



MAVERIX
METALS INC.

MAVERIX METALS INC. (FORMERLY MACMILLAN MINERALS INC.)

MANAGEMENT DISCUSSION AND ANALYSIS

**FOR THE PERIOD FROM INCORPORATION (JANUARY 9, 2016) AND ENDING
DECEMBER 31, 2016**

FORM 51-102F2

DATE OF REPORT: April 25, 2017

Introduction

This Management's Discussion and Analysis ("MD&A") is intended to help the reader understand the significant factors that have affected the performance of Maverix Metals Inc. and its subsidiaries (collectively "Maverix", "we", "us", "our" or the "Company") and such factors that may affect its future performance. This MD&A should be read in conjunction with the Company's Consolidated Financial Statements for the period ended December 31, 2016 (the "2016 Financial Statements"). All amounts in this MD&A and in the 2016 Financial Statements are expressed in Canadian dollars ("CAD"), unless identified otherwise. The Company reports its financial position, results of operations and cash flows in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS"). Maverix's significant accounting policies are set out in Note 3 of the 2016 Financial Statements.

This Management's Discussion and Analysis is prepared as of April 25 2017. Any of the scientific and technical information has been prepared or reviewed by Doug Ward, an officer of the Company. Mr. Ward is a Qualified Person within the meaning of National Instrument 43-101.

Table of Contents

- 1) Forward-Looking Information
- 2) Description of Business
- 3) Highlights and Key Accomplishments During the Period Ended December 31, 2016
- 4) Portfolio of Assets acquired
 - i) Assets acquired from Pan American
 - ii) Assets acquired from Gold Fields
- 5) Asset acquisitions subsequent to December 31, 2016
- 6) Exploration and Evaluation Properties
- 7) Outlook for 2017
- 8) Results of Operations for the period of January 9, 2016 to December 31, 2016
- 9) Summary of Quarterly Results
- 10) Selected Annual Information
- 11) Liquidity and Capital Resources
- 12) Off-Balance Sheet Arrangements
- 13) Transaction with Related Parties
- 14) Critical Accounting Estimates and Judgements
- 15) Financial Risk Factors
- 16) Other

1. Forward-Looking Statements

Except for historical information contained in this MD&A, the following disclosures are forward-looking statements and forward-looking information within the meaning of applicable Canadian provincial securities laws, or are future oriented financial information, and as such are based on an assumed set of economic conditions and courses of action. Such forward-looking statements involve a number of known and unknown risks, uncertainties, and other factors which may cause the actual results or performance of achievements of the corporation to be materially different from actual future results and achievements expressed or implied by such forward-looking statements, which speak only as of the date the statements were made, and readers are also advised to consider such forward-looking statements while considering the risk set forth below. Please refer to the cautionary note regarding forward-looking statements and information at the end of this MD&A and the "Risks Related to Maverix's Business" contained in the Company's most recent Annual Information Form on file with the Canadian provincial securities regulatory authorities. Additional information about Maverix and its business activities, including its Annual Information Form, is available on SEDAR at www.sedar.com

2. Description of Business

Maverix Metals Inc. (formerly MacMillan Minerals Inc.) ("Maverix", "we", "us", "our", or the "Company") was originally incorporated on September 5, 2008 under the Canada Business Corporations Act ("CBCA") for the purpose

of carrying out mineral exploration and development. On May 23, 2012, the Company's common shares commenced trading on the TSX Venture Exchange under the trading symbol "MMX". The Company had been engaged in the exploration of mineral properties in Mexico.

On July 11, 2016 the Company completed a statutory plan of arrangement with Pan American Silver Corp ("Pan American") and a private company, Maverix Metals Inc. ("Maverix Private Co"), which fundamentally changed the Company's business. The Company is now a resource-based company that is focused on acquiring gold and other precious metal purchase agreements ("Gold Streams", "Silver Streams", or "Streams") and net smelter return royalties ("NSR's") from companies that have advanced stage development projects, operating mines, and projects with significant exploration potential. Gross Revenue Return royalties ("GRR's") and NSR interests are non-operating interests in mining projects that provide the right to the holder of a percentage of the gross revenue from metals produced from the project or a percentage of the gross revenue from metals produced from the project after deducting specified costs, if any, respectively. For purposes of reporting, the Company calculates attributable gold equivalent production by applying its interest (i.e.: royalty or stream percentage) to the total production reported by the counterparty, Gold equivalency of non-gold products is based on average realized prices of all metals for the period. The current financial statements reflect the Company's new business strategy post completion of the plan of arrangement. The Company's registered head office address is B2-125, The Queensway, Suite #147, Etobicoke, Ontario, M8Y 1H6.

The plan of arrangement (the "Arrangement") pursuant to which Maverix acquired from Pan American the thirteen NSR's, precious metals streams and payment agreements included in the Pan American Portfolio closed on July 11, 2016. As part of the Arrangement, the Company changed its name from MacMillan Minerals Inc. ("MacMillan") to Maverix Metals Inc. and consolidated its pre-Arrangement outstanding common shares on the basis of one post consolidation common share for each two pre-consolidation common shares.

The acquisition of MacMillan was accounted for as a reverse take-over transaction ("RTO") that was not a business combination and effectively a capital transaction of the Company. Post transaction Maverix Private Co. has been treated as the accounting parent (although it is a legal subsidiary) and MacMillan has been treated as the accounting subsidiary (although it is the legal parent.) in these consolidated financial statements. As Maverix Private Co. was deemed to be the acquirer for accounting purposes, its assets, liabilities and operations since incorporation are included in these consolidated financial statements at their historical carrying values.

Maverix Metals Inc.'s results of operations have been included from the date of the RTO. While the legal capital continues to be that of MacMillan the legal parent, these consolidated financial statements are a continuation of Maverix Private Co. which was incorporated on January 9, 2016 and therefore limited comparative information has been included.

