

VOX ROYALTY

UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2023 AND 2022
(Expressed in United States Dollars)

VOX ROYALTY



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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)

| | Note | As at | |
|--|------|-------------------|----------------------|
| | | June 30, 2023 | December 31, 2022 |
| | | \$ | \$ |
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | | 11,278,440 | 4,174,654 |
| Accounts receivable | 4 | 2,546,520 | 2,000,062 |
| Prepaid expenses | | 248,020 | 595,531 |
| Total current assets | | 14,072,980 | 6,770,247 |
| Non-current assets | | | |
| Royalty, stream and other interests | 5 | 31,889,063 | 32,860,568 |
| Intangible assets | 6 | 1,263,939 | 1,355,709 |
| Restricted cash | | 700,000 | 700,000 |
| Deferred royalty acquisitions | 5 | 19,315 | 118,932 |
| Total assets | | 47,945,297 | 41,805,456 |
| Liabilities | | | |
| Current liabilities | | | |
| Accounts payable and accrued liabilities | 7 | 1,617,923 | 1,766,131 |
| Dividends payable | 8 | 529,672 | 447,583 |
| Income taxes payable | | 135,174 | 584,148 |
| Other liabilities | 10 | 324,238 | 176,434 |
| Total current liabilities | | 2,607,007 | 2,974,296 |
| Non-current liabilities | | | |
| Other liabilities | 10 | - | 425,281 |
| Deferred tax liabilities | | 4,135,514 | 2,991,431 |
| Total liabilities | | 6,742,521 | 6,391,008 |
| Equity | | | |
| Share capital | 8 | 63,967,564 | 57,020,116 |
| Equity reserves | 9 | 3,900,133 | 3,303,503 |
| Deficit | | (26,664,921) | (24,909,171) |
| Total equity | | 41,202,776 | 35,414,448 |
| Total liabilities and equity | | 47,945,297 | 41,805,456 |

Commitments and contingencies (Note 14)
Subsequent events (Note 19)

Approved by the Board of Directors on August 10, 2023

Signed _____, Director

"Kyle Floyd"

Signed _____, Director

"Robert Sckalor"

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

Vox Royalty Corp.

Unaudited Condensed Interim Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)
For the three and six months ended June 30, 2023 and 2022
(Expressed in United States Dollars)

| | Note | Three months ended June 30, 2023 | Three months ended June 30, 2022 | Six months ended June 30, 2023 | Six months ended June 30, 2022 |
|--|-----------|--|--|--------------------------------------|--------------------------------------|
| | | \$ | \$ | \$ | \$ |
| Revenue | | | | | |
| Royalty revenue | | 2,217,384 | 1,750,754 | 5,798,239 | 2,906,689 |
| Other revenue | | - | - | - | 315,084 |
| Total revenue | 16 | 2,217,384 | 1,750,754 | 5,798,239 | 3,221,773 |
| Cost of sales | | | | | |
| Depletion | 5 | (385,896) | (305,876) | (1,001,894) | (612,602) |
| Gross profit | | 1,831,488 | 1,444,878 | 4,796,345 | 2,609,171 |
| Operating expenses | | | | | |
| General and administration | 11, 13 | (1,555,689) | (1,323,680) | (2,856,934) | (2,536,678) |
| Share-based compensation | 9, 10, 13 | (138,410) | (152,345) | (819,234) | (392,008) |
| Impairment charge | 5 | (500,000) | - | (500,000) | - |
| Project evaluation expenses | 5 | (155,127) | - | (194,937) | - |
| Total operating expenses | | (2,349,226) | (1,476,025) | (4,371,105) | (2,928,686) |
| Income (loss) from operations | | (517,738) | (31,147) | 425,240 | (319,515) |
| Other income (expenses) | | | | | |
| Realized loss on investments | | - | (448,036) | - | (604,574) |
| Unrealized gain on investments | | - | 40,309 | - | - |
| Other income | 12 | 983,342 | 1,352,963 | 142,187 | 1,701,632 |
| Income before income taxes | | 465,604 | 914,089 | 567,427 | 777,543 |
| Income tax expense | 17 | (514,047) | (481,520) | (1,297,109) | (585,366) |
| Net income (loss) and comprehensive income (loss) | | (48,443) | 432,569 | (729,682) | 192,177 |
| Weighted average number of shares outstanding | | | | | |
| Basic | | 45,592,341 | 41,585,170 | 45,286,172 | 40,551,889 |
| Diluted | | 45,592,341 | 41,592,486 | 45,286,172 | 40,606,891 |
| Income (loss) per share | | | | | |
| Basic | | (0.00) | 0.01 | (0.02) | 0.00 |
| Diluted | | (0.00) | 0.01 | (0.02) | 0.00 |

