FORM 5
QUARTERLY LISTING STATEMENT

Name of Listed Issuer: **Metalo Manufacturing Inc.** (the "Issuer").

Trading Symbol: **MMI.**

This Quarterly Listing Statement must be posted on or before the day on which the Issuer's unaudited interim financial statements are to be filed under the *Securities* Act, or, if no interim statements are required to be filed for the quarter, within 60 days of the end of the Issuer's first, second and third fiscal quarters. This statement is not intended to replace the Issuer's obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by the Exchange Policies. If material information became known and was reported during the preceding quarter to which this statement relates, management is encouraged to also make reference in this statement to the material information, the news release date and the posting date on the Exchange website.

General Instructions

(a) Prepare this Quarterly Listing Statement using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the following items must be in narrative form. When the answer to any item is negative or not applicable to the Issuer, state it in a sentence. The title to each item must precede the answer.

(b) The term "Issuer" includes the Listed Issuer and any of its subsidiaries.

(c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

There are three schedules which must be attached to this report as follows:

SCHEDULE A: FINANCIAL STATEMENTS

Financial statements are required as follows:

For the first, second and third financial quarters interim financial statements prepared in accordance with the requirements under Ontario securities law must be attached.

If the Issuer is exempt from filing certain interim financial statements, give the date of the exempting order.

SCHEDULE B: SUPPLEMENTARY INFORMATION

The supplementary information set out below must be provided when not included in Schedule A.

1. Related party transactions

Provide disclosure of all transactions with a Related Person, including those previously disclosed on Form 10. Include in the disclosure the following information about the transactions with Related Persons:

(a) A description of the relationship between the transacting parties. Be as precise as possible in this description of the relationship. Terms such as affiliate, associate or related company without further clarifying details are not sufficient.

The related party transactions are detailed in (i) Note 12 of the financial statements with respect to compensation payments made by the Issuer for consulting fees, management fees and salaries; (ii) Note 6 as they relate to a convertible debenture subscribed to by the Chairman of the Issuer through a company controlled by him and as they relate to a short-term loan from a related party.

(b) A description of the transaction(s), including those for which no amount has been recorded.

The transactions were for (i) cash payments made by the Issuer for consulting fees, management fees and salaries; (ii) shares issued for the payment on interest on the convertible debenture; and (iii) a loan made by a related party to the Issuer.

(c) The recorded amount of the transactions classified by financial statement category.

The transactions for consulting fees, management fees and salaries totaled $79,906.

(d) The amounts due to or from Related Persons and the terms and conditions relating thereto.

There are no amounts due from Related Persons and the amounts due to are noted above.

(e) Contractual obligations with Related Persons, separate from other contractual obligations.

Not applicable.

(f) Contingencies involving Related Persons, separate from other contingencies.

Not applicable.

2. Summary of securities issued and options granted during the period.

There were no options granted. With respect to the convertible debenture discussed above, the Issuer issued 163,342 common shares in satisfaction of the $25,000 quarterly interest payment required during the quarter.

Provide the following information for the period beginning on the date of the last Listing Statement (Form 2A):

(a) summary of securities issued during the period,

Date of Issue	**Type of Security (common shares, convertible debentures, etc.)**	**Type of Issue (private placement, public offering, exercise of warrants, etc.)**	**Number**	**Price**	**Total Proceeds**	**Type of Consideration (cash, property, etc.)**	**Describe relationship of Person with Issuer (indicate if Related Person)**	**Commission Paid**
August 2, 2021	Common shares	Convertible debenture interest	163,342	0.1531	$25,000	In lieu of cash payment of interest due	Related party	N/A

(b) summary of options granted during the period,

Date	**Number**	**Name of Optionee if Related Person and relationship**	**Generic description of other Optionees**	**Exercise Price**	**Expiry Date**	**Market Price on date of Grant**

3. **Summary of securities as at the end of the reporting period.**

Provide the following information in tabular format as at the end of the reporting period:

(a) description of authorized share capital including number of shares for each class, dividend rates on preferred shares and whether or not cumulative, redemption and conversion provisions.
<u>The Issuer is authorized to issue an unlimited number of common shares without nominal or par value.</u>

(b) number and recorded value for shares issued and outstanding.
<u>The Issuer has 19,687,368 issued and outstanding common shares and the recorded value is $9,512,978.</u>

- description of options, warrants and convertible securities outstanding, including number or amount, exercise or conversion price and expiry date, and any recorded value.
<u>The details are noted in the financial statements under Notes 9 and Note 10.</u>

(c) number of shares in each class of shares subject to escrow or pooling agreements or any other restriction on transfer.
<u>Not applicable.</u>

4. **List the names of the directors and officers, with an indication of the position(s) held, as at the date this report is signed and filed.**

Directors:
J. Paul Allingham
David J. Hennigar
Francis H. MacKenzie
Jean-Marc MacKenzie
Paul R. Snelgrove
K. Barry Sparks
E. Christopher Stait-Gardner

Officers:
David J. Hennigar, Chairman of the Board
K. Barry Sparks, Vice-Chairman
Francis H. MacKenzie, President/CEO
Jean-Marc MacKenzie, Interim CFO
Lina Tannous, Corporate Secretary
Kevin Kemper, Vice President Business Development

SCHEDULE C: MANAGEMENT DISCUSSION AND ANALYSIS

Provide Interim MD&A if required by applicable securities legislation.

Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Quarterly Listing Statement.

2. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.

3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).

4. All of the information in this Form 5 Quarterly Listing Statement is true.

Dated: December 2, 2021

Francis MacKenzie
Name of Director or Senior Officer

"*Original Signed*"
Signature

President and CEO
Official Capacity

Issuer Details Name of Issuer Metalo Manufacturing Inc.	For Quarter Ended 2021/09/30	Date of Report YY/MM/D 2021/12/02
Issuer Address PO Box 14 535 Larry Uteck Blvd		
City/Province/Postal Code Bedford, NS B3M 0G3	Issuer Fax No. N/A	Issuer Telephone No. (902) 499-7150
Contact Name Lina Tannous	Contact Position Corporate Secretary	Contact Telephone No. (902) 877-5272
Contact Email Address lina@metalo.ca	Web Site Address www.metalo.ca	

Schedule "A"

Financial Statements

Condensed Consolidated Interim Financial Statements of
Metalo Manufacturing Inc.

(Stated in Canadian Dollars)
September 30, 2021
(**Unaudited**)

Metalo Manufacturing Inc.
Consolidated Statements of Financial Position
(Amounts presented in Canadian Dollars)

	30-Sep 2021 $	30-Jun 2021 $	30-Jun 2020 $
Assets			(Adjusted- note 3)
Current assets:			
Cash	8,784	47,705	325,513
Other receivable	4,759	4,842	9,297
Investments	-	806	2,800
	13,543	53,353	337,610
Non-current assets:			
Project development costs (Note 4)	1,462,322	1,462,322	1,462,322
Property and equipment (Note 5)	9,413	10,368	14,187
	1,471,735	1,472,690	1,476,509
	1,485,278	1,526,043	1,814,119
Liabilities and Shareholders' Equity			
Current liabilities:			
Trade and other payables	1,011,938	961,822	860,835
Short-term loans (Note 6)	6,950,901	6,812,819	8,692,604
	7,962,839	7,774,641	9,553,439
Non-current liabilities:			
Long-term debt (Note 7)	3,777,161	3,671,246	1,001,993
	11,740,000	11,445,887	10,555,432
Shareholders' equity			
Share capital (Note 8)	9,512,978	9,487,978	9,387,978
Equity component convertible debenture	649,593	649,593	649,593
Stock based payment reserve	1,284,000	1,284,000	1,284,000
Deficit	(15,489,233)	(15,240,205)	(14,635,271)
Deficiency attributable to shareholders	(4,042,662)	(3,818,634)	(3,313,700)
Non-controlling interests	(6,212,060)	(6,101,210)	(5,427,613)
	(10,254,722)	(9,919,844)	(8,741,313)
	1,485,278	1,526,043	1,814,119

Note 1 - Nature of operations and going concern
Note 14 - Commitments and contingencies
Note 17 - Subsequent events
The accompanying notes form an integral part of these consolidated financial statements

Approved on behalf of the Board:

David J. Hennigar

Francis H. MacKenzie

December 2, 2021

Metalo Manufacturing Inc.
Consolidated Statements of Loss and Comprehensive Loss
(Amounts presented in Canadian Dollars)

	Three Months ended	
	30-Sep-21	**30-Sep-20**
	$	$
		(adjusted-note 3)
Operating expenses (Note 12)	(109,049)	(127,945)
Depreciation(Note 6)	(955)	(955)
Interest and bank charges	(196,193)	(184,039)
Interest accretion	(53,520)	(27,758)
Realized loss on investments	(161)	-
Unrealized (loss) on investments	-	(800)
Net loss before taxes	(359,878)	(341,497)
Income tax recovery recovery (Note 14)	-	-
Net loss and comprehensive loss	(359,878)	(341,497)
Net loss and comprehesive attributable to:		
Shareholders of the Corporation	(249,028)	(168,426)
Non-controlling interest	(110,850)	(173,071)
Net loss and comprehensive loss	(359,878)	(341,497)
Net loss per share	($0.01)	($0.01)
Weighted average number of shares outstanding (Note 9)	19,416,561	18,705,226

The accompanying notes form an integral part of these consolidated financial statements

Metalo Manufacturing Inc.
Consolidated Statement of Changes in Equity
(Amounts presented in Canadian Dollars)

	Number of Shares Issued	Share Capital	Equity Component Convertible Debenture	Stock based payment reserve	Retained Earnings	Total Shareholders Equity	Non-controlling interest	Total Equity
		$	$	$	$	$	$	$
Balance June 30, 2020 (Adjusted)	18,830,815	9,387,978	649,593	1,284,000	(14,635,271)	(3,313,700)	(5,427,613)	(8,741,313)
Net loss and comprehensive loss for the period	-	-	-	-	(168,426)	(168,426)	(173,071)	(341,497)
Shares issued in payment of interest (Note 8)	127,660	25,000				25,000		25,000
Balance September 30, 2020	18,958,475	9,412,978	649,593	1,284,000	(14,803,697)	(3,457,126)	(5,600,684)	(9,057,810)
Balance June 30, 2021	19,524,026	9,487,978	649,593	1,284,000	(15,240,205)	(3,818,634)	(6,101,210)	(9,919,844)
Net loss and comprehensive loss for the period	-	-	-	-	(249,028)	(249,028)	(110,850)	(359,878)
Shares issued in payment of interest (Note 8)	163,342	25,000	-	-	-	25,000	-	25,000
Balance September 30, 2021	19,687,368	9,512,978	649,593	1,284,000	(15,489,233)	(4,042,662)	(6,212,060)	(10,254,722)

The accompanying notes form an integral part of these consolidated financial statements

Metalo Manufacturing Inc.

Consolidated Statements of Cash Flows

For the three months ended September 30, 2021

(Amounts presented in Canadian Dollars)

	Period Ended	
	30-Sep-21	**30-Sep-20**
	$	$
		(adjusted -note 3)
Cash flows used in operating activities:		
Net loss	(359,878)	(341,497)
Items not involving cash:		
Depreciation	955	955
Interest capitalized on short-term loans and long-term debt	146,122	132,787
Realized loss on investments	161	-
Unrealized loss on investments	-	800
Interest paid by issuance of shares	25,000	25,000
Interest accretion	53,520	27,758
Deferred taxes recovery	-	-
Changes in non-cash operating working capital		
Other receivables	83	1,432
Trade and other payables	50,116	(68,791)
	(83,921)	(221,554)
Cash flows generated from financing activities:		
Proceeds (repayments) of short term borrowings	45,000	-
	45,000	-
Increase (decrease in cash during the period	(38,921)	(221,554)
Cash, beginning of period	47,705	325,513
Cash, end of period	8,784	103,959

The accompanying notes form an integral part of these consolidated financial statements

NOTICE TO READER

Under National Instrument 51-102, Part 4, subsection 4.3 (3) (a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed consolidated interim financial statements of Metalo Manufacturing Inc. (the "**Corporation**") have been prepared by and are the responsibility of the Corporation's management.

The Corporation's independent auditor has not performed a review of these condensed consolidated interim financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

The condensed consolidated interim financial statements, the notes thereto and other financial information contained in the management's discussion and analysis are the responsibility of management of the Corporation and have been approved by the Board of Directors.

The condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board and, where necessary, include amounts which reflect management's best estimates and judgments based on current available information. The Corporation maintains systems of internal accounting and administrative controls in order to provide reasonable assurance that the Corporation's assets are appropriately accounted for and adequately safeguarded, and that financial information is accurate and reliable.

The Board of Directors, through its Audit Committee, is responsible for ensuring that management fulfils its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the interim condensed consolidated financial statements and the accompanying management's discussion and analysis.

The Audit Committee is composed of a majority of independent directors and meets periodically with management and the independent auditors to review internal accounting controls, auditing matters and financial reporting issues, and to satisfy itself that all parties are properly discharging their responsibilities. The Audit Committee also reviews the interim condensed consolidated financial statements and the management's discussion and analysis of financial results and reports its findings to the Board of Directors for its consideration when approving the interim condensed consolidated financial statements for issuance to the shareholders.

"Francis H. MacKenzie"

President and Chief Executive Officer

December 2, 2021

1. CORPORATE INFORMATION

Metalo Manufacturing Inc. (the "**Corporation**") was incorporated on October 4, 2000 under the laws of Alberta. Through its direct and indirect subsidiaries, it is involved in the mining and exploration sector and the manufacturing sector. The Corporation's Head Office is located at Suite 2002, 145 Richmond St. W., Toronto, ON, M5H 2L2.

