

VOX ROYALTY

(formerly AIM3 Ventures Inc.)

**UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2020 AND 2019
(Expressed in United States Dollars)**



VOX ROYALTY CORP.

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(Expressed in United States Dollars)**

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Vox Royalty Corp.

Unaudited Condensed Interim Consolidated Statements of Financial Position (Expressed in United States Dollars)

	September 30, 2020	December 31, 2019
	\$	\$
Assets		
Current assets		
Cash	4,455,149	30,315
Amounts receivable (Note 5)	20,503	-
Prepaid expenses	248,099	29,396
Investments (Note 6)	26,306	853,765
Total current assets	4,750,057	913,476
Non-current assets		
Royalty, stream and other interests (Note 7)	8,599,228	1,972,159
Intangible assets (Note 8)	1,803,086	-
Amounts receivables (Note 5)	1,000,000	961,087
Investments (Note 6)	1,017,383	1,000,827
Deferred royalty acquisitions	39,108	-
Total assets	17,208,862	4,847,549
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (Note 9)	629,705	246,187
Convertible notes (Note 10)	-	486,006
Derivative liabilities (Notes 10, 12 and 15)	-	39,832
Due to shareholder (Note 11)	-	594,980
Total current liabilities	629,705	1,367,005
Non-current liabilities		
Convertible notes (Note 10)	-	237,516
Derivative liabilities (Notes 10, 12 and 15)	899,365	21,865
Total liabilities	1,529,070	1,626,386
Equity		
Share capital (Note 13)	3,251	6,049
Additional paid-in capital (Note 13)	28,897,585	12,095,946
Equity reserves (Note 14)	3,139,727	-
Deficit	(16,360,771)	(8,880,832)
Total equity	15,679,792	3,221,163
Total liabilities and equity	17,208,862	4,847,549

Going concern (Note 2(b))
Commitments and contingencies (Notes 5, 7 and 19)
Subsequent events (Note 22)

Approved by the Board of Directors on November 16, 2020

Signed _____, "Kyle Floyd", Director

Signed _____, "Robert Skalar", Director

Vox Royalty Corp.

Unaudited Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
For the three and nine months ended September 30, 2020 and 2019
(Expressed in United States Dollars)

	Three months ended September 30, 2020	Three months ended September 30, 2019	Nine months ended September 30, 2020	Nine months ended September 30, 2019
	\$	\$	\$	\$
Revenue				
Royalty revenue (Note 21)	10,252	-	10,252	-
Cost of sales				
Depletion	(4,766)	-	(4,766)	-
Gross profit	5,486	-	5,486	-
Operating expenses				
General and administration (Note 16)	(675,907)	(188,632)	(1,758,335)	(843,508)
Share-based compensation (Notes 14 and 15)	(1,725,317)	-	(3,315,425)	-
Stream impairment (Note 7)	(298,295)	-	(467,045)	-
Total operating expenses	(2,699,519)	(188,632)	(5,540,805)	(843,508)
Loss from operations	(2,694,033)	(188,632)	(5,535,319)	(843,508)
Other income (expenses)				
Reverse take-over acquisition costs (Note 4)	-	-	(1,771,672)	-
Realized loss on investments (Note 6)	(270)	(978)	(1,037,870)	(361,721)
Unrealized gain (loss) on investments (Note 6)	36,017	(66,989)	621,146	(259,428)
Other income (expenses) (Note 17)	373,353	67,059	243,776	505,861
Net loss and comprehensive loss	(2,284,933)	(189,540)	(7,479,939)	(958,796)
Weighted average number of shares outstanding				
Basic and diluted	32,250,412	24,378,825	28,304,060	23,653,047
Loss per share				
Basic and diluted	(0.07)	(0.01)	(0.26)	(0.04)

See accompanying notes to the unaudited condensed interim consolidated financial statements.

Vox Royalty Corp.

Unaudited Condensed Interim Consolidated Statements of Changes in Equity
For the three and nine months ended September 30, 2020 and 2019
(Expressed in United States Dollars)

	Number of Shares	Share Capital	Equity Reserves	Additional Paid-in Capital	Deficit	Total Equity
	#	\$	\$	\$	\$	\$
	(Note 13)	(Note 13)	(Note 14)	(Note 13)		
Balance, December 31, 2018	22,360,730	5,538	282,318	8,414,985	(7,639,545)	1,063,296
Settlement of promissory notes	1,654,114	410	-	2,949,590	-	2,950,000
Settlement of convertible notes	140,650	35	-	263,772	-	263,807
Share issuance	56,042	14	-	99,986	-	100,000
Exercise of stock options	167,289	41	(282,318)	286,420	-	4,143
Net loss and comprehensive loss	-	-	-	-	(958,796)	(958,796)
Balance, September 30, 2019	24,378,825	6,038	-	12,014,753	(8,598,341)	3,422,450
Balance, December 31, 2019	24,422,462	6,049	-	12,095,946	(8,880,832)	3,221,163
Shares issued for services	68,213	20	-	142,796	-	142,816
Share cancellation	(466,932)	(4,737)	-	-	-	(4,737)
Share issuance	4,579,361	1,134	-	9,098,772	-	9,099,906
Share issue costs	-	-	42,000	(314,915)	-	(272,915)
Settlement of convertible notes	400,859	99	-	771,299	-	771,398
Shares issued for acquisition of royalties	1,523,747	342	116,363	3,107,111	-	3,223,816
Shares issued for acquisition of intangible asset and royalty	985,110	244	-	1,985,150	-	1,985,394
Reverse take-over transaction	800,000	80	128,122	1,612,243	-	1,740,445
Exercise of stock options	80,000	8	(87,814)	166,671	-	78,865
Exercise of warrants	36,301	4	(38,957)	75,534	-	36,581
Exercise of RSUs	77,893	8	(156,986)	156,978	-	-
Share-based compensation	-	-	3,136,999	-	-	3,136,999
Net loss and comprehensive loss	-	-	-	-	(7,479,939)	(7,479,939)
Balance, September 30, 2020	32,507,014	3,251	3,139,727	28,897,585	(16,360,771)	15,679,792

See accompanying notes to the unaudited condensed interim consolidated financial statements.

Vox Royalty Corp.

Unaudited Condensed Interim Consolidated Statements of Cash Flows For the three and nine months ended September 30, 2020 and 2019 (Expressed in United States Dollars)

	Three months ended September 30, 2020	Three months ended September 30, 2019	Nine months ended September 30, 2020	Nine months ended September 30, 2019
	\$	\$	\$	\$
Cash flows used in operating activities				
Net loss for the period	(2,284,933)	(189,540)	(7,479,939)	(958,796)
Adjustments for:				
Fair value change of embedded derivatives (Note 17)	(253,530)	(6,235)	54,280	(278,433)
Interest expense on notes (Note 10)	-	9,006	17,355	22,593
Interest paid on notes (Note 10)	-	(8,584)	(23,308)	(27,620)
Foreign exchange effect on convertible notes (Note 10)	-	-	(25,462)	-
Amortization on promissory notes (Note 12)	-	-	-	73,750
Accretion on convertible notes (Note 10)	-	11,799	34,241	39,791
Accretion on streaming receivables (Note 5)	-	(51,426)	(38,913)	(122,784)
Share-based compensation (Notes 14 and 15)	1,725,317	-	3,315,425	-
Stream impairment (Note 7)	298,295	-	467,045	-
Amortization (Note 8)	21,289	-	34,414	-
Depletion (Note 7)	4,766	-	4,766	-
Realized loss on investments (Note 6)	270	978	1,037,870	361,721
Unrealized (gain) loss on investments (Note 6)	(36,017)	66,989	(621,146)	259,428
Shares issued for services (Note 13)	-	-	142,816	-
Share cancellation (Note 13)	-	-	(4,737)	-
Reverse take-over acquisition costs (Note 4)	-	-	1,771,672	-
	(524,543)	(167,013)	(1,313,621)	(630,350)
Changes in non-cash working capital:				
Amounts receivable	(20,503)	-	(20,503)	-
Prepaid expenses	(83,439)	(15,000)	(218,703)	(15,000)
Accounts payable and accrued liabilities	(134,955)	(18,444)	161,627	60,671
Deferred revenue	-	(31,752)	-	(104,251)
Net cash flows used in operating activities	(763,440)	(232,209)	(1,391,200)	(688,930)
Cash flows (used in) from investing activities				
Acquisition of royalties	(1,146,498)	-	(3,566,008)	(181,000)
Deferred royalty acquisitions	2,400	-	(9,114)	-
Acquisition of intangible assets	-	-	(2,106)	-
Proceeds from sale of investments	4,328	6,686	410,126	312,857
Net cash flows (used in) from investing activities	(1,139,770)	6,686	(3,167,102)	131,857
Cash flows from (used in) financing activities				
Shareholder advances	-	266,000	100,520	286,000
Shareholder repayment	-	-	(695,500)	(20,000)
Share issuance	-	-	9,749,918	100,000
Cash from reverse take-over	-	-	505,809	-
Transaction costs related to reverse take-over	-	-	(520,142)	-
Share issue costs	-	-	(272,915)	-
Convertible notes payment	-	-	-	(75,000)
Exercise of stock options	7,362	1,381	78,865	4,143
Exercise of warrants	35,502	-	36,581	-
Net cash flows from financing activities	42,864	267,381	8,983,136	295,143
Increase (decrease) in cash	(1,860,346)	41,858	4,424,834	(261,930)
Cash, beginning of the period	6,315,495	5,865	30,315	309,653
Cash, end of the period	4,455,149	47,723	4,455,149	47,723
Supplemental cash flow information:				
Change in accrued royalty acquisition costs	(562,032)	1,000,000	159,056	1,000,000
Change in accrued deferred royalty acquisitions	29,994	-	29,994	-
Share issuance for royalty acquisition costs	584,558	-	3,107,453	-
Warrants issuance for royalty acquisition costs	-	-	116,363	-
Share issuance for intangible asset and royalty acquisition cost	-	-	1,985,394	-
Share issuance for settlement of convertible notes	-	-	771,398	263,807
Convertible notes issuance for royalties	-	188,437	-	452,409
Broker warrants	-	-	42,000	-
Non-cash warrant exercise and issuance of common shares in settlement of promissory notes	-	-	-	2,950,000

See accompanying notes to the unaudited condensed interim consolidated financial statements.