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 six months ended June 30, 2023 and 2022
(Expressed in United States Dollars)

| | Note | Number of Shares | Share Capital | Equity Reserves | Deficit | Total Equity |
|--|-------|---------------------|-------------------|--------------------|---------------------|-------------------|
| | | # | \$ | \$ | \$ | \$ |
| Balance, December 31, 2021 | | 39,379,199 | 43,648,023 | 1,163,397 | (24,101,745) | 20,709,675 |
| Shares issued for acquisition of royalties | | 4,777,459 | 11,655,700 | 1,183,086 | - | 12,838,786 |
| Share issue costs | | - | (27,548) | - | - | (27,548) |
| Exercise of RSUs | | 84,474 | 170,112 | (170,112) | - | - |
| Exercise of warrants | | 226,234 | 663,970 | (131,548) | - | 532,422 |
| Share redemption (normal course issuer bid) | | (70,100) | (98,624) | - | (87,240) | (185,864) |
| Share-based compensation | | - | - | 831,067 | - | 831,067 |
| Net income and comprehensive income | | - | - | - | 192,177 | 192,177 |
| Balance, June 30, 2022 | | 44,397,266 | 56,011,633 | 2,875,890 | (23,996,808) | 34,890,715 |
| Balance, December 31, 2022 | | 44,758,269 | 57,020,116 | 3,303,503 | (24,909,171) | 35,414,448 |
| Shares issued in equity financing | 8 | 3,025,000 | 7,260,000 | - | - | 7,260,000 |
| Share issue costs | | - | (1,151,383) | - | - | (1,151,383) |
| Shares issued for royalty milestone payments | 8 | 215,769 | 495,446 | - | - | 495,446 |
| Dividends declared | 8 | - | - | - | (1,026,068) | (1,026,068) |
| Exercise of RSUs | 9 | 152,918 | 343,385 | (343,385) | - | - |
| Share-based compensation | 9, 10 | - | - | 940,015 | - | 940,015 |
| Net loss and comprehensive loss | | - | - | - | (729,682) | (729,682) |
| Balance, June 30, 2023 | | 48,151,956 | 63,967,564 | 3,900,133 | (26,664,921) | 41,202,776 |

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 six months ended June 30, 2023 and 2022

(Expressed in United States Dollars)

| | Note | Three months ended June 30, 2023 | Three months ended June 30, 2022 | Six months ended June 30, 2023 | Six months ended June 30, 2022 |
|---|-------|--|--|--------------------------------------|--------------------------------------|
| | | \$ | \$ | \$ | \$ |
| Cash flows from (used) in operating activities | | | | | |
| Net income (loss) for the period | | (48,443) | 432,569 | (729,682) | 192,177 |
| Adjustments for: | | | | | |
| Fair value change of other liabilities | 10 | (987,620) | (1,570,823) | (156,696) | (1,853,195) |
| Deferred tax expense | 17 | 539,998 | 424,365 | 1,144,083 | 331,503 |
| Foreign exchange gain (loss) on cash and cash equivalents | | 13,145 | (108,090) | 21,014 | (59,195) |
| Write-off of project evaluation expenses | 5 | 114,162 | - | 114,162 | - |
| Share-based compensation | 9, 10 | 138,410 | 152,345 | 819,234 | 392,008 |
| Impairment charge | 5 | 500,000 | - | 500,000 | - |
| Amortization | 6 | 45,885 | 45,885 | 91,770 | 91,770 |
| Depletion | 5 | 385,896 | 305,876 | 1,001,894 | 612,602 |
| Realized loss on investments | | - | 448,036 | - | 604,574 |
| Unrealized gain on investments | | - | (40,309) | - | - |
| | | 701,433 | 89,854 | 2,805,779 | 312,244 |
| Changes in non-cash working capital: | | | | | |
| Accounts receivable | | 1,037,590 | (664,065) | (546,458) | (1,254,855) |
| Prepaid expenses | | 195,087 | 13,246 | 168,468 | 77,394 |
| Accounts payable and accrued liabilities | | (828,352) | 304,275 | (409,007) | 6,994 |
| Income taxes payable | | (35,967) | 46,861 | (448,974) | 243,569 |
| Net cash flows from (used in) operating activities | | 1,069,791 | (209,829) | 1,569,808 | (614,654) |
| Cash flows used in investing activities | | | | | |
| Acquisition of royalties | | - | (4,144,265) | - | (4,144,265) |
| Restricted cash | | - | (700,000) | - | (700,000) |
| Deferred royalty acquisitions | | (6,968) | 2,529 | (59,713) | 2,529 |
| Proceeds from sale of investments | | - | 714,685 | - | 1,545,925 |
| Net cash flows used in investing activities | | (6,968) | (4,127,051) | (59,713) | (3,295,811) |
| Cash flows from financing activities | | | | | |
| Proceeds from issuance of common shares | 8 | 7,260,000 | - | 7,260,000 | - |
| Share issue costs | 8 | (701,316) | (27,548) | (701,316) | (27,548) |
| Dividends paid | 8 | (496,396) | - | (943,979) | - |
| Share redemption (normal course issuer bid) | 8 | - | (120,754) | - | (185,864) |
| Exercise of warrants | | - | 288,069 | - | 532,422 |
| Net cash flows from financing activities | | 6,062,288 | 139,767 | 5,614,705 | 319,010 |
| Increase (decrease) in cash and cash equivalents | | 7,125,111 | (4,197,113) | 7,124,800 | (3,591,455) |
| Impact of foreign exchange on cash and cash equivalents | | (13,145) | 108,090 | (21,014) | 59,195 |
| Cash and cash equivalents, beginning of the period | | 4,166,474 | 5,621,565 | 4,174,654 | 5,064,802 |
| Cash and cash equivalents, end of the period | | 11,278,440 | 1,532,542 | 11,278,440 | 1,532,542 |

Supplemental cash flow information (Note 15)

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

Vox Royalty Corp.

Notes to the Unaudited Condensed Interim Consolidated Financial Statements For the three and six months ended June 30, 2023 and 2022 (Expressed in United States Dollars)

1. Nature of operations

Vox Royalty Corp. (“**Vox**” or the “**Company**”) was incorporated under the *Business Corporations Act* (Ontario). The Company’s registered office is 66 Wellington Street West, Suite 5300, TD Bank Tower Box 48, Toronto, ON, M5K 1E6, Canada. The Company’s common shares trade on the Toronto Stock Exchange (“**TSX**”) and on the Nasdaq Stock Market LLC (“**Nasdaq**”), under the ticker symbol “VOXR”.