The Corporation owns 43.9% of Grand River Ironsands Incorporated ("**GRI**")., a company incorporated in Nova Scotia. GRI owns 90% of Labrador Sands Inc. (previously North Atlantic Iron Corporation) ("**LSI**"), a company incorporated in Newfoundland and Labrador and is engaged in the exploration and development of mineral deposits. GRI's wholly owned subsidiary, Pure Fonte Ltée ("**PFL**"), is a company federally incorporated with its place of business in Quebec. PFL is expected to engage in nodular pig iron manufacturing. Forks Specialty Metals Inc. ("**FSM**") was a wholly owned subsidiary of GRI, incorporated in Pennsylvania, which filed for bankruptcy under Chapter 7 of the United States Bankruptcy Code in the United States Bankruptcy Court, Eastern District of Pennsylvania

The consolidated interim financial statements have been prepared on a going concern basis, which assumes that the Corporation will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

The Corporation and its partially owned subsidiaries have not yet determined whether the properties contain mineral reserves that are economically recoverable. The recoverability of amounts shown for mineral properties and related deferred expenditures is dependent upon the discovery of economically recoverable reserves, confirmation of the subsidiary's interest in the underlying mining claims, the ability of the Corporation and its subsidiaries to obtain necessary financing from shareholders, investors and lenders to complete the development, and upon future profitable production or proceeds from the disposition thereof.

The Corporation has cash on hand of $8,784 (June 30, 2021 - $47,705), and has a working capital deficiency of $7,949,296 (June 30, 2021 - $7,855,494). The Corporation has had recurring negative cash flows from operations and will require additional financing to fund its continuing exploration efforts. These uncertainties cast significant doubt upon the Corporation's ability to continue as a going concern. Management plans to raise additional debt and/or equity financing in order to continue operations. Although the Corporation has been successful in raising funds to date, there can be no assurance that adequate funding will be available in the future, or available under terms favourable to the Corporation. The consolidated interim financial statements do not reflect adjustments in the carrying values of the assets and liabilities, the reported expenses, and the balance sheet classifications used, that would be necessary if the Corporation was unable to realize its assets and settle its liabilities as a going concern in the normal course of operations, and such adjustments could be material.

On March 11, 2020, the World Health Organization declared a pandemic following the emergence and rapid spread of a novel strain of coronavirus ("**COVID-19**"). The continued spread of COVID-19 and the actions being taken by governments, businesses, and individuals may adversely impact the Corporation's operations and its financial results. This has resulted in significant economic uncertainty, of which the potential impact on the Corporation's future financial results is difficult to reliably measure.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Presentation and Statement of Compliance

These unaudited interim condensed consolidated financial statements are prepared in accordance with IAS 34 Interim Financial Reporting ("**IAS34**") using accounting policies consistent with the International Financial Reporting Standards ("**IFRS**") issued by the International Accounting Standards Board ("**IASB**") and Interpretations of the International Financial Reporting Interpretations Committee ("**IFRIC**") in effect for the period ended September 30, 2021. They do not include all financial information required for full annual financial statements and should be read in conjunction with the audited annual financial statements of the Corporation for the year ended June 30, 2021.

These unaudited interim condensed consolidated financial statements were authorized for issue by the Board of Directors on December 2, 2021.

These unaudited interim condensed consolidated financial statements are prepared on the historical cost basis except for certain assets, liabilities and financial instruments which are measured at their fair values, as explained in the relevant accounting policies.

These unaudited interim condensed consolidated financial statements are presented in Canadian dollars which is also the Corporation's functional currency and the functional currency of its Canadian subsidiaries. The functional currency of the US subsidiary is the USD.

(b) Basis of Consolidation

These financial statements include the accounts of the Corporation, GRI, LSI, and PFL (see Note 3), as well as Forks Specialty Metals Inc. ("**FSM**") (see Note 15). All inter-company transactions and balances have been eliminated on consolidation.

(c) Business combinations, goodwill and non-controlling interests

The Corporation applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value at the acquisition dates. Acquisition related costs are expensed as incurred.

Transactions with non-controlling interests are treated as transactions with equity owners of the Corporation. For purchases from non-controlling interests that do not involve loss of control, the difference between the fair value of the consideration paid and the share of the carrying value of net assets acquired is recorded in equity. Similarly, gains or losses on disposals to non-controlling interests, which do not involve loss of control, are computed and recorded in equity.

(d) Resource properties

During the year, the Corporation voluntarily changed its accounting policy relating to its resource properties (note 3). Following the change in accounting policy, exploration and evaluation expenditures relating to the acquisition of rights to explore, geological studies, exploratory drilling and other activities in relation to evaluating the technical feasibility and commercial viability of extracting a mineral resource are recognized as incurred in the consolidated statement of loss and comprehensive loss. Once technical feasibility and commercial viability has been reached, subsequent exploration costs will be capitalized to the consolidated statement of financial position.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Intangible assets

Intangible assets are comprised of the project development costs that have been incurred related to the future investment in a manufacturing facility that management expects to construct. Depreciation will commence once the project is completed.

(f) Restoration, rehabilitation and environmental obligation

A legal or constructive obligation to incur restoration, rehabilitation and environmental costs may arise when environmental disturbance is caused by the exploration, development or ongoing production of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, as soon as the obligation to incur such costs arises.

(g) Property and Equipment

Property and equipment are recorded at cost less accumulated depreciation and any impairment. The cost of an item of property and equipment consists of the purchase price and any cost directly attributable to bringing the asset to the location and condition necessary for its intended use. Depreciation is provided using the declining balance method at the following annual rates:

Assets	Rates
Computer equipment	30%
Office equipment	20%
Industrial equipment	20%

(h) Impairment of Non-Financial Assets

Property and equipment and other non-current assets with definite useful lives, are tested for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Project development costs that are not yet available for use, are subject to an annual impairment assessment. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value (less costs to sell) is the amount obtainable from the sale of the asset or group of assets in an arm's length transaction between knowledgeable and willing parties, less costs to sell. Value in use is equal to the present value of future cash flows expected to be derived from the use and sale of the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the cash-generating unit or CGU).

An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment losses recognized in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amounts of the other assets in the unit on a pro rata basis.

Impairment losses may be reversed, except for goodwill, in a subsequent period where the impairment no longer exists or has decreased. The carrying amount after a reversal must not exceed the carrying

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Impairment of Non-Financial Assets (continued)

amount (net of depreciation) that would have been determined had no impairment loss been recognized..

Impairment losses may be reversed, except for goodwill, in a subsequent period where the impairment no longer exists or has decreased. The carrying amount after a reversal must not exceed the carrying amount (net of depreciation) that would have been determined had no impairment loss been recognized.

(i) Share Issuance Cost

Costs incurred for the issuance of common share are deducted from share capital.

(j) Foreign Currency

Foreign currency transactions are initially recorded in the functional currency at the transaction date exchange rate. As at the statements of financial position date, monetary assets and liabilities denominated in a foreign currency are translated into the functional currency at the reporting date exchange rate. Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary items at year-end exchange rates are recognized in the statement of loss and comprehensive loss.

Non-monetary items measured at historical cost are translated using the historical exchange rate. Non-monetary items measured at fair value are translated using the exchange rates at the date when fair value was determined.

Financial statements of subsidiaries, affiliates and joint ventures for which the functional currency is not the Canadian dollar are translated into Canadian dollar as follows: all asset and liability accounts are translated at the balance sheet exchange rate and all earnings and expense accounts and cash flow statement items are translated at average exchange rates for the year. The resulting translation gains and losses are recorded as foreign currency translation adjustments in other comprehensive income and recorded in the currency translation reserve in equity. On disposal of a foreign operation the cumulative translation differences recognized in equity are reclassified to the income statement and recognized as art of the gain or loss on disposal.

Foreign exchange gains or losses arising from a monetary item receivable from or payable to a foreign operation, the settlement of which is neither planned nor likely to occur in the foreseeable future and which in substance is considered to form part of the net investment in the foreign operation, are recognized in other comprehensive income in the translation reserve.

(k) Income Taxes

Income taxes are calculated using the liability method. Temporary differences arising from the difference between the tax basis of an asset or liability and its carrying amount on the balance sheet are used to calculate deferred income tax liabilities or assets. Deferred income tax liabilities or assets are calculated using the substantively enacted rates and laws that are expected to be in effect in the periods that the temporary differences are expected to reverse.

The effect of changes in rates is included in the statement of comprehensive income in the year which included the substantive enactment date. A deferred tax asset is recognized to the extent that it is

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Income Taxes (continued)

probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(l) Stock-based Payments

Stock based payment awards that are direct awards of stock to employees or directors, call for settlement in cash or other assets, or are stock appreciation rights that call for settlement by issuing equity instruments, are accounted for using the Black-Scholes option pricing model. The cost is recognized on a straight-line graded method basis adjusted for expected forfeitures as an employee or director expense with a corresponding increase to equity in stock-based payment reserve. Consideration paid by employees or directors on the exercise of stock options is recorded as share capital.

Stock-based payments with parties other than employees, assumes a rebuttable presumption that the fair value of the goods or services received can be estimated reliably. In certain circumstances, the Corporation rebuts this presumption because it cannot estimate reliably the fair value of the goods or services received. The Corporation then measures the goods or services received, and the corresponding increase in equity, indirectly, by reference to the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders service.

(m) Financial Instruments

(i) Financial Assets and Liabilities

The Corporation classifies its financial instruments in the following measurement categories: fair value through profit and loss ("**FVTPL**"); fair value through other comprehensive income ("**FVOCI**"); or amortized cost. Management determines the classification of its financial instruments at initial recognition.

The Corporation recognizes a financial asset or a financial liability when, and only when, it becomes a party to the contractual provisions of the instrument. Such financial assets or financial liabilities are initially recognized at fair value and the subsequent measurement depends on their classification. Transaction costs that are directly attributable to the acquisition or issue of financial instruments, other than financial instruments at FVTPL are added to or deducted from the fair value of the financial instrument, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial instruments at FVTPL are recognized immediately in net income (loss).

Financial asset is subsequently measured at:

- Amortized cost if it is held for the purposes of collecting contractual cash flows with such cash flows solely comprising payments of principal and interest on the principal amount outstanding;
- FVOCI if it is: held for the purposes of collecting contractual cash flows and selling financial assets with such cash flows solely comprising payments of principal and interest on the principal amount outstanding; or irrevocably designated as such upon initial recognition; and
- FVTPL if it is: neither classified as subsequently measured at amortized cost nor FVOCI; or irrevocably designated as such upon initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Financial Instruments (continued)

(i) Financial Assets and Liabilities (continued)

All financial liabilities are recognized initially at fair value plus, in the case of loans and borrowings, directly attributable transaction costs. Financial liabilities are classified as amortized cost are subsequently measured at amortized cost using the effective interest rate method.

The Corporation's financial assets include cash investments and other receivables. The Corporation's financial liabilities include trade and other payables, short term loans and long-term debt. Classification of these financial instruments is as follows:

Asset/Liability	Classification
Cash	Amortized cost
Investments	FVTPL
Other Receivables	Amortized cost
Trade and other payables	Amortized cost
Short-term loans	Amortized cost
Long-term debt	Amortized cost

Financial assets are derecognized when the Corporation's rights to cash flows from the respective assets have expired or have been transferred and the Corporation has neither exposure to the risks inherent in those assets nor entitlement to rewards from them. A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the consolidated statements of loss and comprehensive loss.

The Corporation categorizes its financial assets and liabilities measured at fair value into one of three different levels depending on the observability of the inputs used in the measurement.

Level 1: This level includes assets and liabilities measured at fair value based on unadjusted quoted prices for identical assets and liabilities in active markets that are accessible at the measurement date.

Level 2: This level includes valuations determined using directly or indirectly observable inputs other than quoted prices included within Level 1. Derivative instruments in this category are valued using models or other standard valuation techniques derived from observable market inputs.

Level 3: This level includes valuations based on inputs which are less observable, unavailable or where the observable data does not support a significant portion of the instruments' fair value.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Corporation has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Financial Instruments (continued)

(ii) Impairment of Financial Assets

At each reporting date, the Corporation assesses whether there is objective evidence that a financial asset is impaired. A significant or prolonged decline in the fair value of the security below its cost is also evidence that the assets are impaired. If such evidence exists, the Corporation recognizes an impairment loss, as follows:

- Financial assets carried at amortized cost: The loss is the difference between the amortized cost of the loan or receivable and the present value of the estimated future cash flows, discounted using the instrument's original effective interest rate. The carrying amount of the asset is reduced by this amount either directly or indirectly through the use of an allowance account.
- FVTPL financial assets: The impairment loss is the difference between the original cost of the asset and its fair value at the measurement date, less any impairment losses previously recognized in the statement of loss and comprehensive loss.

Impairment losses on financial assets carried at amortized costs are reversed in subsequent years if the amount of the loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized. Impairment losses on FVTPL equity instruments are not reversed.

(n) New Accounting Standards Adopted by the Corporation

IFRS 16 *"Leases"*

IFRS 16 effective for annual periods beginning on or after January 1, 2019. IFRS 16 provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is twelve months or less or the underlying asset has a low value. As a lessee, an entity recognizes a right-of-use asset representing its right-to-use the underlying asset and a lease liability representing its obligation to make lease payments.

Effective July 1, 2019, the Corporation adopted IFRS 16 using the modified retrospective transition method. As at the transaction date, the Corporation had no leases in place and therefore, there was no impact to the financial statements.