Vox Royalty Corp.

Notes to the Unaudited Condensed Interim Consolidated Financial Statements

September 30, 2020 and 2019

(Expressed in United States dollars)

1. Nature of operations

SilverStream SEZC (“SilverStream”) and AIM3 Ventures Inc. (“AIM3”) entered into a merger agreement (the “Merger Agreement”) on February 26, 2020, providing for the acquisition by AIM3 of all the issued and outstanding common shares of SilverStream (the “Transaction”). Pursuant to the Merger Agreement, SilverStream and AIM3 Merger Sub Cayman Ltd. (a subsidiary of AIM3) amalgamated and are continuing under the name of SilverStream SEZC. As a result of the amalgamation, SilverStream became a wholly-owned subsidiary of AIM3 and AIM3 is continuing on with the business of SilverStream SEZC. The Transaction closed on May 19, 2020. As a result, the consolidated statements of financial position are presented as a continuance of SilverStream and comparative figures presented in the consolidated statements are those of SilverStream. See Note 4 for details.

Concurrent with the closing of the Transaction, AIM3 changed its name to Vox Royalty Corp. (the “Company” or Vox”). The Company’s shares trade on the Toronto Stock Exchange Venture under the ticker symbol “VOX”.

Vox was incorporated on under the Business Corporations Act (Ontario) on February 20, 2018. Subsequently, on June 30, 2020, Vox redomiciled under the Companies Law of the Cayman Islands.

The Company is a growth precious metals royalty and streaming company. Vox seeks to acquire gold, silver and other precious metal royalties and purchase agreements (“Stream”) over development stage assets, advanced stage development projects or operating mines. In return for making an upfront payment to acquire a Stream or royalty, Vox receives the right to purchase, at a fixed price per unit, a percentage of a mine’s production for the life of the mine, in the case of a Stream, or a portion of revenue generated from the mine, in the case of a royalty.

On February 18, 2014, SilverStream received its trade certificate allowing it to carry on Special Economic Zone business as part of the Cayman Islands Special Economic Zone commonly referred to as Cayman Enterprise City (“CEC”), which offered SilverStream significant corporate benefits including no corporate income tax for a minimum of 20 years from February 4, 2014, the ability to operate on-island without Caymanian ownership, 5+ year work permits and duty free imports for business-related imports, if needed.

The Company’s registered office is held at c/o Centralis Cayman Limited, One Capital Place, George Town, Grand Cayman, PO Box 1564, Cayman Islands.

The business of exploring for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. Major expenses may be required to establish ore reserves, to develop metallurgical processes, to acquire construction and operating permits and to construct mining and processing facilities. The recoverability of the amounts shown as assets of the Company is dependent upon the discovery of economically recoverable reserves and future profitable operations.

Although the Company has taken steps to verify title to its streams and royalties on which it has an interest, in accordance with industry standards for the current stage of operations of such properties, these procedures do not guarantee the Company’s title. Property title may be subject to government licensing requirements or regulations, unregistered prior agreements, unregistered claims, indigenous claims, and non-compliance with regulatory, social and environmental requirements. The Company’s assets may also be subject to increases in taxes and royalties, renegotiation of contracts, political uncertainty and currency exchange fluctuations and restrictions.

On April 30, 2020, SilverStream completed a stock-split, pursuant to which all the outstanding common shares were subdivided on the basis of 2.01857075172723 for every 1 pre-stock split common share. All share and per share amounts for all periods presented in these unaudited condensed interim financial statements have been adjusted retrospectively to reflect the stock-split.

2. Basis of preparation

These unaudited condensed interim consolidated financial statements incorporate the accounts of Vox and its subsidiaries:

- SilverStream SEZC
- Vox Royalty Australia Pty Ltd. (“Vox Australia”)

Vox Royalty Corp.

Notes to the Unaudited Condensed Interim Consolidated Financial Statements

September 30, 2020 and 2019

(Expressed in United States dollars)

2. Basis of preparation (continued)

(a) *Statement of compliance*

These unaudited condensed interim consolidated financial statements are prepared in accordance with International Accounting Standards 34, *Interim Financial Reporting* ("IAS34"), as issued by the International Accounting Standards Board ("IASB") and apply the same accounting policies and application as disclosed in the annual financial statements for the year ended December 31, 2019. They do not include all of the information and disclosures required by IFRS for annual statements. In the opinion of management, all adjustments considered necessary for fair presentation have been included in these unaudited condensed interim consolidated financial statements. Operating results for the period ended September 30, 2020 are not necessarily indicative of the results that may be expected for the full year ended December 31, 2020. For further information, see the Company's annual financial statements including the notes thereto for the year ended December 31, 2019.

These unaudited condensed interim consolidated financial statements were reviewed, approved, and authorized for issue by the Company's Board of Directors on November 16, 2020.

(b) *Basis of presentation and going concern*

These unaudited condensed interim consolidated financial statements have been prepared in accordance with IFRS accounting principles applicable to a going concern, using the historical cost basis, except for certain financial instruments which have been measured at fair value. The application of the going concern basis is dependent upon the Company achieving profitable operations to generate sufficient cash flows to fund continuing operations, or, in the absence of adequate cash flows from operations, obtaining additional financing to support operations for the foreseeable future. It is not possible to predict whether financing efforts will be successful or if the Company will attain profitable levels of operations.

These unaudited condensed interim consolidated financial statements do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of business and at amounts different from those in the accompanying unaudited condensed interim consolidated financial statements. Such adjustments could be material.

In addition, these unaudited condensed interim consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The current COVID-19 (coronavirus) global health pandemic is significantly impacting the global economy and commodity and financial markets. The full extent and impact of the COVID-19 pandemic is unknown and to date has included extreme volatility in financial markets, a slowdown in economic activity, extreme volatility in commodity prices (including gold, silver, palladium and oil and gas) and has raised the prospect of an extended global recession. As well, as efforts are undertaken to slow the spread of the COVID-19 pandemic, the operation and development of mining projects have been impacted. To date, a number of mining projects have been suspended globally as cases of COVID-19 have been confirmed, for precautionary purposes or as governments have declared a state of emergency or taken other actions. If the operation or development of one or more of the properties in which the Company holds a royalty, stream or other interest and from which it receives or expects to receive significant revenue is suspended and remains suspended, it may have a material adverse impact on the Company's profitability, results of operations, financial condition and the trading price of the Company's securities. The broader impact of the COVID-19 pandemic on investors, businesses, the global economy or financial and commodity markets may also have a material adverse impact on the Company's profitability, results of operations, financial condition and the trading price of the Company's securities. As at September 30, 2020, the Company has not recorded any adjustments related to the COVID-19 pandemic.

(c) *Functional and presentation currency*

These unaudited condensed interim financial statements are presented in United States dollars ("\$"), which is also the functional currency of the Company and its subsidiaries. All amounts have been rounded to the nearest dollar, unless otherwise noted.

(d) *Significant accounting estimates and judgments*

The preparation of these unaudited condensed interim consolidated financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities at the date of the unaudited condensed interim consolidated financial statements and reported amounts of revenue and expenses during the reporting period. Actual outcomes could differ from these estimates. The unaudited condensed interim consolidated financial statements include estimates, which, by their nature, are uncertain. The impact of such estimates are pervasive throughout the unaudited condensed interim consolidated financial statements and may require accounting adjustments based on future occurrences.

The estimates and underlying assumptions are reviewed on a regular basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected. The areas involving a higher degree of judgment or complexity, or areas where the assumptions and estimates are significant to the consolidated financial statements were the same as those applied to the Company's annual financial statements for the year ended December 31, 2019, with the addition of intangible assets acquired during the period.

Vox Royalty Corp.

Notes to the Unaudited Condensed Interim Consolidated Financial Statements
September 30, 2020 and 2019
(Expressed in United States dollars)

2. Basis of preparation (continued)

(e) *Venture capital investments*

From time to time, the Company invests in equity interests of other entities. In such circumstances, management considers whether the facts and circumstances pertaining to each such investment result in the Company obtaining control, joint control or significant influence over the investee entity. In some cases, the determination of whether or not the Company controls, jointly controls or significantly influences the investee entities requires the application of significant management judgment to consider individually and collectively such factors as: i) the purpose and design of the investee entity; ii) the ability to exercise power, through substantive rights, over the activities of the investee entity that significantly affect its returns; iii) the size of the Company's equity ownership and voting rights, including potential voting rights; iv) the size and dispersion of other voting interests, including the existence of voting blocks; v) other investments in or relationships with the investee entity including, but not limited to, current or possible board representation, royalty and/or stream investments, loans and other types of financial support, material transactions with the investee entity, interchange of managerial personnel or consulting positions; and vi) other relevant and pertinent factors. If it is determined that the Company neither has control, joint control or significant influence over an investee entity, the Company accounts for the corresponding investment in equity interest at fair value through other comprehensive loss. As at September 30, 2020 and December 31, 2019, the Company has two investments which are not accounted for using equity accounting, as management has determined that these investments are in companies that meet the definition of a venture capital investment and therefore are not subject to equity accounting. This determination involves significant judgement.

The Company applies the exception to equity accounting for its investments in BK Gold Mines Pty Ltd. ("BKGM") and MCC Canadian Gold Ventures Inc. ("MCGV"). As at September 30, 2020, SilverStream holds a 27.2% (December 31, 2019 – 27.4%) equity interest in BKGM and a 40% (December 31, 2019 – 40%) equity interest in MCGV. Management has determined that these investments qualify for the exemption from equity accounting given that they have the following typical characteristics of a venture capital investment:

- the businesses of BKGM and MCGV are unrelated as they are mining companies, not a royalty or streaming business which comprise the Company's business;
- these investments are not for strategic interest, as the Company does not have an interest in operating mining companies and such activity is deleterious to the Company's business and efforts; and
- Vox derives no synergy and it does not want to acquire these businesses, but rather exit with capital appreciation.

(f) *Significant accounting policies*

These unaudited condensed interim consolidated financial statements, including comparatives, have been prepared following the same accounting policies and methods of computation as the annual financial statements for the year ended December 31, 2019, with the exception of the basis of consolidation and intangible assets policies disclosed below and new standards adopted as disclosed in Note 3.

