

# Metalla Royalty & Streaming Ltd.

(MTA-V)

SECTOR: Mining

STOCK PRICE \$4.55  
RATING **BUY**  
TARGET PRICE \$10.50

## MERGER ANNOUNCEMENT

### Metalla Combines with Nova Royalty

**OUR TAKE:** On September 8<sup>th</sup>, Metalla announced an all-share merger with Nova Royalty Corp. (NOVR-T, Not Rated) with Metalla and Nova shareholders owning 60/40, respectively of the new company. The merger adds one producing gold royalty and several long-life copper assets owned by majors to Metalla's portfolio. This deal also increases Metalla's liquidity, which advantageously positions the Company to be involved in future royalty company consolidation in the small cap space. Metalla is forecasting to grow its GEOs from 3,000 currently to over 30,000 by 2030, assuming the copper development projects at Taca Taca, Copper World, Vizcachitas and NuevaUnion come online. We do not assume Vizcachitas comes online by 2030 in our model. In our opinion, the optionality from a large copper royalty portfolio offsets the lack of immediate revenue and we like the merger.

#### KEY HIGHLIGHTS

- ◆ **Slight Premium Paid to NOVR Shareholders** – NOVR shareholders will receive 0.36 shares of MTA per share of NOVR, which implies a fully diluted equity purchase price for NOVR of C\$190M, a 25% premium to the NOVR share closing price on Sept. 7, 2023 (prior to the announcement). This deal is accretive to MTA on a NAV basis, as MTA traded at ~0.7x consensus NAV and NOVR traded at ~0.5x consensus NAV prior to the announcement. Closing is expected in Q4/23 and requires 2/3 of NOVR shareholder approval, with 17.5% locked up already with Beedie Capital and management. Metalla does not require a shareholder vote for approval.
- ◆ **Improved Liquidity** – Beedie Capital has agreed to a C\$15M equity placement into Metalla in exchange for 2.8M subscription receipts, at a price of C\$5.29 per subscription receipt, based on MTA's Sept. 7<sup>th</sup> closing price. As a result, Beedie will now own 9.7% of the newly formed combined entity. In addition, Beedie increased its existing convertible loan agreement with Metalla, raising the facility from C\$25M to C\$50M. Following the merger, newco Metalla will have drawn down ~C\$16.4M from Beedie and will have ~US\$23M in cash. In addition, the merger is expected to deliver modest annual G&A savings of ~US\$2.5M.
- ◆ **Significant Copper Exposure** – The merger adds significant copper exposure to Metalla's precious metals-based portfolio, resulting in a proforma portfolio split of 55/45 precious metals and copper. Nova has one producing royalty, a 1% NSR on Aura Minerals' Aranzazu gold mine in Mexico, which generates ~US\$2M in revenue per year. The main copper development royalties that we model are (1) a 0.42% NSR on First Quantum's Taca Taca copper project in Argentina, (2) a 0.315% NSR on Hudbay's Copper World project in Arizona, and (3) a 2% NSR on NuevaUnion in Chile, a JV between Teck and Newmont. The NuevaUnion royalty covers about 20% of the current resource.
- ◆ **Metalla Has a Good Pipeline of Royalties** – Metalla has several good gold royalties that are well advanced, including a 1.5% NSR on the Wasamac property owned by Agnico Eagle; a 1.35% NSR on ~10% of the Côté Gold project, almost complete and owned by IAMGOLD; a 1.0% NSR on the Fifteen Mile Stream deposit in Newfoundland, owned by St. Barbara Limited and slated for production in late 2026; a 2.5% gross value royalty on the northern and southern extensions of the Fosterville mine, owned by Agnico Eagle (where AEM has an aggressive exploration program planned); a 0.75% NSR on the Tocantinzinho project, under construction by G-Mining Ventures and now 30% complete and a 2.5%-3.75% sliding scale gold and silver Gross Proceeds Royalty on the Lama project, owned by Barrick Gold.

#### RECOMMENDED ACTION

**We recommend investors accumulate shares at current levels**

- ◆ Metalla has been actively growing their royalty portfolio over the past few years and in addition to six currently producing assets, has a pipeline of development/exploration projects. The shares trade at 0.6x NAV relative to peers trading at 0.8x.

#### CATALYSTS

1. **H2/23** – Côté Lake Initial Production

#### PROJECTED RETURN

131%

#### RISK FACTOR

Very High

#### SCENARIO ANALYSIS

Downside Scenario	Current Price	Price Target
\$3.25	\$4.55	\$10.50
↓ 29%		↑ 131%

#### KEY STATISTICS AND METRICS

52-Week High/Low	\$7.95 / \$4.55
YTD Performance	-33%
Dividend Yield	-
Shares O/S (basic)	87M
Shares O/S (F/D)	92M
Market Capitalization	\$394M
Cash	\$31M
Long-term Debt	\$16M
Enterprise Value	\$388M
Daily Volume (3 mon avg.)	18,560
Currency	C\$ unless noted

#### HAYWOOD ESTIMATES (USD)

	2022A	2023E	2024E
Revenue	2,413	4,642	17,552
Op. Cash Flow	790	3,877	14,196
CFPS	0.01	0.01	0.14
FCF	-519	4,217	14,420
Capex	-1,310	340	224

#### VALUATION

**Our \$10.50 target** is based on a fully financed, after-tax basis considering a 1.30x multiple to our corporate net asset value NAV<sub>5%</sub> of \$8.05 per share.