(o) Amendments to accounting standards not yet adopted by the Corporation

The IASB issued the following standards that have not been applied in preparing these consolidated financial statements as their effective dates fall within periods beginning subsequent to the current reporting period. The Corporation is currently assessing the financial impact of these amendments.

On January 23, 2020, the IASB issued an amendment to IAS 1 - Presentation of Financial Statements providing a more general approach to the classification of liabilities. The amendment clarifies that the classification of liabilities as current or non-current depends on the rights existing at the end of the reporting period as opposed to the expectations of exercising the right for settlement of the liability. The amendments further clarify that settlement refers to the transfer of cash, equity instruments, other assets, or services to the counterparty. The amendments are effective for annual periods beginning on or after January 1, 2023 and are to be applied retrospectively, with early adoption permitted.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Amendments to accounting standards not yet adopted by the Corporation (continued)

The IASB has published 'Property, Plant and Equipment - Proceeds before Intended Use (Amendments to IAS 16)' regarding proceeds from selling items produced while bringing an asset into the location and condition necessary for it to be capable of operating in the manner intended by management. The amendments are effective for annual periods beginning on or after January 1, 2022.

(p) Critical accounting estimates and judgments

The preparation of consolidated financial statements under IFRS requires the Corporation to make estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of expenses during the year. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Actual results may differ materially from these estimates.

Control of subsidiaries

The determination of control of subsidiaries involves significant judgment. *De facto* control exists in circumstances when an entity owns less than 50% voting rights in another entity but has control for reason other than voting rights or contractual and other statutory means. The consolidated financial statements include the results of GRI and its subsidiaries as management has determined that the Corporation has *de facto* control over GRI and its subsidiaries. The Corporation has the practical ability to direct the relevant activities of GRI and its subsidiaries. The Corporation directly owns 43.9% of GRI, with the remaining shareholders being widely dispersed, each holding less than 3%.

Recoverability of resource properties

At the end of each reporting year, the Corporation assesses each of its resource properties to determine whether any indication of impairment exists. Judgment is required in determining whether indicators of impairment exist, including factors such as, the year for which the Corporation has the right to explore, expected renewals of exploration rights, whether substantive expenditures on further exploration and evaluation of resource properties are budgeted and results of exploration and evaluation activities on the exploration and evaluation assets.

Where an indicator of impairment exists, a formal estimate of the recoverable amount is made, which is considered to be the higher of the fair value less costs to sell and value in use. The impairment analysis requires the use of estimates and assumptions, such as long-term commodity prices, discount rates, future capital requirements, exploration potential and operating performance. Fair value of mineral assets is generally determined as the present value of estimated future cash flows arising from the continued use of the asset, which includes estimates such as the cost of future expansion plans and eventual disposal, using assumptions that an independent market participant may take into account. Cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. If the Corporation does not have sufficient information about a particular mineral resource property to meaningfully estimate future cash flows, the fair value is estimated by management through the use of, where available, comparison to similar market assets and, where available, industry benchmarks. Actual results may differ materially from these estimates.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) Critical accounting |estimates and judgments (continued)

Other non-financial assets

Management assesses impairment of non-financial assets such as intangible assets and property and equipment. In assessing impairment, management estimates the recoverable amount of each asset or CGU based on expected future cash flows. When measuring expected future cash flows, management makes assumptions about future growth of profits which relate to future events and circumstances. Actual results could vary from these estimated future cash flows. Estimation uncertainty relates to assumptions about future operating results and the application of an appropriate discount rate.

Deferred income taxes

The Corporation is periodically required to estimate the tax base of assets and liabilities. Where applicable tax laws and regulations are either unclear or subject to varying interpretations, it is possible that changes in these estimates could occur that materially affect the amounts of deferred income tax assets and liabilities recorded in the consolidated financial statements. Changes in deferred tax assets and liabilities generally have a direct impact on earnings in the year of changes.

Each year, the Corporation evaluates the likelihood of whether some portion or all of each deferred tax asset will not be realized. This evaluation is based on historic and future expected levels of taxable income, the pattern and timing of reversals of taxable temporary timing differences that give rise to deferred tax liabilities, and tax planning initiatives. Levels of future taxable income are affected by, among other things, the market price for iron ore, production costs, quantities of proven and probable reserves, interest rates, and foreign currency exchange rates.

Share-based Payments

The Corporation makes certain estimates and assumptions when calculating the estimated fair values of stock options granted and warrants issued. The significant assumptions used include estimates of expected volatility, expected life, expected dividend rate and expected risk-free rate of return. Changes in these assumptions may result in a material change to the expense recorded for grants of stock options and the issuance of warrants.

(q) Provisions

A provision is recognized in the consolidated balance sheets when the Corporation has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

(Amounts presented in Canadian Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) Earnings (Loss) Per Share

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to common shareholders by the weighted average number of common shares outstanding during the year. Diluted earnings per share amounts are calculated by dividing the net profit attributable to common shareholders by the weighted average number of shares outstanding during the year plus the weighted average number of shares that would be issued on the conversion of all the potential dilutive ordinary shares into common shares. For the years ended June 30,2021 and 2020, all dilutive instruments are anti-dilutive. As a result, basic and diluted earnings are the same.

3. CHANGE IN ACCOUNTING POLICY

The Corporation has historically capitalized all expenses relating to exploration and evaluation activities under IFRS 6 – Exploration and evaluation of mineral resources. During the year ended June 30, 2021, the Company voluntarily changed its accounting policy regarding exploration and evaluation expenditures. The new accounting policy indicates that all such expenditures will be recognized as incurred in the consolidated statement of loss and comprehensive loss.

The Corporation has determined that this voluntary change in accounting policy will provide more relevant consolidated financial statements while bringing the Company Corporation in line with its peers with a similar accounting approach. Under IAS 8 – Accounting policies, changes in accounting estimates and errors, the change in accounting policy was applied retrospectively and the comparable information was adjusted for all periods presented, as if the policy had always been in place.

4. PROJECT DEVELOPMENT COSTS

The Corporation is planning the development of a low cost North American producer of foundry grade pig iron.

Costs incurred and disposals to date are as follows:

	30/Sep/21 $	30/Sep/20 $
Balance, beginning and end of year	1,462,322	1,462,322

5. PROPERTY AND EQUIPMENT

For the period ended September 30, 2021				
Opening net book value	1,232	8,999	137	10,368
Depreciation	(193)	(750)	(12)	(955)
Net Book Value	1,039	8,249	125	9,413
As at September 30, 2021				
Cost	3,250	18,751	282	22,283
Accumulated depreciation	(2,211)	(10,502)	(157)	(12,870)
Net Book Value	1,039	8,249	125	9,413

(Amounts presented in Canadian Dollars)

6. SHORT TERM LIABILITIES

	30-Sep-21	30-Jun-21
	$	$
(i) Short term loan from unrelated party interest at 10% due October 16, 2021	1,000,000	1,000,000
(ii) Short term loan from related party interest at 6% due on demand	3,114,295	3,067,667
(iii) Short term loan from a related party, interest at 10% due October 28, 2021	27,440	26,779
(iv) Short term loan from a related party, interest at 10% due December 22, 2021	26,969	26,239
(v) Short term loan from a related party, interest at 10% due August 5, 2022	20,307	-
(vi) Short term loan from a related party interest at 10% due August 30, 2022	25,212	-
(vii) Convertible debentures	2,010,000	1,972,500
(viii) Convertible term from a third party at 5% interest rate due on July 5, 2022	726,678	719,634
Balance, end of period	6,950,901	6,812,819

On April 16, 2020, the Corporation received from a third party, a loan of $1,000,000 bearing interest at 10% per annum payable monthly with interest payments of $8,333. The loan agreement includes the issuance of 100,000 warrants with each warrant entitling the lender to acquire one common share of the Corporation at an exercise price of $0.15 per share for a period of two years. The loan matured on April 16, 2021(the "Maturity Date"). In consideration of extending the Maturity Date of the loan to October 16, 2022, the Corporation issued 50,000 warrants with each warrant entitling the lender one common share of the Corporation at an exercise price of $0.15 per share for a period of two years.

On September 29, 2016, GRI borrowed $250,000 from a related party with interest at 6% per annum, accruing monthly. GRI also issued 50,000 common share purchase warrants at an exercise price of $0.01 per share. The loan extended a line of credit facility bearing interest at 6% per annum, accruing monthly, to GRI in the amount of $2,105,000. The loan and line of credit have been combined into a demand note, with no fixed terms of repayment, for $2,355,000 with interest at 6% per annum accruing monthly. The original loan amount was increased by an additional $14,000 on March 14, 2019, bringing the total loan amount to $2,369,000. The warrant expiry time was also extended to December 31, 2022. Including accrued interest, the balance outstanding at September 30, 2021 totaled $3,114,295.

On October 28, 2020, LSI received a loan from a related party of $25,000. The loan bears an interest rate of 10% per annum and matures on October 28, 2021. On December 22, 2020, LSI received another loan from a

(Amounts presented in Canadian Dollars)

6. SHORT TERM LIABILITIES (continued)

related party of $25.000. The loan bears an interest rate of 10% per annum and matures December 22, 2021. Including accrued interest, the balances outstanding at September 30,2021 totaled $54,409.

On August 5, 2021, LSI received from a related party, a one-year term loan of $20,000 bearing interest at 10% per annum. Including accrued interest, the balance outstanding at September 30, 2021 totaled $20,307.

On August 30, 2021, LSI received from a related party, a one-year term loan of $25,000 bearing interest at 10% per annum. Including accrued interest, the balance outstanding at September 30, 2021 totaled $25,212.

On May 1, 2015, the Corporation completed a non-brokered private placement of an unsecured convertible debenture for proceeds of $2,000,000 with FLH. The maturity date of the debenture was August 1, 2021 and bears interest at a rate of 5% per annum payable quarterly. A new amendment agreement is in negotiations. In previous years it was reflected in long-term debt. The debenture is convertible, at the option of the holder, into common shares of the Corporation on or prior to the maturity date. The conversion price will be $1.00 per common share.

On July 5,2018, an unsecured loan in the amount of $621,000 was provided to PFL by a non-related party. The loan bears interest at a rate of 5% per annum. The maturity date is July 5, 2021, and an extension is currently being negotiated for an additional 12 months. Including accrued interest, the balance outstanding at September 30, 2021 totaled $726,678.

7. LONG TERM DEBT

	Period Ended	
	30-Sep-21	30-Jun-21
	$	$
ACOA loan (i)	346,616	337,267
Term loan from a third party at 6% interest,due December 31,2022 (ii)	339,120	334,988
Term loan from a related party at 12% interest,due August 31,2022 (iii)	2,889,692	2,804,022
CEBA loans		
Loan amount, beginning of year	194,969	28,226
Accretion expense	6,764	14,279
New Proceeds-net of government benefit	-	152,464
Balance, end of period (iv)	201,733	194,969
Total	3,777,161	3,671,246

The future minimum payments associated with the above debt instruments are as follows:

	C$
2022	-
2023	3,500,000
Thereafter	500,000

In fiscal 2012, LSI received an interest-free repayable loan from ACOA, a government agency, in the amount of $500,000 related to resource properties. The loan is repayable in five annual equal and consecutive installments commencing six months after the end of the fiscal year in which 'Project Success' is achieved. It is anticipated

7. LONG TERM DEBT (continued)

that project success will be achieved in the fiscal year ending June 30, 2022 and repayments will commence in December 2022.

On August 25, 2016, GRI borrowed $250,000 from an unrelated party with interest at 6% per annum, accruing monthly. GRI also issued 50,000 common share purchase warrants at an exercise price of $0.01 per share. On January 1, 2021, the repayment date in the original loan agreement was extended to December 31, 2022, along with the warrant expiry date to December 31, 2022. Including accrued interest, the balance outstanding at September 30, 2021 totaled $339,120.

On August 31, 2017, GRI received from a related party, a loan of $2,000,000 bearing interest at 12% per annum payable monthly. This loan was previously reflected in short-term debt, however, subsequent to year end, a loan extension was signed extending the payment of principal, without penalty, on or before August 31, 2022, and the holder has the option to convert the principal of the loan and the interest accrued on the loan to common shares at a conversion rate of $2.10 per share. Including accrued interest, the balance outstanding at September 30, 2021 totaled $2,889,692.

CEBA loans

On May 5, 2020, GRI received an interest-free loan of $40,000 pursuant to the terms of the Canada Emergency Business Account ("**CEBA**"). This loan was created by the Federal Government to assist businesses during the COVID-19 pandemic. 25% of the loan is forgivable (up to $10,000) if GRI repays the loan on or before December 31, 2022. If the loan is not repaid by that date, the loan can be converted to a three-year term loan bearing interest of 5% per annum.

On December 22, 2020, GRI received a second interest-free loan of $20,000 pursuant to CEBA. This loan is on top of the initial $40,000 loan received. 50% of the loan is forgivable (up to $10,000) if GRI repays the loan on or before December 31, 2022. If the loan is not repaid by that date, the loan can be converted to a three-year term loan bearing interest of 5% per annum.

On December 22, 2020, MMI received an interest-free loan of $40,000 pursuant to CEBA. 25% of the loan is forgivable (up to $10,000) if MMI repays the loan on or before December 31,2022. If the loan is not repaid by that date, the loan can be converted to a three-year term loan bearing interest of 5% per annum.