Basis of consolidation

These unaudited condensed interim consolidated financial statements incorporate the accounts of Vox Royalty Corp., and its two wholly owned subsidiaries, SilverStream SEZC and Vox Royalty Australia Pty Ltd.

Subsidiaries consist of entities over which the Company is exposed to, or has rights to, variable returns as well as the ability to affect those returns through the power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date control is transferred to the Company and are deconsolidated from the date control ceases. The consolidated financial statements include all the assets, liabilities, revenues, expenses and cash flows of the Company and its subsidiaries after eliminating inter-entity balances and transactions.

Intangible assets

Intangible assets, consisting of a database, is measured on initial recognition at cost, which comprises its purchase price plus any directly attributable costs of preparing the asset for its intended use. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

Amortization is provided on a straight-line basis over 20 years.

The asset's residual values, useful lives and methods of amortization are reviewed at each reporting period and adjusted prospectively, if appropriate.

Vox Royalty Corp.

Notes to the Unaudited Condensed Interim Consolidated Financial Statements

September 30, 2020 and 2019

(Expressed in United States dollars)

3. Changes in accounting policies

The Company has adopted the following new standards, along with any consequential amendments, effective January 1, 2020. These changes were made in accordance with the applicable transitional provisions. There was no material impact to the unaudited condensed consolidated interim financial statements upon adoption.

IAS 1 – Presentation of Financial Statements (“IAS 1”) and IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors (“IAS 8”)

IAS 1 and IAS8 were amended in October 2018 to refine the definition of materiality and clarify its characteristics. The revised definition focuses on the idea that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements.

4. Reverse take-over transaction

On May 19, 2020, AIM3 and SilverStream completed the Transaction. The Transaction constituted a reverse take-over (“RTO”), whereby, upon completion, the shareholders of SilverStream held a majority of the outstanding common shares of the resulting public entity (the “Resulting Issuer”). The substance of the Transaction is a reverse acquisition of a non-operating company. As a result, the Transaction has been accounted for as a capital transaction with SilverStream being identified as the acquire and the equity consideration being measured at fair value, using the acquisition method of accounting. The RTO has been accounted for in the consolidated financial statements as a continuation of the financial statements of SilverStream, together with a deemed issuance of shares equivalent to the shares held by the former shareholders of AIM3.

Details of the Transaction are as follows:

- Prior to the Transaction, AIM3 effected a share consolidation on the basis of one common share for every 13.3125 shares issued and outstanding;
- AIM3 changed its name to Vox Royalty Corp.;
- AIM3 acquired all of the issued and outstanding shares of SilverStream in exchange for post consolidation AIM3 shares, at an exchange ratio of one post-consolidation AIM3 share for each share of SilverStream; and
- Existing AIM3 post-consolidation stock options and warrants were replaced with stock options and warrants of the Resulting Issuer on an exchange ratio of 13.3125. The exercise prices of the instruments were multiplied by the share exchange ratio of 13.3125, to reflect the share consolidation. All other terms of the instruments remain unaltered.

Purchase price consideration paid

	\$
Fair value of AIM3 common shares (i)	1,612,323
Fair value of AIM3 agent warrants (ii)	40,308
Fair value of AIM3 options (iii)	87,814
	<u>1,740,445</u>

Net identifiable assets acquired

	\$
Cash	505,809
Accounts payable and accrued liabilities	(16,894)
Total identifiable assets acquired	488,915
RTO acquisition costs (iv)	1,251,530
	<u>1,740,445</u>

- (i) The fair value of the 800,000 common shares, retained by former AIM3 shareholders, was determined to be \$1,612,323 based on the fair value of common shares issued through the private placement on May 7, 2020 (see Note 13). Immediately after the Transaction was completed, the number of shares held by AIM3 shareholders was approximately 2.49%.
- (ii) The estimated fair value of 37,559 warrants issued as consideration are based on the Black-Scholes option pricing model with the following weighted average assumptions: current stock price - C\$2.80 (\$2.02) per share, expected dividend yield – 0%, expected volatility – 57%, risk-free interest rate – 0.28% and an expected life of 0.49 years. In making assumptions for expected volatility, Vox used the industry average as sufficient historical data was not available for the Company’s stock price.

Vox Royalty Corp.

Notes to the Unaudited Condensed Interim Consolidated Financial Statements September 30, 2020 and 2019 (Expressed in United States dollars)

4. Reverse take-over transaction (continued)

- (iii) The estimated fair value of 80,000 options issued as consideration are based on the Black-Scholes option pricing model with the following weighted average assumptions: current stock price - C\$2.80 (\$2.02) per share, expected dividend yield – 0%, expected volatility – 57%, risk-free interest rate – 0.28% and an expected life of 1 year. In making assumptions for expected volatility, Vox used the industry average as sufficient historical data was not available for the Company's stock price.
- (iv) The transaction costs relating to the RTO plus the excess of the fair value of the consideration paid over identifiable assets acquired disclosed in the table above, has been recognized as reverse take-over acquisition costs, in the unaudited condensed interim consolidated statement of loss and comprehensive loss.

5. Amounts receivables

	September 30, 2020	December 31, 2019
	\$	\$
Current		
Amounts receivable	20,503	-
Non-current		
Streaming receivables	1,000,000	961,087

Streaming receivables

The Company has a metal streaming agreement in place with Mantle Mining Peru S.A.C. ("Mantle"), dated March 23, 2018. Under the terms of the agreement, Mantle will pay SilverStream an aggregate of \$3,700,000 over the term of the agreement, broken down as follows:

- 2018 - \$200,000 (received)
- 2019 - \$1,000,000 (received)
- 2020 - \$1,000,000
- 2021 - \$1,000,000
- 2022 - \$500,000

The metal streaming agreement with Mantle has been recognized initially at the estimated fair value, based on contractual cash flows, discounted at an interest rate of 10%, and subsequently measured at amortized cost using the effective interest rate method. The interest rate was estimated based on interest rates available in the market on comparable terms issued to similar companies. The accretion income recorded for the three and nine months ended September 30, 2020 was \$Nil and \$38,913, respectively (three and nine months ended September 30, 2019 - \$51,426 and \$122,784, respectively).

The Company has provided for an allowance of \$1,500,000, representing the payments that are due under the terms of the metal streaming agreement for 2021 and 2022. There is a degree of uncertainty in those years as to whether the Company will collect the remaining balance. As a result, in recognizing the estimated fair value of the streaming receivable for the period ended September 30, 2020, the Company has estimated \$nil payments to be received in 2021 and 2022.

Titan Minerals Ltd. ("Titan") will pay the Company the 2020 streaming payments in Titan stock. In return, SilverStream will pay Titan an equivalent amount for a royalty both parties agree upon and negotiate in good faith.

The Company's exposure to credit risk related to amounts receivables is disclosed in Note 20.

6. Investments

At September 30, 2020, the Company held two investments, which had a total estimated fair value of \$1,043,689.

Issuer	Security Description	Cost	Estimated Fair Value	% of Fair value
		\$	\$	\$
BK Gold Mines Pty Ltd.	7,340,000 common shares	1,125,075	1,043,689	100.0%
MCC Canadian Gold Ventures Inc.	40 common shares	-	-	0.0%
Total value of investments		1,125,075	1,043,689	100.0%
Less: current portion		28,357	26,306	2.5%
Non-current portion		1,096,718	1,017,383	97.5%

The current portion reflects the number of shares expected to be sold on or before September 30, 2021 per an agreement signed between the Company and BK Gold Mines Pty Ltd. on December 20, 2019.

Vox Royalty Corp.

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6. Investments (continued)

At December 31, 2019, the Company held three investments, which had a total estimated fair value of \$1,854,592.

Issuer	Security Description	Cost	Estimated Fair Value	% of Fair value
		\$	\$	\$
Titan Minerals Ltd.	6,509,599 common shares	1,438,800	819,495	44.2%
BK Gold Mines Pty Ltd.	7,400,000 common shares	1,134,272	1,035,097	55.8%
MCC Canadian Gold Ventures Inc.	40 common shares	-	-	0.0%
Total value of investments		2,573,072	1,854,592	100.0%
Less: current portion		1,476,353	853,765	46.0%
Non-current portion		1,096,719	1,000,827	54.0%

See Note 18 for related party transactions.

During the year ended December 31, 2019, the Company's investment activity was as follows:

- sold 30,000,000 pre-consolidation common shares of Titan for total cash proceeds of A\$450,000 (\$302,785);
- Titan completed a 10:1 share consolidation, resulting in a reduction of shares held by the Company by 58,586,392 common shares. As part of the share consolidation, the share price of Titan increased by a multiple of 10; and
- sold 100,000 common shares of BK Gold Mines Pty Ltd. for total cash proceeds of A\$20,000 (\$13,290).

During the nine months ended September 30, 2020, the Company's investment activity was as follows:

- sold 6,509,599 common shares of Titan for total cash proceeds of AUD\$604,580 (\$401,834); and
- sold 60,000 common shares of BK Gold Mines Pty Ltd. for total cash proceeds of AUD\$12,000 (\$8,292).

