

METALLA ROYALTY & STREAMING LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Six Months ended November 30, 2016

Metalla Royalty & Streaming Ltd.

Management's Discussion & Analysis Six months ended November 30, 2016

The following is Management's Discussion and Analysis ("MD&A") of the activities, financial condition and results of operations of Metalla Royalty & Streaming Ltd. ("Metalla", or the "Company") to enable a reader to assess the financial condition and results of operations of the Company for the six months ended November 30, 2016. This MD&A has been prepared as at January 30, 2017 unless otherwise indicated. This MD&A should be read in conjunction with our unaudited interim financial statements and notes related thereto for the six months ended November 30, 2016 (the "Interim Financial Statements") and our consolidated annual financial statements and notes related thereto for the year ended May 31, 2016 (the "Annual Financial Statements"), which have been prepared in accordance with accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. All monies are expressed in Canadian dollars unless otherwise indicated. Additional information relevant to the activities of the Company, including press releases has been filed electronically through the System for Electronic Document Analysis and Retrieval ("SEDAR") at www.sedar.com.

CAUTIONARY NOTE

This document contains or refers to forward-looking information. Such forward-looking information includes, among other things, statements regarding targets, estimates and/or other conditions, and is based on current expectations that involve a number of business risks, uncertainties and assumptions. Factors that could cause the Company's actual results to differ materially from any forward-looking statements include, but are not limited to: exploration and development costs varying significantly from estimates; inflation; fluctuations in commodity prices; delays in development of any project *caused* by unavailability of equipment, labour or supplies, climatic conditions or otherwise; failure to raise additional funds required to finance the completion of a project and other factors. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. These forward-looking statements are made as of the date hereof and we assume no responsibility to update them or revise them to reflect new events or circumstances, except as required by law.

COMPANY OVERVIEW

Metalla (Toronto CSE:MTA, Frankfurt:X9CP, and OTCQB:EXCFF) was incorporated on May 11, 1983 pursuant to the Company Act (British Columbia) under the name Cactus West Explorations Ltd. The Company was extra-provincially registered in the Province of British Columbia on May 30, 2000 and on February 20, 2007 the Company completed a change of business transaction pursuant to which it changed its name to Excalibur Resources Ltd. The Company was registered in the Province of Ontario on January 24, 2011. On November 22, 2016, Company's name was changed to Metalla Royalty & Streaming Ltd., to better describe the business of the Company.

Metalla is a precious metals royalty and streaming company engaged in the acquisition and management of precious metal royalties, streams and similar production-based interests. Previously, the Company was focused on the discovery, development, mining and ore trading of economically viable precious and base metal mineral resources.

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Fiscal 2017 STRATEGY AND OBJECTIVES:

- Identify, evaluate and acquire new production-based and other cash flow generating projects
- raise additional funds to acquire cash flow generating projects and meet corporate overhead financial obligations

PERIOD HIGHLIGHTS:

OPERATIONS – see *Royalty Interests*

- Acquired a secured 2% Net Smelter Royalty (“NSR”) Interest from Orefinders Resources Inc. (“Orefinders”)
- Acquired an unsecured Royalty Interest from Orefinders, capped at \$105,000, in return for cash and Orefinders’ common shares
- Acquired additional Royalty Interests from Orefinders on potential future revenues
- Acquired 3 NSRs from International Explorers & Prospectors Inc. (“IEP”), including: 1% NSR granted by Goldcorp on the Hoyle Pond extension property; an NSR up to 1.5% granted by Tahoe Resources on the West Timmins extension property; and a 1.5% NSR assumed by Osisko Mining on the Desantis properties.