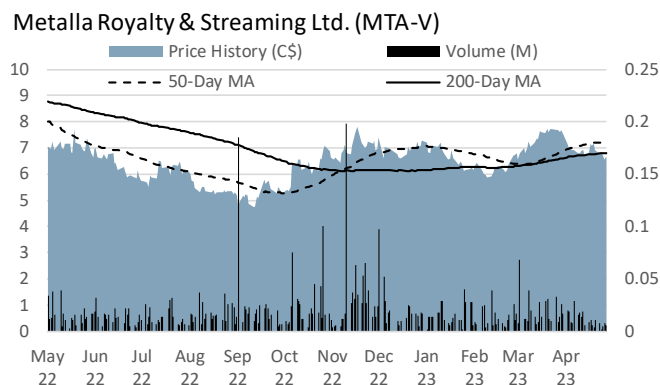
**Metalla trades at a P/NAV of 0.6x NAV**, versus royalty peers at 0.8x NAV.

## INVESTMENT THESIS

Metalla Royalty & Streaming Ltd. is focused on acquiring gold and silver metal purchase agreements, net smelter return royalties and non-operating interests in mining projects that provide the holder a percentage of the gross revenue from metals produced.

Since formation of the Company in 2016, Metalla has acquired a total of 85 royalties or streams for ~\$240 million, and the completion of the Nova merger will bring the portfolio to 105 royalties and streams. Metalla currently has six producing assets (NLGM, Wharf, El Realito, La Encantada, Higginsville and Aranzazu) and has a pipeline of development assets that provide the Company with optionality going forward, although development of these assets may be constrained by the availability of construction capital, permitting challenges, and metal prices. The key development stage royalties in the Metalla portfolio include a 1.35% NSR on <10% of the Cote deposit and 100% of the Gosselin resource at Cote Lake (owned by IAMGOLD), a 2% NSR on the Santa Gertrudis project owned by Agnico Eagle, a 1.5% NSR on the Wasamac project owned by Agnico Eagle, a 0.45% NSR on the Amalgamated Kirkland project owned by Agnico Eagle and a 0.75% GVR royalty on the Tocantinzinho mine under construction by G-Mining Ventures.

## SCENARIO ANALYSIS



Source: Capital IQ, and Haywood Securities

### TARGET PRICE

**Our \$10.50 target price** continues to be based on a 1.30x NAV multiple.

### DOWNSIDE CASE

**Our downside case** utilizes gold and silver prices at a 20% discount to our base case scenario of US\$1,900/oz Au and US\$23.75/oz Ag in 2025+. At a flat US\$1,520/oz gold price and US\$18.00/oz silver price, and using a discounted 0.50x NAV multiple, our target price drops to \$3.25 per share.

*Our downside scenario price is a theoretical case based on notional valuation metrics and market assumptions. The downside price is solely intended for demonstrative purposes and is not to be regarded as a reflection of all market possibilities. It is not a guarantee that this company's share price will not drop below this price level and hence should not be taken as such.*

### KEY RISKS

- **Financial Risk:** The Company will require additional funds to continue to acquire streams or royalties on projects. Metalla Royalty and Streaming's primary sources of funding have been a combination of debt and equity financings. Metalla has modest cash flow and earnings currently and our valuation is dependent on growth from projects not yet permitted, financed, or built.
- **Political Risk:** Many of Metalla's assets are in Canada, the USA, Mexico, Australia, and South America, with one asset in each of Argentina, Australia, and Tanzania.

**Metalla** is a precious metals royalty and streaming company that has acquired a total of 82 royalties and streams since the Company's inception in 2016. The Company currently has five gold and silver producing assets, and one copper producing asset, plus a collection of development projects that provide the Company with a pipeline of assets in the development and exploration stage.

### Website


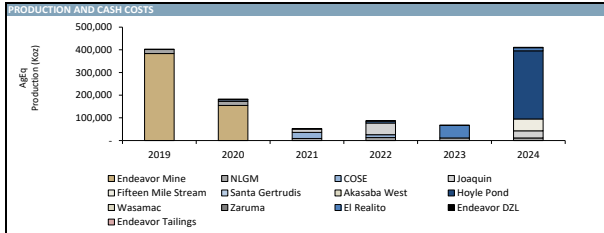
[www.metallaroyalty.com](http://www.metallaroyalty.com)