7. Royalties, stream and other interests

Royalties, stream and other interests, net of accumulated depletion and impairment charges, comprised the following for the nine months ended September 30, 2020:

Royalty	Country	Cost			Accumulated Depletion and Impairment				Carrying Amount
		Opening	Additions	Ending	Opening	Depletion	Impairment	Ending	
		\$	\$	\$	\$	\$	\$	\$	\$
Koolyanobbing	AUS	-	1,129,095	1,129,095	-	-	-	-	1,129,095
Graphmada	MG	188,437	-	188,437	-	-	-	-	188,437
Pedra Branca	BRA	444,972	5,158	450,130	-	-	-	-	450,130
Bowdens	AUS	-	1,117,937	1,117,937	-	-	-	-	1,117,937
Mt Ida	AUS	-	209,384	209,384	-	-	-	-	209,384
Sulfur Springs/ Kangaroo Caves	AUS	-	380,876	380,876	-	-	-	-	380,876
Ashburton	AUS	-	600,655	600,655	-	-	-	-	600,655
Anthiby Well	AUS	-	374,442	374,442	-	-	-	-	374,442
Dry Creek	AUS	-	472,937	472,937	-	-	-	-	472,937
Uley	AUS	-	212,393	212,393	-	-	-	-	212,393
Bulong	AUS	-	542,827	542,827	-	-	-	-	542,827
Segilola	NG	-	706,425	706,425	-	-	-	-	706,425
Brauna	BRA	-	262,328	262,328	-	(4,766)	-	(4,766)	257,562
Other	PERU	1,338,750	-	1,338,750	-	-	(338,750)	(338,750)	1,000,000
Other	AUS	-	1,084,422	1,084,422	-	-	(128,295)	(128,295)	956,128
Total		1,972,159	7,098,879	9,071,038	-	(4,766)	(467,045)	(471,811)	8,599,228

Total royalty, stream and other interests include carrying amounts in the following countries: \$5,996,674 in Australia, \$707,692 in Brazil, \$706,425 in Nigeria, \$188,437 in Madagascar and \$1,000,000 in Peru.

Royalty Sale and Purchase Agreements

On March 31, 2020, SilverStream entered into a royalty sale and purchase agreement with Vox Australia and Nuheara Limited ("Nuheara"), pursuant to which Vox Australia agreed to purchase from Nuheara certain royalties for an aggregate purchase price of \$200,000 (the "Nuheara Purchase Price"). The Nuheara Purchase Price comprised: (i) the payment by Vox Australia to Nuheara of an amount in immediately available funds equal to \$100,000; and (ii) the issuance by the Company to Nuheara of \$100,000 of common shares upon the completion of the RTO, each such common share having a deemed issuance price equal to the concurrent financing. On May 15, 2020, the Company made the cash payment of \$100,000 and issued 46,910 common shares to complete the acquisition of the royalties.

Vox Royalty Corp.

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7. Royalty, stream and other interests (continued)

On April 6, 2020, SilverStream entered into a royalty sale and purchase agreement with Vox Australia and Metalicity Limited ("Metalicity"), pursuant to which Vox Australia agreed to purchase from Metalicity certain royalties for an aggregate purchase price of A\$200,000 (\$128,294), payable in cash. The cash payment was made on May 15, 2020 and the acquisition of the royalties was completed.

On April 14, 2020, SilverStream entered into a royalties sale and purchase agreement with Vox Australia and Jindalee Resources Limited ("Jindalee"), pursuant to which Vox Australia agreed to purchase from Jindalee certain royalties for an aggregate purchase price of A\$500,000 (\$322,061) (the "Jindalee Purchase Price"). The Jindalee Purchase Price comprised: (i) the payment by Vox Australia to Jindalee of an amount in immediately available funds equal to A\$250,000 (\$160,368); and (ii) the issuance by the Company to Jindalee of A\$250,000 (\$161,393) of common shares upon the completion of the RTO, each such common share having a deemed issuance price equal to a 10% discount to the price of the private placement (see Note 13). On May 15, 2020, the Company made the cash payment of A\$250,000 (\$160,368) and issued 84,278 common shares to complete the acquisition of the royalties.

On April 21, 2020, SilverStream entered into a royalty sale and purchase agreement with Vox Australia and Vonex Limited ("Vonex"), pursuant to which Vox Australia agreed to purchase from Vonex a certain royalty for an aggregate purchase price of A\$2,500,000, payable in cash at certain intervals. The first installment of A\$1,750,000 (\$1,122,573) was paid on May 15, 2020. The remaining installments are performance based milestones (See Note 19). With the payment made on May 15, 2020, the acquisition of the royalty was completed.

On April 23, 2020, SilverStream entered into a royalties sale and purchase agreement with Vox Australia and Element 25 Limited ("Element"), pursuant to which Vox Australia agreed to purchase from Element certain royalties for an aggregate purchase price of A\$500,000 (\$323,385) (the "Element Purchase Price"). On May 15, 2020, the Company issued 151,700 common shares to complete the acquisition of the royalties. The Element Purchase Price was reduced by A\$200,000 (\$129,354) for a ROFR that was exercised on one of the royalties purchased from Element.

On April 29, 2020, SilverStream entered into a royalties sale and purchase agreement with Vox Australia, Sipa Resources Limited ("Sipa") and certain subsidiaries of Sipa (together with Sipa, the "Sipa Sellers"), pursuant to which Vox Australia agreed to purchase from the Sipa Sellers certain royalties for an aggregate purchase price of A\$2,250,000 (\$1,449,933) (the "Sipa Purchase Price"). The Sipa Purchase Price comprised: (i) the payment by Vox Australia to the Sipa Sellers of an amount in immediately available funds equal to A\$1,000,000 (\$641,470); and (ii) the issuance by the Company to the Sipa Sellers of A\$1,250,000 (\$808,463) of common shares at a deemed issuance price equal to the listing price of the private placement (see Note 13). On May 15, 2020, the Company made the cash payment of A\$1,000,000 (\$641,470) and issued 379,250 common shares to complete the acquisition of the royalties.

On April 29, 2020, SilverStream entered into a royalties sale and purchase agreement with Vox Australia, Ochre Group Holdings Limited ("Ochre"), Enrizen Capital Pty Ltd., Enrizen Accounting Pty Ltd., Enrizen Pty Ltd., Enrizen Lawyers Pty Ltd. and Enable Finance Pty Ltd., pursuant to which Vox Australia agreed to purchase from the sellers certain royalties for an aggregate purchase price of \$1,000,000 (the "Bowdens Purchase Price"). The Bowdens Purchase Price comprised: (i) the issuance by SilverStream to the sellers of a convertible note (the "Bowdens Note"), such Bowdens Note being automatically convertible, upon the completion of the Qualifying Transaction, into common shares at a 15% discount to the price of the private placement (see Note 13); and (ii) the issuance of 200,000 warrants, each warrant entitling the holder thereof to purchase one common share at a price of C\$3.00 at anytime on or before April 28, 2022. On April 29, 2020, the warrants were issued and on May 15, 2020, the Company issued 556,863 common shares to complete the acquisition of the royalties and settle the Bowdens Note.

On May 1, 2020, SilverStream entered into a royalties sale and purchase agreement with Vox Australia and Jervois Mining Limited ("Jervois"), pursuant to which Vox Australia agreed to purchase from Jervois certain royalties for an aggregate purchase price of A\$200,000 (\$129,354) (the "Jervois Purchase Price"). On May 15, 2020, the Company issued 60,680 common shares to complete the acquisition of the royalties.

On May 27, 2020, SilverStream entered into a royalties sale and purchase agreement with Vox Australia and Kingston Resources Limited ("Kingston"), pursuant to which Vox Australia agreed to purchase from Kingston a certain royalty for an aggregate purchase price of A\$650,000 (\$453,083) (the "Kingston Purchase Price"). The Kingston Purchase Price comprised: (i) the payment by Vox Australia to Kingston of an amount in immediately available funds equal to A\$350,000 (\$240,695); and (ii) the issuance by the Company to Kingston of A\$300,000 (\$212,388) of common shares. On June 30, 2020, the Company made the cash payment of A\$350,000 and on July 22, 2020, issued 89,706 common shares to complete the acquisition of the royalty.

On June 16, 2020, the Company entered into a royalty sale and purchase agreement with Vox Australia and Strategic Energy Resources Limited ("Strategic"), pursuant to which Vox Australia agreed to purchase from Strategic a royalty for an aggregate purchase price of A\$500,000 (the "Strategic Purchase Price"). The Strategic Purchase Price comprised: (i) the payment by Vox Australia to Strategic of an amount in immediately available funds equal to A\$80,000 (\$57,296); (ii) the issuance by the Company to Strategic of A\$200,000 (\$142,192) of common shares upon all conditions of the royalties sale and purchase agreement being satisfied; and (iii) a further payment or issuance by the Company, at the Company's elected option, to Strategic of A\$220,000 is payable on the date that commercial production for the royalty project is achieved. On July 29, 2020, the Company made the cash payment of A\$80,000 and on October 2, 2020, issued 58,031 common shares to complete the acquisition of the royalty.

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7. Royalty, stream and other interests (continued)

On June 29, 2020, SilverStream entered into a royalties sale and purchase agreement with Vox Australia and RPM Automotive Group Limited ("RPM"), pursuant to which Vox Australia agreed to purchase from RPM a certain royalty for an aggregate purchase price of A\$750,000 (\$527,653) (the "RPM Purchase Price"). The RPM Purchase Price comprised: (i) the payment by Vox Australia to RPM of an amount in immediately available funds equal to A\$400,000 (\$281,025); and (ii) the issuance by the Company to RPM of A\$350,000 (\$246,628) of common shares. On July 10, 2020, the Company made the cash payment of A\$400,000 and on September 25, 2020, issued 99,202 common shares to complete the acquisition of the royalty.

On August 21, 2020, SilverStream entered into a royalty sale and purchase agreement with an Ottawa-based corporation ("Brauna Vendor"), pursuant to which SilverStream agreed to purchase from the Brauna Vendor a certain royalty for an aggregate purchase price of C\$330,000 (\$251,084) (the "Brauna Purchase Price"). The Brauna Purchase Price comprised: (i) the payment by SilverStream to the Brauna Vendor of an amount in immediately available funds equal to C\$165,000 (\$125,542); and (ii) this issuance by the Company to the Brauna Vendor of C\$165,000 (\$125,542) of common shares of the Company. On September 11, 2020, the Company made the cash payment of C\$165,000 and issued 55,158 common shares to complete the acquisition of the royalty.

On August 24, 2020, SilverStream entered into a royalty sale and purchase agreement with Ratel Group Limited ("Ratel"), pursuant to which SilverStream agreed to purchase from Ratel a certain royalty for an aggregate purchase price of C\$900,000 (\$684,127). On September 9, 2020, the Company made the cash payment of C\$900,000 to complete the acquisition of the royalty.

During the three and nine months ended September 30, 2020, the Company recognized an impairment of \$298,295 and \$467,045, respectively. The Company carried out an impairment assessment during the period, in accordance with the Company's accounting policies, using prevailing market data. The impairment was recognized as a result of the carrying amount of the asset exceeding its recoverable amount.