Vox is a mining royalty company focused on accretive acquisitions. Approximately 80% of the Company’s royalty and streaming assets by royalty count are located in Australia, Canada and the United States. Further, the Company is prioritizing acquiring royalties on producing or near-term producing assets to complement its portfolio of exploration and development stage royalties.

2. Basis of preparation

(a) Statement of compliance

These unaudited condensed interim consolidated financial statements are prepared in accordance with International Accounting Standards 34, *Interim Financial Reporting*, 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, 2022. They do not include all of the information and disclosures required by International Financial Reporting Standards (“**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 June 30, 2023 are not necessarily indicative of the results that may be expected for the full year ended December 31, 2023. For further information, see the Company’s annual financial statements including the notes thereto for the year ended December 31, 2022.

These unaudited condensed interim consolidated financial statements were reviewed, approved, and authorized for issue by the Company’s Board of Directors on August 10, 2023.

(b) Basis of presentation

These unaudited condensed interim consolidated financial statements have been prepared on a historical cost basis, except for financial instruments, which have been measured at fair value. These unaudited condensed interim consolidated financial statements are presented in United States dollars (“\$”), which is also the functional currency of the Company and its three wholly-owned subsidiaries.

(c) Principles of consolidation

These unaudited condensed interim consolidated financial statements incorporate the accounts of the Company and its three wholly-owned subsidiaries, SilverStream SEZC (Cayman Islands), Vox Royalty Australia Pty Ltd. (Australia) and Vox Royalty Canada Ltd. (Ontario, Canada).

Subsidiaries are fully consolidated from the date the Company obtains control and continue to be consolidated until the date that control ceases. Control is achieved when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. All intercompany balances, transactions, revenues and expenses have been eliminated on consolidation.

(d) Changes in accounting policies

Certain new accounting standards and interpretations have been published that are currently effective requirements. These standards did not have a material impact on the Company’s current or future reporting periods.

(e) Recent accounting pronouncements

Certain pronouncements were issued by the IASB or the International Financial Reporting Interpretations Committee that are mandatory for accounting periods commencing on or after January 1, 2024. Many are not applicable or do not have a significant impact to the Company and have been excluded. The following have not yet been adopted and are being evaluated to determine their impact on the Company.

Amendments to IAS 1 – Classification of Liabilities as Current or Non-current

Effective on January 1, 2024, the amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability.

3. Significant judgments, estimates and assumptions

The preparation of the Company’s unaudited condensed interim consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the unaudited condensed interim consolidated financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management’s experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Vox Royalty Corp.

Notes to the Unaudited Condensed Interim Consolidated Financial Statements For the three and six months ended June 30, 2023 and 2022 (Expressed in United States Dollars)

However, actual outcomes can 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, 2022.

4. Accounts receivable

| | June 30, 2023 | December 31, 2022 |
|-----------------------|------------------|----------------------|
| | \$ | \$ |
| Royalties receivable | 2,371,019 | 1,921,670 |
| Sales tax recoverable | 175,501 | 78,392 |
| | 2,546,520 | 2,000,062 |

Royalties receivable represents amounts that are generally collected within 45 days of quarter-end.

5. Royalty, stream and other interests

As at and for the six months ended June 30, 2023:

| Royalty | Country | Cost | | | | Accumulated Depletion | | | | Carrying Amount |
|-----------------------------------|--------------|-------------------|----------------|------------------|-------------------|-----------------------|--------------------|----------|--------------------|-------------------|
| | | Opening | Additions | Impairment | Ending | Opening | Depletion | Disposal | Ending | |
| | | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Wonmunna | Australia | 14,527,467 | 34,943 | - | 14,562,410 | (830,176) | (665,130) | - | (1,495,306) | 13,067,104 |
| Janet Ivy | Australia | 2,494,285 | - | - | 2,494,285 | (29,633) | (14,798) | - | (44,431) | 2,449,854 |
| Koolyanobbing | Australia | 2,649,738 | - | - | 2,649,738 | (1,198,243) | (123,822) | - | (1,322,065) | 1,327,673 |
| South Railroad | USA | 2,316,757 | - | - | 2,316,757 | (79,814) | (5,877) | - | (85,691) | 2,231,066 |
| Limpopo | South Africa | 1,150,828 | - | - | 1,150,828 | - | - | - | - | 1,150,828 |
| Bowdens | Australia | 1,130,068 | - | - | 1,130,068 | - | - | - | - | 1,130,068 |
| Bullabulling | Australia | 953,349 | - | - | 953,349 | - | - | - | - | 953,349 |
| Goldlund | Canada | 400,671 | 424,824 | - | 825,495 | - | - | - | - | 825,495 |
| Brits | South Africa | 764,016 | - | - | 764,016 | - | - | - | - | 764,016 |
| Otto Bore | Australia | 583,612 | - | - | 583,612 | - | - | - | - | 583,612 |
| Segilola | Nigeria | 706,425 | - | - | 706,425 | (528,220) | (178,205) | - | (706,425) | - |
| Lynn Lake (MacLellan) | Canada | 873,088 | - | - | 873,088 | - | - | - | - | 873,088 |
| Bulong | Australia | 544,957 | - | - | 544,957 | - | - | - | - | 544,957 |
| Dry Creek | Australia | 475,723 | - | - | 475,723 | (93,637) | (141) | - | (93,778) | 381,945 |
| Sulfur Springs/ Kangaroo Caves | Australia | 467,983 | - | - | 467,983 | - | - | - | - | 467,983 |
| Pedra Branca | Brazil | 450,131 | - | - | 450,131 | - | - | - | - | 450,131 |
| Ashburton | Australia | 355,940 | - | - | 355,940 | - | - | - | - | 355,940 |
| Anthiby Well | Australia | 311,742 | - | - | 311,742 | - | - | - | - | 311,742 |
| Cardinia | Australia | 302,850 | - | - | 302,850 | - | - | - | - | 302,850 |
| Brauna | Brazil | 262,328 | - | - | 262,328 | (75,121) | (13,921) | - | (89,042) | 173,286 |
| Montanore | USA | 61,572 | - | - | 61,572 | - | - | - | - | 61,572 |
| Mt Ida | Australia | 210,701 | - | - | 210,701 | - | - | - | - | 210,701 |
| Other | Australia | 1,606,079 | - | - | 1,606,079 | - | - | - | - | 1,606,079 |
| Other | Peru | 1,545,609 | - | (500,000) | 1,045,609 | - | - | - | - | 1,045,609 |
| Other | Canada | 549,493 | 70,622 | - | 620,115 | - | - | - | - | 620,115 |
| Total | | 35,695,412 | 530,389 | (500,000) | 35,725,801 | (2,834,844) | (1,001,894) | - | (3,836,738) | 31,889,063 |