FINANCIAL AND CORPORATE

- The Company acquired High Stream Corp., a specialty streaming and royalty finance company (“High Stream”)
- Brett Heath, Managing Director of High Stream became President and a director of Metalla
- The following matters were approved at the Company’s Annual General and Special Meeting of Shareholders held on November 22, 2016: a consolidation of the Company shares (one new for up to three old), a change of Company name to Metalla Royalty & Streaming Ltd., and approval for the issuance of shares representing up to 100% of shares outstanding
- The Company granted two tranches of options to directors, officers and consultants: 5,300,000 (pre-consolidated) five-year options with an exercise price of \$.07 per common share and 3,600,000 (pre-consolidated) five-year options with exercise prices of \$0.10 and \$0.11 per common share – **see *Capital Resources***
- A shareholder provided a short-term loan of \$500,000 as for the loan to Orefinders
- The Company completed a private placement with the issuance of 23,717,900 (pre-consolidated) units consisting of one common share and one half share purchase warrant. Total consideration for the \$0.10 units included cash, conversion of loans and payment in exchange for services provided by a consultant. **See *Capital Resources***

OVERALL PERFORMANCE – Financial position, operating results and cash flows

Financial Position

In this period, Management was able to realize on its reshaped corporate strategy by adding certain Royalty Interests to its production-based asset portfolio.

At period end, the Company had \$553,761 (May 31, 2016 - \$4,101) cash to service total liabilities of \$765,416 (May 31, 2016 - \$296,837) and had accumulated losses of \$22,395,026 (May 31, 2016

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- \$20,853,292). The Company has no long-term debt. Cash was generated by borrowing in the form of short-term loans and from the proceeds of a significant private placement. **See *Liquidity and Capital Resources***.

In August, the Company purchased the Company's first Royalty Interests on the Mirado Mine located in Kirkland Lake. **See *Royalty Interests***

In September, the Company acquired High Stream and its principal owner was engaged as President and a director of Metalla. Terms of the acquisition included the issuance of up to 10,000,000 (pre-consolidation) shares which would be issued in 3 tranches, once certain performance targets were achieved. To date, the Company has issued 3,000,000 common shares (valued at \$300,000) to the High Stream shareholders.

In November, the Company successfully acquired three more NSRs from IEP. Total consideration paid for the interests was a combination of cash and shares. **See *Royalty Interests***.

Operating Results – Six months ended November 30, 2016 and 2015

Expenditures and general corporate costs increased significantly due to higher level of activity in identifying and acquiring the Company's first Royalty Interests. The Annual and General Meeting of Shareholders took place during this period increasing the printing costs and transfer agent fees. Adding staff resulted in higher management expenses, travel costs and promotion and IR expenditures. Management sought legal counsel for the Royalty Interest acquisitions, engagement of Mr. Heath, preparation of AGM materials and therefore legal costs were significant but required. Office costs remain low but Management is exploring the idea of renting an office in order to properly house the administrative documentation and records required to be maintained by a public company.

On the revenue side, a copper ore trade netted the company \$15,040 in Q1 of the prior year, whereas this year Management is focusing on realizing cash flow from one or more royalty-based income streams. This revenue offset and improved the prior year's bottom line.

Cash Flows

During the six months ended November 30, 2016, Management was successful in completing a private placement that netted more than \$2,200,000 cash to the Company treasury and securing \$500,000 in short term debt. Both these measures afforded Management the opportunity to purchase more than \$3,000,000 of Royalty Interests, repay certain debt and meet the ongoing public company costs.

