

Vox Royalty

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Vox Royalty strikes deal to acquire royalty on Bushveld's high-grade vanadium project

Vox Royalty Corp (CVE:VOX) is acquiring a 1.75% gross sales royalty on Bushveld Minerals Limited's (LON:BMN) high-grade vanadium project (Brits) in South Africa, it said Wednesday.

The company has struck a deal with Sable Metals and Minerals Pty Ltd to acquire the royalty for US\$2 million, giving it exposure to a near-term production asset located right next to Bushveld's producing Vametco mine and processing facility.

Brits boasts an aggregate inferred and indicated resource distributed across three seams of 66.8 million tons at 1.6% V₂O₅ in-magnetite.

READ: Vox Royalty expects ramp-up in revenue in coming quarters as it grows its portfolio

Bushveld, one of only three companies to primarily produce vanadium, sees Brits as being an essential part of its plan to increase its output by providing additional ore feed to Vametco.

"Vox is excited to add this world-class, near-term production asset to its growing royalty portfolio," Vox's executive vice president (Australia) Riaan Esterhuizen told shareholders in a statement.

"With the Brits resource being located immediately adjacent to the Vametco Mine, we expect that any future development will require minimal capital expenditure with Brits a ready ore source for Bushveld's significant production growth plans. We look forward to further updates from Bushveld as they progress the Vametco and Vanchem ramp-up projects; both of which could act as a catalyst to the commencement of production from the Brits property."

The Brits royalty covers the Uitvalgrond Portion 3 property, which is located around 3.5 kilometres east of the Vametco vanadium processing facility and hosts the contiguous outcropping eastern strike extension of the open-pit Vametco mine.

Production guidance

Bushveld's 2020 production guidance for Vametco posits output of between 2,700 million tons (MT) to 2,850 MT vanadium, with plans for a production ramp-up to 4,200 MT per annum, subject to a definitive feasibility study; and 2020 guidance for Vanchem of 960 MT to 1,100 MT, which is currently being ramped-up to just under 4,200 MT per annum.

To maintain 2020 production levels of around 3,950 MT, the Vametco operation requires approximately 1.7 MT per annum run-of-mine mill feed while the potential expansion to around 8,400 MT would require an additional 1.9 MT per annum of ore feed.

As laid out on the term sheet, Vox will pay an upfront cash fee of US\$500,000 and US\$250,000 in Vox shares. Two

Price: 3

Market Cap: \$98.88 m

1 Year Share Price Graph



Share Information

Code: VOX

Listing: TSX-V

52 week	High	Low
	4.3	2.2

Sector: Mining

Website: www.voxroyalty.com

Company Synopsis:

Vox is a high growth mining royalty and streaming company with a portfolio of over 40 royalties and streams spanning seven jurisdictions. The company was established in 2014 and has since built unique intellectual property, a technically focused transactional team and a global sourcing network which has allowed us to become the fastest growing royalty company in the sector.

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further milestone payments - US\$1 million once 210,000 tons are mined over a continuous six-month period and a further US\$250,000 once 1.5 million tons are mined over a rolling three-year time horizon - are payable, in cash or shares, at the company's discretion.

Under South African law, annual royalty payments are capped at ZAR9.62/t (approximately C\$0.82 per ton) milled, escalated annually by the South African Consumer Price Index. Vox estimates that the current royalty cap escalated to 2020 terms is equivalent to approximately C\$1.03/t milled.

The transaction is expected to close in December.

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