### Key Management

CEO – Brett Heath



# Metalla Royalty & Streaming (MTA-V)

 <b>Metalla Royalty &amp; Streaming Ltd. (MTA-V, \$4.55)</b> Rating: BUY Risk: Very High Metric: 1.30x NAV				<b>Target Price (C\$)</b> \$10.50 Return (%) 131% 52 Week High/Low (C\$) \$7.95 / \$4.55 Daily Volume (3-month avg) 18,560	Shares O/S, millions 86.7 Shares F/D, millions 92.0 Mkt. Cap, C\$M 394 CEO Brett Heath Company Website <a href="http://www.metallaroyalty.com">www.metallaroyalty.com</a>		
<b>Balance Sheet and Capitalization</b>							
	US\$M	US\$ / O/S Share	C\$M	C\$ / O/S Share			
Market Capitalization	\$296.6	\$3.42	\$394.5	\$4.55			
Current Cash	\$23.0	\$0.27	\$30.6	\$0.35			
F/D Cash Adds	\$7.7	\$0.09	\$10.2	\$0.12			
Working Capital	\$17.0	\$0.20	\$22.6	\$0.26			
Long-Term Debt	\$12.0	\$0.14	\$16.0	\$0.18			
Book Value	\$133.1	\$1.54	\$177.0	\$2.04			
Enterprise Value (EV)	\$291.6	\$3.36	\$387.8	\$4.47			
<small>EV = Market Capitalization + Working Capital + Long-Term Debt                      Spot C\$/US\$ FX Rate: 1.33</small>							
<b>Production and Cash Costs</b>							
							
