



**Part II Organizational Action** (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ See Attachment.

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18 Can any resulting loss be recognized? ▶ See Attachment.

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19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ See Attachment.

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Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature ▶ /s/ Saurabh Handa Date ▶ 01/09/2024

Print your name ▶ Saurabh Handa Title ▶ CFO

<b>Paid Preparer Use Only</b>	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	<u>Kendall R. Fisher</u>	<u>Kendall R. Fisher</u>	<u>01/08/2024</u>		<u>P01980923</u>
	Firm's name ▶ <u>Dorsey &amp; Whitney LLP</u>	Firm's address ▶ <u>Columbia Center, 701 Fifth Avenue, Suite 6100, Seattle, WA 98104</u>		Firm's EIN ▶ <u>41-0223337</u>	Phone no. <u>(206) 903-8793</u>

Metalla Royalty & Streaming Ltd.

Attachment to Form 8937-Part II

Report of Organizational Actions Affecting Basis of Securities (The Arrangement)

**Consult your tax advisor:** The information contained herein is being provided pursuant to the requirements of Section 6045B of the Internal Revenue Code of 1986, as amended (the “**Code**”), and includes a general summary regarding the application of certain U.S. federal income tax laws and regulations relating to the effects of the Arrangement (as defined below) on the tax basis of shares in Metalla Royalty & Streaming Ltd., a corporation formed under the laws of the Province of British Columbia, Canada (“**Metalla**”), in the hands of holders of shares of Metalla stock who are U.S. taxpayers and who received such shares of Metalla stock pursuant to the Arrangement (as defined below) by reason of previously being holders of shares of stock of Nova Royalty Corp., a corporation formed under the laws of the Province of British Columbia, Canada (“**Nova**”) (“**U.S. Shareholders**”). This discussion does not constitute tax advice and does not purport to be complete or to describe the consequences that may apply to particular categories of shareholders. Neither Metalla nor Nova provides tax advice to its shareholders. You are urged to consult your own tax advisors regarding the particular consequences of the Arrangement to you, including the applicability and effect of all U.S. federal, state and local tax laws as well as non-U.S. tax laws.

This Form 8937 and the analysis contained herein also does not address the U.S. federal, state, local or non-U.S. tax consequences of the Arrangement applicable to holders of options, warrants or other convertible securities of Nova. Holders of such options, warrants or other convertible securities should consult their own tax advisors regarding the tax consequences of the Arrangement to them in light of their own personal circumstances.

For additional information, please read the Management Information Circular of Nova dated as of October 25, 2023 (the “**Circular**”), which is available at [www.sedarplus.ca](http://www.sedarplus.ca).

Part II Item 14. (Description of organizational action)

On December 1, 2023, pursuant to a business combination agreement by and between the parties, Metalla acquired all of the issued and outstanding shares of Nova (the “**Nova Shares**”), after which Nova became a wholly-owned subsidiary of Metalla (the “**Arrangement**”). Pursuant to the Arrangement, each shareholder of Nova received 0.36 of a common share of Metalla (the “**Metalla Shares**”) in exchange for each Nova Share exchanged therefor pursuant to the Arrangement. No fractional Metalla Shares were issued pursuant to the Arrangement, with any fractional shares rounded down to the nearest whole number.

U.S. Shareholders should review the Circular and consult with their own tax advisors regarding the tax consequences of the Arrangement to them in light of their particular circumstances.

Part II Item 15. (Description of the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer)

Metalla intends that the Arrangement qualify as a tax-deferred reorganization within the meaning of Code Section 368(a), but provides no assurances in this regard. Provided the Arrangement qualifies as a tax-deferred reorganization under Code Section 368(a), each U.S. Shareholder should have a tax basis in the Metalla Shares received pursuant to the Arrangement equal to such U.S. Shareholder's adjusted tax basis in his, her, or its Nova Shares surrendered in exchange therefor pursuant to the Arrangement.

If a U.S. Shareholder held different blocks of Nova stock (i.e., shares acquired at different times or different prices) at the time of the Arrangement, such shareholder should consult its own tax advisor with respect to the determination of the tax bases of particular shares of Metalla stock received in the Arrangement.

Certain former U.S. Shareholders that fail to file a timely gain recognition agreement with the IRS may recognize gain under Code Section 367.

If Nova was a passive foreign investment Company ("PFIC"), as defined under Code Section 1297, for any tax year during which a U.S. Shareholder held its Nova Shares, certain special PFIC rules may apply to the Arrangement. U.S. Shareholders should review the Circular and consult with their own tax advisors regarding the potential application of the PFIC rules.

Part II Item 16. (Description of the calculation of the change in basis)

In the event the Arrangement is taxable for U.S. federal income tax purposes, for purposes of calculating fair market value, the fair market value of a Metalla Share on December 1, 2023 is estimated at U.S.\$3.22, which was the opening price for a Metalla Share on the NYSE American Exchange on December 1, 2023.

Each U.S. Shareholder should consult with his, her or its own tax advisors to determine whether they are required to recognize gain in connection with the Arrangement and what measure of fair market value is appropriate.

Part II Item 17. (List of applicable Code sections)

Metalla intends that the Arrangement qualify as a tax-deferred reorganization within the meaning of Code Section 368(a), but provides no assurances in this regard.

Provided the Arrangement qualifies as a tax-deferred reorganization within the meaning of Code Section 368(a), the U.S. federal income tax consequences for U.S. Shareholders should be determined under Code Sections 354, 358, 367, 368 and 1223.

In addition, if Nova was a PFIC at any time during the period that a U.S. Shareholder held Nova Shares, then Code Sections 1291-1297 would be applicable.

Part II Item 18. (Recognition of loss)

Metalla intends that the Arrangement qualify as a tax-deferred reorganization within the meaning of Code Section 368(a), but provides no assurances in this regard.

Provided the Arrangement qualifies as a tax-deferred reorganization within the meaning of Code Section 368(a), each U.S. Shareholder which received Metalla Shares pursuant to the Arrangement should not recognize any loss.

Part II Item 19. (Other information)

The Arrangement was effective on December 1, 2023. For a U.S. Shareholder which participated in the Arrangement whose taxable year is a calendar year, the reportable tax year is 2023.