MANAGEMENT'S DISCUSSION AND ANALYSIS

Nine Months ended February 28, 2017

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 nine months ended February 28, 2017. This MD&A has been prepared as at April 28, 2017 unless otherwise indicated. This MD&A should be read in conjunction the unaudited interim financial statements and notes related thereto for the nine months ended February 28, 2017 (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:X9CN, 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. Effective February 22, 2016, the Company's name was changed to Metalla Royalty & Streaming Ltd., to better describe the business of the Company.

The head office and principal address is located at 8 King St. East, Ste. 1010, Toronto, Ontario, M5C 1B5.

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.

Fiscal 2017 STRATEGY AND OBJECTIVES:

- Identify, evaluate and acquire new production-based royalty and streaming 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*

- Signed a binding agreement with a private company to purchase five net smelter royalties ("NSRs") on properties located within or proximal to four established mining camps in Ontario***. See Royalties Update***
- Management continues to identify and pursue well-known funded juniors and major gold producers that are synergistic with the Company's new royalty and streaming strategy.

FINANCIAL AND CORPORATE

- Metalla commenced trading its shares on the OTCQB Venture Marketplace under the symbol "EXCFF" to reach a broader investor base.
- Effective December 6, 2016, the Company changed its name to Metalla Royalty & Streaming Ltd. (from Excalibur Resources Ltd.), and consolidated its issued and outstanding common shares to facilitate the Company's ability to meet share price requirements of a possible dual-listing or up-listing onto a senior Marketplace or Exchange.
- On February 13, 2017, the Company announced the arrangement of a private placement financing for the issuance of up to 14,000,000 units ("Units") at $0.50 per Unit for total gross proceeds of up to $7,000,000. (the "Offering"). ***See Liquidity and Capital Resources***
- On March 1, 2017, the Company added two independent directors to the Board. Their strong technical and financial backgrounds should provide keen oversight to the policies and activities of the Company
- In March-April the Company raised more than $4.4 Million in equity

OVERALL PERFORMANCE – Financial position, operating results and cash flows

Financial Position

Management continued to execute on its reshaped corporate strategy by adding certain Royalty Interests to its production-focused asset portfolio and post quarter end close over $4.4 million to facilitate pending royalty and streaming acquisitions and provide working capital.

At period end, the Company had $1,566,791 (May 31, 2016 - $4,101) cash to service trade payables and other loans of $627,967 (May 31, 2016 - $196,837). On March 6, 2017 proceeds of $450,000 were received from the Orefinders royalty loan and used on March to repay the majority of the $500,000 shareholder loan. The Company also recorded $1,380,718 (May 31, 2016 - $100,000) as subscription receipts for private placement proceeds tendered in advance of the closing which was completed subsequent to period end. To date the Company has accumulated losses of $23,008,675 (May 31, 2016 - $20,853,292). ***See Liquidity and Capital Resources.***

Prepaid expenses increased from May 31, 2016 due to annual fees paid for the OTCQB listing, SEDAR and insurance, in advance. For further information related to acquisition of the $3,000,000 of Royalty Interests acquired during the period, ***see Project Review***.

Operating Results – Nine months ended February 28, 2017 and F2016

On the expenditures side, general corporate costs increased significantly due to higher level of activity in identifying and acquiring the Company's first Royalty Interests in Canada. The Annual and General Meeting of Shareholders took place during this period and the printing costs and transfer agent fees for this event were increased due to the name change and consolidation. Higher management expenses resulted from the hiring of Mr. Heath as a President, as well as travel costs marketing and investor relations expenditures. Legal costs will be a significant ongoing expense under the new royalty and streaming strategy for due diligence, execution and structuring of investments. While office and general expenses remained low, year-over-year, Management will be budgeting for new office space and potentially added staff to meet the Company's expanded administrative and corporate needs, once the Company is closer to being cash flow positive.

