

Metalla Royalty & Streaming Ltd

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Metalla Royalty & Streaming says dividends to continue for April and May amid likely coronavirus disruption to global mining

Metalla Royalty & Streaming Ltd (CVE:MTA) (OTCMKTS:MTAFF) has updated on its business in the light of the global coronavirus pandemic, saying that its declared dividend payments will continue for April and May this year.

Dividends will continue to be based on Metalla's policy of paying out a target rate of 50% of operating cash flow, the group said.

"Going forward, the board will continue to monitor the impact of the COVID-19 pandemic and assess whether or not any future dividend declarations will be made during this period of disruption to global mining production," Brett Heath, CEO of the royalty and streaming group commented in a statement.

READ: Metalla Royalty & Streaming eyeing cash flow from COSE and Joaquin royalties this quarter

The firm noted that operations at Pan American Silver's (NASDAQ:PAAS) COSE and Joaquin mines in Argentina, where Metalla holds a 1.5% and 2% net smelter royalty (NSR) respectively, have been temporarily suspended after the government imposed a quarantine, which will be in effect until the end of March.

It added that action to reduce the spread of the coronavirus would be likely to affect global mining production this year, although it said it had not received notification of closures at any other mines where it holds royalties.

Difficult to predict

"The impact of these suspensions on mining production levels and resulting cash flow to Metalla is difficult to predict," the company said.

"COSE and Joaquin were both expected to be ramping up production in the first half of 2020. While Metalla expects near-term cash flow on its royalties on these assets to be lighter than previously anticipated, Metalla believes its balance sheet is more than adequate to sustain any extended suspension at the COSE and Joaquin mines."

On dividends, Metalla CEO Heath reiterated that the firm's policy was central to its philosophy.

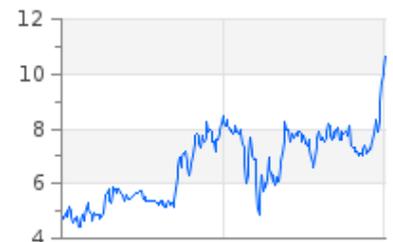
"As cash flow increases, so will the dividend; if cash flow decreases temporarily, it will also have the same effect. We believe Metalla has one of the most attractive development pipelines with some of the strongest counterparties that will continue to advance their operations even through volatile markets," he said.

"Although we can't predict the long-term impact of the COVID-19 situation, we believe Metalla is best positioned to add more accretive transactions in the future to further diversify and grow our company."

Price: 10.63

Market Cap: \$382.98 m

1 Year Share Price Graph



August 2019 February 2020 July 2020

Share Information

Code: MTA

Listing: TSX-V

52 week High Low
10.88 4.06

Sector: Gold & silver

Website: www.metallaroyalty.com

Company Synopsis:

Metalla was built to generate leveraged precious metal exposure by acquiring royalties and streams for our shareholders. Our goal is to increase share value by accumulating a diversified portfolio of royalties and streams with attractive returns.

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Shares in Toronto slipped 7.7% to C\$6.40.

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