On January 26, 2021, MMI received a second interest-free loan of $20,000 pursuant to CEBA. This loan is on top of the initial $40,000 loan received. 50% of the loan is forgivable (up to $10,000) if MMI repays the loan on or before December 31, 2022. If the loan is not repaid by that date, the loan can be converted to a three-year term loan bearing interest of 5% per annum.

On January 8, 2021, LSI received an interest-free loan of $40,000 pursuant to CEBA. Also on January 26, 2021, LSI received a second interest-free loan of $20,000 pursuant to CEBA. The loans are forgivable (up to $20,000) if LSI repays the loans on or before December 31, 2022. If the loans are not repaid by that date, the loans can be converted to a three-year term loan bearing interest of 5% per annum.

On January 22, 2021, PFL received a combined interest-free loan of $60,000 pursuant to CEBA. The loan is forgivable (up to $20,000) if PFL repays the loan on or before December 31, 2022. If the loan is not repaid by that date, the combined loan can be converted to a three-year loan bearing interest of 5% per annum.

(Amounts presented in Canadian Dollars)

8. SHARE CAPITAL

On August 2, 2021, the Corporation issued 163,342 common shares to FLH. This represents interest due August 1, 2021 in the aggregate amount of $25,000 on the Amended Debenture and was made at a deemed price of $0.1531 per share, which is the volume-weighted trading price for 20 trading days ended July 12, 2021. The securities are subject to a four-month hold period following the date of issuance

COMMON STOCK OUTSTANDING	Number of Shares	Amount
Authorized: Unlimited number of common shares without par value	#	$
Issued and outstanding June 30, 2020	18,830,815	9,387,978
Issued in payment of interest	693,211	100,000
Issued and outstanding June 30, 2021	19,524,026	9,487,978
Issued in payment of interest	163,342	25,000
Issued and outstanding September 30, 2021	19,687,368	9,512,978

9. WARRANTS

	Outstanding and exercisable as at September 30, 2021			
	Number #	Exercise price $	Expiry date	Issuance date
MMI warrants (note 7(ii))	100,000	0.15	April 16,2022	April 16,2020
MMI warrants (note 7(ii))	50,000	0.15	April 16,2023	April 16,2021
GRI warrants (note 7(i))	50,000	0.01	December 31,2022	August 25,2016
GRI warrants (note 7(iii))	50,000	0.01	December 31,2022	September 29,2016

10. STOCK BASED COMPENSATION PLAN

The Board of Directors has established a stock option plan under which options to purchase common shares are granted to directors, officers, and key employees of the Corporation. Options to acquire common shares are granted at option prices which shall be not less than the fair market value of the shares at the time the option is granted. Fair market value shall be deemed to be the average between the highest and lowest prices at which the common shares are traded on the day the option is granted and if not so traded, the average between the closing bid and asked prices thereof as reported for the day on which the option is granted. Options expire between one and ten years from the date of the grant. The Corporation has reserved 3,540,614 (2020 – 3,450,614) common shares pursuant to the stock option plan. There are 1,682,000 (2020 – 2,114,000) options to acquire common shares outstanding under the plan as at March 31, 2021. Any unexercised options that expire or are forfeited become available again for issuance under the plan.

No stock options were issued for the three-month period ended September 30, 2021.

(Amounts presented in Canadian Dollars)

10. STOCK BASED COMPENSATION PLAN (continued)

Options Outstanding and Exercisable			
Number of options outstanding	Expiry Date	Exercise Price $	Number of options exercisable
112,000	28-May-2022	0.65	112,000
350,000	30-Nov-2022	0.65	350,000
815,000	6-Dec-2023	0.85	815,000
405,000	8-Dec-2024	0.75	405,000
1,682,000		**0.77**	**1,682,000**

GRI Stock Option Plan

The Board of Directors of GRI has established a stock option plan under which options to purchase common shares are granted to directors, officers, and key employees of GRI. Options to acquire common shares are granted at prices as determined by the Board of Directors. Options expire five years from the date of the grant.

GRI has reserved 2,376,933 (2020-2,376,933) common shares pursuant to the stock option plan. There are Nil (2020-150,000) options to acquire common shares outstanding under the plan as at September 30, 2021. Any unexercised options that expire or are forfeited become available again for issuance under the plan. There were no GRI stock options issued during the period

11. EXPENSES BY NATURE

	Three months ended	
	30-Sep-21	**30-Sep-20**
Operating expenses		
		-
Utilities	1,017	2,217
Dues and fees	3,584	6,861
Feasibility Study	-	6,270
Foreign exchange gain	3,171	(3,600)
General and administrative	739	1,575
Management and consulting fees	52,750	42,500
Professional fees	18,387	22,971
Rental	960	924
Travel	1,285	12,608
Salaries and wages	27,156	35,619
	109,049	127,945

(Amounts presented in Canadian Dollars)

12. RELATED PARTY TRANSACTIONS

In addition to the related party loans described in Notes 7 and 8, the Corporation has the following related party transactions. The compensation expense associated with key management, directors and employees for services is as follows:

Related party - Management fees

	Three months ended	
	30-Sep-21	30-Sep-20
	$	$
Management fees	50,250	39,000
Consulting fees	-	-
Directors' fees	2,500	3,500
Salaries and benefits	27,156	35,619
Operating expenses	79,906	78,119

The Corporation has issued shares in lieu of payment of interest on a related party loan as described in Note 7.

13. INCOME TAXES

The Corporation's income taxes have been calculated as follows:

	Three months ended	
	30-Sep-21	30-Sep-20
	$	
Income (loss) before income taxes	(322,378)	(341,497)
Combined Federal and Provincial tax rate	31%	31%
Expected expense (recovery) at statutory rates	(99,937)	(103,498)
Unrecognized tax assets	-	-
Subsidiary rate differential	2,127	2,330
Deferred tax debit	97,810	101,168
Deferred tax recovery expense	-	-

The Corporation has non-capital lossesof approximately $25.3 million to be carried forward and applied against future taxable income. The non-capital losses start to expire in 2028.

14. COMMITMENTS AND CONTINGENCIES

The Corporation was advised that on February 8, 2019, the trustee for the estate of Forks has filed an adversary complaint in the United States Bankruptcy Court for the Eastern District of Pennsylvania against the Corporation, Grand River Ironsands Incorporated, North Atlantic Iron Corporation and Francis MacKenzie (collectively, the "Defendants"). The trustee is alleging that the Defendants are responsible for the debts of Forks. The Defendants maintain that the suit has no merit and have retained local counsel to defend its position. Several motions have been filed and the matter is ongoing.

15. MANAGEMENT OF CAPITAL

The Corporation defines capital that it manages as the aggregate of its long-term debt, share capital, equity component Amended Debenture, stock-based payment reserve, accumulated other comprehensive income, retained earnings and non-controlling interest. Its objective when managing capital is to ensure that the Corporation will continue as a going concern, so that it can provide returns to its shareholders. See Note 1.

The Corporation manages its capital structure and makes adjustments to it in light of economic conditions. The Corporation, upon approval from its Board of Directors, will make changes to its capital structure as deemed appropriate under the specific circumstances.

The Corporation is not subject to any externally imposed capital requirements or debt covenants, and does not presently utilize any quantitative measures to monitor its capital. The Corporation's overall strategy with respect to management of capital remains unchanged from the year ended June 30, 2019.

16. FINANCIAL INSTRUMENTS

The carrying amounts reported on the financial statements for cash, accounts receivable, trade and other payables and short-term loans all approximate their fair values due to their immediate or short-term nature. Management believes the carrying amounts of long-term debt also approximate their fair values, as they believe the effective interest rates used by management in determining the carrying values of long-term debt continue to be appropriate.

Risk Disclosures

The main risks the Corporation's financial instruments could be exposed to are credit risk, liquidity risk, foreign exchange risk, and interest rate risk.

Credit Risk

Trade and other payables are due in the next 12 months. The Corporation's credit risk is primarily attributable to its cash. The Corporation places its cash with high quality financial institution and in reliable trust account in Canada, and as result, believes its exposure to credit risk is minimal.

Liquidity Risk

The Corporation's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, without incurring unacceptable losses or risking damage to the Corporation's reputation. To the extent that the Corporation does not believe it has sufficient liquidity to meet these obligations, management will consider securing additional funds through debt or equity transactions. The Corporation manages its liquidity risk by continuously monitoring forecast and actual cash flows from operations. In recent years, additional loans from directors/shareholders, and new equity financing have provided the necessary liquidity required. Trade and other payables are due within 12 months. See Note 8 for contracted payments of long-term debt. See note 1.

Foreign Currency Risk

The Corporation limited US dollar exposure, however, maintains some US denominated bank accounts to settle trade payables denominated in US dollars and a five percent change in the US dollar to Canadian dollar exchange rate would not have a significant impact on their carrying values.

16. FINANCIAL INSTRUMENTS (continued)

Interest Rate Risk

The Corporation is exposed to interest rate price risk to the extent that a portion of the long-term debt is at a fixed interest rate.

17. SUBSEQUENT EVENTS

On October 1, 2021, LSI received from a related party a one-year term loan of $30,000 bearing interest at 10% per annum, with interest accruing monthly.

On October 28, 2021, GRI received from an unrelated party a one-year term loan of $100,000 bearing interest at 8% per annum, with interest payable monthly. In addition, warrants to purchase 50,000 common shares of GRI were granted at an exercise price of $2.00 per share with an expiry date of October 28, 2023.

On November 2, 2021, the Corporation issued 57,508 common shares to FLH. This represents interest due November 1,2021 in the aggregate amount of $25,000 on a convertible debenture and was made at a deemed price of $0.437 per share, which is the volume-weighted trading price for the 20 trading days ending October 8, 2021. The securities are subject to a four-month hold period following the date of issuance.

On November 2, 2021, the Corporation completed a non-brokered private placement of a convertible debenture for proceeds of up to $400,000, $200,000 of which was advanced immediately with an unrelated party. The convertible debenture bears interest at a rate of 12% per annum and matures on November 1, 2022. In addition, warrants to purchase 40,000 common shares of the Issuer were granted at an exercise price of $0.55 per share with an expiry date of November 2, 2023.

18. SEGMENTED INFORMATION

As at September 30, 2021 the Corporation has two operating business segments;

1. LSI, a private corporation, incorporated under the *Corporations Act* of Newfoundland and Labrador, is a development stage enterprise in the process of exploring its mineral properties in Newfoundland and Labrador. It is a majority owned subsidiary of GRI.

2. PFL, a federally incorporated private entity created under the *Canada Business Corporations Act* and registered extra-provincially in Quebec to be engaged in the production of pig iron.

The Corporation's Board of Directors evaluates the performance of these segments and allocates resources to them based on certain performance measures (mainly earnings from operations and cash flow from operations). Segment earnings correspond to each business' earnings from operations. The Corporation's management reporting system evaluates performance based on a number of factors; however, the primary profitability measure is the earnings from operations before depreciation, amortization, net financing income or expense and income taxes ("**EBITDA**")

(Amounts presented in Canadian Dollars)

18. SEGMENTED INFORMATION (continued)

	Corporate		Labrador Sands		Pure Fonte		Total	
	30/Sep/21 $	30/Sep/20 $	30/Sep/21 $	30/Sep/20 $	30/Sep/21 $	30/Sep/20 $	30/Sep/21 $	30/Sep/20 $
Revenue - intersegment	-	-	-	-	-	-	-	-
Operating expenses	(54,662)	(71,938)	(34,738)	(26,567)	(19,648)	(29,441)	(109,049)	(127,945)
Depreciation and Amortization	(266)	(266)	(689)	(689)	-	-	(955)	(955)
Interest and bank charges	(185,310)	(171,763)	(4,324)	(3,663)	(6,558)	(8,613)	(196,193)	(184,039)
Interest accretion	(3,320)	-	(10,071)	(7,632)	(2,629)	(20,126)	(16,020)	(27,758)
Realized gain (loss) on investments	(161)	-	-	-	-	-	(161)	-
Unrealized gain on investments	-	(800)	-	-	-	-	-	(800)
	(243,558)	(244,767)	(49,823)	(38,550)	(28,835)	(58,180)	(322,378)	(341,497)
						-		
Segment income (loss) before taxes	(243,558)	(244,767)	(49,823)	(38,550)	(28,835)	(58,180)	(322,378)	(341,497)
Total assets	9,288	220,197	10,532	12,237	1,465,458	1,466,944	1,485,278	1,589,378
Total liabilities	10,344,730	9,558,576	527,596	380,379	867,674	636,597	11,740,000	10,575,552

Geographical segments

The above segments are managed on a worldwide basis, but operate in two principal geographical areas, namely, Canada and the United States. In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of the assets. Revenue from external customers for the year ending September 30,2021 was $nil. (2020 $nil)

	30/Sep/21 $	30/Sep/20 $
Canada	1,485,278	1,589,378
United States of America	-	-
Total assets	1,485,278	1,589,378

Schedule "B"

Supplementary Information (Not applicable)

Schedule "C"

Management Discussion and Analysis

METALO MANUFACTURING INC.
INTERIM MD&A - QUARTERLY HIGHLIGHTS
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2021

METALO MANUFACTURING INC. is a publicly listed corporation, trading on the Canadian Securities Exchange (the "**CSE**"), with a ticker symbol "**MMI**", headquartered in Toronto, Ontario, Canada.

The following is a discussion of the unaudited interim consolidated financial condition and results of operations of Metalo Manufacturing Inc. (the "**Corporation**") for the first quarter ended September 30, 2021. This interim discussion and analysis should be read in conjunction with the Corporation's quarterly unaudited consolidated interim financial statements for the quarter ended September 30,2021 and the annual audited consolidated financial statements and the annual MD&A for the year ended June 30, 2021.