More particular:

- Management fees increased significantly by US$12,500 (C$16,667) monthly for the new President's compensation
- The new President's agreement provides for the issuance of common shares as certain performance targets are achieved. During the reporting period,1,000,000 pre-consolidation common shares were issued for the acquisition of Mr. Heath's company with an assigned market value of $300,000, which was expensed on the statement of loss
- Share-based compensation and warrants expense totaling $1,343,104 is the assigned value for stock options granted in July and November 2016, compensation warrants to Lenders and the issuance of warrants that formed part of the Units subscribed for in the private placement completed in November 2016.
- Management incurred costs of approximately $20,000 monthly for extensive marketing efforts to raise awareness and funding for equity financings in November 2016 and March-April 2017. These costs included travel, trade shows and investment conferences, broker and direct investor presentations in Canada, the US and abroad. The Company has significantly added to its shareholder base and realized on substantial funding through this effort.
- Professional fees increased by $57,000 which was primarily due to legal fees incurred for due diligence of potential acquisitions and specific deal execution and documentation.
- Regulatory fees and transfer agent fees rose by $40,000 primarily for costs associated with establishing a non-resident subsidiary operation to facilitate strategic partnering in certain potential streaming opportunities and Computershare transfer agent costs associated with AGM, the change of name, the 3-for-1 consolidation of the Company's common shares and share issuance costs.
- ***See Royalty Interests***

As the Canadian royalties acquired to date are not yet generating cash flow, there was no revenue earned during the reporting period. Other income reported in the nine months ended February 28, 2016 included a copper ore trade that netted the Company $15,040, and an optioning of an inactive Canadian property yielded $5,000.

Cash Flows

During the nine months ended February 28, 2017, Management was successful in generating the following cash proceeds: $2,053,235 private placement proceeds in November, $1,380,718 net subscription receipts in February, $72,000 from the exercise of options and $727,952 from the conversion of debt and a new short-term loan. These funds will be used to close pending acquisitions and for working capital.

SELECTED PERIOD INFORMATION

Financial Position	**Feb. 28, 2017 ($)**	May 31, 2016 ($)
Cash	**1,566,791**	**4,101**
Prepaid expenses and sundry receivables	**81,812**	**19,194**
HST receivable	**24,769**	**11,774**
Royalty interests	**3,000,000**	**-**
Total assets	**4,673,372**	**35,069**
Total liabilities including subscription receipts	**2,008,685**	**296,837**
Deficit	**(23,008,675)**	**(20,853,292)**
Operating Results	**Three months ended Feb. 28, 2017 ($)**	Three months ended Feb. 28, 2016 ($)
General and administrative other than evaluation, warrants and share-based compensation expense ("G&A")	**532,795**	45,591
Project evaluation expenses	**17,195**	-
Loss from operations before other items	**549,990**	45,591
Interest (income) expense	**(18,925)**	1,427
Foreign exchange (gain) loss	**1,297**	(1,212)
Net loss and comprehensive loss	**613,650**	45,806
Operating Results	**Nine months ended Feb. 28, 2017 ($)**	Nine months ended Feb. 28, 2016 ($)
G&A	**767,847**	135,429
Evaluation expenses	**31,579**	32,342
Warrants expense	**569,027**	-
Stock-based compensation expense	**774,077**	-
Loss from operations before other items	**2,142,530**	167,771
Other income	**-**	(20,040)
Interest expense	**11,474**	9,194
Foreign exchange (gain) loss	**1,379**	13,096
Net loss and comprehensive loss	**2,155,383**	168,521
Loss per share (post-consolidation)	**$0.06**	$0.00

Cash flows	**Nine months ended Feb. 28, 2017 ($)**	Nine months ended Feb. 28, 2016 ($)
Net loss from continuing operations	**(2,155,383)**	(168,521)
Shares issued for services	300,000	-
Stock based compensation and warrants expenses	1,343,104	-
Net changes to prepaids, receivables and payables	(75,613)	10,183
Cash used in operating activities	**(510,818)**	(158,338)
Royalty interests acquisitions	(2,000,000)	-
Cash used in investing activities	**(2,000,000)**	-
Proceeds from subscription receipts (net)	1,280,717	40,000
Proceeds from private placement	2,371,790	-
Short-term loans	385,000	-
Exercise of options	36,000	-
Cash provided by financing activities	**4,073,507**	40,000
Net change in cash	**1,562,690**	(118,338)
Cash, beginning of year	**4,101**	119,198
Cash, end of year	**1,566,791**	860