Vox Royalty Corp.

Notes to the Unaudited Condensed Interim Consolidated Financial Statements For the three and six months ended June 30, 2023 and 2022 (Expressed in United States Dollars)

Total royalty, stream and other interests include carrying amounts in the following countries:

| | June 30, 2023 | December 31, 2022 |
|--------------|-------------------|----------------------|
| | \$ | \$ |
| Australia | 23,693,857 | 24,462,805 |
| USA | 2,292,638 | 2,298,515 |
| South Africa | 1,914,844 | 1,914,844 |
| Canada | 2,318,698 | 1,823,252 |
| Peru | 1,045,609 | 1,545,609 |
| Brazil | 623,417 | 637,338 |
| Nigeria | - | 178,205 |
| | 31,889,063 | 32,860,568 |

Impairment

During the period, the Company became aware that the operator of the Alce exploration project did not renew the relevant mining claims and therefore the Peruvian Ministry of Energy and Mining extinguished the mining concessions. As a result, the Company concluded that the Alce royalty should be fully impaired as of June 30, 2023, and the carrying value of the investment of \$500,000 has been reduced to \$nil.

Deferred royalty acquisitions

Deferred royalty acquisitions as at June 30, 2023 of \$19,315 (December 31, 2022 - \$118,932) relate to costs incurred prior to the execution and closing of a royalty acquisition. Deferred royalty acquisition costs are reallocated to royalty, stream and other interests upon signing of a definitive agreement. If management determines not to proceed with a proposed acquisition, the deferred costs are reallocated to project evaluation expenses.

6. Intangible assets

Intangible assets are comprised of the Mineral Royalties Online (“MRO”) royalty database.

| | Database |
|-------------------------------------|------------------|
| | \$ |
| Cost at: | |
| December 31, 2022 | 1,837,500 |
| Additions | - |
| June 30, 2023 | 1,837,500 |
| Accumulated amortization at: | |
| December 31, 2022 | 481,791 |
| Additions | 91,770 |
| June 30, 2023 | 573,561 |
| Net book value at: | |
| December 31, 2022 | 1,355,709 |
| June 30, 2023 | 1,263,939 |

7. Accounts payable and accrued liabilities

| | June 30, 2023 | December 31, 2022 |
|---------------------|------------------|----------------------|
| | \$ | \$ |
| Trade payables | 493,292 | 448,206 |
| Sales tax payable | 473,238 | 345,036 |
| Accrued liabilities | 651,393 | 972,889 |
| | 1,617,923 | 1,766,131 |

Vox Royalty Corp.

Notes to the Unaudited Condensed Interim Consolidated Financial Statements For the three and six months ended June 30, 2023 and 2022 (Expressed in United States Dollars)

8. Share capital and additional paid-in capital

Authorized

The authorized share capital of the Company is an unlimited number of common shares without par value.

The number of common shares issued and outstanding as at June 30, 2023 and at December 31, 2022 is as follows:

| | June 30, 2023 | December 31, 2022 |
|---|-------------------|----------------------|
| | \$ | \$ |
| Issued and outstanding: 48,151,956 (December 31, 2022: 44,758,269) common shares | 63,967,564 | 57,020,116 |

Share issuances for the six months ended June 30, 2023

On January 24, 2023, the Company issued 215,769 common shares as a second milestone payment relating to the Goldlund royalty, for total consideration of \$495,446.

On June 16, 2023, the Company completed a public offering ("**Public Offering**") of 3,025,000 common shares at a price of \$2.40 per common share, for gross proceeds of \$7,260,000. In connection with the offering, the Company paid agent fees of \$471,900, representing 6.5% of the gross proceeds.

Dividends

On November 14, 2022, the Board of Directors of the Company declared a dividend of \$0.01 per common share payable on January 13, 2023 to shareholders of record as of the close of business on December 30, 2022. Total dividends of \$447,583 were payable as at December 31, 2022, which were paid on January 13, 2023.