<b>Corporate NAV Summary and Sensitivity</b>							
		Base Case	\$16.35	\$19.55	\$24.95	\$31.00	
Forecast Silver Price, US\$/oz		\$1,500	\$1,800	\$2,300	\$2,900	\$3,500	
Forecast Gold Price, US\$/oz		\$0.30	\$0.24	\$0.27	\$0.34	\$0.29	
Endeavor Mine + Tailings		\$0.24	\$0.19	\$0.22	\$0.27	\$0.23	
Endeavor DZL		\$0.14	\$0.10	\$0.13	\$0.16	\$0.13	
Wharf		\$0.05	\$0.02	\$0.04	\$0.06	\$0.04	
Higginsville		\$0.30	\$0.24	\$0.28	\$0.36	\$0.30	
Garrison Mine		\$0.63	\$0.46	\$0.56	\$0.71	\$0.59	
Wasamac		\$0.42	\$0.31	\$0.37	\$0.47	\$0.40	
Hoyle Pond		\$0.32	\$0.24	\$0.28	\$0.36	\$0.30	
Santa Gertrudis		\$0.16	\$0.12	\$0.14	\$0.18	\$0.16	
Zaruma		\$0.22	\$0.16	\$0.20	\$0.25	\$0.21	
Tocantinzinho		\$0.22	\$0.16	\$0.20	\$0.25	\$0.21	
CentroGold		\$0.04	\$0.03	\$0.04	\$0.05	\$0.04	
Joaquin		\$0.11	\$0.08	\$0.10	\$0.12	\$0.10	
Fifteen Mile Stream		\$0.13	\$0.10	\$0.12	\$0.15	\$0.13	
Cote Lake		\$0.02	\$0.02	\$0.02	\$0.02	\$0.02	
El Realito		\$0.06	\$0.04	\$0.05	\$0.06	\$0.06	
La Encantada		\$0.14	\$0.11	\$0.13	\$0.17	\$0.14	
Penelope		\$0.40	\$0.32	\$0.38	\$0.49	\$0.41	
Aranzazu		\$1.08	\$0.85	\$1.03	\$1.31	\$1.16	
Taca Taca		\$0.37	\$0.29	\$0.35	\$0.44	\$0.37	
Copper World Complex		\$0.81	\$0.64	\$0.77	\$0.98	\$0.82	
NuevaUnion		\$0.76	\$0.60	\$0.70	\$0.92	\$0.77	
Other Projects		\$1.11	\$0.87	\$1.05	\$1.34	\$1.12	
Expl. Properties After-Tax Project NAV5%, CSM		\$0.02	\$0.01	\$0.02	\$0.02	\$0.02	
Corporate NAV, C\$/F/D share		\$8.05	\$6.24	\$7.48	\$9.65	\$8.01	
Current Price / Corporate NAV		0.6x	0.7x	0.8x	0.6x	0.6x	
Target Price / Corporate NAV		1.3x	1.7x	1.4x	1.1x	1.1x	
2023E CFPS, US\$		\$0.01	\$0.01	\$0.01	\$0.01	\$0.01	
Implied Target Price at 1.0x NAV		\$8.05	\$6.24	\$7.50	\$9.65	\$8.00	
Implied Target Price at 1.8x NAV		\$14.50	\$11.25	\$13.45	\$17.82	\$14.40	
<small>Base case gold price assumption of US\$2,025/oz in 2023, US\$2,200/oz in 2024 and US\$1,900/oz in 2025+                      2023E C\$US\$ FX Rate: 1.33                      Fully Financed Fully Diluted Shares, millions: 89.5</small>							
<b>Metalla Royalty &amp; Streaming Ltd. Consensus Estimate Summary (Reuters data sourced from Capital IQ)</b>							
	Mean EPS	High / Low	vs. Cons.	Mean CFPS	High / Low	vs. Cons.	
2023 Consensus Estimate	(\$0.16)	-0.15 / -0.18	-	\$0.05	0.08 / 0.01	-78%	
2024 Consensus Estimate	(\$0.04)	0.01 / -0.11	-	\$0.18	0.26 / 0.10	-19%	
Consensus Valuation	SO Rating	SP Rating	SU Rating	Mean Target	High / Low	Haywood vs. Cons.	
				\$10.13		4%	
<b>Asset Ownership</b>							
Asset	Owner	Ticker	Type	%	Status		
NLGM	Shanta Gold	SHG-L	Ag Stream	15.0%	Producing		
Wharf	Coeur	CDE-NV	NSR	1.0%	Producing		
Higginsville	Karora	KRR-T	Price Participation	27.5%	Producing		
La Encantada	First Majestic	FR-T	NSR	2.0%	Producing		
Aranzazu	Aura Minerals	ORA-T	NSR	1.0%	Producing		
El Realito	Agnico Eagle	AEM-T	NSR	2.0%	Producing		
Taca Taca	First Quantum Min	FM-T	NSR	0.42%	Development		
Copper World Complex	Hudbay Minerals	HBM-T	NSR	0.315%	Development		
NuevaUnion	Private	Private	NSR	2.0%	Development		
COSE	Pan American Silver	PAAS-T	NSR	1.5%	Development		
Joaquin	Pan American Silver	PAAS-T	NSR	2.0%	Development		
Santa Gertrudis	Agnico Eagle	AEM-T	NSR	2.0%	Development		
Akasaba West Royalty	Agnico Eagle	AEM-T	NSR	2.0%	Development		
Endeavor Mine + Tailings	CBH	Private	Ag Stream	100.0%	Development		
Penelope	Barrick Gold	ABX-T	NSR	2.5%	Development		
Hoyle Pond	Newmont Goldcorp	NEM-US	NSR	2.0%	Development		
Garrison Mine	O3 Mining	OIII-V	NSR	2.0%	Development		
Wasamac	Yamana	MQR-T	NSR	1.5%	Development		
Fifteen Mile Stream	St. Barbara	SBM-A	NSR	1.0%	Development		
Zaruma	Core Gold	CGLD-V	NSR	1.5%	Development		
La Fortuna	Minera Alamos	MAL-V	NSR	1.0%	Development		
Timmins West Ext.	Pan American Silver	PAAS-T	NSR	1.5%	Development		
Beaufort Mine	Monarch Mining	MQR-T	NSR	1.0%	Development		
Cote Lake	IamGold/Sumitomo	MQR-T	NSR	1.4%	Development		
DeSantis Mine	Gusko Mining	OSK-T	NSR	1.5%	Exploration		
Altures-Del Carmen	Barrick Gold	ABX-T	NSR	0.5%	Exploration		
Amalgamated Kirkland	Agnico Eagle	AEM-T	NSR	0.5%	Exploration		
Lourdes	Pucara Resources	Private	NSR	1.0%	Exploration		
CapriCHO	Pucara Resources	Private	NSR	1.0%	Exploration		
Eldorado Gold	Eldorado Gold	ELD-T	NSR	0.75%	Development		
CentroGold	OZ Minerals	OZL-A	NSR	1%	Development		
Guadalupe/Pararin	Pucara Resources	Private	NSR	1.0%	Exploration		
Santo Tomas	Pucara Resources	Private	NSR	1.0%	Exploration		
San Luis	SSR	SSRM-T	NSR	1.0%	Exploration		
Big Island	Copper Reef Mining	CSC-T	NSR	2.0%	Exploration		
Inuulavud	Independence Gold	IGO-V	NSR	1.0%	Exploration		
Camflo NW	Monarch Gold	MQR-T	NSR	1.0%	Exploration		
Edwards Mine	Alamos Gold	Private	NSR	1.3%	Exploration		
Goodfish Kirana	War Eagle Mining	Private	NSR	1.0%	Exploration		
Kirkland-Hudson	Kirkland Lake Gold	KL-T	NSR	2.0%	Exploration		
Pacurana	Buenaventura	Private	NSR Option	1.8%	Exploration		
Ritcuica	Gurruero Ventures	Private	NSR	2.0%	Exploration		
Los Patos	Private	Private	NSR	1.5%	Exploration		
Cortez Trend Royalties	Barrick/Newmont	Private	GOR	0.5% & 1.5%	Exploration		
<b>Historical Quarterly Results</b>							
Calendar Quarter	Q4/21	Q1/22	Q2/22	Q3/22	Q4/22	Q1/23	
Revenues, \$000	\$814	\$669	\$460	\$566	\$628	\$981	
Cash Flow before WC changes, \$000	\$305	\$305	\$362	\$300	(\$177)	\$536	
CFPS, \$	(\$0.01)	\$0.01	\$0.01	\$0.01	(\$0.00)	\$0.01	
Adjusted EBITDA, \$000	(\$535)	\$29	(\$209)	\$10	(\$1,324)	\$555	
Net Income, \$000	(\$3,131)	(\$2,232)	(\$1,371)	(\$2,538)	(\$2,537)	(\$2,506)	
EPS, \$	(\$0.07)	(\$0.05)	(\$0.03)	(\$0.06)	(\$0.06)	(\$0.05)	
Shares Outstanding, 000	43,954	44,272	44,583	44,828	45,501	50,514	
Realized Silver/Gold Price, US\$/oz	\$17.72	\$18.35	\$18.84	\$17.14	\$16.79	\$18.36	
Cash Cost, US\$/oz Ag/GEO	\$5.00	\$5.00	\$9.00	\$7.00	\$8.00	\$9.00	
Total Attrib. Gold oz. Sold	772	724	560	714	683	927	
<b>Peer Group Comparables</b>							
	Price	P/NAV	2023	2023 CFPS	2024 CFPS	2023	2024
	C\$		Rev/Share	EV/CF	EV/CF	EV/CF	EV/CF
Altus Minerals Corporation	\$21.04	1.0x	1.2	US\$0.66	US\$0.60	27.0x	29.9x
Elemental Rex Royalties Corp.	\$11.16	1.0x	0.1	US\$0.04	US\$0.06	21.1x	16.7x
Gold Royalty Corp.	\$1.86	0.4x	0.0	(US\$0.01)	US\$0.02	(101.6x)	73.2x
Nova Royalty Corp.	\$1.58	0.5x	0.0	(US\$0.02)	(US\$0.01)	(83.5x)	(156.6x)
Osisko Gold Royalties Ltd	\$17.40	1.1x	1.0	US\$0.77	US\$0.82	17.9x	16.8x
Sandstorm Gold Ltd.	\$7.03	0.9x	0.6	US\$0.41	US\$0.39	16.2x	17.3x
Vox Royalty Corp.	\$2.76	0.6x	0.2	US\$0.11	US\$0.16	16.4x	11.3x
<b>Peer Group Average</b>	<b>0.8x</b>	<b>0.4</b>	<b>0.4</b>	<b>(1.2x)</b>	<b>1.2x</b>	<b>1.2x</b>	<b>1.2x</b>
<b>Peer Group Average (excluding high/low)</b>	<b>0.8x</b>	<b>0.4</b>	<b>0.4</b>	<b>(2.4x)</b>	<b>18.4x</b>	<b>18.4x</b>	<b>18.4x</b>
Metalla Royalty & Streaming Ltd.	\$4.55	0.6x	0.1	US\$0.03	US\$0.13	94.0x	25.4x
<small>CFPS and NAV sourced from Capital IQ, US\$CAD 1.33</small>							