The Corporation's principal asset is a 43.92% shareholding in Grand River Ironsands Incorporated ("**GRI**"), a private company incorporated in Nova Scotia. GRI owns 90% of Labrador Sands Inc. (previously North Atlantic Iron Corporation) ("**LSI**"), a private corporation incorporated in Newfoundland and Labrador that is in involved in the exploration and development of a mineral sands project near Happy Valley-Goose Bay, NL, Canada. GRI also owns 100% of Pure Fonte Ltée ("**PFL**"), a Federal corporation based in Québec established to construct an ultra high purity pig iron smelting plant.

The unaudited interim consolidated financial statements are presented in Canadian dollars and have been prepared in compliance with International Financial Reporting Standards ("**IFRS**"), as issued by the IASB, and the Interpretations of the International Financial Reporting Interpretations Committee ("**IFRIC**"). These accounting policies are based on the IFRS standards and IFRIC interpretations that are applicable at September 30, 2021.

Additional information about the Corporation can be found on SEDAR at www.sedar.com and on the Canadian Securities Exchange at www.cse.ca

This MD&A is dated as of December 2, 2021 and contains discussion of material events up to and including that date.

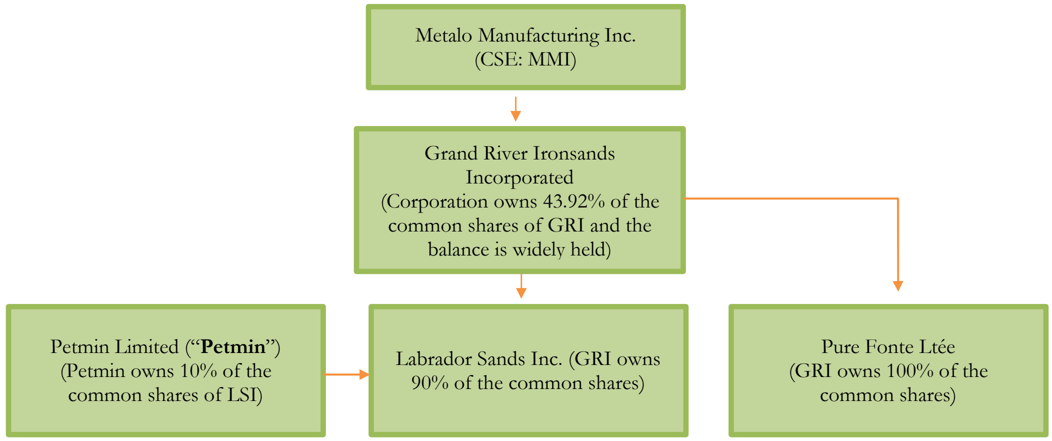
CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

The following discussion and analysis contain forward-looking statements which reflect management's expectations regarding the Corporation's future growth, results of operations, performance, and business prospects and opportunities. Although the forward-looking statements reflect management's current assumptions based upon information currently available to management and based upon what management believes to be reasonable assumptions, the Corporation cannot be certain that actual results will be consistent with these forward-looking statements. Forward-looking statements involve significant known and unknown risks, assumptions and uncertainties that may cause the Corporation's actual results, performance, prospects, and opportunities in future periods to differ materially from those expressed or implied by such forward looking statements. These risks and uncertainties include, among other things, market demand, commodity pricing, regulatory matters, currency risks, liability claims, integration of new operations, financing risks, and interest rate risks. Although the Corporation has attempted to identify important risks and factors that could cause actual results to differ materially from those described in the forward-looking statements, there may be other factors and risks that may cause results not to be as anticipated, estimated or intended.

There can be no assurance that forward-looking statements will prove to be accurate, as actual results may differ materially from those anticipated in such statements. Certain factors that may impact operations are also discussed. Such comments will be affected by, and may involve, known and unknown risks and uncertainties that may cause the actual results of the Corporation to be materially different from those expressed or implied. Accordingly, readers should not place undue reliance on forward-looking statements. These forward-looking statements are made as of the date of this MD&A and, except as required by law, the Corporation assumes no obligation to update or revise them to reflect new events or circumstances.

CORPORATE OVERVIEW

The following chart displays the corporate structure and ownership structure post restructuring.



The two advanced projects controlled by GRI have a consistent corporate focus remaining maximizing the reduction of CO_2 emissions and being a leader in climate change solutions.

1. PFL – the cast iron/steel plant for Québec:
    - PFL continues to assess capital structures and solutions with potential financial partners as well with a possible strategic partner. The project has appeal to investors and firms focused on low CO_2 emissions. The green world requires the mid-stream material made by PFL for foundries, for example, a 1MW wind turbine cannot be made without 25 tonnes of pig iron for the gearbox.
    - The PFL plant design remains focused on producing a pig iron and can transform the plant, with essentially the same footprint, into a producing a green steel if required at some future point. It would require using hydrogen rather than natural gas as the energy input.
    - With the uncertainty in the market impacts of pricing on steel and the various cost inputs PFL has re-tested the financial model on returns with a CapEx estimated at US$400 million up to US$480 million. The model and projected returns remain within the expected pre-Covid range versus current pricing for increased costs and expected returns. The movement in the last several months alone has seen iron ore reach $233/t in mid-May 2021 to under U$95/t in October 2021. An industry source in Chain is forecasting the price for iron ore in 2022 in a range of US$76-98/t.
    - PFL will initially focus on the environmental permitting process only and allow detailed engineering to be undertaken in advance of final permitting decree. By delaying pricing commitments to a later point greater certainty will be possible in final design. PFL's recent discussion with US bankers confirm the approach is reasonable.
    - Upon finalizing details with the Québec government, PFL will advance the final phase of permitting. Recently the Province announced their financial support for a two-way conveyance system from port to plant site worth $66 million.
    - PFL is in discussions regarding the extension to a loan of $725,000 from Investissement Québec and to also update their last letter of offer regarding project financing.
    - Reconfirms its relationship for offtake of 100% of production to be placed among two traders.

2. LSI – the mineral sands in Labrador:
    - Using the mineral sands of Labrador to produce products Canada imports nearly 100% of annually and doing with near zero CO_2 emissions will be globally significant.
    - The preferred strategy has been extensively reviewed and tested to its point of execution. LSI will mine precisely the volume of sands to feed two production plants that LSI will supply. The estimated 100,000 tonnes of minerals will be mined and processed at site near the port in Happy Valley-Goose Bay, NL prior to being shipped to a market in a nearby Canadian Province. It is expected the resource extraction annually will be from a 2-3 parcel of land in size.
    - The goal for a glassmaking and a ceramics plant will be based on using all-electric melters/kilns/furnaces to make products with near zero CO_2 emissions. This is significant globally. Glass and ceramic production are two highly energy intensive sectors. Using electricity rather than natural gas will reduce this intensity by up to 85%. Canada has some of the lowest cost clean

electricity on the planet. Combined with low-cost raw materials (silica and feldspars from Labrador) will ensure the plants are low-cost producers. Factor in that Canada is import dependent on nearly $4 billion annually of glass and ceramics will further assist a Canadian plant benefit from lower shipping costs from plant to end users.

- Glassmaking – current modeling will see a plant of 50 tonnes per day of a glass product at a site with clean and low-cost electricity. The product target focus remains under review with glass containers, dinnerware, and glass fibres. A decision will be made on whether final product is soda lime glass, borosilicate (Pyrex) or Opal Ware. LSI has secured an all-electric solution with an established European technology provider.
- Ceramics – will see a plant designed to produce 20 tonnes per day of ceramics with an initial launch of 10 tonnes per day. Depending on final product mix the plant designed may be increased as operations allow expansion. The current focus is on tableware or tiles as first product. Concurrently, the discussion with a global sanitaryware producer is under way to design a sanitaryware plant in Canada. Canada imports $300 million annually in sanitaryware which is 25% of the $1.2 billion of imported ceramics annually – Canada produces no ceramic products of commercial scale.
- LSI remains in discussions with technical experts assessing products that could be produced in Labrador that do not require large volumes of electricity and and cost effectively shipped to end customers (e.g., truck or air). While several areas were evaluated earlier in 2021, the key areas for review remains ceramic resins for 3D printing, as well as the 3D printing of sand cast molds for foundries and smelters.
- Canada imports almost all its glass and ceramic products from USA, China, Mexico, etc.
- LSI will continue to evaluate export feldspars in bulk at a later point. The USA imports US$215 million annually in feldspars at an average price of US$110/t. LSI's cost to mine and process is targeted to be much lower cost.

Positive discussions for the capital required for both projects continue. By eliminating or significantly reducing CO_2, the range of financing interest has broadened considerably. Additionally, off-take dialogue with traders remains vigorous and encouraging.

OVERVIEW OF LSI

Mineral claim deposits are licenses held by LSI with the Province of Newfoundland and Labrador with renewals for a five-year time frame completed. LSI's mineral claims are in central Labrador immediately to the west and to the north side of the Churchill River. The claims extend west of Muskrat Falls along the lower Churchill River to the Hamilton Inlet. At the date of the MD&A, the property comprises 181 claims in 3 claim blocks with a total area of approximately 23 square kilometres. LSI is also revisiting areas where previous work was completed for economic viability.

LSI has undertaken a major review of all claims with a view to only maintain those claims that are critical to the mining operation and to reduce carrying costs and future work commitments. As at the date of the MD&A, the Corporation has injected the prescribed amount of exploration expenditures into the remaining mineral claims. Discussions with the Province and its related entities continue regarding areas in each claim that will be removed due to a transmission line and other structures established after LSI opened its mineral claims. LSI maintains more than $10 million has been invested directly and indirectly for the development efforts related to the lands.

LSI Mineral Claims

Claim Number	# of claims	Issued	Status	Renewal Date	Report Date	NTS Map
017907M *Muskrat*	23	2010-08-23	Active	2025-08-25	2021-10-22	13F07
017911M *South Branch*	44	2010-08-23	Active	2025-08-25	2021-10-22	13F02,13F07
018325M *Hoffman*	114	2011-01-06	Active	2026-01-06	2021-03-08	13F02,13F03

LSI has had ongoing communications with engineering firms experienced in mineral sands in China, Germany, and Canada. Industrial minerals (silica quartz, feldspars, garnets, zircon, etc.) are not commonly understood in Canada by experts or investors. This complexity may require broadening the investment efforts. LSI has been in ongoing discussions to raise up to $2 million to advance the asset through permitting, feasibility, and market assessment efforts. As pertinent information is obtained, it will be shared with through a media release or the CSE Form 7A monthly filing.

Historical

On June 17, 2014, the Corporation filed on SEDAR NI 43-101 highlighting resource estimates from three major mineral blocks contained within the Corporation's Labrador mineral claims, together with extensive mineral analysis, processing tests, smelting, and melt tests conducted over the last 12-24 months. The NI 43-101 was prepared by SRK Consulting (Canada) Inc. supplemented by technical assistance and review for processes and mineral testing by Hatch Engineering of Mississauga, ON. Please refer to the NI 43-101 document for detailed resource estimates, detailed mineral analysis, and detailed results from the smelting and melt tests conducted by the Corporation.

In 2015, due to the oversupply of iron ore feedstock, it was decided to source iron ore from other Canadian producers for the pig iron plant. LSI also began pursuing the evaluation of accessory minerals associated with the Labrador mineral sands properties. These minerals primarily include garnet, zircon, feldspars, and silica sands. In 2017, LSI made the decision to abandon further evaluation of the iron interests with the objective to pursue the accessory minerals only. The primary minerals of interest are feldspars 52% of head feed and silica quartz at 22% of head feed. The minerals have value for many requirements including ceramics, glass making, fiberglass, silicon carbide, foundry product, etc. LSI expects to commission a market feasibility study in the near term to further understand the development potential associated with the accessory minerals in the properties.

In determining the recoverable amount of the resource properties, LSI has made estimates regarding the quantity of accessory minerals to be extracted, the accessory mineral prices expected to be in place at the time of extraction, the direct costs associated with mining these minerals and total project capital expenditures. Based on this analysis, LSI believes the carrying amount to be recoverable. Given the uncertainty associated with each of the above assumptions, it is reasonably possible that outcomes which differ from these assumptions could require material adjustment to the carrying amount of the resource properties in the future.

LSI plans to revisit the viability of the mineral sands from an economic, market, permitting and economic development opportunity for the community and Province of Newfoundland and Labrador. Other considerations will include access to required electricity and labour as well as the future direction for the port in the local area to accommodate increased traffic. Equally important will be the support of the Innu First Nations and other aboriginal communities and residents.

OVERVIEW OF PFL

GRI has invested substantial funds (more than an estimated C$50 million in total for mining its mineral sands and iron making) in measures to solve and prove the economic viability and to develop a bankable feasibility study (the "**BFS**") related to the planned construction of the iron/steel smelter. This included site selection, preliminary environmental assessment and permitting, process design and engineering and logistics. Approximately $2.9 million was capitalized through PFL as project development costs with an additional $3 million in other development expenditures related to a Québec location.

PFL continues to advance its efforts to develop the cast iron plant. This plant will be a specialized producer in North America of a premium grade cast iron or steel product and has been designed to provide a new standard for environmental emissions and stewardship. As well, it will be strategically located to provide competitive advantage in both access to raw materials as well as access to markets in North America and Europe.

The design attributes required are as follows:

1. Lowest generation of greenhouse gases (GHGs) per tonne of cast iron/green steel produced in the industry.
2. Economic returns necessary to ensure the required capital investment is available.
3. Manufacturing process capable of producing premium grade products to guarantee best pricing and least market volatility.
4. Location supported by the government and the community, with the ability to provide skilled labour and competitive infrastructure.
5. Location will serve and be competitive in both European and North American markets.