RESULTS OF OPERATIONS

Quarter Financial Review

SUMMARY OF QUARTERLY RESULTS

Selected Period Information	**Q3-2017**	**Q2-2017**	**Q1-2017**	**Q4-2016**
	$	$	$	$
Profit on sale of copper ore	**-**	**-**	**-**	**-**
Other income	**-**	**-**	-	2,000
Interest income (expense)	**18,925**	(26,473)	(3,926)	(6,719)
Expenses	**(631,278)**	(1,110,765)	(500,488)	(34,033)
Net loss	**(613,650)**	(1,137,286)	(504,448)	(38,748)
Deficit, end of Quarter	**(23,008,675)**	(22,495,026)	(21,357,740)	(20,853,292)
Loss per share (1)	**$0.01**	$0.04	$0.01	$0.00

Selected Period Information	**Q3-2016**	Q2-2016	Q1-2016	Q4-2015
	$	$	$	$
Profit on sale of copper ore	**-**	-	-	15,040
Other income	**-**	5,000	5,000	-
Interest income (expense)	(1,427)	(3,960)	(3,960)	(3,807)
Expenses	(45,957)	(43,187)	(43,187)	(88,655)
Net (loss) gain	(45,957)	(55,170)	(55,170)	(67,383)
Deficit, end of Quarter	(20,814,555)	(20,768,598)	(20,768,598)	(20,713,428)
Loss per share	$0.00	$0.00	$0.00	$0.00

The quarterly results of the Company fluctuate due to variations in the Company's expense categories and the timing of certain mandated public company costs. Similar to the analysis noted above for the nine months ended February 28, 2017, year-over-year, expenditures for the three months ended February 28, 2017, year-over-year were higher generally due to the heightened operational activity in 2017. Expenses for investor relations, professional fees, evaluation fees, transfer agent and regulatory fees were all higher than in the previous year as a result of Management redirecting its efforts on mining finance rather than ore trading and exploration. While the costs of maintaining Metalla as a public company are somewhat fixed in nature, (e.g. tariffs for Exchange listing, annual fees and transfer agent fees are mandated and beyond our control), Management will continue to economize wherever possible and negotiate consulting and other fees when discretionary.

Project Review –

New Streaming and Royalty Opportunities

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 potential 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 Ordiners 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 potential $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 February18, 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 assumed by Osisko Mining on the Desantis properties with a buyback of 0.5% for $1 million. Osisko Mining recently purchased the property from Excellon Resources and is a historical producing operation that contains a historical resource.

Total consideration for these royalties includes $6,000,000 cash and 13,000,000 (pre-consolidation) shares of Metalla. To date the Company has delivered $1,500,000 and 10,000,000 shares. The balance of the purchase price will paid upon production milestones being achieved by the operators of the mines.

ADDITIONAL DISCLOSURE FOR VENTURE COMPANIES WITHOUT SIGNIFICANT REVENUE

In the nine months ended February 28, 2017, $31,579 (2015 - $32,342) was expended for evaluation fees and expenses associated with due diligence on one or more projects, Fees of $13,500 were satisfied with the issuance of 135,000 (pre-consolidated) shares. In 2016, 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 February 28, 2017 and 2016, the Company has one operating and reporting segment being the acquisition and management of precious metal royalties, streams and similar production-based interests.

L**IQUIDITY, 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 raised significant capital by:

- completing 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 $2,053,235 and the conversion of $300,000 of short-term debt and the payment of $13,500 consulting fees through the issuance of 135,000 common shares.
- receiving subscription proceeds for the purchase of 2,761,436 Units at $.50 Unit. Each Unit consists of one common share and one-half of on e common share purchase warrant.
- the exercise of options by two directors and one officer for proceeds of $72,000 and
- the conversion of $300,000 short terms loans into private placement common shares and borrowing $450,000, from a shareholder, for a one-year loan.