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Source: Bloomberg, Capital IQ, Company Reports, and Haywood Securities



## NAV Accretive Deal for Metalla

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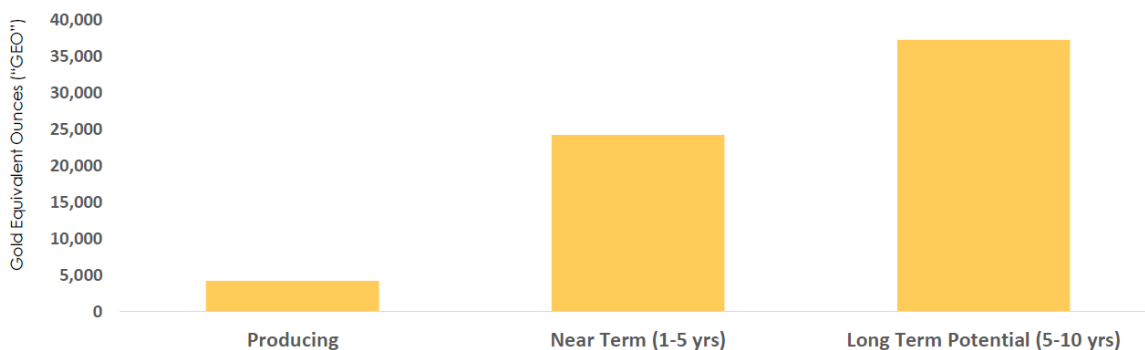
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The merger adds significant copper exposure to Metalla's precious metals-based portfolio, resulting in a proforma portfolio split of 55/45 between precious metals and copper. Nova has one producing royalty, a 1% NSR on Aura Minerals' Aranzazu gold mine in Mexico, which generates ~US\$2M in revenue per year. The copper development royalties that we model are (1) a 0.42% NSR on First Quantum's (FM-T, not rated) Taca Taca copper project in Argentina, (2) a 0.315% NSR on Hudbay's (HBM-T, Buy, \$10.00 Target) Copper World project in Arizona, and (3) a 2% NSR on Nueva Union in Chile, a JV between Teck (TECK-B-T, not rated) and Newmont (NGT-T, not rated), where the royalty covers about 20% of the current resource. The value-add of these significant, long-life copper projects counterbalances the share dilution from the merger in our opinion.

### Strong GEO Growth by End of Decade



METALLA TO GROW ITS GEO PRODUCTION BY OVER 600% BY THE END OF THE DECADE



Source: Metalla Royalty and Streaming Ltd.

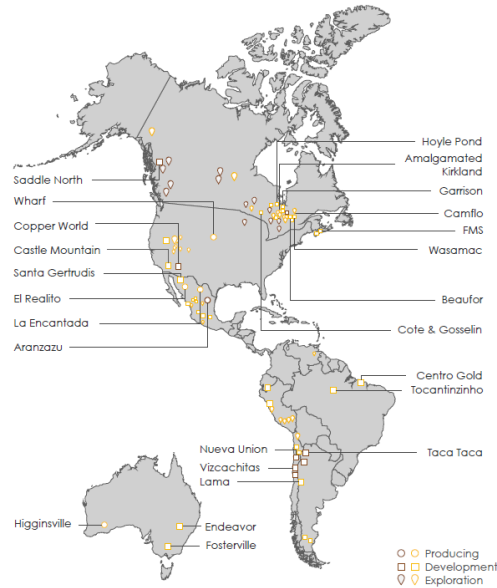


Portfolio Summary



# PORTFOLIO HIGHLY CONCENTRATED ACROSS THE AMERICAS

- 6**  
Production Assets
- 3**  
Assets in Construction
- 41**  
Development Assets
- 55**  
Exploration Assets



Source: Metalla Royalty and Streaming Ltd.