Pursuant to the Arrangement, the Company issued a total of 75,929,091 post consolidation common shares. Of this amount, Maverix Private Co. received 33,079,091 common shares in exchange for common shares of Maverix Private Co., Pan American received 42,850,000 common shares and 20,000,000 common share purchase warrants in exchange for the Pan American Portfolio. Following the close of the Arrangement, Maverix had a total of 79,837,856 issued and outstanding common shares. MacMillan shareholders received 3,664,165 post consolidation common shares for the purchase of the public company and recorded a \$4.4 million listing fee on completion of the Arrangement. Additional information including the plan of arrangement and the Company's press release describing the plan of arrangement were filed on SEDAR June 22, 2016 and July 11, 2016, respectively, and are available at www.sedar.com.

The 20,000,000 warrants issued as part of the Arrangement are exercisable for five years, with one-half exercisable at USD \$0.546 (or CAD\$0.72) per share and the other half exercisable at USD \$0.78 (or CAD\$1.02) per share. Pan American has exercised 10 million warrants with the exercise price of USD \$0.546 per warrant. As an inducement for Pan American to exercise warrants significantly before their expiry date, an additional 6.5 million warrants exercisable for 4.5 years were issued to Pan American with an exercise price of USD \$1.204 (or CAD\$1.60).

The Company's common shares trade on the TSX Venture Exchange under the trading symbol "MMX".

As at December 31, 2016, the Company owned two precious metal stream interests, one on a producing property in Mexico and one on a development stage property, also in Mexico. The Company also owned twenty-two NSR, GRR, and payment agreement interests. Five are on producing properties, one in Mexico, and four in Australia. In addition, the Company owns one interest on a property currently being constructed and developed in Canada, and one in Chile and fourteen on development and exploration/evaluation stage properties in Australia, Mexico, United States, Canada,

Peru, Chile, Dominican Republic, Democratic Republic of Congo, French Guiana and Argentina. The Company uses “evaluation stage” to describe exploration stage properties that contain mineralized material and on which operators are engaged in the search for reserves. We do not conduct mining operations on the properties in which we hold NSR, GRR and stream interests, and we are not required to contribute to capital costs, exploration costs, environmental costs or other operating costs on those properties.

A metal stream interest is a purchase agreement that provides the right to purchase all or a portion of one or more metals produced from a mine, for an upfront payment plus an additional cash payment for each unit delivered. The additional payment is typically fixed by contract and is generally at or below the prevailing market price. A portion of the attributable gold production as referred to in this MD&A and financial statements is the gold production to which Maverix is entitled pursuant to its gold stream agreements.

The Company’s business strategy is to acquire existing NSR’s and stream interests or to finance projects that are in production or in the development stage in exchange for NSR’s or stream interests. In the ordinary course of business, we engage in a continual review of opportunities to acquire existing NSR’s and stream interests, to establish new streams on operating mines, to create new NSR’s or stream interests through the financing of mine development or exploration, or to acquire companies that hold NSR and stream interests. During the period ended December 31, 2016, we focused on two asset acquisitions. The first, an acquisition of a portfolio of assets that included both eleven NSR and two stream interests described in the plan of arrangement with Pan American, see below, and the second, an acquisition of a portfolio of assets that included eleven NSR and GRR interests described in the Gold Field royalty portfolio, see below.

3. Highlights and Key Accomplishments during the Period Beginning January 9, 2016 and Ending December 31, 2016

In July 2016, the Company completed a Plan of Arrangement with Pan American which resulted in the acquisition of a portfolio of assets including thirteen various royalties, precious metals streams and payment agreements (the “Pan American Portfolio”). Included in the Pan American Portfolio of assets acquired are:

- Two Gold Stream agreements on properties in Mexico, with one property currently in production
- Eleven NSR’s or payment agreements on properties in Canada, Mexico, Peru and Argentina, with one property in production and another in development.

See section 4i for more details of the Plan of Arrangement and assets acquired

In December 2016, the Company completed the acquisition of a Royalty Portfolio from Gold Fields Netherlands Services BV (“Gold Fields”), pursuant to which, in exchange for 42,850,000 common shares of Maverix and 10,000,000 warrants to purchase common shares of Maverix, the Company acquired a portfolio of eleven (11) NSR and GRR royalties from Gold Fields (the “Gold Fields Royalty Portfolio”) on properties in Australia, Canada, Chile, Dominican Republic, Democratic Republic of Congo, and French Guiana, with four properties in production and three in development. The common share purchase warrants issued to Gold Fields are exercisable for five years from the date of issuance at US\$1.204 (\$1.60) per common share.

As a result of the acquisition, the Company obtained immediate leverage to gold, silver and nickel prices, increased cash flow, geographic asset diversification, counterparty diversification and long-term optionality.

The total acquisition cost of the Gold Fields Royalty Portfolio was determined to be \$42.9 million being the fair value of the royalty interests acquired. The fair value was allocated to the consideration transferred as follows: \$40.9 million to common shares and \$2.0 million to share purchase warrants.

The following assumptions were used for the Black-Scholes option pricing model for the fair value of the warrants issued to Gold Fields:

Dividend yield	0%
Expected volatility	40%
Risk free interest rate	1.0%
Expected life	5 years

See section 4ii for more details regarding the Gold Fields acquisition and assets acquired

4. The Portfolio of Assets owned by Maverix as at December 31, 2016

The following table summarizes the portfolio of assets acquired from Pan American and Gold Fields Inc. which were owned by the Company at December 31, 2016:

	Country	Cost	Accumulated Depletion	Impairment	Foreign Exchange	Net
(in thousands)		\$	\$	\$	\$	\$
Stream Interests						
La Colorada	MEX	22,620	(306)	-	733	23,047
La Bolsa	MEX	4,680	-	-	154	4,834
Total Stream Interests		27,300	(306)	-	887	27,881
NSR and GSR Royalty Interests						
San Jose Mine	MEX	7,150	(420)	-	221	6,951
Moose River	CAN	4,810	-	-	158	4,968
Shalipayco Project	PERU	4,290	-	-	141	4,431
Tres Cruces	PERU	4,680	-	-	154	4,834
Calcatreu	ARG	2,860	-	-	94	2,954
Pico Machay	PERU	1,560	-	-	51	1,611
Jojoba	MEX	1,495	-	-	49	1,544
Mt. Carlton	AUS	12,772	(166)	-	(88)	12,518
Beta Hunt – Gold and Nickel	AUS	14,422	(27)	-	(92)	14,303
Lightning Nickel	AUS	575	-	-	(7)	568
Vivien	AUS	4,457	(194)	-	(43)	4,220
Panton Sill	AUS	1,060	-	-	(25)	1,035
Dominator	CHILE	598	-	-	(8)	590
Romero	DR	6,984	-	-	(46)	6,938
Other	Various	2,758	-	-	51	2,809
Total Royalty Interests		70,471	(807)	-	610	70,274
Balance, December 31, 2016⁽¹⁾		97,771	(1,113)	-	1,497	98,155

i) The assets acquired in the Pan American Portfolio were as follows:

- La Colorada Mine Gold Stream (Durango, Mexico) –The economic equivalent of one hundred percent (100%) of the gold produced from Pan American’s operating La Colorada silver mine, less an ongoing price that is the lessor of US\$650 per ounce or the spot market price for the life of the mine. The La Colorada mine produced 2,930 ounces of by-product gold in 2016, and has provided production guidance of 3,300 to 3,500 ounces for 2017. The fair value of this gold stream at acquisition was estimated at \$22.6 million (USD \$17.4 million).
- San José Mine NSR (Oaxaca, Mexico) – NSR of one and one-half percent (1½%) on all metal sales from the Taviche Oeste concession at Fortuna Silver Mines’ operating San José silver and gold mine. First production from the Taviche Oeste concession began in 2015 with the first NSR payment being made for the quarter ended June 30, 2015. The fair value of this royalty at acquisition was at \$7.2 million (USD \$5.5 million).
- Moose River Project NSR (Nova Scotia, Canada) – NSR of three percent (3%), subject to a \$2.5 million option to repurchase 2% of the NSR, on the Touquoy deposit at Atlantic Gold Corporation’s Moose River open pit gold project. The fair value of this royalty at acquisition was estimated at \$4.8 million (USD \$3.7 million).
- Shalipayco Project NSR (Junin, Peru) – NSR of one percent (1%) on all metal production from the Shalipayco zinc development project. Shalipayco is an underground, pre-feasibility stage project that has been advanced by a joint venture lead by Votorantim Metals, Compañía Minera Milpo S.A., and Pan

American. The fair value of this royalty at acquisition was estimated at \$4.3 million (USD \$3.3 million).

- e) La Bolsa Project Gold Stream (Sonora, Mexico) – Agreement to purchase five percent (5%) of the future life of mine gold production at a fixed ongoing price of US\$450 per ounce from the feasibility stage La Bolsa project. The fair value of this gold stream at acquisition was estimated at \$4.7 million (USD \$3.6 million).
- f) Calcatreu Project NSR (Rio Negro, Argentina) – NSR of one and one-quarter percent (1¼%), or its equivalent, on all metals produced from the pre-feasibility stage Calcatreu open pit/milling gold/silver project. The fair value of this royalty at acquisition was estimated at \$2.9 million (USD \$2.2 million).
- g) Tres Cruces Project NSR (La Libertad, Peru) – NSR of one and one-half percent (1½%) on the Tres Cruces concessions held by New Oroperu Resources Inc. Tres Cruces is under option and is being explored by Barrick Gold Corporation. The fair value of this royalty at acquisition was estimated at \$4.7 million (USD \$3.6 million).
- h) Pico Machay Project NSR (Huancavelica, Peru) – NSR of one percent (1%) on the scoping stage Pico Machay open pit/heap leach gold project. The fair value of this royalty at acquisition was estimated at \$1.6 million (USD \$1.2 million).
- i) Taviche Este Project NSR (Oaxaca, Mexico) – NSR of one and one-half percent (1½%) on Aura Silver Resources Inc.’s early stage Taviche Este exploration project. The fair value of this royalty at acquisition was estimated at \$0.3 million (USD \$0.25 million).
- j) Quiruvilca Mine NSR (La Libertad, Peru) – A right to receive 50% of all revenue received, including any sales proceeds, from Pan American’s two percent (2%) NSR on all metal production from the Quiruvilca zinc/silver mine owned and currently operated by Sociedad Minera Quiruvilca Inversiones S.A. The fair value of this royalty at acquisition was estimated at \$0.3 million (USD \$0.2 million).
- k) Jojoba Project NSR (Sonora, Mexico) – NSR of two percent (2%) on the exploration stage Jojoba gold/silver deposit. The project is currently held by Metallörum Holding S.A.P.I. de C.V., a private Mexican company. The fair value of this royalty at acquisition was estimated at \$1.5 million (USD \$1.15 million).
- l) Queylus Project NSR (Quebec, Canada) – NSR of one and one-half percent (1½%) on Copper One Inc.’s early stage Queylus copper/gold project. The fair value of this royalty has been estimated at \$0.1 million (USD \$0.04 million).
- m) Maria Cecilia Project NSR (Ancash, Peru) – NSR of one and one-half percent (1½%) on Stellar Mining’s early stage Maria Cecilia gold/silver project. The fair value of this royalty at acquisition was estimated at \$0.1 million (USD \$0.1 million).

ii) The Portfolio of assets acquired from Gold Fields were as follows:

- a) Mt. Carlton NSR (Queensland, Australia) - a two and a half percent (2.5%) NSR royalty payable quarterly by Evolution Mining on revenue from production minus allowable charges from certain tenements at the high-grade, open pit Mt. Carlton Mine. The fair value of this royalty at acquisition was estimated to be \$12.8 million (US\$9.4 million).
- b) Beta Hunt Gold GRR and Nickel NSR (Western Australia, Australia) – a six percent (6%) GRR payable quarterly on all gold production and one percent (1%) NSR royalty payable quarterly on all revenue from nickel production minus allowable charges, from certain tenements at the underground Beta Hunt Mine. The Beta Hunt royalties (gold and nickel) are payable by RNC Minerals Corporation. The fair value of these royalties at acquisition was estimated to be \$14.4 million (US\$10.7 million).
- c) Vivien GRR (Western Australia, Australia) – a three percent (3%) to four and a half percent (4.5%) GRR payable quarterly by Ramelius Resources on all products mined from the relevant tenements at the Vivien Gold Mine. The maximum rate of 4.5% applies in respect of the first 25,000 ounces produced. The rate will then reduce to three and a half percent (3.5%) or, if the ore is treated at the mill at the Agnew gold

mining operation, three percent (3%). The fair value of this royalty at acquisition was estimated to be \$4.5 million (US\$3.3 million).

- d) Lightning Nickel Royalty NSR (Western Australia, Australia) – a variable sliding scale royalty of 0.65% to five percent (5%) of the value of the imputed nickel in concentrate contained in each monthly delivery payable by Independence Group on nickel mined from certain tenements comprising part of their Long mine. The fair value of this royalty at acquisition was estimated to be \$0.6 million (US\$0.4 million).
- e) Romero NSR (San Juan and other provinces, Dominican Republic) – a one and a quarter percent (1.25%) NSR royalty payable by GoldQuest Mining Corp. on all minerals mined from certain concessions. The fair value of this royalty at acquisition was estimated to be \$7.0 million (US\$5.2 million).
- f) El Peñón -- Dominador NSR (Antofagasta, Chile) – a two percent (2%) NSR (or one percent (1%) NSR in respect of minerals extracted from the area named the “Angelina Property”), payable quarterly by Yamana Gold on revenue from production minus allowable charges from the Dominador concession at the El Peñón mine. The fair value of this royalty at acquisition was estimated to be \$0.6million (US\$0.4 million).
- g) Mpokoto NSR (Katanga Province, Democratic Republic of Congo) – a one and a half percent (1.5%) NSR royalty payable on all commercial production mined from the Kisenge Project (including the Mpokoto Gold Project which is 80% held (directly and indirectly) by Armadale Capital Plc. The Mpokoto Gold Project is currently in the pre-feasibility stage. The fair value of this royalty at acquisition was estimated to be \$1.2 million (US\$0.9 million).
- h) Panton Sill NSR (Western Australia, Australia) – a two percent (2%) NSR royalty once production exceeds 100,000 ounces on platinum group metals mined from certain tenements in the Panton PGM Project held indirectly by Panoramic Resources Ltd. The project is currently in the scoping stage. The fair value of this royalty at acquisition was estimated to be \$1.1 million (US\$0.8 million).
- i) Scotia Gold Royalty (Western Australia, Australia) – upon production of 200,000 ounces of gold from relevant tenements, a payment of AUD \$1.20 per dry tonne of ore milled from any gold mining operations carried out upon the relevant tenements forming part of the Scotia Gold and Nickel Project (currently in the early exploration stage). This royalty is payable by Minotaur Exploration Limited. The fair value of this royalty at acquisition was estimated to be \$0.2 million (US\$0.1 million).
- j) Wayamaga Net Returns Royalty (Saint Laurent du Manoni, French Guiana) – one percent (1%) of net returns royalty (“NRR”) payable by Golden Star Resources Minières S.A.R.L. on gold and other metals mined from the early stage exploration project. The fair value of this royalty at acquisition was estimated to be \$0.1 million (US\$0.1 million).
- k) Committee Bay Project Diamond Sales Returns Royalty (Nunavut Territory, Canada) – a one percent (1%) of sales returns royalty is payable in respect of sales of diamonds mined from the relevant mineral titles forming part of the early stage exploration Committee Bay Project. The fair value of this royalty at acquisition was estimated to be \$0.01 million (US\$0.01 million).

Total transaction costs incurred to acquire the Gold Fields Royalty Portfolio amounted to approximately \$1.8 million, which included \$1.0 million of stamp duties in Australia.

5. Assets Acquisitions subsequent to December 31, 2016

In February 2017, the Company entered into a Royalty Purchase and Sale Agreement with Resource Income Fund, L.P. (“RIF”), a wholly owned subsidiary of Auramet Trading, LLC, pursuant to which Maverix agreed to:

- acquire two NSR royalty contracts, one on the Florida Canyon mine and one on the Beta Hunt mine from RIF;
- issue to RIF a total of 8,500,000 common shares from its treasury; and
- pay to RIF US\$5,000,000 in cash, all in accordance with the terms and conditions of the RIF Agreement.

Florida Canyon NSR (Nevada, USA) - a three and one quarter percent (3.25%) NSR royalty payable quarterly by Rye Patch Gold Corporation ("Rye Patch") on revenue from production of all metals and other materials, less allowable deductions, from the Florida Canyon open pit heap leach gold mine located in Pershing Co., Nevada, United States.

Beta Hunt Gold and Nickel NSR's (Western Australia, Australia) - a one and one-half percent (1.5%) NSR royalty payable quarterly on all gold production, and a one-half percent (0.5%) NSR royalty payable quarterly on all revenue from nickel production, less allowable deductions, from certain tenements at the underground Beta Hunt mine located 600 km from Perth in Kambalda, Western Australia. The Beta Hunt royalties (gold and nickel) are payable by RNC Minerals Corporation.

On April 5, the Company announced that it has entered into a Royalty Purchase and Sale Agreement dated April 5, 2017 (the "Agreement") with 0875786 B.C. Ltd. (the "Seller"), a wholly owned subsidiary of Silvercorp Metals Inc., pursuant to which Maverix agreed to acquire from the Seller a 2.5% net smelter return royalty on the Silvertip Mine for up to 6,600,000 Common shares in the capital of Maverix payable as follows:

- 3,800,000 Common shares of Maverix on closing; and
- 2,800,000 Common shares of Maverix when the Silvertip Mine achieves (i) commercial production, and (ii) a cumulative throughput of 400,000 tonnes of ore through the processing plant.