These financings will be used to close on pending royalty and streaming transactions, repay debt, and meet the ongoing public company general and administrative financial obligations of the Company.

In November 2016, Metalla completed the acquisition of 3 NSRs from IEP. The Company granted 1,300,000 and 2,300,000 (pre-consolidated) five-year stock options to purchase common shares of the Company at $0.10 and $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.*

In February 2017, the announced the signing of a binding agreement with a private company to purchase five NSRs on property located within or proximal to four established mining camps in Ontario***. See Project Review***

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 February 28, 2017:

a) The Company has recorded liabilities of $2,008,685, however $450,000 of Other Loans was repaid on March 6, 2017 and the $1,380,718 of Subscription Receipts was converted to common shares upon closing of the private placement subsequent to period end.

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***

c) The President of the Company was retained by Metalla, to serve as President on a consulting basis. There are certain financial obligations of the Company including monthly fees of $12,500 US, reimbursement of all reasonable expenses, and certain additional compensation to be paid based on performance achievements. He is also entitled to participate in the Company's Stock Option Plan. ***See Related Party Transactions***

CAPITAL STOCK, WARRANTS AND STOCK OPTIONS

Capital Stock -

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

The following table lists the reporting period activity of and balance of the Company's issued and outstanding common shares at February 28, 2017:

	Number of Shares	Value
Balance - May 31, 2015 and February 28, 2016	**82,924,831**	**$16,719,348**
Shares issued for private placement	7,125,000	142,500
Shares issued for conversion of loan	2,875,000	57,500
Balance - May 31, 2016	**92,924,831**	**$16,919,348**
Shares issued for consulting services	3,000,000	300,000
Shares issued for royalty	10,000,000	1,000,000
Shares issued for private placement (net)	20,582,900	2,053,235
Shares issued for payment for services and conversion of loan	3,135,000	313,500
Consolidation of common shares 3:1	(86,428,487)	-
Balance – February 28, 2017	**43,214,244**	**$20,521,251**

Warrants –

The following summarizes the outstanding warrants for the nine months ended February 28, 2017 and 2016 [(1):]

	Number of Warrants	Weighted Average Exercise Price $	Estimated Fair Value at Date of Grant $
Balance - May 31, 2015 and February 28, 2016	**4,500,000**	**0.15**	**156,053**
Expired	(4,500,000)	(0.15)	(156,053)
Balance - May 31, 2016	-	-	-
Issued *(note 8(ii)(iii))*	3,750,000	0.15	262,689
Issued *(note 8 iv))*	11,935,950	0.15	511,387
Consolidation 3:1	(10,457,300)	-	**-**
Balance – February 28, 2017	**5,228,650**	**0.45**	**774,076**

Number of Warrants Outstanding	Exercise Price	Expiry Date
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**	

Terms of the above warrants are more fully described in the Interim Financial Statements.

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.

The following summarizes the stock option activities during the nine months ended February 28, 2017 and 2016:

	Number of Options #	Weighted Average Exercise Price $
Balance - May 31, 2015	**4,600,000**	**0.15**
Expired	(200,000)	0.15
Balance – February 27, 2016	**4,400,000**	**0.14**
Expired	(500,000)	0.14
Balance – May 31, 2016	**3,900,000**	**0.14**
Granted	5,300,000	0.07
Granted	1,300,000	0.10
Granted	2,300,000	0.11
Consolidation 3:1	(8,533,333)	(0.10)
Exercised	(200,000)	**0.36**
Expired	(566,667)	**0.36**
Options outstanding at February 28, 2017	**3,500,000**	**0.30**

The following summarizes the exercisable stock options outstanding at February 28, 2017: (Post-consolidation):

Number of Exercisable Options	Exercise Price $	Expiry Date	Estimated Fair Value At the date of grant $
66,667	0.75	March 15, 2018	61,997
466,667	0.36	February 28, 2019	197,209
1,766,667	0.21	July 15, 2021	274,803
433,333	0.30	Nov. 15,2021	106,347
766,667	0.33	Nov. 30, 2021	187,877
3,500,000			

Terms of the above stock options are fully described in the Interim Financial Statements.