Key Development Assets



**TACA TACA**  
First Quantum  
Total Resource: 7.2 Moz Au / 25,699 Mlbs Cu / 727 Mlbs Mo  
Latest Study: FS (March 2021)  
Construction decision expected in 2024

**VIZCACHITAS**  
Los Andes  
Total Resource: 30,245 Mlbs Cu / 1,021 Mlbs Mo / 109.1 Moz Ag  
Study: PFS (March 2023)  
Expected Production: 2029

**NUEVAUNION**  
Teck / Newmont  
Total Resource: 19.8 Moz Au / 13,750 Mlbs Cu  
Study: PFS (April 2018)

**COPPER WORLD COMPLEX**  
Hudbay Minerals  
Total Resource: 12,750 Mlbs Cu / 170.4 Moz Ag  
Study: PEA (May 2022)  
Expected Production: 2027

**GOSSELIN & COTE**  
IAMGOLD / Sumitomo  
Total Resource: 19.1 Moz Au  
Study: FS (August 2022)  
Expected Production: 2024

**CASTLE MOUNTAIN**  
Equinox Gold  
Total Resource: 7.1 Moz Au  
Study: FS (March 2021)  
In Production<sup>(1)</sup>

**TOCANTINZINHO**  
G Mining Ventures  
Total Resource: 2.15 Moz Au  
Study: FS (February 2022)  
Expected Production: 2024

**WASAMAC**  
Agnico Eagle  
Total Resource: 2.5 Moz Au  
Study: FS (September 2022)  
Expected Production: 2027

Source: Metalla Royalty and Streaming Ltd.



## Valuation

We have incorporated NOVR's main copper assets into our model and have given the company a residual asset value for the remaining royalties that we do not model. In our model, the Aranzazu gold royalty, along with copper royalties on Taca Taca, Copper World and NuevaUnión total \$2.66 per share of NAV, while our valuation for the remaining assets in Nova Royalty adds another \$0.19 per share. We do not model Vizcachitas, which is owned by Los Andes Copper (LA-V, not rated), as this project will require a much larger and better capitalized partner to move into development.

Our overall valuation for the Company, which is based on our NAV using a discounted cash flow (DCF) analysis to value Metalla Royalty and Streaming's assets, remains unchanged at \$8.05 per share, as the share dilution from the merger is offset by our estimated NAV, and our target price is unchanged at \$10.50 per share, which continues to be based on a 1.30x NAV multiple.

Metalla trades at a P/NAV of 0.6x NAV, versus royalty peers at 0.8x NAV.

### Peer Group Comparables

Peer Group Comparables							
	Price C\$	P/NAV	2023 Rev/Share	2023 CFPS	2024 CFPS	2023 EV/CF	2024 EV/CF
Altius Minerals Corporation	\$21.04	1.0x	1.2	US\$0.66	US\$0.60	27.0x	29.9x
Elemental Altus Royalties Corp.	\$1.16	1.0x	0.1	US\$0.04	US\$0.06	21.1x	16.7x
Gold Royalty Corp.	\$1.86	0.4x	0.0	(US\$0.01)	US\$0.02	(101.6x)	73.2x
Nova Royalty Corp.	\$1.58	0.5x	0.0	(US\$0.02)	(US\$0.01)	(83.5x)	(156.6x)
Osisko Gold Royalties Ltd	\$17.40	1.1x	1.0	US\$0.77	US\$0.82	17.9x	16.8x
Sandstorm Gold Ltd.	\$7.03	0.9x	0.6	US\$0.41	US\$0.39	16.2x	17.3x
Vox Royalty Corp.	\$2.76	0.6x	0.2	US\$0.11	US\$0.16	16.4x	11.3x
<b>Peer Group Average</b>		<b>0.8x</b>	<b>0.4</b>			<b>(12.4x)</b>	<b>1.2x</b>
<b>Peer Group Average (excluding high/low)</b>		<b>0.8x</b>	<b>0.4</b>			<b>(2.4x)</b>	<b>18.4x</b>
Metalla Royalty & Streaming Ltd.	\$4.55	0.6x	0.1	US\$0.03	US\$0.13	94.0x	25.4x