On March 13, 2023, the Board of Directors of the Company declared a quarterly dividend of \$0.011 per common share payable on April 14, 2023 to shareholders of record as of the close of business on March 31, 2023. Total dividends of \$496,396 were payable as at March 31, 2023, which were paid on April 14, 2023.

On May 10, 2023, the Board of Directors of the Company declared a quarterly dividend of \$0.011 per common share payable on July 14, 2023 to shareholders of record as of the close of business on June 30, 2023. Total dividends of \$529,672 were payable as at June 30, 2023, which were paid on July 14, 2023.

9. Equity reserves

Warrants

The following summarizes the warrant activity for the six months ended June 30, 2023 and 2022:

| | June 30, 2023 | | June 30, 2022 | |
|----------------------------------|---------------|---------------------------------------|---------------|---------------------------------------|
| | Number | Weighted average exercise price | Number | Weighted average exercise price |
| | # | C\$ | # | C\$ |
| Outstanding, beginning of period | 3,600,000 | 4.50 | 251,762 | 3.00 |
| Granted | - | - | 3,600,000 | 4.50 |
| Exercised | - | - | (226,234) | 3.00 |
| Expired | - | - | (25,528) | 3.00 |
| Outstanding, end of period | 3,600,000 | 4.50 | 3,600,000 | 4.50 |
| Exercisable, end of period | 3,600,000 | 4.50 | 3,600,000 | 4.50 |

The following table summarizes information of warrants outstanding and exercisable as at June 30, 2023:

| Expiry date | Number of warrants outstanding | Exercise price | Weighted average remaining contractual life |
|--------------|--------------------------------------|-------------------|---|
| | # | C\$ | Years |
| May 25, 2024 | 3,600,000 | 4.50 | 0.74 |
| | 3,600,000 | 4.50 | 0.74 |

Vox Royalty Corp.

Notes to the Unaudited Condensed Interim Consolidated Financial Statements For the three and six months ended June 30, 2023 and 2022 (Expressed in United States Dollars)

See Note 10 for additional warrants classified as other liabilities.

Options

The Company maintains an omnibus long-term incentive plan (the “Plan”) whereby certain key employees, officers, directors and consultants may be granted options to acquire common shares of the Company. The exercise price, expiry date, and vesting terms are determined by the Board of Directors. The Plan permits the issuance of options which, together with the Company’s other share compensation arrangements, may not exceed 10% of the Company’s issued common shares as at the date of grant.

The following summarizes the stock option activity for the six months ended June 30, 2023 and 2022:

| | June 30, 2023 | | June 30, 2022 | |
|----------------------------------|---------------|---------------------------------|---------------|---------------------------------|
| | Number | Weighted average exercise price | Number | Weighted average exercise price |
| | # | C\$ | # | C\$ |
| Outstanding, beginning of period | 1,603,984 | 3.71 | 799,826 | 3.25 |
| Granted | - | - | 804,158 | 4.16 |
| Outstanding, end of period | 1,603,984 | 3.71 | 1,603,984 | 3.71 |
| Exercisable, end of period | 1,201,905 | 3.55 | 399,914 | 3.25 |

The following table summarizes information of stock options outstanding as at June 30, 2023:

| 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 30, 2026 | 3.25 | 799,826 | 3.00 | 799,826 | 3.00 |
| March 9, 2027 | 4.16 | 804,158 | 3.69 | 402,079 | 3.69 |
| | | 1,603,984 | 3.35 | 1,201,905 | 3.23 |

Restricted Share Unit Plan

The Plan 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.

During the six months ended June 30, 2023, 725,157 RSUs were granted, and vest as follows:

- 709,168 RSUs vest in 25% increments on each of June 30, 2023, December 31, 2023, June 30, 2024, and December 31, 2024; and
- 15,989 RSUs vest in 25% increments on each of June 30, 2023, September 30, 2023, December 31, 2023, and March 31, 2024.

The share-based compensation expense related to RSU grants is recorded over the vesting period.

The following summarizes the RSU activity for the six months ended June 30, 2023 and 2022:

| | June 30, 2023 | | June 30, 2022 | |
|----------------------------------|---------------|-----------------------------|---------------|-----------------------------|
| | Number | Weighted average fair value | Number | Weighted average fair value |
| | # | \$ | # | \$ |
| Outstanding, beginning of period | 615,044 | 2.56 | 581,696 | 2.13 |
| Granted | 725,157 | 2.60 | 263,548 | 3.01 |
| Exercised | (152,918) | 2.25 | (84,474) | 2.01 |
| Outstanding, end of period | 1,187,283 | 2.60 | 760,770 | 2.45 |
| Vested, end of period | 490,622 | 2.49 | 142,516 | 2.22 |

Vox Royalty Corp.