8. Intangible assets

	Database
	\$
Cost at:	
December 31, 2019	-
Additions	1,837,500
September 30, 2020	1,837,500
Accumulated amortization at:	
December 31, 2019	-
Additions	34,414
September 30, 2020	34,414
Net book value at:	
December 31, 2019	-
September 30, 2020	1,803,086

On March 25, 2020, SilverStream entered into a preliminary purchase agreement to acquire the MRO royalty database and a royalty. The value of the shares was based on the price of shares issued pursuant to the May 7, 2020 private placement (see Note 13). On May 15, 2020, the Company issued 985,110 common shares to complete the acquisition of the MRO royalty database and royalty. The fair value was split \$1,835,394 to intangible assets and \$150,000 to other royalty assets, Australia, in royalty, stream and other interests (Note 7).

9. Accounts payable and accrued liabilities

	September 30, 2020	December 31, 2019
	\$	\$
Trade payable	308,892	83,080
Royalty acquisitions	142,192	-
Accrued liabilities	178,621	163,107
	629,705	246,187

The Company's exposure to currency and liquidity risk related to accounts payable is disclosed in Note 20.

Vox Royalty Corp.

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10. Convertible notes

During the nine months ended September 30, 2020:

On May 15, 2020, the Company issued 400,859 common shares to settle all outstanding convertible notes.

During the nine months ended September 30, 2019:

Convertible notes of \$450,000 matured as follows:

- \$50,000 was converted into 28,193 common shares of the Company at a conversion price of \$1.77 per share;
- \$200,000 was converted into 112,457 common shares of the Company at a conversion price of \$1.78 per share;
- \$75,000 was redeemed and paid to the convertible note holder;
- \$50,000 relating to one holder was extended for one year, maturing on August 8, 2020, with terms as disclosed below; and
- \$75,000 relating to one convertible note holder remains payable at period end. The amount was and continues to be included in accounts payable and accrued liabilities (see Note 9).

During the nine months ended September 30, 2019, the Company issued the following convertible notes:

- On January 11, 2019, the Company issued a C\$350,000 (\$263,972) convertible note to Solitario Zinc Corp. for a royalty interest. The convertible note shall be converted or otherwise redeemed on or before December 31, 2019. Interest shall be payable on the principal amount from the subscription date until the convertible notes are either redeemed or converted into shares at the rate of 5% per annum, calculated annually and payable quarterly in arrears. The convertible note will be convertible into shares at a conversion price equal to a 15% discount to the issue price of shares offered under the public listing. These convertible notes will be unsecured; however, will rank in priority to the Company's common shares until conversion. On December 23, 2019, the Company and Solitario agreed to extend the maturity date of the convertible note. Under the terms of the extension agreement, the convertible maturity date was extended to June 30, 2020 and the interest for the period January 1, 2020 through June 30, 2020 was increased to 8% per annum. All other terms of the convertible note remain unchanged;
- On August 8, 2019, the Company entered into a maturity date extension relating to a \$50,000 convertible note from the 2016 note offering. All terms remain the same as the original agreement, except that the note will be converted or otherwise redeemed on or before August 8, 2020; and
- On August 27, 2019, the Company issued a Cdn\$250,000 (\$188,437) convertible note to Tectonic Gold Plc. The convertible note shall be converted or otherwise redeemed on or before August 27, 2020. Interest shall be payable on the principal amount from the subscription date until the convertible notes are either redeemed or converted into shares at the rate of 5% per annum, calculated annually and payable quarterly in arrears. The convertible note will be convertible into shares at a conversion price equal to a 15% discount to the issue price of shares offered under the public listing. These convertible notes will be unsecured; however, will rank in priority to the Company's common shares until conversion.

The convertible notes were classified as a compound financial instrument, with the principal debt component being recorded at amortized cost using the effective interest rate method, and the conversion feature classified as an embedded derivative liability measured at fair value through profit or loss.

The changes to the convertible notes are as follows:

	September 30, 2020	December 31, 2019
	\$	\$
Balance, beginning of period	723,522	675,283
Issued for royalties	-	452,409
Interest payments	(23,308)	(35,828)
Interest for the period	17,355	32,724
Foreign exchange effect on convertible notes	(25,462)	-
Conversion of convertible notes	(726,348)	(250,000)
Redemption of convertible notes	-	(75,000)
Transfer of convertible notes to accounts payable and accrued liabilities	-	(75,000)
Estimated fair value of embedded derivatives on date of issuance	-	(53,156)
Accretion for the period	34,241	52,090
	-	723,522
Less: current portion	-	(486,006)
Non-current portion	-	237,516

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10. Convertible notes (continued)

The changes to the embedded derivative liabilities related to the convertible notes are as follows:

	September 30, 2020	December 31, 2019
	\$	\$
Balance, beginning of period	61,697	79,514
Estimated fair value of embedded derivatives on date of issuance	-	53,156
Estimated fair value change of embedded derivatives during the period	(16,647)	(57,166)
Conversion of convertible notes	(45,050)	(13,807)
	-	61,697
Less: current portion	-	(39,832)
	-	21,865
Non-current portion	-	21,865

The fair value of the embedded derivative liabilities was estimated upon the initial measurement date and at each subsequent financial reporting date using the Black-Scholes option pricing model with the following assumptions:

	September 30, 2020	December 31, 2019
Expected stock price volatility	N/A	100%
Risk-free interest rate	N/A	1.69%
Expected life	N/A	0.77 years
Expected forfeiture rate	N/A	-
Expected dividend yield	N/A	-

For the initial date of measurement of embedded derivative liabilities issued during the year ended December 31, 2019, the expected stock price volatility was 100%, the risk-free interest rate ranged between 1.39% and 1.87%, and the expected life was 1 year to 1.27 years.

11. Due to shareholder

Amounts due to shareholder bore interest at 6% per annum, secured against all the assets of the Company, including certain shares of Titan, and was repayable in full on or before March 30, 2020, or within 7 days of the shareholder providing the Company with written notice of demand.

On April 29, 2020, the Company signed an amendment to the shareholder loan agreement, whereby, the Company shall repay the amounts due to shareholder, together with all outstanding and unpaid interest accrued, immediately following the release of proceeds from the private placement (see Note 13).

On May 15, 2020, a cash payment of \$695,500 plus accrued interest was paid in full settlement of the outstanding shareholder loan.

The changes to the due to shareholder balance are as follows:

	September 30, 2020	December 31, 2019
	\$	\$
Balance, beginning of period	594,980	-
Proceeds received	100,520	614,980
Repayments	(695,500)	(20,000)
	-	594,980
Balance, end of period	-	594,980

Vox Royalty Corp.

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12. Promissory notes

On March 27, 2015, the Company closed a senior secured promissory note offering, totaling \$2,950,000. Annual interest of 10.5% was payable quarterly and the principal was due on March 31, 2017. On March 30, 2017, the Company entered into an extension agreement to extend the principal payment date to March 31, 2019, resulting in 20% of the principal amount to be issued in common stock of the Company. The Company issued 320,149 shares with a value of \$590,000, based on a share price of \$1.84, for the extension of the promissory notes.

In consideration of the purchase of the notes, the Company also issued warrants to the note holders, at a ratio of 1 warrant for each \$2.50 of initial face-value of the notes. Each warrant is exercisable until March 31, 2019. Each warrant is exercisable for one common share of the Company. The strike price per warrant, based on the issued and outstanding shares of the Company at the exercise date, is equal to the greater of a \$40 million market valuation as recognized by a third-party purchaser or the Company's market capitalization as a listed company on a public market.

On March 30, 2019, the Company issued the following for settlement of the promissory notes:

- 1,190,957 common shares were issued, on the exercise of 1,190,957 warrants at an exercise price of \$1.78 per warrant, for total consideration of \$2,124,000, which was applied against the promissory notes' amounts owing; and
- 463,157 common shares were issued at a price of \$1.78 per share, for total consideration of \$826,000, which was applied against the remaining promissory notes' amounts owing.

The promissory note holders were also shareholders of the Company, prior to settlement of the promissory notes.

The changes to the promissory notes are as follows:

	September 30, 2020	December 31, 2019
	\$	\$
Balance, beginning of period	-	2,950,941
Interest paid	-	(74,691)
Amortization of extension cost for the period	-	73,750
Issuance of common shares to settle promissory notes (Note 13)	-	(2,950,000)
Less: current portion	-	-
Non-current portion	-	-

The changes to the warrants issued with the promissory notes are as follows:

	September 30, 2020	December 31, 2019
	\$	\$
Balance, beginning of period	-	226,000
Estimated fair value change of warrants during the period	-	(226,000)
Less: current portion	-	-
Non-current portion	-	-

Vox Royalty Corp.

Notes to the Unaudited Condensed Interim Consolidated Financial Statements September 30, 2020 and 2019 (Expressed in United States dollars)

13. Share capital and additional paid-in capital

Authorized

The authorized share capital of the Company is C\$50,000 divided into 500,000,000 shares with a par value of C\$0.0001 each. The holders of all ordinary shares are entitled to share equally in dividends declared by the Board of Directors. In the event of a winding-up or dissolution of the Company, the ordinary shareholders share equally and ratably in the assets of the Company, after payment of all debts and liabilities of the Company and after liquidation of any issued and outstanding preferred shares. The Memorandum and Articles of Association ("the Articles") provide that the holders of ordinary shares generally are entitled to one vote per share.

Common shares issued and outstanding is as follows:

	September 30, 2020	December 31, 2019
	\$	\$
Issued: 32,507,014 (December 31, 2019: 24,422,462) common shares	3,251	6,049

Additional paid-in-capital outstanding is as follows:

	September 30, 2020	December 31, 2019
	\$	\$
Balance, end of period	28,897,585	12,095,946

Share issuances for the nine months ended September 30, 2020

On April 3, 2020, the Company issued 9,575 common shares for professional services. The value was allocated \$5 to share capital and \$17,811 to additional paid-in capital. The valuation for the shares issued was based on the vendor invoices.

On April 22, 2020, the Company cancelled 466,932 common shares. No consideration was paid for the cancellation of these common shares and the \$4,737 value of these shares was recorded as a reduction to share capital.