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SELECTED PERIOD INFORMATION

Financial Position	Nov. 30, 2016 (\$)	May 31, 2016 (\$)
Cash	553,761	4,101
Prepaid expenses and sundry receivables	7,462	19,194
HST receivable	10,530	11,774
Investment	300,000	-
Royalty interests	3,000,000	-
Total assets	3,871,752	35,069
Total liabilities	765,416	296,837
Deficit	(22,495,026)	(20,853,292)
Operating Results	Three months ended Nov. 30, 2016 (\$)	Three months ended Nov. 30, 2015 (\$)
General and administrative	190,769	46,215
Evaluation expenses	14,384	(3,028)
Warrants expense	611,387	-
Stock-based compensation expense	294,225	-
Loss from operations before other items	1,110,765	43,187
Other income	-	(5,000)
Interest expense	26,473	3,690
Foreign exchange (gain) loss	48	13,023
Net loss and comprehensive loss	1,137,286	55,170
Operating Results	Six months ended Nov. 30, 2016 (\$)	Six months ended Nov. 30, 2015 (\$)
General and administrative	253,765	89,687
Evaluation expenses	14,384	32,342
Warrants expense	774,076	-
Stock-based compensation expense	569,028	-
Loss from operations before other items	1,611,253	122,029
Other income	-	(20,040)
Interest expense	30,399	7,767
Foreign exchange (gain) loss	82	12,808
Net loss and comprehensive loss	1,641,734	122,5648
Loss per share (post-consolidation)	\$0.052	\$0.004

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Cash flows	Six months ended Nov. 30, 2016 (\$)	Six months ended Nov. 30, 2015 (\$)
Net loss from continuing operations	(1,641,734)	(122,564)
Items not affecting cash and net changes in non-cash working capital other than stock-based compensation expense and warrants expense	95,055	(31,221)
Stock based compensation and warrants expenses	1,343,104	-
Cash used in operating activities	(203,575)	(153,785)
Royalty interests acquisitions	(2,000,000)	-
Cash used in investing activities	(2,000,000)	-
Proceeds from subscription receipts	-	40,000
Proceeds (net) from private placement	2,253,235	-
Short-term loan	500,000	-
Cash provided by financing activities	2,753,235	40,000
Net change in cash	549,660	(113,785)
Cash, beginning of year	4,101	119,198
Cash, end of year	553,761	5,413

RESULTS OF OPERATIONS**Quarter Financial Review**

For the six months ended November 30, 2016, corporate costs in general were higher than those of the prior year due to significantly increased operations activity. Management fees were doubled as Mr. Heath was added to the compensation base. Legal fees of \$54,862 were incurred to complete the High Stream corporate acquisition and for review and guidance on the acquisition of the numerous Royalty Interests acquired during the period. Both the President and Chairman aggressively resumed IR and development-related activities in a) sourcing out prospective royalty and streaming projects and b) attending meetings, investment shows and making presentations to identify and secure capital to pay for prospective acquisitions. Entry fees, travel costs and meeting expenses contributed to the more than \$30,000 spent in this expense category. The AGM in November cost more than \$7,000 to prepare and mail information circulars and proxies to our many shareholders. In anticipation of acquiring some international streaming deals on a tax effective basis, the Company incorporated a subsidiary in the Cayman with a cost of almost \$20,000. Interest expense of \$22,000 was recorded for interest on the \$500,000 borrowed to purchase the Company's first Royalty Interest. Finally the granting of stock options and issuance of warrants resulted in recording a sizable share-based compensation and warrants expense in this year's Q2. No stock options or warrants were granted or issued in the prior year.

Cash flows for the six months ended November 30, year over year differ significantly. The Company paid \$2,000,000 in cash for acquiring its first Royalty Interests and these purchases were funded from \$2,253,235 realized from a private placement with the issuance of 23,717,900 (pre-consolidated) Units and the borrowing of \$500,000, in the form of short-term debt. In the same

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period in the prior year Management was actively sourcing out prospective projects to acquire but was not able to secure the financing needed to do so.

Project Review –

New Streaming and Royalty Opportunities

Canada

a) On August 23, 2016, the Company acquired a 2% royalty on the Mirado mine project ("Mirado") located in Kirkland Lake, Ontario, from Orefinders Resources Inc. ("Orefinders"). A \$450,000 secured, one-year debenture was provided in return for a financing bonus of \$180,000 plus 1.5 million common shares of Orefinders', valued at \$90,000. In addition to the debenture, the Company made an investment of \$50,000 in return for an unsecured royalty capped at a maximum of \$105,000, payable out of Orefinders' profits from processing the stockpile, after paying all processing costs and repayment of the Loan. The acquisition proceeds will be used primarily as deposits on the trucking and milling contracts for the project.