Notes to the Unaudited Condensed Interim Consolidated Financial Statements
For the three and six months ended June 30, 2023 and 2022
(Expressed in United States Dollars)

10. Other liabilities

The following summarizes the other liabilities balance:

| | June 30, 2023 | December 31, 2022 |
|-----------------------|------------------|----------------------|
| | \$ | \$ |
| Warrants | 288,520 | 445,216 |
| PSUs | 35,718 | 156,499 |
| | 324,238 | 601,715 |
| Less: current portion | 324,238 | 176,434 |
| Non-current portion | - | 425,281 |

Warrants

The following summarizes the warrant activity for six months ended June 30, 2023 and 2022:

| | June 30, 2023 | | June 30, 2022 | |
|----------------------------------|---------------|---------------------------------------|---------------|---------------------------------------|
| | Number | Weighted average exercise price | Number | Weighted average exercise price |
| | # | C\$ | # | C\$ |
| Outstanding, beginning of period | 5,097,550 | 4.50 | 5,097,550 | 4.50 |
| Expired | (2,289,667) | 4.50 | - | - |
| Outstanding, end of period | 2,807,883 | 4.50 | 5,097,550 | 4.50 |
| Exercisable, end of period | 5,097,550 | 4.50 | 5,097,550 | 4.50 |

The following table summarizes information of warrants outstanding and exercisable as at June 30, 2023:

| Expiry date | Number of warrants outstanding | Exercise price | Weighted average remaining contractual life |
|----------------|--------------------------------------|-------------------|---|
| | # | C\$ | Years |
| March 25, 2024 | 2,807,883 | 4.50 | 0.74 |
| | 2,807,883 | 4.50 | 0.74 |

The Company used the BSM to estimate the period end fair value of warrants during the period using the following weighted average assumptions:

| | Six months ended June 30, 2023 | Six months ended June 30, 2022 |
|---------------------------------|--------------------------------------|--------------------------------------|
| Expected stock price volatility | 42% | 44% |
| Risk-free interest rate | 4.54% | 3.09% |
| Expected life | 0.74 years | 1.35 years |
| Period end share price | \$ 2.40 | \$ 2.18 |
| Expected dividend yield | 1.80% | - |

Performance Share Unit Plan

The Plan 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.

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Notes to the Unaudited Condensed Interim Consolidated Financial Statements For the three and six months ended June 30, 2023 and 2022 (Expressed in United States Dollars)

The following summarizes the PSU activity for the six months ended June 30, 2023 and 2022:

| | June 30, 2023 | | June 30, 2022 | |
|----------------------------------|---------------|-----------------------------|---------------|-----------------------------|
| | Number | Weighted average fair value | Number | Weighted average fair value |
| | # | \$ | # | \$ |
| Outstanding, beginning of period | 895,166 | 0.23 | 787,584 | 1.36 |
| Increase for the period | 67,874 | 0.04 | 100,362 | 0.41 |
| Outstanding, end of period | 963,040 | 0.04 | 887,946 | 0.41 |
| Vested, end of period | - | - | - | - |

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

| | Six months ended June 30, 2023 | Six months ended June 30, 2022 |
|---------------------------------|-----------------------------------|-----------------------------------|
| Expected stock price volatility | 38.21% | 44% |
| Risk-free interest rate | 4.81% | 3.03% |
| Expected life | 0.45 years | 1.05 years |
| Period end share price | C\$ 3.23 | C\$ 2.81 |
| Expected dividend yield | 1.57% | - |

11. General and administration

The Company's general and administrative expenses incurred for three and six months ended June 30, 2023 and 2022 are as follows:

| | Three months ended June 30, 2023 | Three months ended June, 2022 | Six months ended June 30, 2023 | Six months ended June 30, 2022 |
|----------------------------|-------------------------------------|----------------------------------|-----------------------------------|-----------------------------------|
| | \$ | \$ | \$ | \$ |
| Corporate administration | 347,158 | 390,201 | 663,957 | 757,867 |
| Nasdaq / TSX Listing costs | 147,327 | 145,898 | 147,327 | 145,898 |
| Professional fees | 195,980 | 151,435 | 417,010 | 265,522 |
| Salaries and benefits | 786,976 | 590,261 | 1,476,513 | 1,275,621 |
| Director fees | 32,363 | - | 60,357 | - |
| Depreciation | 45,885 | 45,885 | 91,770 | 91,770 |
| | 1,555,689 | 1,323,680 | 2,856,934 | 2,536,678 |

12. Other income

The Company's other income for the three and six months ended June 30, 2023 and 2022 are as follows:

| | Three months ended June 30, 2023 | Three months ended June, 2022 | Six months ended June 30, 2023 | Six months ended June 30, 2022 |
|--|-------------------------------------|----------------------------------|-----------------------------------|-----------------------------------|
| | \$ | \$ | \$ | \$ |
| Fair value change of other liabilities | 987,620 | 1,570,823 | 156,696 | 1,853,195 |
| Foreign exchange expense | (73,230) | (226,206) | (137,093) | (162,980) |
| Interest income | 68,952 | 8,346 | 122,584 | 11,417 |
| | 983,342 | 1,352,963 | 142,187 | 1,701,632 |

13. 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.

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Notes to the Unaudited Condensed Interim Consolidated Financial Statements For the three and six months ended June 30, 2023 and 2022 (Expressed in United States Dollars)

The remuneration of directors and other members of key management personnel during the three and six months ended June 30, 2023 and 2022 are as follows:

| | Three months ended June 30, 2023 | Three months ended June, 2022 | Six months ended June 30, 2023 | Six months ended June 30, 2022 |
|------------------------------|--|-------------------------------------|--------------------------------------|--------------------------------------|
| | \$ | \$ | \$ | \$ |
| Short-term employee benefits | 583,750 | 468,765 | 1,260,961 | 1,044,625 |
| Share-based compensation | 61,834 | 21,576 | 703,433 | 181,830 |
| | 645,584 | 490,341 | 1,964,394 | 1,226,455 |

14. Commitments and contingencies

As at June 30, 2023, the Company did not have any right-of-use assets or lease liabilities.

The Company is, from time to time, involved in legal proceedings of a nature considered normal to its business. The Company believes that none of the litigation in which it is currently involved or have been involved with, individually or in the aggregate, is material to its consolidated financial condition or results of operations.