On May 7, 2020, the Company completed a brokered and non-brokered private placement of subscription receipts for aggregate proceeds of C\$13,738,083 (\$9,749,918) ("Financing").

In aggregate, 4,579,361 subscription receipts were issued under the Financing, at a price of C\$3.00 (\$2.13) per subscription receipt. Each subscription receipt entitled the holder thereof to receive one common share of the Company and one-half of one share purchase warrant, upon satisfaction and/or waiver of certain escrow release conditions, in connection with the closing of the RTO.

Officers and senior management members of the Company subscribed for 122,374 subscription receipts as part of the Financing, for gross proceeds of C\$367,122 (\$260,546).

Each whole warrant will be exercisable to acquire one common share at a price of C\$4.50 for a period of 2 years. If, at any time during this period, the closing price of the common shares exceeds C\$4.00 for 15 consecutive trading days, the Company will immediately purchase for cancellation all the then outstanding warrants at a fixed price of C\$1.00 per warrant. The warrants have been presented as a derivative liability (see Note 15). The fair value of the warrants on the issuance date was \$650,012. The fair value of the warrants are based on the Monte Carlo simulation model with the following assumptions: current stock price C\$2.80 (\$1.99), expected dividend yield – 0%, expected volatility – 57%, risk-free interest rate – 0.27% and an expected life of 2 years. In making assumptions for expected volatility, Vox used the industry average as sufficient historical data was not available for the Company's stock price.

In connection with the Financing, the Company paid the agents a cash commission of C\$278,927 (\$197,955). The agents also received 72,341 compensation warrants. Each compensation warrant will be exercisable at a price of C\$3.00 for a period of 2 years. The fair value of the broker warrants is C\$59,000 (\$42,000). The estimated fair value of the warrants are based on the Black-Scholes option pricing model with the following assumptions: current stock price - C\$2.80 (\$2.00), expected dividend yield – 0%, expected volatility – 57%, risk-free interest rate – 0.27% and an expected life of 2 years. In making assumptions for expected volatility, the Company used the industry average as sufficient historical data was not available for the Company's stock price.

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13. Share capital and additional paid-in capital (continued)

Additionally, on May 19, 2020, the Company announced that the 4,579,361 subscription receipts have been automatically converted, without any further action on the part of the holders, into 4,579,361 ordinary shares of Vox and 2,289,667 ordinary share purchase warrants of Vox as a result of the satisfaction of the escrow release conditions.

The value of the Financing was allocated \$1,134 to share capital, \$9,098,772 to additional paid-in capital and \$650,012 to derivative liabilities.

On May 15, 2020, the Company issued 58,638 common shares to a member of management. The value was allocated \$15 to share capital and \$124,985 to additional paid-in capital.

On May 15, 2020, the Company issued 400,859 common shares for the settlement of convertible notes, as disclosed in Note 10, for total consideration of \$771,398. The value was allocated \$99 to share capital and \$771,299 to additional paid-in capital.

On May 15, 2020, the Company issued 985,110 common shares for the purchase of a database and royalty, as disclosed in Note 8, for total consideration of \$1,985,394. The value was allocated \$244 to share capital and \$1,985,150 to additional paid-in capital.

During the period, the Company issued 1,523,747 common shares for the purchase of royalty acquisitions, as disclosed in Note 7, for total consideration of \$3,107,453. The value was allocated \$342 to share capital and \$3,107,111 to additional paid-in capital. The value of the shares issued was based on the purchase price paid for the royalties. The valuation methodologies used for the royalties include a conventional discounted cashflow approach and related transactional benchmarking.

During the period, the Company issued 80,000 common shares at a value of \$78,865 related to stock options exercised. The value was allocated \$8 to share capital and \$166,671 to additional paid-in capital. In addition, equity reserves was reduced by \$87,814 and offset to additional paid-in capital.

During the period, the Company issued 36,301 common shares at a value of \$36,581 related to warrants exercised. The value was allocated \$4 to share capital and \$75,534 to additional paid-in capital. In addition, equity reserves was reduced by \$38,957 and offset to additional paid-in capital.

During the period, the Company issued 77,893 common shares at a value of \$156,986 related to RSUs exercised. The value was allocated \$8 to share capital and \$156,978 to additional paid-in capital. In addition, equity reserves was reduced by \$156,986 and offset to additional paid-in capital.

Share issuances for the nine months ended September 30, 2019

On March 30, 2019, the Company issued 1,654,114 common shares for the settlement of the promissory notes, as disclosed in Note 12, for total consideration of \$2,950,000. The value was allocated \$410 to share capital and \$2,949,590 to additional paid-in capital. Of the 1,654,114 common shares issued:

- 1,190,957 common shares were issued, on the exercise of 1,190,957 warrants at an exercise price of \$1.78 per warrant, for total consideration of \$2,124,000, which was applied against the promissory notes' amounts owing; and
- 463,157 common shares were issued at a price of \$1.78 per share, for total consideration of \$826,000, which was applied against the remaining promissory notes' amounts owing.

On March 31, 2019, the Company issued 56,042 common shares for gross proceeds of \$100,000. The value was allocated \$14 to share capital and \$99,986 to additional paid-in capital.

On June 30, 2019, the Company issued 140,650 common shares for the settlement of convertible notes, as disclosed in Note 10, for total consideration of \$263,807. The value was allocated \$35 to share capital and \$263,772 to additional paid-in capital.

During the period, the Company issued 167,289 common shares at a value of \$4,143 related to stock options exercised. The value was allocated \$41 to share capital and \$286,420 to additional paid-in capital. In addition, equity reserves was reduced by \$282,318 and offset to additional paid-in capital.

Vox Royalty Corp.

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14. Equity reserves

Warrants

The following summarizes the warrant activity for the nine months ended September 30, 2020 and 2019:

	September 30, 2020		September 30, 2019	
	Number	Weighted average exercise price	Number	Weighted average exercise price
	#	C\$	#	C\$
Outstanding, beginning of period	-	-	-	-
Granted	309,900	2.80	-	-
Exercised	(36,301)	1.33	-	-
Outstanding, end of period	273,599	2.99	-	-
Exercisable, end of period	273,599	2.99	-	-

The following table summarizes information of warrants outstanding and exercisable as at September 30, 2020:

Expiry date	Number of warrants outstanding	Exercise price	Weighted average remaining contractual life
	#	C\$	Years
November 13, 2020	1,258	1.33	0.12
April 29, 2022	200,000	3.00	1.58
May 7, 2022	72,341	3.00	1.60
	273,599	2.99	1.59

See Note 15 for additional warrants classified under derivative liabilities.

The following summarizes the warrant equity reserve balance:

	September 30, 2020	December 31, 2019
	\$	\$
Balance, beginning of year	-	-
Issuance of warrants	198,671	-
Exercise of warrants	(38,957)	-
Balance, end of period	159,714	-

The Company used the Black-Scholes valuation model to estimate the grant date fair value of warrants issued during the period using the following weighted average assumptions:

	Nine months ended September 30, 2020	Nine months ended September 30, 2019
Expected stock price volatility	57%	N/A
Risk-free interest rate	0.30%	N/A
Expected life	1.82 years	N/A
Grant date share price	2.01	N/A
Estimated grant date fair value of warrants granted	0.64	N/A
Expected forfeiture rate	-	N/A
Expected dividend yield	-	N/A

Vox Royalty Corp.

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14. Equity reserves (continued)

Options

The Company maintains a stock option plan ("the Plan") whereby certain key employees, officers, directors and consultants may be granted stock options for common shares of the Company. The maximum number of common shares that are issuable under the Plan is fixed at 20% of the number of common shares issued and outstanding as of May 19, 2020. As of September 30, 2020, the maximum number of common shares that are issuable under the Plan is 6,413,750. The exercise price and vesting terms are determined by the Board of Directors.

The following summarizes the stock option activity for the nine months ended September 30, 2020 and 2019:

	September 30, 2020		September 30, 2019	
	Number	Weighted average exercise price	Number	Weighted average exercise price
	#	C\$	#	\$
Outstanding, beginning of period	-	-	167,289	0.025
Granted	92,000	1.61	-	-
Exercised	(80,000)	1.33	(167,289)	0.025
Outstanding, end of period	12,000	3.50	-	-
Exercisable, end of period	3,000	3.50	-	-

The weighted average exercise date share price was C\$3.28 per share for the period ended September 30, 2020 (2019 - \$1.78).

The following table summarizes information of stock options outstanding as at September 30, 2020:

Expiry date	Exercise price	Options Outstanding		Options Exercisable	
		Number of options outstanding	Weighted average remaining contractual life	Number of options exercisable	Weighted average remaining contractual life
	C\$	#	Years	#	Years
June 15, 2022	3.50	12,000	1.71	3,000	1.71
		12,000	1.71	3,000	1.71

The following summarizes the stock option equity reserve balance:

	September 30, 2020	December 31, 2019
Balance, beginning of period	\$ -	\$ 282,318
RTO stock options	87,814	-
Share-based compensation expense	2,615	-
Exercise of stock options	(87,814)	(282,318)
Balance, end of period	2,615	-

Vox Royalty Corp.

Notes to the Unaudited Condensed Interim Consolidated Financial Statements September 30, 2020 and 2019 (Expressed in United States dollars)

14. Equity reserves (continued)

The Company used the Black-Scholes valuation model to estimate the grant date fair value of stock options issued during the period using the following weighted average assumptions:

	Nine months ended September 30, 2020	Nine months ended September 30, 2019
Expected stock price volatility	57%	N/A
Risk-free interest rate	0.28%	N/A
Expected life	1.13 years	N/A
Grant date share price	2.06	N/A
Estimated grant date fair value of options granted	1.04	N/A
Expected forfeiture rate	-	N/A
Expected dividend yield	-	N/A

12,000 stock options granted during the nine months ended September 30, 2020 vest in 4 equal amounts, with each ¼ of the common shares underlying the option vesting on each of June 15, 2020, October 15, 2020, February 15, 2021 and June 15, 2021. In making assumptions for expected volatility, the Company used the industry average as sufficient historical data was not available for the Company's stock price.