In addition, the Company also acquired i) a 2% net smelter royalty with total proceeds to be capped at \$1,000,000 on revenues from Orefinders' potential future production called Phase Two, ii) the right to acquire a 1% net smelter royalty during the life of Mirado for an additional \$2,000,000 after Orefinders attains commercial production and iii) a right of first refusal to provide any future stream financing component to Orefinders on its possible future Phase Two production from expansion of the open pit once a PEA has been completed and provided the financing is on reasonable and competitive commercial terms consistent with industry standards. Orefinders may elect, at its option, to buy out 1% of the prior net smelter royalty for the sum of \$1,000,000.

Metalla is funding these investments through a one-year, \$500,000 loan plus a \$250,000 financing fee, 1 million Orefinders shares and 2.5 million five-year Metalla warrants at \$0.15. The Company also borrowed \$50,000 from a shareholder for one month, (which was repaid on September 30, 2016) for 250,000 warrants for 5 years at \$.015. See *Capital Resources*.

b) On November 18, 2016, the Company acquired the following royalties:

i) 1% NSR granted by Goldcorp on the Hoyle Pond Extension Property:

The Hoyle Pond mine has been in production since 1985 and represents one of the highest grade mines in Ontario averaging a grade of over 14 grams per ton since 2011 on its portion of the extension property. Production over the last four years has averaged 150,000 – 160,000 ounces of gold (Au) annually. The NSR will cash flow once 500,000 ounces have been produced.

ii) an NSR of up to a 1.5% granted by Tahoe Resources on the West Timmins extension properties subject to a buyback of 0.75% for \$750,000:

The West Timmins mine is owned and operated by Tahoe Resources. Production in Timmins has averaged over 140,000 ounces of gold (Au) annually since 2014. The royalty will cash flow immediately once the company mines on the extension property.

iii) a 1.5% NSR on the Desantis properties assumed by Osisko Mining with a buyback of 0.5% for \$1 million. Osisko Mining recently purchased the property from Excellon Resources which is a former producing operation that contains a historical resource.

Total consideration for these royalties includes \$6,000,000 cash and \$4,000,000 in shares of Metalla. To date the Company has delivered \$1,500,000 and \$1 million in shares (10,000,000 pre-consolidation

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shares). The balance of the purchase price will be paid upon production milestones being achieved by the operators of the mines.

Peru

Through the Company's efforts in Peru, it connected with a private producing gold mine looking for expansion capital. With the assistance of a metal streaming consultant, this mine accepted Metalla's non-binding letter of intent to purchase 5% of its gold production for US\$5 million subject to financing. This consultant offered to work together on a pipeline of similar streaming deals, hence, the acquisition of his company, High Stream Corp. on September 1, 2016.

ADDITIONAL DISCLOSURE FOR VENTURE COMPANIES WITHOUT SIGNIFICANT REVENUE

In the 2016 reporting period, \$14,384 (2015 - \$32,342) was expended for evaluation fees associated with due diligence on one or more projects that were not pursued. Fees of \$13,500 were satisfied with the issuance of 135,000 (pre-consolidated) shares. In 2015, this expense covered fees and travel costs for geological and other consultants incurred to review foreign projects. The Company continues to transition away from exploration to becoming a royalty and streaming focused mining financing company.

SEGMENTED INFORMATION

At November 30, 2016 and 2015, the Company has one operating and reporting segment being the acquisition and management of precious metal royalties, streams and similar production-based interests.