CFPS and NAV sourced from Capital IQ.  
USCAD 1.33

Source: Capital IQ

### Cash-Flow and Target-Price Sensitivity to Gold Prices

Corporate NAV Summary and Sensitivity						Spot
Forecast Silver Price, US\$/oz	Base Case	\$16.35	\$19.55	\$24.95	\$25.00	\$25.00
Forecast Gold Price, US\$/oz		\$1,500	\$1,800	\$2,300	\$1,925	\$1,925
Endeavor Mine + Tailings	\$0.30	\$0.24	\$0.27	\$0.34	\$0.29	\$0.29
Endeavor DZL	\$0.24	\$0.19	\$0.22	\$0.27	\$0.23	\$0.23
Wharf	\$0.14	\$0.10	\$0.13	\$0.16	\$0.13	\$0.13
Higginsville	\$0.05	\$0.02	\$0.04	\$0.06	\$0.04	\$0.04
Garrison Mine	\$0.30	\$0.24	\$0.28	\$0.36	\$0.30	\$0.30
Wasamac	\$0.63	\$0.46	\$0.56	\$0.71	\$0.59	\$0.59
Hoyle Pond	\$0.42	\$0.31	\$0.37	\$0.47	\$0.40	\$0.40
Santa Gertrudis	\$0.32	\$0.24	\$0.28	\$0.36	\$0.30	\$0.30
Zaruma	\$0.16	\$0.12	\$0.14	\$0.19	\$0.16	\$0.16
Tocantinzinho	\$0.22	\$0.16	\$0.20	\$0.25	\$0.21	\$0.21
CentroGold	\$0.22	\$0.16	\$0.20	\$0.25	\$0.21	\$0.21
Joaquin	\$0.04	\$0.03	\$0.04	\$0.05	\$0.04	\$0.04
Fifteen Mile Stream	\$0.11	\$0.08	\$0.10	\$0.12	\$0.10	\$0.10
Cote Lake	\$0.17	\$0.13	\$0.16	\$0.20	\$0.17	\$0.17
El Realito	\$0.02	\$0.02	\$0.02	\$0.02	\$0.02	\$0.02
La Encantada	\$0.06	\$0.04	\$0.05	\$0.06	\$0.06	\$0.06
Penelope	\$0.14	\$0.11	\$0.13	\$0.17	\$0.14	\$0.14
Aranzazu	\$0.40	\$0.32	\$0.38	\$0.49	\$0.41	\$0.41
Taca Taca	\$1.08	\$0.85	\$1.03	\$1.31	\$1.10	\$1.10
Copper World Complex	\$0.37	\$0.29	\$0.35	\$0.44	\$0.37	\$0.37
NuevaUnión	\$0.81	\$0.64	\$0.77	\$0.98	\$0.82	\$0.82
Other Projects	\$0.76	\$0.60	\$0.72	\$0.92	\$0.77	\$0.77
Expl. Properties After-Tax Project NAV5%, C\$M	\$1.11	\$0.87	\$1.05	\$1.34	\$1.12	\$1.12
Corporate Adjustments, C\$ / F/D share	\$0.02	\$0.01	\$0.02	\$0.02	\$0.02	\$0.02
<b>Corporate NAV, C\$ / F/D share</b>	<b>\$8.05</b>	<b>\$6.24</b>	<b>\$7.48</b>	<b>\$9.65</b>	<b>\$8.01</b>	<b>\$8.01</b>
<b>Current Price / Corporate NAV</b>	<b>0.6x</b>	<b>0.7x</b>	<b>0.6x</b>	<b>0.5x</b>	<b>0.6x</b>	<b>0.6x</b>
<b>Target Price / Corporate NAV</b>	<b>1.3x</b>	<b>1.7x</b>	<b>1.4x</b>	<b>1.1x</b>	<b>1.1x</b>	<b>1.1x</b>
2023E CFPS, US\$	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01
Implied Target Price at 1.0x NAV	\$8.05	\$6.25	\$7.50	\$9.65	\$8.00	\$8.00
Implied Target Price at 1.8x NAV	\$14.50	\$11.25	\$13.45	\$17.52	\$14.40	\$14.40

Base case gold price assumption of US\$2,025/oz in 2023, US\$2,200/oz in 2024 and US\$1,900/oz in 2025+.  
2023E C\$/US\$ FX Rate: 1.330  
Fully Financed Fully Diluted Shares, millions: 89.5

Source: Haywood Securities



## Significant Investment Risks

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- ◆ **Valuation Risk – High:** Valuation Risk is high as the potential for fluctuations in market sentiment and changes to project development timelines and capex/opex estimates is difficult to accurately quantify. Our estimates and forecasts are based on management guidance, comparable projects, technical reports if available, and our own expertise and research. Also, several of the projects that Metalla has royalties/streams on are either privately owned, and/or do not have completed feasibility studies.
- ◆ **Financial Risk – Medium:** The Company will require additional funds to continue to acquire streams/royalties on projects. Metalla Royalty and Streaming's primary sources of funding will be a combination of debt and equity financing. Historically, Metalla has been able to use its shares as currency when acquiring assets but if the markets were to sell off considerably this may no longer be a viable option.
- ◆ **Forecast Risk – High:** Our formal valuation is based on a long-term gold price of US\$1,900 per ounce Au. Volatility in gold pricing is a reality of the present global economic environment, and the price of gold tends to be less predictable than that of other commodities, where supply/demand fundamentals are more influential. A significant decrease in gold prices could impair the Company's ability to generate a reasonable rate of return and/or enough cash flow from operations to meet financial obligations. Many of the Company's projects are not in production and have seen limited historical production and only limited exploration and technical programs.
- ◆ **Political Risk – Medium-High:** A large part of Metalla's assets are in Canada, the USA, Mexico, Australia, and South America, with one asset in each of Argentina, Australia, and Tanzania, and are generally in active mining jurisdictions, which largely enjoy strong local support. There is always a risk of changes to corporate or mining taxation legislation in any country. All the Company's development assets require permitting and this risk is difficult to quantify.
- ◆ **Development Risk – High:** Metalla's project portfolio includes many development stage projects. Our formal valuation is based on project parameters derived from technical studies (if available), Company guidance, our estimates based on comparable operations, and peer-group comparables, however final development plans could differ materially. We have applied a 5% discount rate to mitigate risk in our formal net asset value, in line with Haywood's standard practice of using a lower discount rate of typically 5% to 10% for gold projects with an engineering study.



