

FORM 7

MONTHLY PROGRESS REPORT

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

Trading Symbol: MMI

Number of Outstanding Listed Securities: 19,378,872

Date: March 5, 2021

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.

Metalco Manufacturing Incorporated (MMI) is centred on being an environmental leader in mining and production of minerals with near zero emissions with its two advanced projects (indirectly controlled through Grand River Ironsands Incorporated (GRI)). Both projects are independently and actively being presented to financial markets especially those focused on ESG principles.

1. Pure Fonte Ltée (PFL) – the cast iron plant for Québec:

- **Has temporarily delayed the imminent site announcement (planned for last month) while awaiting input from the Provincial and Federal leaders on moving to a “near zero” emissions solution using the same plant design and footprint. This is potentially a significant and positive development for the project. The information required is based on the implications of a proposed \$170/t CO2 tax by the Federal government. Additionally, the potential and unknown CO2 focus in the US requires assessment.**
- **Is conducting ongoing assessments to further reduce CO2 and other emissions. The project continues to have the basis to be a best in class globally for CO2 reduction. Assessments to use hydrogen, renewable natural gas, and methanation will continue.**
- **Reconfirms its relationship for offtake of 100% of production to be placed with two major traders.**
- **Has not been able to travel to the community since the last planned and suspended visit in October, due to COVID restrictions. It is not known when these will be relaxed.**
- **MMI indirectly controls 44% of this project.**

2. North Atlantic Iron Corporation (NAIC) – the mineral sands in Labrador:

- **Is currently assessing a trading solution to ship bulk minerals – feldspars, high purity silica quartz, magnetite, and garnets. It has been confirmed the feldspars meet the specification for ceramics and the silica quartz for glassmaking.**
- **Has lab studies underway, which will take several months, to assess improving the grades of key minerals, separation process efficiencies, and improvements on current efforts using environmentally safer chemicals. For example, improving the low iron silica quartz from the current glass making grade to solar panel grade would be significant and external experts state worthy of additional assessment. Efforts will validate the economic viability to separate smelter grade alumina from the feldspars. As**

well, assessing the ability to use hydrometallurgy processes to separate the two minerals in the titanomagnetite (titanium and magnetite) is deemed potentially achievable.

- Is in ongoing discussions with Federal and Provincial government senior officials, and actively continues to assess proven technologies to produce vials made of glass or borosilicate (e.g., Pyrex); ceramic tiles; sanitaryware (tubs, toilets, and sinks), using minerals from the project combined with nearby and low-cost hydroelectricity (zero CO₂ emissions) to power electric kilns/furnaces. A leading lab and their experts seek to assess producing synthetic gemstones given the grades and mineral structure. It appears Canada imports nearly 100% of its glass and ceramic products from USA, China, Mexico, etc. The economic value of locating a production plant, powered by clean hydroelectricity, at a port site presents a solid business case.
- Is focusing its mine planning on a strategy of “zero emissions from mine to port” using electric powered truck/shovels, electric powered separation circuit, and/or a slurry pipeline. Desktop studies have been completed on these issues.
- Discussions are temporarily on hold with the Province of Newfoundland and Labrador regarding the mineral claim impacts from Nalcor’s transmission lines on the final mineral claims’ definition. Definition is the basis for initiating permitting and finalizing a resource calculation. Four options were formally presented as potential solutions to the Province. The hold will remain pending the outcome from the Provincial election later in March.
- Once NAIC has the results of the above studies and market assessment, a mine size will be determined. The USA imports US\$215 million annually in feldspars at an average price of US\$97/t.
- All efforts remain subject to travel restrictions due to COVID. For the past few months, travel to the province has been restricted.
- MMI indirectly controls 40% of this project, subject to financing.

Positive discussions for the capital required for both projects continue. Additionally, off-take dialogue with traders remains vigorous and encouraging.

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

The Issuer continues to monitor the progress of GRI.

Progress on the permitting pertaining to both projects has been slow due to the restrictions of COVID-19 in the proposed site areas. Management is

assessing new strategies recognizing travel restrictions may remain for some time.

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 19,378,872 shares issued and outstanding.

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

MMI currently control 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.

Not applicable

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.

In December 2020, MMI received a loan in the principal amount of \$40,000, which was topped up by \$20,000 in January 2021, under the Canada Emergency Business Account ("CEBA") program launched by the Government of Canada as a COVID-19 relief measure. The CEBA loan is unsecured and non-interest bearing during an initial term ending December 31, 2022. Thereafter, the CEBA loan will continue to be unsecured but will bear interest of 5% per year during an extended term ending December 31, 2025. Subsidiary companies have independently received CEBA support.

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

Security	Number Issued	Details of Issuance	Use of Proceeds ⁽¹⁾
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Common Stock	262,928	Issued to a related party pursuant to the terms of a convertible debenture previously disclosed and is in lieu of \$25,000 interest due February 1, 2021.	
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(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.

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

Travel restrictions remain challenging. Climate change and all the related topics continue to evolve. MMI continues to ensure these impacts, and opportunities, are assessed on an ongoing basis.

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 March 5, 2021.

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.	February 2021	21/03/5
Issuer Address PO Box 14, 535 Larry Uteck Blvd.		
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
Contact Email Address liz@metalo.ca	Web Site Address www.metalo.ca	