

FORM 7

MONTHLY PROGRESS REPORT

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

Trading Symbol: MMI

Number of Outstanding Listed Securities: 19,744,876

Date: January 5, 2022

This Monthly Progress Report must be posted before the opening of trading on the fifth trading day of each month. This report 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 Exchange Policies. If material information became known and was reported during the preceding month to which this report relates, this report should refer to the material information, the news release date and the posting date on the Exchange website.

This report is intended to keep investors and the market informed of the Issuer's ongoing business and management activities that occurred during the preceding month. Do not discuss goals or future plans unless they have crystallized to the point that they are "material information" as defined in the Policies. The discussion in this report must be factual, balanced and non-promotional.

General Instructions

- (a) Prepare this Monthly Progress Report 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 items must be in narrative form. State when the answer to any item is negative or not applicable to the Issuer. The title to each item must precede the answer.
- (b) The term "Issuer" includes the 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.

Report on Business

1. Provide a general overview and discussion of the development of the Issuer's business and operations over the previous month. Where the Issuer was inactive disclose this fact.

Metalo Manufacturing Incorporated (CSE: MMI) remains a holding company

indirectly owning:

- **40% of Labrador Sands Inc. (LSI) – a massive mineral sands resource with feldspars and a higher purity silica quartz. More than \$20 million has been invested in defining the resource and establishing exact production uses for the minerals. The mining focus will be to mine precisely what is required to supply the needs of MMI and their joint venture (JV) production plant(s). Shipping of bulk minerals will be assessed when additional off-take is established.**
- **44% of Pure Fonte Ltée (PFL) - a later stage development asset for a pig iron plant to supply foundries and steel mills. PFL has: a completed Bankable Feasibility Study; 100% off-take; and verification to be the lowest CO2 emitter globally for iron making. PFL plans to secure a strategic/financial JV partner and finalize permitting. The plant is designed to be hydrogen-ready, ensuring it can make green steel or green pig iron with near-zero CO2 emissions when required. Permitting will commence as soon as COVID stability is more certain.**

MMI and its subsidiaries seek to establish joint ventures using and purchasing the sands from LSI to make products in the ceramics and glassmaking sectors. Canada imported \$3B in glass and glassware in 2020 and is nearly 100% import dependant; also, Canada is 100% import dependant for ceramic products worth \$1.2B in 2020).

The targeted JVs are focused on securing an experienced/established operating partner for these energy intensive sectors. The objective is to use LSI's low-cost sands + low-cost clean electricity to produce products using proven automated all-electric kilns/furnaces/melters with near-zero CO2 emissions. This is seldom done globally and a distinct competitive advantage. The value-add opportunities will deliver a higher margin utilization of the sands.

Discussions are underway, or soon will be, for the final product using LSI's sands in their production plants. Determining the level of success of each item is a key development focus for the Company:

- 1. Sanitaryware – Canada imports \$300M/yr from China & USA (tubs, toilets sinks).**
- 2. Glass Containers – importing \$500M/yr of soda glass of borosilicate glass - for wine, juice, soda, milk, spirits, perfume etc. Drinking glasses \$200M more.**
- 3. Ceramic Tiles – importing \$225M/yr – ceramic, porcelain and glazed.**
- 4. Silicon Carbide – for EV's, batteries, abrasives, and metallurgical uses.**
- 5. Glass Rods – for laboratories and making the vials for vaccines.**

6. **3D Printing - sand cast molds (foundries), assessing 3D printing of advanced ceramic products.**
7. **Ceramic tableware – importing \$300M/yr for cups/mugs, plates, etc.**
8. **Glass Wool/Fibre – importing \$100M/yr for fibreglass, fabrics, etc.**

2. Provide a general overview and discussion of the activities of management.

On December 22, 2021, MMI held its Annual General Meetings where all motions presented to the shareholders received 100% support.

The Issuer continues to monitor the progress of GRI and its two private assets PFL and LSI.

The general overview of Management is that the essential planning and assessment work is closing, and the focus is moving to seeking the authority to operate the respective projects and close the required financings.

MMI currently has 19,744,876 shares issued and outstanding.

GRI currently has 23,769,327 shares issued and outstanding.

MMI currently controls 10,440,017 shares in GRI.

Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law.

There have been no acquisitions.

3. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.

Not applicable

4. Describe any new business relationships entered into between the Issuer, the Issuer's affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.

Not Applicable

5. Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer's affiliates or third parties or cancellation of any financing arrangements that have been previously announced.

See paragraph 13 below.

6. Describe any acquisitions by the Issuer or dispositions of the Issuer's assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how

the consideration was determined and whether the acquisition was from or the disposition was to a Related Person of the Issuer and provide details of the relationship.

None

7. Describe the acquisition of new customers or loss of customers.

Not applicable

8. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trademarks.

None

9. Report on any employee hiring's, terminations or lay-offs with details of anticipated length of lay-offs.

None

10. Report on any labour disputes and resolutions of those disputes if applicable.

Not applicable

11. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.

The Issuer was advised that on February 8, 2019, the trustee for the estate of Forks filed an adversary complaint in the United States Bankruptcy Court for the Eastern District of Pennsylvania (the "Court") against the Issuer, 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. On May 6, 2020, the Defendants' Motion to Dismiss for Lack of Personal Jurisdiction was heard by Court. On November 12, 2020, the Court issued an 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 Plaintiff filed an amended complaint on December 10, 2020 and counsel to the Defendants filed its response on January 12, 2021. The Motion to Dismiss the Trustee's amended complaint was heard on February 24, 2021 and the Judge has not rendered a decision yet. The Defendants maintain that the suit has no merit and are vigorously defending themselves. The matter is ongoing.

12. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.

The maturity date of a \$1,000,000 loan from an unrelated party previously disclosed has been extended to April 16, 2022.

13. Provide details of any securities issued and options or warrants granted.

Security	Number Issued	Details of Issuance	Use of Proceeds ⁽¹⁾
Warrants	50,000	50,000 warrant to purchase 50,000 common shares of the Corporation at an exercise price of \$0.175 per share were issued to an unrelated party in consideration of extending the maturity date of a previous loan to April 16, 2022. The warrants expire on December 22, 2023.	N/A

(1) State aggregate proceeds and intended allocation of proceeds.

14. Provide details of any loans to or by Related Persons.

None

15. Provide details of any changes in directors, officers or committee members.

Joe Flabbi joined the Board of Directors on December 22, 2021.

16. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.

As stated earlier, the impacts of the announced potential CO2 penalties in Canada of \$170/t on CO2 emissions by 2030 has required an ongoing internal review of impacts and options to move forward.

These regulatory events are evolving, and their definition is a priority for MMI for both of its assets under development. The impact of CO2 penalties elsewhere, including the USA, requires understanding the implication and potential benefits.

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 Certificate of Compliance.
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 7 Monthly Progress Report is true.

Dated January 5, 2022.

Francis MacKenzie
Name of Director/Senior Officer

Signed "Francis MacKenzie"
Signature

President
Official Capacity

Issuer Details - Name of Issuer	For Month End	Date of Report YY/MM/D
Metalo Manufacturing Inc.	December 2021	22/01/5
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City/Province/Postal Code Halifax, NS B3M 0E3	.	Issuer Telephone No. (902) 499-7150
Contact Name	Contact Position	Contact Telephone No.
Liz MacKenzie	Investor Relations	(902) 233-7255
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