The BFS was independently completed for the US$408 million cast iron manufacturing plant for a Québec site, subject to cost adjustments since 2018. As previously stated, PFL has stressed tested its model to a CapEx of US$480 million and viability with current prices for pig iron reveal a positive return for financing. The environmental assessment work in Québec, at PFL's choice, was placed on hold in 2019 until greater visibility on capital raising for the pre-construction work was obtained. More recently definition on the cost implications regarding CO_2 is now understood. PFL, with its best-in-class design globally, for the lowest CO_2 emissions does not meet any of the government initiatives under their new incentives to stimulate low CO_2 emissions. The program is not designed to recognize new investment that build a best-in-class model from inception. PFL remains hopeful that the playing field will have a carbon border tax from for imports from countries without a CO_2 tax scheme in place.

The key goals for the initial pig iron manufacturing initiative for the next several months will be to; (i) complete the permitting process; (ii) update the BFS for the chosen site; (iii) review the project economics and complete and publish an economic assessment; (iv) assess the interest of strategic partners for partnering, off-take and other possible business arrangements; and (v) initiate a capital raise campaign and other corporate related requirements with all partners to the project.

As with LSI and PFL, the Corporation will provide pertinent information through media releases and/or "Form 7A" filed monthly with the Canadian Securities Exchange (CSE) – www.cse.com entering the stock symbol the Corporation.

FINANCIAL SUMMARY

The condensed consolidated financial statements for the three- month period ended September 30, 2021, include all the accounts of the Corporation, GRI, LSI, PFL and Forks Specialty Metals Inc. ("**FSM**") (refer to legal proceedings below as regards FSM).

The following discussion addresses the operating results and financial condition of the Corporation for the quarter ended September 30, 2021. This discussion and analysis is qualified in its entirety by reference to and should be read in conjunction with the Corporation's audited consolidated financial statements for the year ended June 30, 2021 and the related notes thereto, as well as reference to the forward-looking statements within this report. All results in this report are presented in Canadian dollars, unless otherwise indicated.

HIGHLIGHTS

The following is a summary of the major financial highlights for the three-month period ended September 30, 2021 (including subsequent events).

- On August 2, 2021, the Corporation issued 163,342 common shares to a related party, Forest Land Holdings Limited ("**FLH**"). This represents interest due on August 1,2021 in the aggregate amount of $25,000 on a convertible debenture and was made at a deemed price of $0.1531 per share, which is the volume-weighted trading price for 20 trading days ended July 12, 2021. The securities are subject to a four-month hold period following the date of issuance.
- On October 1, 2021, LSI received from a related party a one-year term loan of $30,000 bearing interest at 10% per annum, with interest accruing monthly.
- On October 28, 2021, GRI received from an unrelated party a one-year term loan of $100,000 bearing interest at 8% per annum, with interest payable monthly. In addition, warrants to purchase 50,000 common shares of GRI were granted at an exercise price of $2.00 per share with an expiry date of October 28, 2023.
- On November 2, 2021, the Corporation issued 57,508 common shares to FLH. This represents interest due November 1, 2021 in the aggregate amount of $25,000 on a convertible debenture and was made at a deemed price of $0.437 per share, which is the volume-weighted trading price for the 20 trading days ending October 8, 2021. The securities are subject to a four-month hold period following the date of issuance.
- On November 2, 2021, the Corporation completed a non-brokered private placement of a convertible debenture for proceeds of up to $400,000, $200,000 of which was advanced immediately with an unrelated party. The convertible debenture bears interest at a rate of 12% per annum and matures on November 1, 2022. In addition, warrants to purchase 40,000 common shares of the Issuer were granted at an exercise price of $0.55 per share with an expiry date of November 2, 2023.

Financial and operational results

NON-GAAP Financial Measures

There are measures included in this MD&A that do not have a standardized meaning under GAAP and therefore may not be comparable to similarly titled measures presented by other publicly traded companies. The Corporation includes these measures because it believes certain investors use these measures as a means of assessing financial performance. Management believes that the measure 'Loss before the undernoted' is an important indicator of the Corporation's ability to generate liquidity through operating cash flow to fund future working capital requirements, service outstanding debt, and fund future capital expenditures and uses this measure for that purpose. In addition, the Corporation's management reporting system evaluates performance based on several factors; however, the primary profitability measure is the earnings from operations before depreciation, amortization, net financing income or expense and income taxes ("**EBITDA**").

Management adjusts measures to provide investors and analysts with a more comparable year-over-year performance measure than the basic measure, by excluding certain items. These items could impact the analysis of trends in performance and affect the comparability of our financial results. By excluding these items, management is not implying they are non-recurring.

Selected Consolidated Operating Results		
	Three months ended	
	September 30-21	September 30-20
	$'s	$'s
Revenue	-	-
Expenses		
Utilities	1,017	2,217
Dues and fees	3,584	8,861
Feasibility study	-	6,270
Foreign exchange losses	3,171	(3,600)
General and administrative	739	1,575
Management and consutling fees	52,750	42,500
Professional fees	18,387	22,971
Rental	960	924
Travel	1,285	12,608
Salaries and wages	27,156	35,619
Consolidated operating loss before under noted	**(109,049)**	**(127,945)**
Amortization	(955)	(955)
Interest including accretion	(249,713)	(211,797)
Gain (loss) on investments	(161)	(800)
Net Income	**(359,878)**	**(341,497)**
Non-controlling interest	(110,850)	(173,071)
Comprehensive income (loss) attributable to MMI	(249,028)	(168,426)
Income (Loss) per share	(0.013)	(0.009)
Avg. Weighted Shares O/S	**19,416,561**	**18,705,226**

For the three-month period ended September 30, 2021, the consolidated operating loss before interest, amortization income tax and other unusual items was ($109,049) compared to a loss of ($127,945) for the prior year. For the three-month period ended September 30, 2021, the comprehensive loss attributed to the Corporation's shareholders was ($249,028) ($0.013) per share compared to a loss of ($168,426) ($0.009) per share) for the prior year.

Additional explanations

Revenue

The Corporation does not expect any revenues in the immediate future from its principal line of business, its indirect interests in the production of cast iron or sales of mineral sands.

Interest and accretion expense

For the three-month period ended September 30, 2021, the Corporation had an interest and accretion expense of $249,713 compared to an interest and accretion expenses of $211,797 in 2020.

Income tax recovery

Income taxes are calculated using the liability method. A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized. The deferred tax benefit of these losses has been recognized as a reduction of the deferred tax liabilities. (Refer to Note 13 of the consolidated financial statements).

Selected Quarterly Financial Data

The following table reports the operating results for the last eight quarters.

Selected Quarterly Financial Data								
	30-Sep 2021	30-Jun 2021	31-Mar 2021	31-Dec 2020	30-Sep 2020	30-Jun 2020	31-Mar 2020	31-Dec 2019
Expenses								
Utilities	1017	360	91	4,008	2,217	2,947	2,048	1,873
Dues and fees	3,584	3,650	4,641	14,483	6,861	8,236	370	10,034
Feasibility study	-	-	-	-	6,270	-	-	-
Foreign exchange losses	3,171	(2,005)	(2,359)	(5,345)	(3,600)	(6,742)	13,716	(1,964)
General and administrative	739	1,578	1,793	2,966	1,575	(4,169)	10,316	13,340
Insurance	-	-	-	-	-	-	-	583
Management fees	52,750	34,400	52,350	106,200	42,500	(116,043)	41,274	112,927
Professional fees	18,387	24,451	48,356	18,784	22,971	28,575	28,271	43,697
Rental	960	960	976	936	924	982	1,186	855
Travel	1,285	1,133	1,665	6,993	12,608	(2,358)	25,738	28,660
Salaries and wages	27,156	24,683	27,166	27,807	35,619	16,033	3,159	13,842
Operating (loss) income before under noted	**(109,049)**	**(89,210)**	**(134,679)**	**(176,832)**	**(127,945)**	**72,539**	**(126,078)**	**(223,847)**
Amortization	(955)	(955)	(955)	(954)	(955)	(955)	(889)	(881)
Interest expense including accretion	(249,713)	(276,204)	(224,758)	(220,547)	(211,797)	(319,576)	(260,292)	(251,036)
Government assistance benefit	-	(263)	33,168	14,631	-	12,122		-
Gain on modification of debt instruments	-	60,464	-	-	-	-		-
Gain (loss) on investments	(161)	(1,668)	80	(400)	(800)	320	-	(720)
Consolidated Income (Loss)	**(359,878)**	**(307,836)**	**(327,144)**	**(384,102)**	**(341,497)**	**(235,550)**	**(387,259)**	**(475,484)**
Non-controlling interest	(110,850)	(159,428)	(162,443)	(185,534)	(173,071)	(143,489)	1,158,776	(184,567)
Comprehensive Income (Loss)	**(249,028)**	**(148,408)**	**(164,701)**	**(198,568)**	**(168,426)**	**(92,061)**	**(228,483)**	**(290,917)**
Income (Loss) per share	($0.013)	($0.008)	($0.009)	($0.011)	($0.009)	($0.003)	($0.008)	($0.011)
Avg. Weighted Shares O/S	19,416,561	19,043,155	18,898,001	**18,635,073**	**18,362,704**	**1,834,944**	**18,470,304**	**18,229,315**

Segmented Information

The Corporation's Board of Directors monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements. However, the Corporation's income taxes are monitored on a consolidated level and are not allocated to operating segments. The segments are managed on a worldwide basis, but operate in one principal geographical area, namely, Canada. Segment assets are based on the geographical location of the assets.

	Corporate		Labrador Sands		Pure Fonte		Total	
	30/Sep/21 $	30/Sep/20 $	30/Sep/21 $	30/Sep/20 $	30/Sep/21 $	30/Sep/20 $	30/Sep/21 $	30/Sep/20 $
Revenue - intersegment	-	-	-	-	-	-	-	-
Operating expenses	(54,662)	(71,938)	(34,738)	(26,567)	(19,648)	(29,441)	(109,049)	(127,945)
Depreciation and Amortization	(266)	(266)	(689)	(689)	-	-	(955)	(955)
Interest and bank charges	(185,310)	(171,763)	(4,324)	(3,663)	(6,558)	(8,613)	(196,193)	(184,039)
Interest accretion	(3,320)	-	(47,571)	(7,632)	(2,629)	(20,126)	(53,520)	(27,758)
Realized gain (loss) on investments	(161)	-	-	-	-	-	(161)	-
Unrealized gain on investments	-	(800)	-	-	-	-	-	(800)
	(243,558)	(244,767)	(87,323)	(38,550)	(28,835)	(58,180)	(359,878)	(341,497)
						-		
Segment income (loss) before taxes	(243,558)	(244,767)	(87,323)	(38,550)	(28,835)	(58,180)	(359,878)	(341,497)
Total assets	9,288	220,197	10,532	12,237	1,465,458	1,466,944	1,485,278	1,589,378
Total liabilities	10,344,730	9,558,576	527,596	380,379	867,674	636,597	11,740,000	10,575,552

	30/Sep/21 $	30/Sep/20 $
Canada	1,485,278	1,589,378
United States of America	-	-
Total assets	1,485,278	1,589,378

Selected Consolidated Financial Information

Selected items from the Consolidated Balance Sheet the prior three fiscal years.

Selected Consolidated Balance Sheet Items			
	Year to Date September 30, 2021 $'s	Year End June 30, 2021 $'s	Year End June 30, 2020 Adjusted $'s
Cash	8,784	47,705	325,513
Other receivables	4,759	4,842	9,297
Investment and loan receivable	-	806	2,800
Project development costs	1,462,322	1,462,322	1,462,322
Property and equipment	9,413	10,368	14,187
Accounts Payable	(1,011,938)	(980,122)	(860,835)
Short Term Loans	(6,950,901)	(6,840,319)	(8,692,604)
Long term debt	(3,777,161)	(3,701,246)	(1,001,993)
Shareholders' deficiency	(4,042,662)	(3,701,246)	(3,313,700)
Shareholders' deficiency associated with Non controlling interests	(6,212,060)	(6,228,896)	(5,427,613)

Account and Other Receivables

During the year ended June 30, 2021, the Corporation voluntarily changed its accounting policy regarding exploration and evaluation expenditures. The new accounting policy indicates that all such expenditures will be recognized as incurred in the consolidated statement of loss and comprehensive loss. The Corporation has determined that this voluntary change in accounting policy will provide more relevant consolidated financial statements while bringing the Company in line with its peers with a similar accounting approach. The change in accounting policy was applied retrospectively and the comparable information was adjusted for all periods presented, as if the policy had always been in place.

This principally consists of HST receivable.

Resource Properties

LSI's exploration properties are in the Happy Valley-Goose Bay region of Newfoundland and Labrador. At the date of the MD&A the property comprises 181 claims in 3 claim blocks with a total area of approximately 23 square kilometres.

Project development costs

This represents engineering and consulting costs associated with the preparation of the BFS, site selection and permitting for the proposed pig iron facility.

