Company or at all. Any equity offering will result in dilution to the ownership interests of the Company's shareholders and may result in dilution to the value of such interests. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due.

As at March 31, 2023, the Company had working capital (including funds held in trust) of \$2,689,822 (December 31, 2022 - \$1,047,596). The Company's undiscounted financial liabilities consist of trade and other payables of \$66,863 (December 31, 2022 - \$56,858). Government remittance, salary payable, termination benefits and vacation accruals have been excluded.

Market risk

The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: foreign currency risk, interest rate risk and other price risk.

Foreign currency 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. The Company is not exposed to foreign exchange risk.

Interest rate risk

The Company is exposed to interest rate risk with respect to financial assets and liabilities bearing variable interest rates.

The term deposits and loan receivable bear interest at a fixed rate and the Company is, therefore, exposed to the risk of changes in fair value resulting from interest rate fluctuations.

Changes in Accounting Policies and Initial Adoption

The Company did not adopt any new accounting policies during the period.

Critical Accounting Estimates

The preparation of the Company's condensed consolidated interim financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the condensed consolidated interim financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continually 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. Actual results could differ from these estimates.

Judgments

The critical judgments exercised in applying accounting policies that have the most significant effect on the amounts recognized in the condensed consolidated interim financial statements are as follows:

Recognition of deferred tax assets

The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized;

Going concern

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay for its ongoing operating expenses and meet its liabilities for the ensuing year involves significant judgment based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

Estimation uncertainty

The following are key assumptions concerning the future and other key sources of estimation uncertainty that could impact the carrying amount of assets and liabilities:

Share-based compensation

The estimation of share-based compensation's fair value and expense requires the selection of an appropriate pricing model.

The model used by the Company for stock options is the Black-Scholes pricing model. The Black-Scholes model requires the Company to make significant judgments regarding the assumptions used within the model, the most significant of which are the expected volatility of the Company's own common shares, the probable life of options granted, the time of exercise, the risk-free interest rate commensurate with the terms of the options, and the expected dividend yield.

Income taxes

Provisions for income taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that, at some future date, an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were originally recorded, such differences will affect the tax provisions in the period in which such determination is made.

Other Risks and Uncertainties

Market Risk for Securities

There can be no assurance that an active trading market for the Common Shares will be sustained on the CSE. The market price for the Common Shares could be subject to wide fluctuations. Factors such as government regulation, interest rates, share price, movements of peer companies and competitors, as well as overall market movements, may have a significant impact on the market price of the Common Shares. The stock market has experienced extreme price and volume fluctuations, which have often been unrelated to the operating performance of individual companies.

Negative Cash Flow from Operations

The Company has negative cash flow from operating activities. To the extent that the Company has negative cash flow in any future period, unallocated funds may be used to fund such negative cash flow from operating activities, if any.

Dilution

Common Shares, as well as including rights, warrants, special warrants, subscription receipts and other securities to purchase, to convert into or to exchange into Common Shares, may be created, issued, sold, and delivered on such terms and conditions and at such times as the Board may determine. In addition, the Company may issue additional Common Shares from time to time pursuant to Common Share purchase warrants and the options to purchase Common Shares issued from time to time by the Board. The issuance of these Common Shares could result in dilution to holders of Common Shares.

Risk of Incurring Operating Losses in the Future

The Company has incurred operating losses in the past and may incur operating losses in the future. As a public company in Canada, the Company will incur additional legal, accounting, and other expenses. If a revenue source or an adequate investment opportunity does not materialize to offset these expenses, the Company will not be profitable. The Company can provide no assurance that it will be able to achieve or maintain profitability.

Global economy risk

The Company may be dependent upon capital markets to raise additional financing in the future. Access to financing could be negatively impacted by any global economic downturn. As such, the Company is subject to liquidity risks in meeting its operating expenditure requirements and future development cost requirements in instances where adequate cash positions are unable to be maintained or appropriate financing is unavailable. These factors may impact the ability to raise equity or obtain loans and other credit facilities in the future and on terms favourable to the Company and its management. If these levels of volatility and slow market conditions persist, the Company's ability to raise capital and the trading price of the Common Shares could be adversely impacted.

Litigation

All companies are subject to legal claims, with and without merit. Legal proceedings may arise from time to time during the Company's business. Such litigation may be brought from time to time in the future against the Company. Defense and settlement costs of legal claims can be substantial, even with respect to claims that have no merit. The Company is not currently subject to material litigation, nor has the Company received an indication that any material claims are forthcoming. However, due to the inherent uncertainty of the litigation process, the Company could become involved in material legal claims or other proceedings with other parties in the future. The results of litigation or any other proceedings cannot be predicted with certainty. The cost of defending such claims may take away from management's time and effort and if the Company is incapable of resolving such disputes favorably, the resultant litigation could have a material adverse impact on the Company's financial condition and cash flow.