SUMMARY OF QUARTERLY RESULTS

Selected Period Information	Q2-2017	Q1-2017	Q4-2016	Q3-2016
	\$	\$	\$	\$
Profit on sale of copper ore	-	-	-	-
Other income	-	-	2,000	-
Interest income (expense)	(30,399)	(3,926)	(6,719)	(1,427)
Expenses	(1,611,253)	(500,487)	(34,033)	(45,957)
Net loss	(1,641,734)	(504,447)	(38,748)	(45,957)
Deficit, end of Quarter	(22,495,026)	(21,357,740)	(20,853,292)	(20,814,555)
Loss per share ⁽¹⁾	\$0.05	\$0.01	\$0.00	\$0.00

Selected Period Information	Q2-2016	Q1-2016	Q4-2015	Q3-2015
	\$	\$	\$	\$
Profit on sale of copper ore	-	15,040	-	-
Other income	5,000	-	-	-
Interest income (expense)	(3,960)	(3,807)	-	-
Expenses	(43,187)	(88,655)	4,942,063	93,233
Net (loss) gain	(55,170)	(67,383)	(4,949,490)	(83,906)
Deficit, end of Quarter	(20,768,598)	(20,713,428)	(20,646,034)	(15,696,544)
Loss per share ⁽¹⁾	\$0.00	\$0.00	\$0.06	\$0.00

(1) Basic and diluted loss per share are equal

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LIQUIDITY, CAPITAL RESOURCES AND BUSINESS PROSPECTS

The Company's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to meet its working capital needs and ultimately become cash flow positive. Historically the Company has been successful in meeting this objective by completing private placements and through the exercise of warrants. During the reporting period, the Company completed a \$2,371,790 equity financing with the issuance of 23,717,900 Units (pre-consolidation) at \$0.10 per unit. Each Unit consists of one common share and one half warrant to purchase one share at \$0.15 (pre-consolidation). This included cash proceeds of \$2,253,235 and the conversion of \$100,000 of short-term debt and the payment of \$13,500 consulting fees through the issuance of 135,000 common shares. The Company is still carrying \$663,770 of short-term loans with interest accruing at rates of 12% and 15%.

These financings have allowed the Company to pay debt, meet the ongoing public company general and administrative costs and acquire its first Royalty Interests.

In July, the Company granted a total of 5,300,000 five-year stock options to purchase common shares of the Company at \$0.07. Management views this granting as a tool to recruit and retain key employees and consultants and as a viable means of raising capital from their future exercise. This granting resulted in a share-based compensation expense of \$274,803 being recorded in the interim statement of loss and comprehensive loss and in the interim statement of financial position as an addition to contributed surplus. This fair value was calculated based on a Black-Scholes pricing model. See *Warrants, Share Capital and Stock Options*.

In November, Metalla completed the acquisition of three NSRs from IEP. Further, the Company granted 3,600,000 (pre-consolidated) five-year stock options to purchase common shares of the Company at \$0.11. This granting resulted in \$294,225 being recorded as share based compensation expense and in the interim statement of loss and comprehensive loss and in the interim statement of financial position as an addition to contributed surplus. This fair value was calculated based on a Black-Scholes pricing model. See *Warrants, Share Capital and Stock Options*.

The Company will continue to be financing-dependent until achieving positive cash flow from operations. Management is hopeful that it will continue to be able to raise sufficient cash to fund its operations in the future through positive cash flow from royalty and streaming operations, equity financings, the exercise of options and warrants, and debt, but there is no assurance of successful financing efforts.

Commitments and Contingencies

At November 30, 2016:

- a) The Company owes \$663,770 in short term loans. These loans bear interest rates from 12% – 15%. Terms of these loans are fully described in the Interim Financial Statements.
- b) Pursuant to the terms of the Agreements to acquire certain Royalty Interests, the Company may have the option and/or is obliged to make provide additional consideration for existing or other Royalty Interests. **See Royalty Interests**

CAPITAL STOCK, WARRANTS AND STOCK OPTIONS

Capital Stock -

The Company is authorized to issue an unlimited number of common shares without par value.