	30/Sep/21	30/Sep/20
	$	$
Balance, beginning and end of year	1,462,322	1,462,322

Property and Equipment

Description	Cost			Accumulated Depreciation			Net Book	Net Book
	Balance 30-Jun-21	Additions	Balance 30-Sep-21	Balance 30-Jun-21	Depreciation	Balance 30-Sep-21	Value 30-Jun-21	Value 30-Sep-21
Computer hardware	3,250	-	3,250	2,018	193	2,211	1,232	1,039
Industrial Equipment	18,751	-	18,751	9,752	750	10,502	8,999	8,249
Office furniture and equipment	282	-	282	145	12	157	137	125
	22,283	**-**	**22,283**	**11,915**	**955**	**12,870**	**10,368**	**9,413**

Accounts Payable

The accounts payable balance at September 30, 2021 was $1,011,938 (2020- $792,044)

Short Term Loans (refer to Note 6 of the consolidated financial statements)

On July 5, 2018, an unsecured loan in the amount of $621,000 was provided to PFL by a non-related party. The loan bears interest at a rate of 5% per annum and matures three years from the date of receipt. This loan has matured and the Corporation is in negotiations to extend the maturity date for an additional 12 months. The interest shall accrue and will be capitalized to the end of term. The principal and accumulated interest can be converted into shares at the option of the holder discounted by 25%. The loan can be paid in advance, however, is subject to a 20% penalty. Including accrued interest, the balance outstanding at September 30, 2021 totaled $726,678.

On September 29, 2016, GRI borrowed $250,000 from a related party with interest at 6% per annum, accruing monthly. GRI also issued 50,000 common share purchase warrants at an exercise price of $0.01 per share. The loan extended a line of credit facility bearing interest at 6% per annum, accruing monthly, to GRI in the amount of $2,105,000. The loan and line of credit have been combined into a demand note, with no fixed terms of repayment, for $2,355,000 with interest at 6% per annum accruing monthly. The original loan amount was increased by an additional $14,000 on March 14, 2019, bringing the total loan amount to $2,369,000. The warrant expiry time was also extended to December 31, 2022. Including accrued interest, the balance outstanding at September 30, 2021 totaled $3,114,295.

On May 1, 2015, the Corporation completed a non-brokered private placement of an unsecured convertible debenture for proceeds of $2,000,000 with FLH. The maturity date of the debenture was August 1,2021 and bears interest at a rate of 5% per annum payable quarterly. A new amendment agreement is in negotiations. In previous years it was reflected in long-term debt. The debenture is convertible, at the option of the holder, into common shares of the Corporation on or prior to the maturity date. The conversion price will be $1.00 per common share.

On October 28, 2020, LSI received a loan from a related party of $25,000. The loan bears an interest rate of 10% per annum and matures on October 28, 2021. On December 22, 2020, LSI received another loan from a related party of $25.000. The loan bears an interest rate of 10% per annum and matures December 22, 2021. Including accrued interest, the balances outstanding at September 30,2021 totaled $54,409.

On April 16, 2020, the Corporation received from a third party, a loan of $1,000,000 bearing interest at 10% per annum payable monthly with interest payments of $8,333. The loan agreement includes the issuance of 100,000 warrants with each warrant entitling the lender to acquire one common share of the Corporation at an exercise price of $0.15 per share for a period of two years. The loan matured on April 16, 2021(the "**Maturity Date**"). In consideration of extending the Maturity Date of the loan to October 16, 2022, the Corporation issued 50,000 warrants with each warrant entitling the lender one common share of the Corporation at an exercise price of $0.15 per share for a period of two years.

On August 5, 2021, LSI received from a related party, a one-year term loan of $20,000 bearing interest at 10% per annum. Including accrued interest, the balance outstanding at September 30, 2021 totaled $20,307.

On August 30, 2021, LSI received from a related party, a one-year term loan of $25,000 bearing interest at 10% per annum. Including accrued interest, the balance outstanding at September 30, 2021 totaled $25,212.

LIQUIDITY AND CAPITAL RESOURCES

The Corporation has no revenue generating operations from which it can internally generate funds. To date, the Corporation's ongoing operations have been predominantly financed through the sale of its equity securities by way of private placements and/or shareholder loans and advances. There can be no assurances that equity financing or other sources of capital will be available or available on terms acceptable to the Corporation when required.

At November 30, 2021, the Corporation has cash on hand of approximately $128,000 and has a working capital deficiency of approximately $8,153,000. The Corporation has had recurring negative cash flows from operations and will require additional financing to fund its continuing business efforts. These uncertainties cast significant doubt upon the Corporation's ability to continue as a going concern. Management plans to raise additional debt and/or equity financing to continue operations. Although the Corporation has been successful in raising funds to date, there can be no assurance that adequate funding will be available in the future, or available under terms favorable to the Corporation. The consolidated financial statements do not reflect adjustments in the carrying values of the assets and liabilities, the reported expenses, and the balance sheet classifications used, that would be necessary if the Corporation was unable to realize its assets and settle its liabilities as a going concern in the normal course of operations, and such adjustments could be material.

Long-Term Debt

On August 31, 2017, GRI received from a related party, a loan of $2,000,000 bearing interest at 12% per annum payable monthly. This loan was previously reflected in short-term debt, however, subsequent to year end, a loan extension was signed extending the payment of principal, without penalty, on or before August 31, 2022, and the holder has the option to convert the principal of the loan and the interest accrued on the loan to common shares at a conversion rate of $2.10 per share. This loan was reclassified to current liabilities as at September 30, 2019. Including accrued interest, the balance outstanding at September 30, 2021 totaled $2,889,692.

On August 25, 2016, GRI borrowed $250,000 from an unrelated party with interest at 6% per annum, accruing monthly. GRI also issued 50,000 common share purchase warrants at an exercise price of $0.01 per share. On January 1, 2021, the repayment date in the original loan agreement was extended to December 31, 2022, along with the warrant expiry date to December 31, 2022. Including accrued interest, the balance outstanding at September 30, 2021 totaled $339,120.

LSI received an interest-free repayable loan from ACOA, a government agency, in the amount of $500,000. The loan is repayable in five annual equal and consecutive installments commencing nine months after the end of the fiscal year in which project success is achieved. It is unknown if success will be achieved with the process undertaking with the terms of this loan and therefore repayment remains uncertain and unlikely.

On May 5, 2020, GRI received an interest-free loan of $40,000 pursuant to the terms of the Canada Emergency Business Account. This loan was created by the Federal Government to assist businesses during the COVID-19 pandemic. 25% of the loan is forgivable (up to $10,000) if GRI repays the loan on or before December 31, 2022. If the loan is not repaid by that date, the loan can be converted to a three-year term loan bearing interest of 5% per annum.

CEBA Loans

On December 22, 2020, GRI received a second interest-free loan of $20,000 pursuant to CEBA. This loan is on top of the initial $40,000 loan received. 50% of the loan is forgivable (up to $ 10,000) if GRI repays the loan on or before December 31, 2022. If the loan is not repaid by that date, the loan can be converted to a three-year term loan bearing interest of 5% per annum.

On December 22, 2020, MMI received an interest-free loan of $40,000 pursuant to CEBA. 25% of the loan is forgivable (up to $10,000) if MMI repays the loan on or before December 31,2022. If the loan is not repaid by that date, the loan can be converted to a three-year term loan bearing interest of 5% per annum.

On January 26, 2021, MMI received a second interest-free loan of $20,000 pursuant to CEBA. 50% of the loan is forgivable (up to $10,000) if MMI repays the loan on or before December 31, 2022. If the loan is not repaid by that date, the loan can be converted to a three-year term loan bearing interest of 5% per annum.

On January 8, 2021, LSI received an interest-free loan of $40,000 pursuant to CEBA. Also, on January 26, 2021, LSI received a second interest-free loan of $20,000 pursuant to CEBA. A third of the loans are forgivable (up to $20,000) if LSI repays the loans on or before December 31, 2022. If the loans are not repaid by that date, the loans can be converted to a three-year term loan bearing interest of 5% per annum.

On January 22, 2021, PFL received a combined interest-free loan of $60,000 pursuant to CEBA. The loan is forgivable (up to $20,000) if PFL repays the loan on or before December 31, 2022. If the loan is not repaid by that date, the combined loan can be converted to a three-year term loan bearing interest of 5% per annum.

Please refer to Note 7 of the consolidated financial statement for further details.

Share Capital

A summary of the Corporation's common shares outstanding as of September 30, 2021.

COMMON STOCK OUTSTANDING	Number of Shares	Amount
Authorized: Unlimited number of common shares without par value	#	$
Issued and outstanding June 30, 2020	18,830,815	9,387,978
Issued in payment of interest	693,211	100,000
Issued and outstanding June 30, 2021	19,524,026	9,487,978
Issued in payment of interest	163,342	25,000
Issued and outstanding September 30, 2021	19,687,368	9,512,978

Weighted average issued and outstanding - 19,416,561 (2020 - 18,705,226)

Stock Options

Under the Corporation's employee stock option program, the Board of Directors may, at its discretion, grant options to purchase common shares to directors, officers, employees, or consultants of the Corporation. Shareholders approved the number of shares reserved for issuance under the Plan be a maximum of 20% of the issued and outstanding shares, as of the record date, in accordance with the Stock Option Plan approved by Shareholders. However, only 10% can be issued to insiders of the Corporation. Vesting periods are determined by the Board of Directors at the time of the grant and can range up to 5 years from the date of the grant. The Corporation has reserved 3,504,614 common shares pursuant to the stock option plan. Any unexercised options that expire or are forfeited become available again for issuance under the plan. Compensation costs of options granted under the stock option plan are measured at the granting date based upon a fair value of the award and is recognized over the related service period.

Note: There were no Corporation stock options issued during the period.

Options Outstanding and Exercisable			
Number of options outstanding	Expiry Date	Exercise Price $	Number of options exercisable
112,000	28-May-2022	0.65	112,000
350,000	30-Nov-2022	0.65	350,000
815,000	6-Dec-2023	0.85	815,000
405,000	8-Dec-2024	0.75	405,000
1,682,000		**0.77**	**1,682,000**

Grand River Ironsands Incorporated Stock Options and Warrants

The Board of Directors of GRI has established a 10% rolling stock option plan under which options to purchase common shares are granted to directors, officers, consultants, and key employees of GRI. Options to acquire common shares are granted at prices as determined by the Board of Directors. Options expire five years from the date of the grant.

On September 30, 2021, there were 2,376,933 common shares eligible for issuance pursuant to the stock option plan.

There are NIL (2020-150,000) options to acquire common shares outstanding under the plan as at September 30,2021. Any unexercised options that expire or are forfeited become available again for issuance under the plan. There were no GRI stock options issued during the period.

As at September 30, 2021, the Corporation has 100,000 warrants outstanding and exercisable at $0.15 per common share with an expiry date of April 16, 2022, and 50,000 warrants outstanding and exercisable at $0.15 per common share with an expiry date of April 16, 2023.

As at September 30, 2021, GRI has 100,000 warrants outstanding and exercisable at $0.01 per common share with an expiry date of December 31, 2022.

CRITICAL ACCOUNTING POLICIES

General

The accounting policies have been reviewed with the Corporation's Audit Committee and are as described in Note 2 to the unaudited interim consolidated financial statements.

Basis of Presentation and Going Concern

The unaudited interim consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP") as set out in the Chartered Professional Accountants of Canada Handbook – Accounting – Part 1 ("**CPA Canada Handbook**"), which incorporates International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board ("**IASB**").

The unaudited interim consolidated financial statements have been prepared on a going concern basis, which assumes that the Corporation will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

The Corporation and its subsidiaries have not yet determined whether the properties contain ore reserves that are economically recoverable. The recoverability of amounts shown for mineral properties and related deferred expenditures is dependent upon the discovery of economically recoverable reserves, confirmation of the subsidiary's interest in the underlying mining claims, the ability of the Corporation and its subsidiaries to obtain necessary financing from shareholders, investors, and lenders to complete the development, and upon future profitable production or proceeds from the disposition thereof.

The Corporation has had recurring negative cash flows from operations and will require additional financing to fund its continuing exploration efforts. These matters and conditions indicate a material uncertainty upon the Corporation's ability to continue as a going concern. Management plans to raise additional debt and/or equity financing to continue operations. Although the Corporation has been successful in raising funds to date, there can be no assurance that adequate funding will be available in the future, or available under terms favourable to the Corporation. These consolidated financial statements do not reflect adjustments to the carrying values of the assets and liabilities, the reported expenses, and the balance sheet classifications used, that would be necessary if the Corporation was unable to realize its assets and settle its liabilities as a going concern in the normal course of operations, and such adjustments could be material.

Critical Accounting Estimates

The preparation of consolidated financial statements under IFRS requires the Corporation to make estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of expenses during the period. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Actual results may differ materially from these estimates. Refer to note 2(q) of the unaudited interim consolidated financial statements for details on accounting estimates and assumptions that may impact its reported financial position, results of operations and cash flows.

RISK FACTORS

Limited Business History

The likelihood of success of the Corporation must be considered considering the problems, expenses, difficulties, complications, and delays frequently encountered in connection with the establishment of any business. The Corporation has limited financial resources and there is no assurance that additional funding shall be available to it for further operations or to fulfill its obligations under applicable agreements. There is no assurance that the Corporation can generate revenues, operate profitably, or provide a return on investment, or that it shall successfully implement its plans.

Property Commitments

The property of LSI in which the Corporation has an indirect interest is subject to work commitments and may be subject to other land payments, royalties and/or work commitments to the land claim holder, the Innu First Nation. Failure by GRI and LSI to meet their payment obligations or otherwise fulfill its commitments under these agreements could result in the loss of related property interests and dilution.

Potential Joint Ventures

Due to the cost of establishing and operating mining operations, the Corporation may enter into joint ventures in respect of certain mineral exploration properties that may be acquired by the Corporation. Any failure of such joint venture partners to meet their obligations to the Corporation or to third parties could have a material adverse effect on the joint ventures and the Corporation as a result. In addition, the Corporation may be unable to exert influence over strategic decisions made in respect.