Restricted Share Unit ("RSU") Plan

The Company adopted a RSU Plan, which provides that the Board of Directors may, at its discretion, grant directors, officers, employees and consultants, non-transferable RSUs based on the value of the Company's share price at the date of grant. The Board of Directors has the discretion to issue cash or equity settle the vested RSUs. The RSUs issued were treated as equity-settled instruments and measured at the grant date fair value because the Company does not have a present obligation to settle the issued RSUs in cash. The share-based compensation expense will be recorded over the vesting period. The RSUs vest as follows:

- 1,602,301 vest daily over the period from May 19, 2020 to December 31, 2020;
- 467,355 vest 1/6 on each of July 1, 2020, January 1, 2021, July 1, 2021, January 1, 2022, July 1, 2022 and January 1, 2023;
- 70,075 vest 1/3 on each of June 1, 2021, June 1, 2022 and June 1, 2023; and
- 63,068 vest 1/3 on each of August 10, 2021, August 10, 2022 and August 10, 2023.

The following summarizes the RSU activity for the nine months ended September 30, 2020 and 2019:

	September 30, 2020		September 30, 2019	
	Number	Weighted average fair value	Number	Weighted average fair value
	#	\$	#	\$
Outstanding, beginning of period	-	-	-	-
Granted	2,202,799	2.04	-	-
Exercised	(77,893)	2.02	-	-
Outstanding, end of period	2,124,906	2.04	-	-
Vested, end of period	950,037	2.02	-	-

The following summarizes the RSU equity reserve balance:

	September 30, 2020	December 31, 2019
	\$	\$
Balance, beginning of period	-	-
Share-based compensation expense	3,134,384	-
Exercise of RSUs	(156,986)	-
Balance, end of period	2,977,398	-

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15. Derivative liabilities

Warrants

In connection with the Financing (see Note 13), the Company granted 2,289,667 common share purchase warrants. Each whole warrant will be exercisable to acquire one common share at a price of C\$4.50 for a period of 2 years. If, at any time during this period, the closing price of the common shares exceeds C\$4.00 for 15 consecutive trading days, the Company will immediately purchase for cancellation all the then outstanding warrants at a fixed price of C\$1.00 per warrant.

The following summarizes the warrant activity for the nine months ended September 30, 2020 and 2019:

	September 30, 2020		September 30, 2019	
	Number	Weighted average exercise price	Number	Weighted average exercise price
	#	C\$	#	C\$
Outstanding, beginning of period	-	-	1,190,957	1.78
Granted	2,289,667	4.50	(1,190,957)	1.78
Outstanding, end of period	2,289,667	4.50	-	-
Exercisable, end of period	2,289,667	4.50	-	-

The following table summarizes information of warrants outstanding and exercisable as at September 30, 2020:

Expiry date	Number of warrants outstanding	Exercise price	Weighted average remaining contractual life
	#	C\$	Years
May 14, 2022	2,289,667	4.50	1.62
	2,289,667	4.50	1.62

The following summarizes the warrant derivative liabilities balance:

	Nine months ended September 30, 2020	Nine months ended September 30, 2019
Balance, beginning of year	\$ -	\$ -
Issuance of warrants	650,012	-
Change in valuation of warrants	70,927	-
Balance, end of period	720,939	-

The Company used the Monte Carlo simulation model to estimate the grant date fair value of warrants issued during the period using the following weighted average assumptions:

	Nine months ended September 30, 2020	Nine months ended September 30, 2019
Expected stock price volatility	59%	N/A
Risk-free interest rate	0.23%	N/A
Expected life	1.62 years	N/A
Grant date share price	2.21	N/A
Estimated grant date fair value of warrants granted	0.31	N/A
Expected forfeiture rate	-	N/A
Expected dividend yield	-	N/A

Vox Royalty Corp.

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15. Derivative liabilities (continued)

Performance Share Unit ("PSU") Plan

The Company adopted a PSU Plan, which provides that the Board of Directors may, at its discretion, grant directors, officers, employees and consultants, non-transferable PSUs based on the value of the Company's share price at the date of grant. The Board of Directors has the discretion to issue cash or equity settle the vested PSUs. The PSUs issued were treated as derivative instruments because the number of shares to be eventually issued is based on a percentage of the common shares outstanding at the time the performance hurdle is met. The share-based compensation expense will be recorded over the vesting period, which is the date that specific share price hurdles are met.

The following summarizes the PSU activity for the nine months ended September 30, 2020 and 2019:

	September 30, 2020		September 30, 2019	
	Number	Weighted average fair value	Number	Weighted average fair value
	#	\$	#	\$
Outstanding, beginning of period	-	-	-	-
Granted	650,140	1.30	-	-
Outstanding, end of period	650,140	1.30	-	-
Vested, end of period	-	-	-	-

The following summarizes the PSU derivative liabilities balance:

	September 30, 2020	September 31, 2019
	\$	\$
Balance, beginning of period	-	-
Share-based compensation expense	178,426	-
Balance, end of period	178,426	-

The Company used the Monte Carlo simulation model to estimate the grant date fair value of PSUs issued during the period using the following weighted average assumptions:

	Nine months ended September 30, 2020	Nine months ended September 30, 2019
Expected stock price volatility	57%	N/A
Risk-free interest rate	0.26%	N/A
Expected life	1.40 years	N/A
Grant date share price	2.21	N/A
Estimated grant date fair value of PSUs granted	1.30	N/A
Expected forfeiture rate	-	N/A
Expected dividend yield	-	N/A

Convertible notes and promissory notes

The following summarizes the derivative liabilities balance:

	September 30, 2020	December 31, 2019
	\$	\$
Balance, beginning of period	61,697	305,514
Change in valuation related to convertible notes (Note 10)	(16,647)	(4,010)
Conversion of convertible notes	(45,050)	(13,807)
Change in valuation of warrants related to promissory notes	-	(226,000)
Less: current portion	-	61,697
Non-current portion	-	(39,832)
	-	21,865

The Company used the Black-Scholes valuation model to estimate the grant date fair value of derivatives issued during the period. See Note 10 for the weighted average assumptions for the convertible notes, which were settled during the period.

Vox Royalty Corp.

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16. General and administration

The Company's general and administrative expenses incurred for the three and nine months ended September 30, 2020 and 2019 are as follows:

	Three months ended September 30, 2020	Three months ended September 30, 2019	Nine months ended September 30, 2020	Nine months ended September 30, 2019
	\$	\$	\$	\$
General and administration	196,112	57,522	401,724	145,782
Professional fees	158,173	28,289	274,774	80,389
Salaries and benefits	300,333	76,543	1,047,423	564,336
Depreciation	21,289	26,278	34,414	53,001
	675,907	188,632	1,758,335	843,508

17. Other income (expenses)

The Company's other income (expenses) earned for the three and nine months ended September 30, 2020 and 2019 are as follows:

	Three months ended September 30, 2020	Three months ended September 30, 2019	Nine months ended September 30, 2020	Nine months ended September 30, 2019
	\$	\$	\$	\$
Fair value change of embedded derivatives	253,530	6,235	(54,280)	278,433
Service income	-	31,752	-	104,252
Interest income	-	51,433	39,105	122,819
Interest expense	(9,661)	(22,361)	(82,827)	(68,213)
Foreign exchange gain	129,484	-	341,778	-
Break fee	-	-	-	142,320
Amortization of cost related to extension of promissory note	-	-	-	(73,750)
	373,353	67,059	243,776	505,861

18. Related party transactions

Key management personnel compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, and also comprise the directors of the Company.

The remuneration of directors and other members of key management personnel for the three and nine months ended September 30, 2020 and 2019 are as follows:

	Three months ended September 30, 2020	Three months ended September 30, 2019	Nine months ended September 30, 2020	Nine months ended September 30, 2019
	\$	\$	\$	\$
Short-term employee benefits	198,318	80,250	887,277	365,750
Share-based compensation	1,542,300	-	2,902,970	-
	1,740,618	80,250	3,790,247	365,750

A Director of the Company was also a Director of Titan up until April 2019. See Notes 5 and 6.

See also Notes 11, 13 and 19.

Vox Royalty Corp.

Notes to the Unaudited Condensed Interim Consolidated Financial Statements September 30, 2020 and 2019 (Expressed in United States dollars)

19. Commitments and contingencies

As at September 30, 2020, the Company did not have any right-of-use assets or lease liabilities.

The Company is committed to minimum annual lease payments for its premise, which renews on a quarterly basis and certain consulting agreements, as follows:

	October 1, 2020 to September 30, 2021
	\$
Operating leases	12,980
Consulting agreements	169,910
	<u>182,890</u>

The Company is party to certain management contracts. These contracts require that additional payments of up to \$995,000 be made upon the occurrence of a change in control and \$532,500 upon the occurrence of employee terminations. As a triggering event has not taken place, the contingent payments have not been reflected in these unaudited condensed interim consolidated financial statements.

On January 19, 2019, SilverStream purchased a 2.5% gross sale royalty over the Graphmada Property in Madagascar, from Tectonic, an arm's length corporation, for total consideration of C\$450,000, representing, C\$200,000 in a cash performance payment and a C\$250,000 (\$188,437) convertible note. The cash performance milestone payment will only be paid once the Company receives a certain amount of royalty payments from the owner of the Graphmada Property. The recognition of the cash performance payment will be recorded at the time the event is triggered. The Company is currently in a dispute with the operator of the project regarding the mechanism for the royalty calculation. At present, the timing for the settlement of the dispute is unknown as it is in the preliminary stages. Although the outcome of the dispute cannot be determined, it is the opinion of management that the final resolution will not have a material adverse effect on the Company's financial condition, operations or liquidity.

On April 21, 2020, SilverStream entered into a royalty sale and purchase agreement with Vox Australia and Vonex, pursuant to which Vox Australia agreed to purchase from Vonex a certain royalty for an aggregate purchase price of A\$2,500,000, payable in cash at certain intervals. The first installment of A\$1,750,000 (\$1,122,573) was paid on May 15, 2020. The remaining installments are performance-based milestones. The recognition of the cash performance payment will be recorded at the time the event is triggered. See Note 7.