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Issued and outstanding common shares at November 30, 2015 and 2016 are as follows:

	Number of Shares	Value
Balance - May 31, and November 30, 2015	82,924,831	\$16,719,348
Shares issued for private placement (note 7(i))	7,125,000	142,500
Shares issued for conversion of loan (note 7(i))	2,875,000	57,500
Balance - May 31, 2016	92,924,831	\$16,919,348
Shares issued for acquisition (note 7(iii))	3,000,000	300,000
Shares issued for royalty (note 7(iv))	10,000,000	1,000,000
Shares issued for private placement (note 7(v))	22,582,900	2,053,235
Shares issued on conversion of loan and payment for services (note 7(v))	1,135,000	313,500
Consolidation of common shares 3:1	(86,428,487)	-
Balance - November 30, 2016	43,214,244	\$20,586,083

Warrants -

The following summarizes the outstanding warrants for the six months ended November 30, 2015 and 2016 ⁽¹⁾:

	Number of Warrants	Weighted Average Exercise Price \$	Estimated Fair Value at Date of Grant \$
Balance - May 31, and November 30, 2015	4,500,000	0.15	156,053
Expired	(4,500,000)	(0.15)	(156,053)
Balance - May 31, 2016	-	-	-
Issued (note 8(ii)(iii)(iv))	3,750,000	0.15	162,689
Issued (note 8(v))	11,935,950	0.15	511,387
Consolidation 3:1	(10,457,300)	-	-
Balance - November 30, 2016	5,228,650	0.45	674,076
<u>Number of Warrants Outstanding</u>	<u>Exercise Price</u>		<u>Expiry Date</u>
833,334	\$0.45		August 11, 2021
83,333	\$0.45		August 30, 2021
333,333	\$0.45		September 19, 2021
3,978,650	\$0.45		November 30, 2018
5,228,650	\$0.45		

Stock Options -

The Company maintains a Stock Option Plan (the "Plan") for the benefit of directors, officers, employees and consultants. The maximum number of common shares reserved for issuance with respect to the Plan cannot exceed 10% of the issued and outstanding common shares of the Company at the date of grant. Stock options granted generally vest immediately.

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The following summarizes the stock option activities during the six months ended November 30, 2015 and 2016:

	Number of Options #	Weighted Average Exercise Price \$
Balance - May 31, 2015	4,600,000	0.15
Expired or cancelled (note 8(i))	(200,000)	0.15
Balance - November 30, 2015	4,400,000	0.14
Expired or cancelled (note 8(ii)(iii))	(500,000)	0.14
Balance - May 31, 2016	3,900,000	0.14
Granted (note 8(iv))	5,300,000	0.07
Granted (note 8(v))	3,600,000	0.11
Consolidation 3:1	(8,533,333)	(0.09)
Options outstanding at November 30, 2016	4,266,667	0.30

Number of Exercisable Options	Exercise Price \$	Expiry Date	Estimated Fair Value At the date of grant \$
300,000	0.36	February 1, 2017	77,850
66,667	0.75	March 15, 2018	61,997
733,333	0.36	February 28, 2019	197,209
100,000	0.36	May 22, 2019	21,663
100,000	0.36	May 30, 2019	20,380
1,766,667	0.21	July 15, 2021	274,803
1,200,000	0.33	Nov. 30, 2021	294,224
4,266,667			

OFF BALANCE SHEET ARRANGEMENTS

The Company currently has no off balance sheet arrangements or obligations.

PROPOSED TRANSACTIONS

The Company has no immediate intent to acquire any additional, or dispose of, any asset of the Company, however, from time to time the Company may acquire or dispose of assets depending on results, opportunities, the competitive nature of the business and the ability to finance.

ASSESSMENT OF RECOVERABILITY OF DEFERRED INCOME TAX ASSETS

In preparing its Consolidated Financial Statements, the Company is required to estimate its income tax obligations. The process involves estimating the actual tax exposure together with assessing temporary differences resulting from differing treatment of items for tax and accounting purposes. The Company assesses, based on all available evidence, the likelihood that the future income tax assets will be recovered from deferred taxable income and, to the extent that recovery cannot be considered "more likely than not", a valuation allowance is changed in a period, an expense or benefit must be included within the tax provision on the income statement.