Resources and Reserves

On June 17, 2014, the corporation filed on SEDAR “NI 43-101” highlighting resource estimates from three major mineral blocks contained within the Corporation’s Labrador mineral claims, together with extensive mineral analysis, processing tests, smelting, and melt tests conducted over the last 12-24 months. The “NI 43-101” was prepared by SRK Consulting (Canada) Inc. supplemented by technical assistance and review for processes and mineral testing by Hatch Engineering of Mississauga, ON. Please refer to the “NI 43-101” document for detailed resources estimates, detailed mineral analysis, and detailed results from the smelting and melt tests conducted by the Corporation. Ultimately, even if the Corporation has success in identifying mineral resources on any properties it may acquire, the economics of potential projects may be affected by many factors beyond the capacity of it to anticipate and control, such as the marketability of the mineral products under profitable conditions, government regulations relating to health, safety and the environment, the scale and scope of royalties and taxes on production. One or more of these risk elements could have an adverse impact on costs of an operation which, if significant enough, could reduce or eliminate the profitability of a particular project.

Properties Remote

The property of LSI is in a remote area with limited infrastructure. Exploration activities on such projects are particularly vulnerable to delays and additional costs due to weather conditions, labour shortages, and other unforeseeable issues.

Operational Risks

The Corporation shall be subject to a number of operational risks and may not be adequately insured for certain risks, including: environmental pollution, accidents or spills, industrial and transportation accidents, which may involve hazardous materials, labour disputes, catastrophic accidents, fires, blockades or other acts of social activism, changes in the regulatory environment, impact of non-compliance with laws and regulations, natural phenomena, such as inclement weather conditions, floods, earthquakes, ground movements, cave-ins and encountering unusual or unexpected geological conditions and technological failure of exploration methods. This lack of insurance coverage could have an adverse impact on the Corporation's future cash flows, earnings, results of operations and financial condition.

Competition for Mineral Acquisition Opportunities

Significant and increasing competition exists for mineral acquisition opportunities throughout the world. As a result of this competition, some of which is with larger, better established mining companies with substantial capabilities and greater financial and technical resources, the Corporation may be unable to acquire rights to exploit additional attractive mining properties on terms that the Corporation considers acceptable. If the Corporation is not able to acquire such interests, this could have an adverse impact on the Corporation's future cash flows, earnings, results of operations and financial condition.

Exploration and Development Activities May Not be Successful

Exploration for and development of mineral properties involves significant financial risks which even a combination of careful evaluation, experience and knowledge may not eliminate. Few properties which are explored are ultimately developed into producing mines. The Corporation cannot ensure that its future exploration and development programs shall result in profitable commercial mining operations.

Properties May be Subject to Defects in Title

Although the Corporation is not aware of any existing title uncertainties with respect to the property, there is no assurance that such uncertainties shall not result in future losses or additional expenditures, which could have an adverse impact on the Corporation's future cash flows, earnings, results of operations and financial condition.

Environmental, Health and Safety Risks

Mining and exploration companies such as the Corporation must comply with a complex set of environmental, health and safety laws, regulations, guidelines and permitting requirements (for the purpose of this paragraph, "laws") drawn from a number of jurisdictions.

Decommissioning and Reclamation

Environmental regulators are increasingly requiring financial assurances to ensure that the cost of decommissioning and reclaiming sites is borne by the parties involved, and not by government. It is not possible to predict what level of decommissioning and reclamation (and financial assurances relating thereto) may be required in the future by regulators.

Governmental Regulation and Policy Risks

Mining operations and exploration activities, refining, conversion, and transport in Canada are subject to extensive laws and regulations. Such regulations relate to production, development, exploration, exports, imports, taxes and royalties, labour standards, occupational health, waste disposal, protection, and remediation of the environment, mine decommissioning and reclamation, mine safety, toxic substances, transportation safety and emergency response, and other matters. Since legal requirements change, are subject to interpretation and may be enforced in varying degrees in practice, the Corporation is unable to predict the ultimate cost of compliance with these requirements or their effect on operations.

Commodity Price Fluctuations

The price of commodities varies daily, but long-term averages are the best method of estimating future prices. However, price volatility could have dramatic effects on the Corporation's results of operations and the ability of the Corporation to execute its business plan.

Currency Fluctuations

The Corporation presently maintains its accounts in Canadian dollars. The Corporation's future operations may make it subject to foreign currency fluctuations and such fluctuations may materially affect its financial position and results.

Key Personnel

The senior officers of the Corporation are critical to its success. In the event of the departure of a senior officer, the Corporation believes that it shall be successful in attracting and retaining qualified successors but there can be no assurance of such success. Recruiting qualified personnel as the Corporation grows is critical to its success. The number of persons skilled in the acquisition, exploration and development of mining properties is limited and competition for such persons is intense. As the Corporation's business activity grows, it shall require additional key financial, administrative, and mining personnel as well as additional operations staff. If the Corporation is not successful in attracting and training qualified personnel, the efficiency of its operations could be affected, which could have an adverse impact on the Corporation's future cash flows, earnings, results of operations and financial condition.

Price Volatility of Publicly Traded Securities

In recent years, the securities markets in Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continuing fluctuations in price shall not occur. It may be anticipated that any quoted market for the shares of the Corporation shall be subject to market trends generally, notwithstanding any potential success of the Corporation in creating revenues, cash flows or earnings. The value of the Corporation's shares shall be affected by such volatility. An active public market for the Corporation's shares might not develop or be sustained after completion of the Proposed Transactions.

Legal Proceedings

On December 28, 2017, Forks Specialty Metals Inc., a wholly owned subsidiary of Grand River Ironsands Incorporated, filed for bankruptcy under Chapter 7 of the United States Bankruptcy Code in the United States Bankruptcy Court, Eastern District of Pennsylvania. The bankruptcy proceedings are on hold pending the result of an adversary complaint filed on February 8, 2019, in the United States Bankruptcy Court for the Eastern District of Pennsylvania by the trustee for the estate of Forks against the Corporation, GRI, LSI and Francis MacKenzie (collectively, the "Defendants"). The trustee is alleging that the Defendants are responsible for the debts of Forks. The Defendants maintain that the suit has no merit and have retained local counsel to defend its position. Several motions have been filed and the matter is ongoing.

On November 12, 2020, the Court issued and order requiring the Plaintiff to submit an amended complaint within 30 days that complies with the requirements imposed by Federal Rules of Civil Procedure 8 and 10(b), including setting forth separate counts against the separate Defendants, with any count asserted against all Defendants so stating. The Court also ordered it has personal jurisdiction over Defendant Francis MacKenzie. The matter is ongoing.

Market for Securities

The Common Shares of the Corporation are listed and posted for trading on the Canadian Securities Exchange (CSE) under the trading symbol "the Corporation". The stock is thinly traded, and investors should be aware that there may be no market for their shares.

12 Months Trading Data				
Month	High	Low	Close	Volume
10/31/2020	0.250	0.120	0.120	17,000
11/30/2020	0.220	0.090	0.090	141,500
12/31/2020	0.150	0.080	0.100	172,500
1/31/2021	0.105	0.100	0.105	10,000
2/28/2021	0.250	0.105	0.250	59,208
3/31/2021	0.250	0.120	0.150	38,668
4/30/2021	0.240	0.120	0.120	87,512
5/31/2021	0.240	0.160	0.200	134,950
6/30/2021	0.200	0.130	0.150	31,497
7/31/2021	0.175	0.150	0.175	1,401
8/31/2021	0.490	0.175	0.490	11,000
9/30/2021	0.550	0.400	0.550	62,000
	0.550	0.080	0.550	767,236

Cash Flow Requirements

Refer to Notes 6 and 7 of the audited consolidated financial statements at June 30, 2021 for detailed terms and repayments requirements for the Atlantic Canada Opportunity Agency (ACOA), Investissement Quebec, and Convertible Debenture and other short-term loans. The long-term contractual obligations for the next five years are as follows:

Contractual Obligations in CDN $ - September 30, 2021					
Description	Total	Less than one year	2-3 years	4-5 years	After 5 years
Loan- ACOA	500,000	-	125,000	250,000	125,000
Short term loans	4,940,901	4,940,901	-	-	-
Term Loans	3,537,161	-	3,537,161		
CEBA loans	240,000	-	240,000		
Convertible debenture	2,010,000	-	2,010,000		
	$ 11,228,062	$ 4,940,901	$ 5,912,161	$ 250,000	$ 125,000

Transactions with Related Parties

The Corporation incurred the following related party expenditures for the period ended September 30, 2021.

Related party - Management fees		
	Three months ended	
	30-Sep-21	30-Sep-20
	$	**$**
Management fees	50,250	39,000
Consulting fees	-	-
Directors' fees	2,500	3,500
Salaries and benefits	27,156	35,619
Operating expenses	79,906	78,119

The Corporation has issues in lieu of payment of interest on a related party loan as described in Note 7 of the consolidated financial statements.

The compensation expense associated with key management and directors for services is as follows:

Key management include the President of MMI and the President and Corporate Affairs Director of GRI.

These transactions with related parties have been valued in the unaudited interim consolidated financial statements at the estimated fair value, which is the amount of consideration established and agreed to by the related parties.

Off-Balance Sheet Arrangements

The Corporation has no off-balance sheet arrangements.

Proposed Transactions

As at the date of this MD&A, there are no transactions that the Board of Directors or senior management who believe that confirmation of the decision by the board is probable, have decided to proceed with and that have not been publicly disclosed.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROL OVER FINANCIAL REPORTING

As required by National Instrument 52-109 issued by the Canadian Securities Administrators ("NI52-109"), the Corporation's Chief Executive Officer (CEO) and the Corporation's interim Chief Financial Officer (CFO) will be filing interim certificates "Certification of Disclosure of Issuers' Annual and Interim Filings" concurrent with the completion of filing its interim filings. The certifying officers have concluded that disclosure controls and procedures are effective at September 30, 2021. Upon completion of its filings, the signed certificates will be available on SEDAR.

The CEO and interim CFO are reasonably certain that all information is made known to them and those procedures have been implemented to provide reasonable assurance of the reliability of the financial reporting and preparation of the financial statements for external reporting.

The Board of Directors together with an independent and highly qualified audit committee provide direct oversight responsibilities for the review of the quarterly and annual financial statements.

Changes Internal Control over Financial Reporting

The certifying officers have indicated that there were no significant changes in the Corporation's internal controls or other factors that could significantly affect such controls subsequent to the date of their evaluation, and there were no corrective actions with regard to significant deficiencies and material weaknesses.

ADDITIONAL INFORMATION

Additional information including directors' and officers' remuneration and indebtedness, principal holders of the Corporation's securities, options to purchase securities and interest of insiders in material transactions, if applicable, is contained in the Corporation's information circular for its most recent annual meeting of shareholders, and in the Corporation's comparative financial statements for its most recently completed financial year.

This document may contain forward-looking statements, which may include sales, earnings, and profitability comments. These statements may contain words such as "anticipated", "expected", "could", "should", "may", "plans", "will", or similar expressions that are based on and arise out of our experience, our perception of trends, current conditions and expected future developments as well as other factors. These statements are not a guarantee of future performance. By their very nature, forward-looking statements involve uncertainties and risks that the forecasts and targets will not be achieved.

Readers are cautioned not to place undue reliance on forward looking statements as a number of important factors, as disclosed herein and in the Corporation's other continuous disclosure documents, could cause actual results to differ materially from those expressed in such forward-looking statements. The Corporation includes in publicly available documents filed from time to time with securities commissions, and the Canadian Securities Exchange, a thorough discussion of the risk factors that can cause the Corporation's anticipated outcomes to differ from actual outcomes. The Corporation disclaims any intention or obligation to update or revise forward-looking statements.

Public Securities Filings

Other information about the Corporation, including the annual information form and other disclosure documents, reports, statements or other information that is filed with Canadian securities regulatory authorities can be downloaded in portable document format (PDF) from the SEDAR web site for Canadian regulatory filings at www.sedar.com additional information is also available on the Canadian Securities Exchange at www.cse.com

CORPORATE PROFILE

Board of Directors	**Corporate Officers**
J. Paul Allingham David J. Hennigar Francis H. MacKenzie Jean-Marc MacKenzie Paul R. Snelgrove K. Barry Sparks E. Christopher Stait-Gardner	David J. Hennigar, Chair K. Barry Sparks, Vice-Chair Francis H. MacKenzie, President & CEO Kevin Kemper, Vice President Business Development Jean-Marc MacKenzie, Interim CFO K. Barry Sparks, Vice-Chairman Lina Tannous, Corporate Secretary
Corporate Head Office Metalo Manufacturing Inc. Suite 2002, 145 Richmond St. W., Toronto, ON, M5H 2L2 Tel: (902) 233-7255	**Mailing Address** Metalo Manufacturing Inc. Attn: Francis MacKenzie PO Box 14, 535 Larry Uteck Blvd Halifax, Nova Scotia B3M 0E3

Bankers:		*Bank of Montreal, Main Branch, Halifax, Nova Scotia*
Auditors:		*PricewaterhouseCoopers LLP*
Transfer Agent & Registrar:		*TSX Trust Company, Toronto, Ontario*
Stock Exchange:		*Canadian Securities Exchange,* ***Trading Symbol: MMI***
Shareholder Information:	*Contact Person:*	*Liz MacKenzie*
	Contact Telephone Number and email:	*(902) 233-7255- liz@metalo.ca*
Website:		*www.metalo.ca*