SUBSEQUENT EVENTS

a) On February 28, 2017 the Company announced that it had signed a binding agreement with 2090720 Ontario Inc to purchase five net smelter royalties (NSR's) on property located within or proximal to four established mining camps in Ontario. The NSR's will be purchased outright for 250,000 common shares of Metalla and 150,000 warrants allowing 2090720 Ontario Inc to acquire 150,000 shares at $0.75 for a period of two years.

b) On March 6, 2017 the Company closed a non-brokered private placement announced February 13, 2017 for gross proceeds of $3,216,818 for 6,433,636 units ("Units") at $0.50 per unit. Each Unit consists of one common share and one-half of one common share purchase warrant. Each full warrant is exercisable to acquire an additional common share at $0.75 per share for a period of two years from the closing date. The warrants are subject to an acceleration clause if the stock trades at or above $1.00 per share for ten consecutive trading days. All securities issued in connection with the offering are subject to a four-month-and-a-day hold period. Broker fees where applicable were 7% cash commission and 7% broker warrants at $0.75 for 2 years. The Company has granted 600,000 stock options at $.58 per share for officers, directors, and consultants in accordance with the company stock option plan.

c) On March 6, 2017, proceeds of $450,000 were received from the Orefinders Royalty loan and used to repay the majority of the $500,000 one-year shareholder loan.

d) On April 10, 2017 the Company closed additional proceeds of $727,000 for 1,454,000 units ("Units") at $0.50 per Unit increasing the financing to $3,943,818.

e) On April 20, 2017 the announced that it had closed a further $530,000 financing in the form of a share swap, whereby a company controlled by an insider sold 1,000,000 common shares at $0.53 to an institutional investor in order to invest the proceeds in the Company at the same price.

OFF BALANCE SHEET ARRANGEMENTS

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

PROPOSED TRANSACTIONS

On January 18, 2017, Metalla signed a Letter of Intent to acquire 15% of the issued shares in Silverback Ltd ("Silverback") and an option to invest in a second gold stream for US$2 million. Silverback owns a silver stream at a producing gold mine which in 2015 produced 81,873 oz Au and 121,682 oz Ag.

Other than Silverback, 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.

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 nine months ended February 28, 2017:

(i) Management fees of $214,706 (2016 - $96,000) plus applicable taxes were paid or accrued to officers of the Company for consulting services rendered. Included in accounts payable and accrued liabilities at February 28, 2017 is $3,390 (2016 - $29,869) owed to the above related parties.

(ii) An officer of the Company 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.

(iii) Two directors and one officer exercised a total of 200,000 stock options for proceeds of $72,000.

iv) The President received a total of 1,000,000 (post-consolidation) common shares of the Company (valued at $0.30 per share) and $52,592 as additional compensation, pursuant to the terms of his consulting agreement with the Company.

During the three months ended February 28, 2017.

(i) Management fees of $90,619 (2016 - $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 nine months ended February 28, 2017 and 2016 is as follows:

	2017 ($)	2016 ($)
Management consulting fees	**214,706**	96,000
Other – *see Related Party (iv)*	**352,592**	-
Stock-based compensation	**383,028**	-
	950,326	96,000

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

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 ROYALTIES, STREAMING AND OTHER 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 cash-flowing asset acquisitions, operating costs and future indebtedness. 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.

Investing in Entities Focusing on Development, in terms of 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 Risk of Investee Entities

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.

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	April 28, 2017	May 31, 2016
Issued shares outstanding	52,101,880	30,974,944
Stock options outstanding	4,100,000	1,300,000
Warrants outstanding	8,473,301	-
Total Share Capital – Common Shares - Fully Diluted	64,675,181	32,274,944

OUTLOOK

Metalla's Strengths:

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

Metalla's Challenges:

- achieving cash flow positive results from diverse royalty and streaming financing activities
- dependent on buoyant gold and silver prices to attract and maintain investor support
- identifying and financing additional projects to expand its portfolio