ASSESSMENT OF RECOVERABILITY OF GST/HST RECOVERABLE

The carrying amount of GST/HST recoverable is considered representative of its respective value. The Company assesses the likelihood that these receivables will be recovered and, to the extent that recovery is considered doubtful a provision for doubtful accounts is considered.

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RELATED PARTY TRANSACTIONS

Related parties include the Board of Directors, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions. Transactions with related parties are incurred in the normal course of business.

During the six months ended November 30, 2016:

- (i) Management fees of \$124,088 (2015 - \$64,000) plus applicable taxes were paid or accrued to officers of the Company for consulting services rendered. Included in accounts payable and accrued liabilities at November 30, 2016 is \$3,390 (2015 - \$2,260) owed to the above related parties.
- (ii) During the six months ended November 30, 2016, the Chairman paid \$12,420 owing to the Company for the issuance of 621,000 common shares as a participant of the private placement that closed on May 6, 2016.

During the three months ended November 30, 2016:

- (i) Management fees of \$91,088 (2015 - \$32,000) plus applicable taxes were paid or accrued to officers of the Company for consulting services rendered.

KEY EXECUTIVE COMPENSATION

The Company has identified its directors and officers as its key management personnel. Directors receive no directors' fees compensation.

The Compensation cost for key management personnel during the six months ended November 30, 2016 and 2015 is as follows:

	2016	2015
	\$	\$
Management consulting fees	124,088	64,000
Stock-based compensation	383,028	-
	507,116	64,000

FINANCIAL INSTRUMENTS AND RELATED RISKS

The Company manages capital and its exposure to financial risks by ensuring it has sufficient financial capacity to support its short-term activities and long-term growth strategy.

The Company is subject to various financial risks that could have a significant impact on its financial condition and the Company's ability to advance its projects. These risks include liquidity risk, credit risk, fair value of financial instruments, currency risk and global financial market conditions relating to interest rates and mineral commodity prices.

Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in realizing assets, discharging liabilities or otherwise raising funds to meet commitments associated with financial instruments. As it has no guaranteed source of income, the Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to discharge its liabilities as they come due. As previously noted, there can be no assurance that it will be successful in its efforts to arrange additional financing, in amounts required to satisfy the Company's operational needs, on terms satisfactory to the Company.

Credit Risk

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Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company is not exposed to credit risk attributable to customers. Additionally, the Company's cash is held at highly-rated Canadian financial institutions. Management considers the risk of loss due to credit risk as remote.

Fair Value of Financial Instruments

The carrying value of the Company's financial instruments approximates their fair values due to the relatively short periods to maturity of these instruments. Fair value estimates are made at a specific point in time, based on relevant market information and information about financial instruments. These estimates are subject to and involve uncertainties and matters of significant judgment, therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

Currency Risk

Currency risk is the risk that the fair value of, or future cash flows from the Company's financial assets, will fluctuate because of changes in foreign exchange rates. The Company continues to fund expenditures in US dollars converted from Canadian dollar wire transfers. The Company is therefore subject to gains and losses that may arise due to fluctuations in US dollar against the Canadian dollar which is the Company's functional currency. As at period end, the Company had minimal currency risk exposure.

Global Financial Market Conditions

Events and conditions in the global financial markets will continue to impact commodity prices, interest rates and currency rates. These conditions, as well as market volatilities, may have a positive or negative impact on the Company's operating costs, expenditures and investments.