The Silvertip Mine is located in northern British Columbia, approximately 16 km south of the Yukon border and 90 km southwest of Watson Lake. The Silvertip Mine is owned and operated by JDS Silver Inc. ("JDS"). JDS acquired the project from Silvercorp in 2013 and continued previous permitting and development activities. In 2016, Denham Capital announced a partnership with JDS providing US\$65 million to complete development and construction of the Silvertip Mine. JDS began construction in December 2015 and initial production began in Q4 of 2016.

Silvertip Mine NSR (British Columbia, Canada) – a two and one half (2.5%) net smelter return royalty by Silvercorp Metals Inc. ("Silvercorp") on revenue from production of all metals and other materials, less allowable deductions, from the Silvertip Mine located in northern British Columbia, Canada.

6. Exploration and Evaluation Properties

The Company has no immediate plans for continued exploration activities and post the Arrangement is now focused on activities related to its strategy of being a metal streaming and royalty company. The Company continues to be optimistic that Minera Peñasquito will develop a follow up drill program at the Cerro de Oro Project after completing a full evaluation previous drill programs and resolving the issues they encountered with the local Ejidos. The Company will seek to maximize the value of the exploration properties it retained that were part of the pre-Arrangement MacMillan asset group by looking to sell or option the properties to third parties in exchange for retained NSR's.

7. Outlook for 2017

As of the date hereof, the Company is providing the following forecasts for 2017:

- Total attributable gold equivalent production is expected to be 13,375 to 15,000 attributable gold equivalent ounces;
- Total revenue is expected to be \$20.5 to \$23.0 million, and net revenue is expected to be \$17.5 to \$20.0 million after deducting gold stream payments at La Colorada. Both total revenue and net revenue assume an average gold price of US\$1,225 per ounce in 2017;
- Approximately 93% of total revenue is expected to be derived from gold sales, with silver (5%) and nickel (2%) accounting for the balance; and
- Total estimated cash general and administrative expenses are anticipated to be \$2.5 million, which excludes stock based compensation and transaction costs related to acquisition activities.

8. Results of Operations for the period beginning January 9, 2016 and ending December 31, 2016

The Company had total revenue earned during the period of \$2.3 million and cost of sales of \$1.6 million, of which \$1.1 million was depreciation and amortization of its assets. The Company's gross profit was \$0.7 million and had a loss from operations of \$1.3 million.

For the period beginning January 9, 2016 and ending December 31, 2016, the Company recorded a loss of \$8.3 million. The net loss was primarily due to accounting for the one-time transaction costs and listing fee expenses incurred to

participate in the Arrangement with Pan American and Maverix Private Co. which was completed on July 11, 2016 and the purchase of the Gold Fields Royalty Portfolio, which was completed on December 23, 2016. The costs associated with the Arrangement and the Gold Fields Transaction were one time expenses of \$4.5 million for listing expense and \$2.6 million of transaction costs. The Net loss for the period beginning January 9, 2016 and ending December 31, 2016 was \$8.3 million or \$0.20 per share.

Highlights of the operations for the period were as follows:

Production

- AuEq for the period beginning January 9, 2016 and ending December 31, 2016 was 1,479 ounces (La Colorado mine gold stream 720 ounces, Taviche Oeste 1.5% NSR 212 ounces, Mt. Carlton 2.5% NSR 186 ounces, Vivien 3.5% NSR 70 ounces and Beta Hunt 6.0% GRR 291 ounces). Year to date attributable gold production reflects the period beginning April 1, 2016 as defined in the Arrangement for the Pan American Portfolio and for the period beginning from December 1, 2016 for the Gold Field Royalty Portfolio, as defined in the Purchase and Sales Agreement.

Sales Volume

- Actual gold sales for the period beginning January 9, 2016 and ending December 31, 2016 were 604 ounces.
- Royalty revenue from the Taviche Oeste NSR was \$0.7 million attributable for the period beginning January 9, 2016 and ending December 31, 2016.
- Royalty revenue from the Mt. Carlton NSR was \$0.3 million attributable for the period beginning January 9, 2016 and ending December 31, 2016.
- Royalty revenue from the Vivien GRR was \$0.3 million attributable for the period beginning January 9, 2016 and ending December 31, 2016.
- Royalty revenue from the Beta/Hunt NSR was \$46 thousand attributable for the period beginning January 9, 2016 and ending December 31, 2016.

Per Ounce Price Realized and Cash Paid on La Colorado gold stream interest

- Average realized sale price per gold ounce sold for the period beginning January 9, 2016 and ending December 31, 2016 was USD\$1,273.
- The cash payment per gold ounce sold for the period beginning January 9, 2016 and ending December 31, 2016 was USD\$650.
- Cash operating margin per gold ounce sold for the period beginning January 9, 2016 and ending December 31, 2016 was USD\$623.

Cash flow used in operations:

For the period from January 9, 2016 and ending December 31, 2016 cash flow used in operations was \$0.4 million, which reflected the start up and transitional nature of Maverix's business during the current period. It is expected that cash flow from operations will grow significantly in 2017, as the full revenues from the Company's expanded NSR base start to be collected consistently.

The net increase in cash from non-cash working capital movements arose largely due to increases in accounts payable and accrued liability balances which increased by \$5.2 million offset in part by increases in receivables by \$3.0 million and resulting in a net increase of \$1.6 million in cash from flow from operations.

Cash flow used in investing activities

For the period, the Company utilized a net \$13 thousand for the period from January 9, 2016 and ending December 31, 2016, which included \$18.0 thousand for office improvements and equipment investments offset by \$5.0 thousand received on completion of the RTO.