On June 16, 2020, the Company entered into a royalty sale and purchase agreement with Vox Australia and Strategic, pursuant to which Vox Australia agreed to purchase from Strategic a royalty for an aggregate purchase price of A\$500,000, payable in a combination of cash and common shares at certain intervals. On July 29, 2020, the Company made a cash payment of A\$80,000 (\$57,296) and on October 2, 2020, issued A\$200,000 (\$142,192) of common shares to complete the acquisition of the royalty. The remaining payment or issuance by the Company, at the Company's elected option, to Strategic of A\$220,000 is payable on the date that commercial production for the royalty project is achieved.

The Company's operations could be significantly adversely affected by the effects of a widespread global outbreak of a contagious disease, including the recent outbreak of respiratory illness caused by COVID-19. The Company cannot accurately predict the impact COVID-19 will have on its operations and the ability of others to meet their obligations with the Company, including uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, and the length of travel and quarantine restrictions imposed by governments of affected countries. In addition, a significant outbreak of contagious diseases in the human population could result in a widespread health crisis that could adversely affect the economies and financial markets of many countries, resulting in an economic downturn that could further affect the Company's operations and ability to finance its operations.

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20. Financial instruments

The Company's risk exposures and the impact on the financial instruments are summarized below. There have been no material changes to the risks, objectives, policies and procedures during the nine months ended September 30, 2020 and the year ended December 31, 2019.

(a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's trade accounts receivable.

The Company's credit risk is primarily attributable to cash and amounts receivables. The Company monitors the credit risk and credit standing of its creditors on a regular basis. As at September 30, 2020 and December 31, 2019, amounts receivables were 100% collectible, other than as disclosed in Note 5 regarding the allowance recorded.

Cash is generally invested in cash accounts or short-term interest-bearing securities issued by the chartered banks. At September 30, 2020, the Company had \$nil (December 31, 2019 - \$nil) invested in term deposits. Management believes the risk of loss associated with these assets to be remote.

Management believes that the credit risk concentration with respect to financial instruments included in assets has been reduced to the extent presently practicable.

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company endeavors to have sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot be reasonably predicted.

At September 30, 2020, the Company has a cash balance of \$4,455,149 (December 31, 2019 - \$30,315) to settle current liabilities of \$629,705 (December 31, 2019 - \$1,367,005). All of the Company's financial liabilities generally have contractual maturities of less than 30 days and are subject to normal trade terms, except derivative liabilities (Note 15).

In addition to the commitments disclosed in Note 19, the Company is obligated to the following contractual maturities of undiscounted cash flows as at September 30, 2020:

	Carrying amount	Contractual cash flows	October 1, 2020 to September 30, 2021
	\$	\$	\$
Accounts payable and accrued liabilities	629,705	629,705	629,705
Total	629,705	629,705	629,705

(c) Currency risk

Foreign currency risk is 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 subject to foreign exchange risk related to investments held in Australian dollars, with an estimated fair value of A\$1,468,000 (\$1,043,689), cash in Canadian dollars, with a value of C\$5,941,215 (\$4,454,018) and derivative liabilities held in Canadian dollars, with an estimated fair value of C\$1,852,183 (\$1,388,547). The Company is therefore subject to gains and losses due to fluctuations in the related currency relative to the US dollar. As at September 30, 2020, a 10% change in the Australian and Canadian dollar, would have an impact of \$104,000, \$445,000 and \$139,000, on the investments, cash and derivative liabilities, respectively, and on the unaudited condensed interim consolidated statement of loss and comprehensive loss.

(d) Interest rate risk

The Company has cash balances with rates that fluctuate with the prevailing market rate. The Company's current policy is to invest excess cash in cash accounts or short-term interest-bearing securities issued by chartered banks. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. The Company does not use any derivative instrument to reduce its exposure to interest rate risk.

Vox Royalty Corp.

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20. Financial instruments (continued)

(e) Commodity and share price risk

The Company's royalty streams are subject to fluctuations from changes in market prices of the underlying commodities. The market prices of base metals are the primary drivers of the Company's profitability and ability to generate free cash flow. All of the Company's future revenue is not hedged in order to provide shareholders with full exposure to changes in the market prices of these commodities. The Company is also subject to share price fluctuations related to investments held. As at September 30, 2020, a 10% change in the share price of investments, would have a \$104,000 impact on the unaudited condensed interim consolidated statement of loss and comprehensive loss.

The Company's financial results may be significantly affected by a decline in the price of base metals. The price of base metals can fluctuate widely, and is affected by numerous factors beyond the Company's control.

The Company addresses this risk through the contract terms of its streaming agreements, typically having a commodity purchase price that is the lesser of a fixed amount and 80% of the then prevailing market price. This ensures a positive margin on all commodity transactions.

(f) Fair value of financial instruments

The carrying amounts for cash, current amounts receivable and accounts payable and accrued liabilities on the unaudited condensed interim consolidated statements of financial position approximate fair value because of the limited term of these instruments.

The fair value of the derivative liabilities were estimated based on the assumptions disclosed in Note 10 and 15.

The Company classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at September 30, 2020 and December 31, 2019, the Company does not have any financial instruments measured at fair value after initial recognition, except for investments, which are calculated using Level 1 and 2 inputs, and derivative liabilities, which are calculated using Level 3 inputs.

The following table provides information about financial assets and liabilities measured at fair value in the unaudited condensed interim consolidated statements of financial position and categorized by level according to the significance of the inputs used in making the measurements.

As at September 30, 2020:

	Level 1	Level 2	Level 3	Total
Investments	-	\$ 1,043,689	\$ -	\$ 1,043,689
Derivative liabilities	-	-	(899,365)	(899,365)
	-	1,043,689	(899,365)	144,324

As at December 31, 2019:

	Level 1	Level 2	Level 3	Total
Investments	\$ 819,495	\$ 1,035,097	\$ -	\$ 1,854,592
Derivative liabilities	-	-	(61,697)	(61,697)
	819,495	1,035,097	(61,697)	1,792,895

Vox Royalty Corp.

Notes to the Unaudited Condensed Interim Consolidated Financial Statements September 30, 2020 and 2019 (Expressed in United States dollars)

20. Financial instruments (continued)

(f) Fair value of financial instruments (continued)

Level 2 Hierarchy

During the nine months ended September 30, 2020, private investments of AUD\$12,000 (\$10,102) were disposed and there were no transfers between levels. During the year ended December 31, 2019, there were no transfers between levels.

	Nine months ended September 30, 2020	Twelve months ended December 31, 2019
	\$	\$
Balance, beginning of period	1,035,097	1,056,000
Disposal at cost – shares	(9,197)	(13,290)
Realized loss on investments	(905)	(2,038)
Unrealized loss on investment	18,694	(5,575)
	1,043,689	1,035,097

Level 3 Hierarchy

The following table presents the changes in fair value measurements of financial instruments classified as Level 3 as at September 30, 2020 and December 31, 2019. These financial instruments are measured at fair value utilizing non-observable market inputs. The gains and losses are recognized in the unaudited condensed interim consolidated statements of loss and comprehensive loss.

	Nine months ended September 30, 2020	Twelve months ended December 31, 2019
	\$	\$
Balance, beginning of period	61,697	305,514
Issuance of Financing warrants (Note 15)	650,012	-
Change in valuation of Financing warrants (Note 15)	70,927	-
Share-based compensation expense on PSUs (Note 15)	178,426	-
Change in valuation related to convertible notes (Note 10)	(16,647)	(4,010)
Conversion of convertible notes (Note 10)	(45,050)	(13,807)
Change in valuation of promissory notes warrants (Note 12)	-	(226,000)
	899,365	61,697

(g) Capital management

The capital structure of the Company consists of equity. The equity is attributable to shareholders and includes share capital, additional paid-in capital and equity reserves. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support its operations, general and administrative expenses, working capital and overall capital expenditures. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders. The Company's strategy remained unchanged for the nine months ended September 30, 2020 and the year ended December 31, 2019.

The Company manages the capital structure and makes adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares, or issue or pay down debt, or acquire or dispose of assets.

The Company is not subject to externally imposed capital requirements.

Vox Royalty Corp.

Notes to the Unaudited Condensed Interim Consolidated Financial Statements September 30, 2020 and 2019 (Expressed in United States dollars)

21. Segment information

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses. The Company's operating segments are components of the Company's business for which discrete financial information is available and which are reviewed regularly by the Company's Chief Executive Officer to make decisions about resources to be allocated to the segment and assess its performance.

For the nine months ended September 30, 2020 and 2019, the Company operated in one reportable segment being the acquisition of royalty interests and stream metal purchase agreements.

For the three and nine months ended September 30, 2020, the Company recognized royalty revenue from one of its royalties, Brauna, located in Brazil.

The Company has the following non-current assets in three geographic locations:

	September 30, 2020	December 31, 2019
	\$	\$
Australia	7,053,165	1,000,827
Peru	2,000,000	2,299,837
Brazil	707,692	444,972
Nigeria	706,425	-
Cayman Islands	1,803,086	-
Madagascar	188,437	188,437
Total	12,458,805	3,934,073

22. Subsequent events

On October 2, 2020, the Company issued 58,031 common shares to Strategic as part of the acquisition of the royalty (See Note 7).

On November 9, 2020, the Company entered into a royalty sale and purchase agreement with Vox Royalty Canada Ltd. ("Vox Canada"), SilverStream and Breakwater Resources Ltd. ("Breakwater"), pursuant to which Vox Canada and SilverStream agreed to purchase from Breakwater a portfolio of up to eight royalties for an aggregate purchase price of up to C\$980,002 (the "Breakwater Purchase Price"). The Breakwater Purchase Price comprises: (i) the payment by Silverstream to Breakwater of an amount in immediately available funds of up to C\$455,002; and (ii) the issuance by the Company to Breakwater of C\$525,000 of common shares of the Company. The Breakwater Purchase Price will be made upon all conditions of the royalties sales and purchase agreement being satisfied.

On November 13, 2020, the TSXV approved a Normal Course Issuer Bid ("NCIB") made by the Company. Under the terms of the NCIB, the Company may repurchase for cancellation, up to 1,628,289 common shares, being 5% of the total number of 32,565,796 common shares outstanding as at November 5, 2020, the date the Company filed the application with the TSXV. The purchases are to be made through the facilities of the TSXV during the period November 19, 2020 to November 18, 2021.