CRITICAL ACCOUNTING ESTIMATES

The preparation of the Company's Annual Financial Statements under IFRS requires Management to make certain estimates and assumptions that affect the amounts reported in the Annual Financial Statements. The accounting estimates considered to be significant are the valuation of the Company's resource assets and equity instruments. While Management believes that these estimates and assumptions are reasonable, actual results could vary significantly. *See note 4 in the Annual Financial Statements.*

RISKS AND UNCERTAINTIES ASSOCIATED WITH MINING-RELATED OPERATIONS

The Company's common shares should be considered highly speculative due to the nature of its business, the present stage of its development and the location of its operations. The business of the Company is subject to a variety of risks and uncertainties including those listed below. These risk factors are not a definitive list of all risk factors associated with an investment in the Company or in connection with the Company's operations and any of these risk elements could have a material adverse effect on the business of the Company.

Capital Requirements

Metalla will require significant capital in order to fund its operating costs, future indebtedness and to invest in any project. The Company has no significant revenues and is wholly reliant upon outside sources to fund all of its capital requirements.

Management remains optimistic about identifying and securing sufficient funding to continue operating as a going concern but there can be no assurance of this.

Metalla Royalty & Streaming Ltd.

Management's Discussion & Analysis
Six months ended November 30, 2016

Exploration, Development and Operating Risk

Mineral exploration and development involves many risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. Operations in which the Company has a direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration and development, any of which could result in work stoppages, damage to the property, and possible environmental damage. Mining involves a high degree of risk and few properties that are explored are ultimately developed into producing mines.

Management is focusing its efforts on projects generating cash flow and those closest to being cash flow positive but there is no guarantee that the Company will be profitable in the future.

Title

Title to mineral properties may be subject to unregistered prior agreements or transfers, and may also be affected by undetected defects or the rights of indigenous peoples.

Management believes it has taken the steps necessary to verify the title to the mineral properties in which it has or has a right to acquire an interest in accordance with industry standards for the current stage of exploration and development of such properties, however these procedures do not guarantee title.

Government Regulation and Foreign Country Risk

Management is currently focusing on royalty and streaming transactions in order to achieve a predictable and self-sustaining cash flow. By its very nature, development in a foreign jurisdiction bears certain risks such as potential economic and political instability. Other changes that can occur include a change of government that may void or change the laws and regulations that the Company is relying upon.

Management mitigates government regulation and foreign country risk by a) collecting and sharing information with other junior mining company managements regarding various economic and political climates and by b) engaging local professionals to advise the Company of any proposed change to the laws and regulations that could significantly impact the financial results of the Company.

Environmental Matters

Existing and possible future environmental legislation, regulations and actions could cause significant expense, capital expenditures, restrictions and delays in the activities of the Company, the extent of which cannot be predicted and which may well be beyond the capacity of the Company to fund. The Company's right to exploit any mining properties will be subject to various reporting requirements and to obtaining certain government approvals and there can be no assurance that such approvals, including environment approvals, will be obtained without inordinate delay or at all.

Management is unaware of any current environmental issues related to any of its projects.

Commodity Prices

The price of the Company's common shares, its financial results, investment activities have been or may in the future be adversely affected by declines in the price of gold and/or other metals. Gold prices fluctuate widely and are affected by numerous factors beyond the Company's control. The effect of these factors on the price of precious and base metals, and therefore the economic viability of the Company's projects, cannot accurately be predicted.

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As Metalla does not have a hedging policy and has no present intention to establish one, the Company has no protection from declines in mineral resource prices.

OUTSTANDING SHARE DATA (on a post-consolidation basis)

As at	Nov. 30, 2016	May 31, 2016
Issued shares outstanding	43,214,244	30,974,944
Stock options outstanding	4,266,667	1,300,000
Warrants outstanding	5,228,650	-
Total Share Capital – Common Shares - Fully Diluted	52,709,561	32,274,944

OUTLOOK**Metalla's Strengths:**

- seasoned management team to identify, evaluate, manage and finance royalty and streaming transactions

Metalla's Challenges:

- raising capital in volatile capital markets from investors averse to risk and to the junior mining sector
- achieving positive results from diverse royalty and streaming financing activities
- dependent on buoyant gold, silver and copper prices to attract and maintain investor support
- identifying and financing additional projects to expand its asset base