Cash flow from financing activities

In 2016, the Company received \$13.1 million from financing activities consisting of \$5.9 million from the issue of common share and subscriptions receipts issued on formation of Maverix Private Co., and from the proceeds from the exercise of warrants of \$7.4 million offset by the repayment of short term loan of \$0.2 million.

9. Summary of Quarterly Results

The following table sets out selected interim consolidated financial information for each of the four most recently completed quarters, since the incorporation of the Company on January 9, 2016:

<i>Quarter Ended</i> (in thousands)	<i>Revenue</i> \$	<i>Net Loss</i> \$	<i>Loss per share</i> \$
<i>December 31, 2016</i>	1,394	(2,023)	(0.02)
<i>September 30, 2016</i>	955	(6,177)	(0.08)
<i>June 30, 2016</i>	Nil	(84)	(0.02)
<i>March 31, 2016</i>	Nil	(39)	(0.01)

The Company had total revenue earned of \$1.4 million and a cost of sales of \$0.9 million, of which \$0.7 million was the depreciation and amortization of its assets. The Company's gross profit was \$ \$0.5 million and had administrative expenses of \$0.5 million, which resulted in a loss from operations of \$20,000 in Q4, 2016. Total loss for the fourth quarter of 2016 was \$2.0 million which included \$1.8 million of transaction and legal costs associated with the acquisition of the Gold Fields Royalty Portfolio which closed during the period.

Highlights of the operations for the period were as follows:

Production

- Attributable gold equivalent production ("AuEq") for the three months ended December 31, 2016 of 1,413 ounces (La Colorada mine gold stream 751 ounces, Taviche Oeste 1.5% NSR 115 ounces, Mt. Carlton 2.5% NSR 186 ounces, Vivien 3.5% NSR 70 ounces and Beta Hunt 6.0% GRR 291 ounces) .

Sales Volume

- Actual gold sales for the three-month period ending December 31, 2016 were 342.6 ounces, bringing sales revenue to \$563 thousand for the quarter.
- Royalty revenue from the Taviche Oeste NSR was \$215 thousand attributable for the three months ended December 31, 2016.
- Royalty revenue from the Mt. Carlton NSR was \$270 thousand attributable for the three months ended December 31, 2016.
- Royalty revenue from the Vivien GRR was \$299 thousand attributable for the three months ended December 31, 2016.
- Royalty revenue from the Beta Hunt NSR was \$46 thousand attributable for the three months ended December 31, 2016.

Per Ounce Price Realized and Cash Paid on La Colorada gold stream

- Average realized sale price per gold ounce sold for the three-month period ending December 31, 2016 was USD\$1,231. .
- The cash payment per gold ounce sold for the three-month period ending December 31, 2016 was USD\$650.
- Cash operating margin per gold ounce sold for the three-month period ending December 31, 2016 were USD\$581.

10. Selected Annual Information

The following table sets out selected annual financial information of the Company and is derived from the Company's audited consolidated financial statements for the period ended December 31, 2016. The Company commenced operations in 2016.

Revenues (in millions)	2016 \$2.3
Loss for the year (in millions)	\$8.3
Loss per share (basic)	\$0.20
Total assets (in millions)	\$114.0
Total non-current financial liabilities (in millions)	\$Nil
Dividends declared	\$Nil

11. Liquidity and Capital Resources

The Company's liquid assets at December 31, 2016 were valued at \$15.8 million, consisting of cash of \$12.8 million and accounts receivable of \$3.0 million. Substantially all of the Company's cash is on deposit with accredited Canadian Chartered Banks. The Company's working capital was \$10.8 million at December 31, 2016.

We believe that our current financial resources and funds generated from operations will be adequate to cover anticipated expenditures for, general and administrative expense costs and capital expenditures for the foreseeable future.

Our long-term capital requirements are primarily affected by our ongoing acquisition activities. The Company currently, and generally at any time, has acquisition opportunities in various stages of active review. In the event of the acquisition of one or more significant royalty or stream interest, we may seek additional debt or equity financing as necessary.

Please refer to our risk factors included in the Financial Risk Factors section of this MD&A for a discussion of certain risks that may impact the Company's liquidity and capital resources.

The capital of the Company consists of common shares, warrants, and stock options. The Company's objective when managing capital is to try to maintain adequate levels of funding to support future stream and NSR acquisitions, and maintain its exploration properties until such time as they can be optioned to third parties in exchange for retained NSR's or disposed of. The Company attempts to manage its capital structure in a manner that will provide sufficient funding for operational activities. The Company and its subsidiaries are not subject to externally imposed capital requirements.

We do not conduct mining operations on the properties in which we hold NSR and stream interests, and we are not required to contribute to capital costs, exploration costs, environmental costs or other operating costs on those properties. Currently, the Company generates sufficient revenue from our operating interests to cover current activities. In the event the Company's acquisition activities increase it would potentially seek external financing to help fund these acquisitions. At present, the Company believes it has sufficient liquidity to complete any future acquisitions, pay for its general and administrative costs, and land holding costs, however the Company recognizes that it might be required to spend its liquid assets and raise additional financing if the magnitude of a specific acquisition is beyond its current capacity.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company's shareholders' equity at December 31, 2016 was \$109.0 million.

The following table summarizes the contractual maturities of the Company's financial liabilities, and operating and capital commitments at December 31, 2016:

(000's)	2017	2018	2019	2020	2021 and Beyond	Total
Accounts payable and accrued liabilities	\$ 4,850	\$ -	\$ -	\$ -	\$ -	\$ 4,850
	\$ 4,850	\$ -	\$ -	\$ -	\$ -	\$ 4,850

In connection with its Gold Streams, the Company has the right to purchase the following gold streams:

	Percent of life of mine gold	Per ounce cash payment: Lesser of amount below and the then prevailing market price of gold
Stream interests		
La Colorada	100%	USD\$650
La Bolsa	5%	USD\$450

12. Off-Balance Sheet Arrangements

The Company does not utilize off-balance sheet arrangements.