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

| | July 1, 2023 to June 30, 2024 |
|-----------------------|-------------------------------------|
| | \$ |
| Leases | 12,980 |
| Consulting agreements | 99,570 |
| | 112,550 |

The Company is responsible for making certain milestone payments in connection with royalty acquisitions, which become payable on certain royalty revenue or cumulative production thresholds being achieved, as follows:

| Royalty | \$ |
|-------------------------------------|-------------------|
| Limpopo ⁽¹⁾⁽³⁾ | 6,722,054 |
| Janet Ivy ⁽¹⁾⁽⁴⁾ | 1,997,130 |
| Goldlund ⁽¹⁾⁽⁵⁾ | 377,644 |
| Brits ⁽¹⁾⁽⁶⁾ | 1,250,000 |
| Bullabulling ⁽²⁾⁽⁷⁾ | 665,710 |
| Koolyanobbing ⁽⁸⁾ | 332,855 |
| El Molino ⁽⁹⁾ | 450,000 |
| Uley ⁽¹⁾⁽¹⁰⁾ | 146,456 |
| Winston Lake ⁽¹¹⁾ | 75,529 |
| Norbec & Millenbach ⁽¹¹⁾ | 18,882 |
| | 12,036,260 |

- (1) The milestone payments may be settled in either cash or common shares of the Company, at the Company's election.
- (2) The milestone payments may be settled in cash or ½ cash and ½ common shares of the Company, at the Company's election.
- (3) Milestone payments include: (i) C\$1,500,000 upon cumulative royalty receipts from Limpopo exceeding C\$500,000; (ii) C\$400,000 upon cumulative royalty receipts from Limpopo exceeding C\$1,000,000; and (iii) C\$7,000,000 upon cumulative royalty receipts from Limpopo exceeding C\$50,000,000.
- (4) A milestone payment of A\$3,000,000 due upon cumulative royalty receipts from Janet Ivy exceeding A\$750,000.
- (5) A milestone payment of C\$500,000 or issue up to a maximum of 184,399 common shares in December 2023.
- (6) Milestone payments include: (i) \$1,000,000 once 210,000t have been mined over a continuous six-month period, and (ii) a further \$250,000 once 1,500,000t have been mined over a rolling 3-year time horizon.
- (7) Milestone payments include: (i) A\$500,000 upon the Operator receiving approval of a mining proposal from the West Australian Department of Mines, Industry Regulation and Safety; and (ii) A\$500,000 upon the Company receiving first royalty revenue receipt from the Bullabulling project.
- (8) Milestone payment due upon achievement of cumulative 5Mdm of ore processed.
- (9) Milestone payment due upon registration of the El Molino royalty rights on the applicable mining title in Peru and the satisfaction of other customary completion conditions.
- (10) Milestone payment due upon commencement of commercial production.
- (11) Milestone payment due upon (i) the exercise of a separate third-party option agreement, (ii) the issuance of the royalty to the previous royalty owner, and (iii) the assignment of the royalty to Vox.

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Notes to the Unaudited Condensed Interim Consolidated Financial Statements For the three and six months ended June 30, 2023 and 2022 (Expressed in United States Dollars)

15. Supplemental cash flow information

| | Three months ended June 30, 2023 | Three months ended June, 2022 | Six months ended June 30, 2023 | Six months ended June 30, 2022 |
|--|--|-------------------------------------|--------------------------------------|--------------------------------------|
| | \$ | \$ | \$ | \$ |
| Change in accrued deferred royalty acquisitions | 12,348 | - | (45,168) | - |
| Change in accrued royalty acquisition costs | 34,943 | 29,266 | 34,943 | 29,266 |
| Change in accrued share issue costs | 271,024 | - | 271,024 | - |
| Reclassification of prepaid expenses to share issue costs | 179,043 | - | 179,043 | - |
| Share issuance for royalty milestone payments | - | - | 495,446 | - |
| Change in accounts receivable related to Wonmunna pre-acquisition royalty revenues | - | (1,414,276) | - | (1,414,276) |
| Share issuance for royalty acquisition costs | - | 11,655,770 | - | 11,655,770 |
| Warrants issuance for royalty acquisition costs | - | 1,183,086 | - | 1,183,086 |

16. Segment information

For the six months ended June 30, 2023 and 2022, the Company operated in one reportable segment being the acquisition of royalty interests.

For the three and six months ended June 30, 2023 and 2022, revenues generated from each geographic location is as follows:

| | Three months ended June 30, 2023 | Three months ended June 30, 2022 | Six months ended June 30, 2023 | Six months ended June 30, 2022 |
|--------------|--|--|--------------------------------------|--------------------------------------|
| | \$ | \$ | \$ | \$ |
| Australia | 2,047,257 | 1,125,539 | 4,866,991 | 1,867,217 |
| Nigeria | 170,127 | 625,215 | 888,010 | 1,006,210 |
| Brazil | - | - | 27,733 | 17,757 |
| USA | - | - | 15,505 | 15,505 |
| Canada | - | - | - | 315,084 |
| Total | 2,217,384 | 1,750,754 | 5,798,239 | 3,221,773 |

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

| | June 30, 2023 | December 31, 2022 |
|----------------|-------------------|----------------------|
| | \$ | \$ |
| Australia | 24,413,172 | 25,162,805 |
| USA | 2,292,638 | 2,298,515 |
| Canada | 2,318,698 | 1,942,184 |
| South Africa | 1,914,844 | 1,914,844 |
| Peru | 1,045,609 | 1,545,609 |
| Cayman Islands | 1,263,939 | 1,355,709 |
| Brazil | 623,417 | 637,338 |
| Nigeria | - | 178,205 |
| Total | 33,872,317 | 35,035,209 |