## Important Information and Legal Disclosures

This report may be distributed in the following states: nil. Otherwise, this report may only be distributed into those states with an institutional buyer state securities registration exemption.

### Analyst Certification

I, Kerry Smith, hereby certify that the views expressed in this report (which includes the rating assigned to the issuer's shares as well as the analytical substance and tone of the report) accurately reflect my/our personal views about the subject securities and the issuer. No part of my/our compensation was, is, or will be directly or indirectly related to the specific recommendations.

### Important Disclosures

Of the companies included in the report the following Important Disclosures apply:

Ticker	Company	1	2	3	4	5	6	7	8
TSXV:MTA	Metalla Royalty & Streaming								
TSXV:ELE	Elemental Altus Royalties Corp.					X			
NYSEAM:GROY	Gold Royalty Corp.								
TSX:HBM	Hudbay Minerals Inc.			X					
TSX:OR	Osisko Gold Royalties Ltd.			X					
1	The Analyst(s) preparing this report (or a member of the Analysts' households) have a financial interest in this company.								
2	As of the end of the month immediately preceding this publication either Haywood Securities, Inc., one of its subsidiaries, its officers or directors beneficially owned 1% or more of this company.								
3	Haywood Securities, Inc. has reviewed lead projects of this company and a portion of the expenses for this travel may have been reimbursed by the issuer.								
4	Haywood Securities Inc. or one of its subsidiaries has managed or co-managed or participated as selling group in a public offering of securities for this company in the past 12 months.								
5	Haywood Securities, Inc. or one of its subsidiaries has received compensation for investment banking services from this company in the past 12 months.								
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7	Haywood Securities, Inc. or one of its subsidiaries is restricted on this company at the time of publication.								
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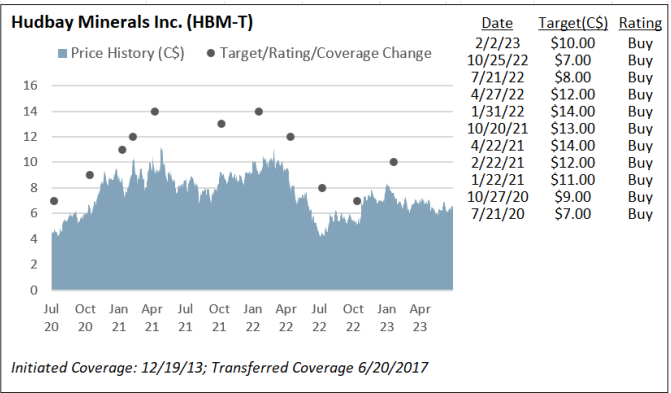
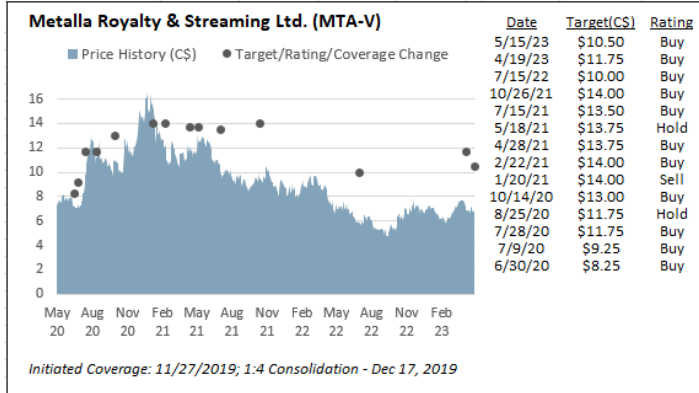
### Distribution of Ratings (as of September 12, 2023)

	%	#	IB Clients (TTM)
<b>Buy</b>	77.5%	79	88.9%
<b>Hold</b>	6.9%	7	11.1%
<b>Sell</b>	0.0%	0	0.0%
<b>Tender</b>	0.0%	0	0.0%
<b>UR (Buy)</b>	0.0%	0	0.0%
<b>UR (Hold)</b>	0.0%	0	0.0%
<b>UR (Sell)</b>	0.0%	0	0.0%
<b>Dropped (TTM)</b>	15.7%	16	0.0%





Price Chart, Rating and Target Price History (as of September 12, 2023)



B: Buy; H: Hold; S: Sell; T: Tender; UR: Under Review  
 Source: Capital IQ and Haywood Securities

Link to Research Policy: <http://haywood.com/what-we-offer/research/research-policy>