13. Transactions with Related Parties

Related parties include officers, the Board of Directors, and enterprises which are controlled by these individuals.

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any directors (executive and non-executive) of the Company.

The remuneration of officers and directors of the Company for the period beginning January 9, 2016 and ending December 31, 2016 was as follows:

	<u>2016</u>
	<u>\$(000's)</u>
Share based compensation	900
Cash based compensation	682
Total compensation	<u>1,582</u>

On July 11, 2016, the Company granted 2,907,000 options to officers, employees and/or directors.

As at December 31, 2016, the Company owed \$0.2 million to related parties. These amounts are unsecured, non-interest bearing with no fixed terms of repayment.

14. Critical Accounting Estimates and Judgements

The preparation of condensed interim consolidated financial statements in conformity with IFRS requires the Company's management to make judgments, estimates and assumptions about future events that affect the amounts reported in the consolidated financial statements and related notes to the financial statements.

Although these estimates are based on management's best knowledge of the amount, event or actions, actual results may differ from those estimates and these differences could be material. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods.

The areas which require management to make significant judgments, estimates and assumptions in determining carrying values include, but are not limited to:

- *NSR, GRR and Stream Interests*

NSR, GRR and stream interests include acquired NSR, GRR and stream interests in production, development and exploration stage properties. The costs of acquired NSR, GRR and stream interests are capitalized.

Acquisition costs of production stage NSR, GRR and stream interests are depleted using the units of production method over the life of the mineral property (as NSR, GRR payments are recognized or sales occur under stream interests), which are estimated using proven and probable reserves as provided by the operator. Acquisition costs of NSR, GRR and stream interests on development stage mineral properties, which are not yet in production, are not amortized until the property begins production. Acquisition costs of NSR, GRR and stream interests on exploration stage mineral properties, where there are no proven and probable reserves, are not amortized. At such time as the associated exploration stage mineral interests are converted to proven and probable reserves, the cost basis is amortized over the remaining life of the mineral property, using proven and probable reserves. The carrying values of exploration stage mineral interests are evaluated for impairment at such time as information becomes available indicating that the production will not occur in the future. Exploration costs are expensed when incurred.

- *Functional currency*

The functional currency for each of the Company's subsidiaries is the currency of the primary economic environment in which the entity operates. The Company has determined the functional currency of each entity is the US dollar. Determination of functional currency may involve certain judgements to determine the primary

economic environment and the Company reconsiders the functional currency of its entities if there is a change in events and conditions which determined the primary economic environment.

- *Estimation of depletion*

The carrying amounts of the Company's mining properties are depleted based on recoverable ounces contained in proven and probable reserves and a portion of resources. The Company includes a portion of resources where it is considered probable that those resources will be economically extracted. Changes to estimates of recoverable ounces and depletable costs including changes resulting from revisions to the mine plans where the Company owns an NSR, GRR or stream interest and changes in metal price forecasts can result in changes to future depletion rates.

- *Assets' carrying values and impairment charges*

In the determination of carrying values and impairment charges, management looks at the higher of recoverable amount or fair value less costs to sell in the case of assets and at objective evidence, significant or prolonged decline of fair value on financial assets indicating impairment. These determinations and their individual assumptions require that management make a decision based on the best available information at each reporting period.

- *Income taxes and recoverability of potential deferred tax assets*

In assessing the probability of realizing income tax assets recognized, management makes estimates related to expectations of future taxable income, applicable tax planning opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified. Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws in each jurisdiction. The Company considers whether relevant tax planning opportunities are within the Company's control, are feasible and are within management's ability to implement. Examination by applicable tax authorities is supported based on individual facts and circumstances of the relevant tax position examined in light of all available evidence.

Where applicable tax laws and regulations are either unclear or subject to ongoing varying interpretations, it is reasonably possible that changes in these estimates can occur that materially affect the amounts of income tax assets recognized. Also, future changes in tax laws could limit the Company from realizing the tax benefits from the deferred tax assets. The Company reassesses unrecognized income tax assets at each reporting period.

- *Share-based payments*

Management determines costs for share-based payments using market-based valuation techniques. The fair value of the market-based and performance-based share awards are determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgment used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviors and corporate performance. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

- *Contingencies*

In the event the Company's estimates change, the Company will recognize the effects of the changes in its financial statements on the date such changes occur.

The significant accounting policies are outlined in Note 3 of the December 31, 2016 consolidated financial statements.

Accounting standards issued but not yet adopted

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods on or after January 1, 2016 or later periods. Many are not applicable or do not have a significant impact to the Company and have been excluded. The following have not yet been adopted and are being evaluated to determine their impact on the Company.

IFRS 9 *Financial Instruments* ("IFRS 9") was issued by the IASB in November 2009 with additions in October 2010 and May 2013 and will replace IAS 39 *Financial Instruments: Recognition and Measurement* ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the

multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9, except that an entity choosing to measure a financial liability at fair value will present the portion of any change in its fair value due to changes in the entity's own credit risk in other comprehensive income, rather than within profit or loss. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. Earlier adoption is permitted. The Company is currently evaluating the impact of the financial reporting standard and amendments on its consolidated financial statements.

IFRS 15, Revenue from Contracts with Customers ("IFRS 15") In May 2014, the IASB and the Financial Accounting Standards Board ("FASB") completed its joint project to clarify the principles for recognizing revenue and to develop a common revenue standard for IFRS and US GAAP. As a result of the joint project, the IASB issued IFRS 15, Revenue from Contracts with Customers, and will replace IAS 18, Revenue, IAS 11, Construction Contracts, and related interpretations on revenue. IFRS 15 establishes principles to address the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Companies can elect to use either a full or modified retrospective approach when adopting this standard. On April 28, 2015, the IASB decided to defer the effective date of IFRS 15 to January 1, 2018. The Company is currently evaluating the impact of the financial reporting standard and amendments on its consolidated financial statements.

