

FORM 7

MONTHLY PROGRESS REPORT

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

Trading Symbol: MMI

Number of Outstanding Listed Securities: 21,538,694

Date: January 8, 2024

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) 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) and related companies remain in late-stage and ongoing negotiations with strategic/financial partners to finalize a transaction to advance their projects which focus on low to zero CO2 emissions, using their mineral sands resource and iron ore pellets for an iron smelting plant.

A draft of the annual financial statements has been prepared and not yet filed; accordingly, the stock has been halted until there is more certainty on a round of financing. The most recent financing effort has been in negotiations for several months and continues to advance. The financing is necessary and therefore material to the future.

1. **Labrador Sands Inc. (LSI)** (MMI indirectly owns approximately 40%) - Recent development efforts have concentrated on the mineral sands in Labrador for two industrial minerals in the resource, reinforced by the known science of the specifications and the applications verified for the LSI sands; the **feldspars** for a ceramic project in Canada and one new application for construction materials in testing; and **silica** for glassmaking and producing silicon carbide.

Over the past 13 years, LSI has gained insightful knowledge of the high-value applications of feldspars and silica. With one anchor use or offtake for either of both mineral products, the economic base to launch the mining efforts will begin. Two key components of the sands LSI systematically reviews are the seasonal shipping window (six months) and the uncertainty of cost-effective electricity availability. This may necessitate mining and processing the minerals on-site and shipping the products for downstream processing.

- i. **Silicon Carbide (SiC)** is known as a “near” critical mineral in the US. It is one of the rarest minerals in the world to find naturally, otherwise, it must be synthetically replicated. SiC is made by smelting silica (sands) with a carbon source (biochar). LSI has been actively engaged in a more recent SiC production process. Becoming the first carbon-neutral producer requires a source of renewable power that is low-cost. SiC is the next generation of silicon in micro-processing wafers for EVs and batteries; also, established as one of the best materials for additive manufacturing (3D printing); along with a wide range of traditional uses.
- ii. The Company initiated an assessment of the use of LSI feldspars in concrete making based on peer-reviewed science. With the science footing and the potential market scale, confirmatory and validation measures will begin over the coming months. Feldspars are widely available throughout the world. What is not so common are the mineral specifications to meet the potential target of strengthening concrete. Using up to 70% of feldspars in the concrete mix as a substitute for other aggregates, and fly ash, and using less cement thus reducing the carbon footprint while

making concrete stronger. The Company is working with one concrete producer to assess the mechanisms that allow the incorporation of feldspar to yield a relatively higher-strength mortar. From the known science, the focus will be on the primary hydration reaction, which occurs in the presence of a secondary reaction, from two key elements in the feldspar and to understand the possibility of a higher strength from the feldspar-based mortar.

2. **Pure Fonte Ltée (PFL)** (MMI indirectly owns 44%) – is focused on advancing a US\$680m production plant with a Bankable Feasibility Study completed, the optimal site selected, and an identified need for offtake aims to produce a product required by steel mills – **pig iron**. The US and EU steel markets require the supply of this necessary product for their electric arc furnaces.
 - a. The Quebec government has requested repayment of their outstanding note. They have also indicated a willingness to work with and adjust to any potential and/or forthcoming offer for financing.
 - b. PFL has engaged a consortium of investment advisors to focus on debt financing for the project.
 - c. Discussions remain ongoing with debt/equity investors for the project.

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

The Issuer continues to monitor the progress of its two privately held assets PFL and LSI. Efforts have been directed toward advancing these projects with limited resources. A clear path forward has been established and it has a basis for securing the required capital.

MMI continues to monitor the debt obligations of their two project companies and the overall risks of repayment and debt holder support. This remains a going concern for future operations.

MMI currently has 21,538,694 shares issued and outstanding.

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

MMI currently controls 10,440,017 shares (44%) of GRI.

3. 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.

LSI continues to assess optimal locations for mining of the required raw materials should any claim holding prove to be uneconomic or non-serviceable. The key asset gained by LSI is its knowledge of the required mineral chemistries and the downstream applications. LSI believes there is a solid foundation for its industrial minerals and monitors the implications of a seasonal water shipping window and the supply capacity of electricity and cost certainty. LSI continues to review its mineral claims and will continue to adjust by adding and deleting claims where appropriate

including deleting one of its three mineral claims to focus on claims and solutions that have higher strategic value. It is likely new claims or adjustments will occur based on previous exploration work and data, including claims previously released to allow a focus on claims of a higher value. As the focus evolves the claim blocks will be adjusted.

4. 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

5. 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.

PFL is active in discussions with strategic and financial partners and believes a solution will be secured given the global supply constraints along with forms committed to seeking low-carbon solutions. LSI has also advanced discussions with private and public sector entities on producing silicon carbide, biochar production, and 3D printing of sand cast molds for foundries, and mining and processing its sands. LSI expects to enter into agreements to finalize any development, joint venture partners, and off-take. A potential agreement has been advancing for some time and has also been placed on hold for various reasons beyond the control of LSI.

6. 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 sections 10 and 13 below.

7. 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

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

Not applicable

9. 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

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

Not Applicable

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

Not applicable

12. 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 June 3rd, 2023, a Dismissal was granted with respect to any complaint against Mr. MacKenzie, MMI, and GRI. The remaining Amended Complaint is against NAIC with an answer and Affirmative Defense filed on June 20, 2023, on behalf of the NAIC matter.

The Defendants maintain that the suit has no merit and are vigorously defending themselves. The matter is ongoing.

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

A \$1,000,000 loan from an unrelated party previously disclosed matured on October 16, 2022, to MMI and is in default, and payment requested. A loan provided by Investment Quebec for PFL is in default and payment is requested. A \$400,000 loan from a related party is also under negotiation for extension terms. All other debts outstanding remain in ongoing standing. The overall debt carried by the company as known and reported for several years remains an area of concern.

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

Security	Number Issued	Details of Issuance	Use of Proceeds ⁽¹⁾

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

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

On June 23, 2023, a loan for \$68,000, and on June 8, 2023, for \$20,000 from a related party under the same terms of the previous loan agreement at 10% per annum.

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

None

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

Carbon dioxide (CO2) emissions and the related regulations/taxes will have an impact on MMI's strategy and competitive advantage. These regulatory events are evolving, and their definition is monitored by MMI for both of its assets under development.

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 8, 2024.

Francis MacKenzie
Name of Director/Senior Officer

Signed "Francis MacKenzie"
Signature

President
Official Capacity

<i>Issuer Details</i> - Name of Issuer	For Month End	Date of Report YY/MM/D
Metalo Manufacturing Inc.	December 2023	24/01/8
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