Uninsured or uninsurable risk

The Company may become subject to liability for risks against which are uninsurable or against which the Company may opt out of insuring due to the high cost of insurance premiums or other factors. The payment of any such liabilities would reduce the funds available for usual business activities. Payment of liabilities for which insurance is not carried may have a material adverse effect on the Company's financial position and operations.

Confidentiality risk

Personal information collected by the Company in the ordinary course of business may be vulnerable to breach, theft, or loss. This could subject the Company to liability or negatively impact the Company's reputation and operations. The Company collects, uses, and retains personal information from its customer base, including personal and financial data. The Company also collects and maintains personal information of its employees. Although the Company uses security controls to limit access and use of personal information, a third party or internal errors within the Company may circumvent these controls, which could result in a breach of customer or employee privacy. A violation of any laws or regulations relating to the collection or use of personal information could result in the Company incurring fines. While the Company believes it takes appropriate precautions and safety measures, there is still a possibility that a breach, theft or loss of personal information may occur. Any breach, theft or loss of such personal information could negatively impact the Company's financial condition, reputation, and may result in the Company incurring liability.

The Company may attempt to identify and execute future acquisitions or dispositions

If the Company were to undertake any material acquisitions, dispositions and other strategic transactions, could involve a number of risks, including: (i) distraction of management; (ii) the Company may become more financially leveraged; (iii) 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; (iv) increasing the scope and complexity of the Company's operations, and (v) loss or reduction of control over certain of the Company's assets. The presence of one or more material liabilities of an acquired company that are unknown to the Company at the time of acquisition could have a material adverse effect on the results of operations, business prospects and financial condition of the Company. A strategic transaction may result in a significant change in the nature of the Company's business, operations, and strategy. In addition, the Company may encounter unforeseen obstacles or costs in implementing a strategic transaction or integrating any acquired business into the Company's operations.

Regulatory or agency proceedings, investigations, and audits

The Company's business requires compliance with many laws and regulations. Failure to comply with these laws and regulations could subject the Company to regulatory or agency proceedings or investigations and could also lead to damage awards, fines, and penalties. The Company may become involved in several government or agency proceedings, investigations, and audits. The outcome of any regulatory or agency proceedings, investigations, audits, and other contingencies could harm the Company's reputation, require the Company to take, or refrain from taking, actions that could harm its operations or require the Company to pay substantial amounts of money, harming its financial condition. There can be no assurance that any pending or future regulatory or agency proceedings, investigations and audits will not result in substantial costs or a diversion of management's attention and resources or have a material adverse impact on the Company's business, financial condition, and results of operation.

Fraudulent or illegal activity by employees, contractors, and consultants

The Company is exposed to the risk that its employees, independent contractors and consultants may engage in fraudulent or other illegal activity. Misconduct by these parties could include intentional, reckless and/or negligent conduct or disclosure of unauthorized activities to the Company that violates: (i) government regulations; or (ii) laws that require the true, complete, and accurate reporting of financial information or data. It is not always possible for the Company to identify and deter misconduct by its employees and other third parties, and the precautions taken by the Company to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting the Company from governmental investigations or other actions or lawsuits stemming from a failure to follow such laws or regulations. If any such actions are instituted against the Company, and it is not successful in defending itself or asserting its rights, those actions could have a significant impact on our business, including the imposition of civil, criminal and administrative penalties, damages, monetary fines, contractual damages, reputational harm, diminished profits and future earnings, and curtailment of the Company's operations, any of which could have a material adverse effect on the Company's business, financial condition and results of operations.

Information Technology Systems and Cyber-attacks

The failure of information systems or a component of information systems could, depending on the nature of any such failure, adversely impact the Company's reputation and results of operations. The Company has not experienced any material losses to date relating to cyber-attacks or other information security breaches, but there can be no assurance that the Company will not incur such losses in the future. The Company's risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As a result, cyber security and the continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and networks from attack, damage or unauthorized access is a priority. As cyber threats continue to evolve, the Company may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

Reporting issuer status as a Reporting Issuer in Canada

The Company is subject to reporting requirements under applicable Canadian securities law and stock exchange policies. Compliance with these requirements increase legal and financial compliance costs, make some activities more difficult, time consuming or costly, and increase demand on existing systems and resources. Among other things, the Company is required to file annual, quarterly, and current reports with respect to its business and results of operations and maintain effective disclosure controls and procedures and internal controls over financial reporting. To maintain and, if required, improve disclosure controls and procedures, and internal controls over financial reporting to meet this standard, significant resources and management oversight may be required. As a result, management's attention may be diverted from other business concerns, which could harm the Company's business and results

of operations. The Company may need to hire additional employees to comply with these requirements in the future, which would increase its costs and expenses.