IAS 12 – Income Taxes ("IAS 12") was amended in January 2016 to clarify that, among other things, unrealized losses on debt instruments measured at fair value and measured at cost for tax purposes give rise to a deductible temporary difference regardless of whether the debt instrument's holder expects to recover the carrying amount of the debt instrument by sale or by use; the carrying amount of an asset does not limit the estimation of probable future taxable profits; and estimates for future taxable profits exclude tax deduction resulting from the reversal of deductible temporary differences. The amendments are effective for annual periods beginning on or after January 1, 2017.

IAS 7, Statement of Cash Flows ("IAS 7") Amendments to IAS 7, Statement of Cash Flows were issued in January 2016 as part of the IASB's Disclosure Initiative. The amendments require certain enhanced disclosures of the cash and non-cash components of changes in liabilities resulting from financing activities and are required to be applied for years beginning on or after January 1, 2017. The Company is currently evaluating the impact of the amendments on its consolidated financial statements.

IFRS 2, Share Based Payments ("IFRS 2"): The IASB issued amendments to IFRS 2 that address three main areas: the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction; the classification of a share-based payment transaction with net settlement features for withholding tax obligations; and accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash settled to equity settled. On adoption, entities are required to apply the amendments without restating prior periods, but retrospective application is permitted if elected for all three amendments and other criteria are met. The amendments are effective for annual periods beginning on or after January 1, 2018, with early application permitted. The Company is currently evaluating the potential effect of these amendments.

15. Financial Risk Factors

Fair Value of Financial Assets and Liabilities

The carrying values of cash, accounts receivable, and accounts payable and accrued liabilities, approximate their respective fair values due to the short-term nature of these instruments.

The fair values together with the carrying amounts shown in the statement of financial position are as follows:

(thousands)	Carrying Amount	Fair Value
	As at December 31, 2016	
	\$	\$
Cash in banks	12,761	12,761
Accounts receivable	3,004	3,004
Accounts payable and accrued liabilities	(4,850)	(4,850)

Risk Management

The Company may be exposed to risks of varying degrees of significance that could affect its ability to achieve its

strategic objectives. The main objectives of the Company's risk management process are to ensure that risks are properly identified and that the capital base is adequate in relation to those risks. The principal risks to which the Company is exposed are described below.

a. Credit Risk

The Company's credit risk is limited to cash and cash equivalents, trade receivables and other in the ordinary course of business. The Company's trade receivables and other is subject to the credit risk of the counterparties who own and operate the mines underlying Maverix's royalty portfolio. In order to mitigate its exposure to credit risk, the Company closely monitors its financial assets and maintains its cash deposits in several high-quality financial institutions. Included in accounts receivable at December 31, 2016 is \$2.7 million owing from three operators, each of whom comprise greater than 10% of the outstanding accounts receivable balance.

b. Liquidity Risk

The Company prepares budgets on an ongoing basis to determine the amount of funds required to support the Company's operations and acquisition activities. Liquidity risk is the risk that the Company will be unable to meet its financial obligations as they fall due. The Company's liquid assets at December 31, 2016 consisted of cash of \$12.8 million and accounts receivable of \$3.0 million.

c. Market Risk

Revenue, cash flow, and profits from any of the Company's streams will be influenced by precious and/or base metal prices and by the relationship of such prices to the pre-determined cost of purchasing the precious metal. Such prices can fluctuate widely and are affected by numerous factors beyond the Company's control.

d. Foreign Exchange Risk

The Company's functional currency is the US dollars. The Company presents its financial statements in Canadian dollars. The Company earns its sales and royalty revenue primarily in US dollars and certain of the Company's expenses are incurred in US dollars and other foreign currencies and are therefore subject to gains or losses due to fluctuations in exchange rates. As at December 31, 2016, the Company had the following balances in foreign currencies:

(thousands)	December 31, 2016	
	US\$	\$CAD
Cash		
USD- Bank Account	\$6,015	\$8,076

The Company does not currently undertake currency hedging activities to mitigate its foreign currency risk. If the US dollar denominated financial instrument balances had remained consistent throughout the period, a 10% strengthening (weakening) of the Canadian dollar against the United States dollar would have increased (decreased) the loss for the period beginning January 9, 2016 and ending December 31, 2016 by \$0.8 million.

e. Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. It is management's opinion that the Company is not exposed to significant interest rate risk.

A sensitivity analysis has determined that an interest rate fluctuation of 1% would not have resulted in significant fluctuation in the interest income during the period from January 9, 2016 to December 31, 2016.

16. Other

Capital Stock

As at April 25, 2017 the Company had 145,301,492 outstanding common shares, 2,907,000 outstanding share purchase options outstanding with a weighted average exercise price of CAD\$0.54 and 26,500,000 outstanding share purchase warrants with a weighted average exercise price of USD\$1.04 (CAD\$1.38).

Risks and Uncertainties

At the present time, the Company does not hold any interest in a mining property in production. The Company's

viability and potential successes lie in its ability to generate revenue out of mineral deposits held by other companies. Revenues, profitability and cash flow from any future operations involving the Company will be influenced by precious and/or base metal prices and by the relationship of such prices to the costs of acquiring streams or NSR's and the ongoing payment obligations under the Company's Stream interests. Such prices have fluctuated widely and are affected by numerous factors beyond the Company's control.

Internal Financial Controls

Venture issuers, as defined in National Instrument 52-109 ("NI 52-109"), are not required to include representations relating to the establishment and maintenance of disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as defined in NI 52-109 Certification of Disclosure in Issuer's Annual and Interim Filings. In particular, the Company's certifying officers are not making any representations relating to the establishment and maintenance of:

- i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the Company's generally accepted accounting principles.

The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they make. Investors should be aware that there are inherent limitations on the ability of the Company's certifying officers to design and implement internal controls over financial reporting and disclosure controls and procedures on a cost effective basis.