17. Income taxes

For the three and six months ended June 30, 2023 and 2022, income tax recognized in net income (loss) and comprehensive income (loss) is comprised of the following:

| | Three months ended June 30, 2023 | Three months ended June 30, 2022 | Six months ended June 30, 2023 | Six months ended June 30, 2022 |
|--------------------------------|--|--|--------------------------------------|--------------------------------------|
| | \$ | \$ | \$ | \$ |
| Current tax expense (recovery) | (25,951) | 57,155 | 153,026 | 253,863 |
| Deferred tax expense | 539,998 | 424,365 | 1,144,083 | 331,503 |
| Income tax expense | 514,047 | 481,520 | 1,297,109 | 585,366 |

Vox Royalty Corp.

Notes to the Unaudited Condensed Interim Consolidated Financial Statements For the three and six months ended June 30, 2023 and 2022 (Expressed in United States Dollars)

18. 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 six months ended June 30, 2023 and the year ended December 31, 2022.

Credit risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash and cash equivalents and royalty receivables in the ordinary course of business. In order to mitigate its exposure to credit risk, the Company maintains its cash in high quality financial institutions and closely monitors its royalty receivable balances. The Company's royalty receivables are subject to the credit risk of the counterparties who own and operate the mines underlying Vox's royalty and streaming portfolio.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. The Company's approach to managing liquidity is to ensure it will have sufficient liquidity to meet liabilities when due. In managing liquidity risk, the Company takes into account anticipated cash flows from operations and holding of cash and cash equivalents. As at June 30, 2023, the Company had cash and cash equivalents of \$11,278,440 (December 31, 2022 - \$4,174,654) and working capital of \$11,465,973 (December 31, 2022 - \$3,795,951).

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. Financial instruments that impact the Company's net income due to currency fluctuations include cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, income taxes payable and other liabilities denominated in Canadian and Australian dollars. Based on the Company's Canadian and Australian-denominated monetary assets and liabilities at June 30, 2023, a 10% increase (decrease) of the value of the Canadian and Australian dollar relative to the United States dollar would increase (decrease) net income (loss) and other comprehensive income (loss) by \$362,000.

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.

Commodity and share price risk

The Company's royalties are subject to fluctuations from changes in market prices of the underlying commodities. The market prices of precious and 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's financial results may be significantly affected by a decline in the price of precious, base and/or ferrous metals. The price of precious and base metals can fluctuate widely, and is affected by numerous factors beyond the Company's control.

Fair value of financial instruments

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

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 June 30, 2023 and December 31, 2022, the Company does not have any financial instruments measured at fair value after initial recognition, except for other liabilities, which are estimated 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.

Vox Royalty Corp.

Notes to the Unaudited Condensed Interim Consolidated Financial Statements For the three and six months ended June 30, 2023 and 2022 (Expressed in United States Dollars)

As at June 30, 2023

| | Level 1 | Level 2 | Level 3 | Total |
|-------------------|---------|---------|-----------|-----------|
| | \$ | \$ | \$ | \$ |
| Other liabilities | - | - | (324,238) | (324,238) |
| | - | - | (324,238) | (324,238) |

Level 3 Hierarchy

The following table presents the changes in fair value measurements of financial instruments classified as Level 3 as at June 30, 2023 and December 31, 2022. 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 income (loss) and comprehensive income (loss).

| | June 30, 2023 | December 31, 2022 |
|---|------------------|----------------------|
| | \$ | \$ |
| Balance, beginning of period | 601,715 | 3,327,672 |
| Change in valuation of financing warrants (Note 10) | (156,696) | (2,200,312) |
| Share-based compensation recovery on PSUs (Note 10) | (120,781) | (525,645) |
| Balance, end of period | 324,238 | 601,715 |

Capital management

The Company's primary objective when managing capital is to maximize returns for its shareholders by growing its asset base through accretive acquisitions of royalties, streams and other interests, while optimizing its capital structure by balancing debt and equity. As at June 30, 2023, the capital structure of the Company consists of \$41,202,776 (December 31, 2022 - \$35,414,448) of total equity, comprising of share capital, equity reserves, and deficit. The Company was not subject to any externally imposed capital requirements.

19. Subsequent events

On July 11, 2023, in connection with the Public Offering that closed on June 16, 2023, the underwriters exercised their over-allotment option in full, purchasing an additional 453,750 Vox common shares for further gross proceeds of \$1,089,000.

On July 28, 2023, Vox entered into a royalty sale and purchase agreement with an Australian company to acquire a portfolio of development and exploration-stage royalties located in Australia (the "**Portfolio**"). A number of the royalties are subject to a right of first refusal, a right of first offer or a consent to assignment right (together, the "**Rights**") in connection with a proposed assignment thereof, and therefore it is not yet certain how many royalties the Company will acquire at closing, if any. The aggregate purchase price for the Portfolio consists of cash and non-cash consideration, cash consideration being (i) up to A\$8,000,000 payable at closing, subject to reduction if any of the Rights are exercised, and non-cash consideration being (ii) providing ongoing royalty-related services to the vendor from Vox's proprietary database of royalties.

On August 10, 2023, the Board of Directors of the Company declared a quarterly dividend of \$0.011 per common share payable on October 13, 2023 to shareholders of record as of the close of business on September 29, 2023.