

Cashbox Ventures Ltd. Announces Letter of Intent for Proposed Transaction with LiCAN Exploration Inc.



January 18, 2023, Vancouver, British Columbia - Cashbox Ventures Ltd. (CSE: CBOX.X) (the "**Corporation**" or "**CashBox**") is pleased to announce that it has entered into a letter of intent with a privately-held lithium exploration company, LiCAN Exploration Inc. ("**LiCAN**"), dated January 13, 2023 (the "**Letter of Intent**") in respect of a proposed transaction whereby CashBox and LiCAN would combine their respective businesses by way of share exchange or asset acquisition (the "**Proposed Transaction**"). Pursuant to the Letter of Intent, CashBox and LiCAN have a 60 day period of exclusivity to complete their respective due diligence investigations, settle the structure of the Proposed Transaction and negotiate and enter into a definitive agreement (the "**Definitive Agreement**").

Connor Cruise, Chair and CEO of CashBox stated, *"Myself and the board believes this transaction represents an exceptional opportunity for the shareholders of CashBox given the pedigree of LiCAN's management team, LiCAN's asset potential and sentiment towards critical minerals at this current time. The Electric Vehicle market continues to show strong cumulative growth with various countries and their government providing incentives and support to the sector."*

Summary of Proposed Transaction

Under the terms of the Letter of Intent, the proposed principal terms for the Proposed Transaction are as follows:

- in consideration for either (i) acquiring all the issued and outstanding common shares in the capital of LiCAN, or (ii) acquiring certain mineral property interests held by LiCAN, at the closing of the Proposed Transaction (the "**Closing**") CashBox would issue to the holders of common shares in the capital of LiCAN that number of CashBox common shares representing 25% of the issued and outstanding post-Consolidation (as defined below) common shares in the capital of the resulting issuer, on a fully diluted basis, before giving effect to the Concurrent Financing (as defined below);
- prior to Closing, CashBox would undergo a 10:1 consolidation of its issued and outstanding securities (the "**Consolidation**"); and
- prior to, or concurrently with, Closing, CashBox would complete a private placement for gross proceeds of between \$750,000 to \$1,500,000 (the "**Concurrent Financing**"), on terms to be mutually agreed upon by the parties and reflected in the Definitive Agreement.

Completion of the Proposed Transaction would be subject to the satisfaction of various conditions precedent, including: (i) the receipt of all necessary regulatory approvals, authorizations and consents; (ii) receipt of all necessary corporate and shareholder approvals by the parties; and (iii)

there being no material adverse change in the business or operations of any of the parties from the execution of the Letter of Intent by the parties until the closing of the Proposed Transaction. In particular, it is currently expected that the Proposed Transaction would be regarded by the Canadian Securities Exchange (the "CSE"), on which the common shares in the capital of CashBox are listed, as a "Fundamental Change" under CSE Policies. As a result, Closing will be subject to the approval of the CSE and all related filing, disclosure and other requirements (including shareholder approval, if applicable).

A subsequent news release will be disseminated when additional details regarding the Proposed Transaction are available.

Bridge Loan

Under the terms of the Letter of Intent, Cashbox has agreed to advance to LiCAN the principal amount of \$200,000 (the "Loan") by April 10, 2023, which Loan will be used for general corporate matters and property development, in accordance with the following schedule:

- \$50,000 within five (5) business days of the signing of the Letter of Intent
- \$50,000 on or before February 10, 2023
- \$50,000 on or before March 10, 2023
- \$50,000 on or before April 10, 2023

The Loan will bear 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**"); 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.

General Information on CashBox and LiCAN

CashBox is incorporated under the laws of the Province of British Columbia and has a head office in Vancouver, British Columbia. The Corporation is a "non-operating issuer" under the policies of the Canadian Securities Exchange.

LiCAN is a privately-held lithium exploration company with a head office in Toronto. It is led by a management team including Kerem Usenmez, Mark Cruise, Mike Hoffman and Brad Humphrey. LiCAN has the option to acquire a 100% interest in seven prospective lithium properties in Ontario, and the projects are located on emerging lithium-belts in northern Ontario. LiCAN believes this emerging lithium district will be an important source of critical minerals to support North American de-carbonization.

LiCAN's portfolio of lithium properties includes Falcon West, Root, White Lights, Kim and Store Lake properties. Falcon West is located in the Seymour/Crescent Lake pegmatite field and hosts 1-2% lithium bearing pegmatites that have seen limited historic exploration.

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This news release contains forward-looking statements relating to product development, plans, strategies and other statements that are not historical facts. Forward-looking statements are often identified by terms such as "will", "may", "should", "anticipate", "expects" and similar expressions. All statements other than statements of historical fact, included in this release are forward-looking statements that involve risks and uncertainties. Forward-looking information in this news release includes, but is not limited to, statements in respect of: the Proposed Transaction, including the satisfactory completion of each party's respective due diligence investigations, the structure of the Proposed Transaction, the final terms and conditions within the Definitive Agreement, and the consideration paid to the shareholders of LiCAN; timing and completion of the Proposed Transaction, if it is to close at all, including the receipt of all necessary regulatory approvals, authorizations and consents and corporate and shareholder approvals; the Share Consolidation, including timing thereof; the Concurrent Financing, including, the terms upon which the Concurrent Financing occurs, gross proceeds raised, and the timing thereof, if it is to occur at all; the repayment of the Loan by the Maturity Date; and potential operational synergies if the Proposed Transaction is to occur. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from the Corporation's expectations include the failure to satisfy the conditions of the relevant securities exchange(s) and other risks detailed from time to time in the filings made by the Corporation with securities regulations. The reader is cautioned that assumptions used in the preparation of any forward-looking information may prove to be incorrect. Events or circumstances may cause actual results to differ materially from those predicted, as a result of numerous known and unknown risks, uncertainties, and other factors, many of which are beyond the control of the Corporation. The reader is cautioned not to place undue reliance on any forward-looking information. Such information, although considered reasonable by management at the time of preparation, may prove to be incorrect and actual results may differ materially from those anticipated. Forward-looking statements contained in this news release are expressly qualified by this cautionary statement. The forward-looking statements contained in this news release are made as of the date of this news release and the Corporation will update or revise publicly any of the included forward-looking statements as expressly required by applicable law.