

## FORM 7

### MONTHLY PROGRESS REPORT

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

Trading Symbol: MMI

Number of Outstanding Listed Securities: 18,830,815

Date: August 9, 2020

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 an indirect and major shareholder in the following two companies:**

- **Pure Fonte Ltée (“PFL”) – a corporation building a proposed US\$408 million pig iron plant in Quebec**
- **North Atlantic Iron Corporation (“NAIC”) – a corporation owning mineral rights in Labrador, NL.**

**Current measures have focused on the two assets with a view to advance the course of action to the next level:**

- 1. Recent discussions with the permitting stages required for the cast iron plant have now been re-established with the Authorities. Most of the work has been completed and upon closing the current round of capital, the strategy will see the final stage of permitting immediately activated. Several location/infrastructure related undertakings bolstering the business model for the plant are underway. Efforts have been strengthened to close the \$20 million round. Reengagement discussions with expert permitting advisors have also begun.**
- 2. On the mineral sands – two advanced mineral processing reports are being assessed. The reports realized a European firm using an approach using crushing, flotation, magnetics with a base grain size of +1.0mm-0.5mm achieve a superior purity of 99.4% SiO<sub>2</sub> with an Fe of 0.07%. The Asian experts focused on spirals (gravity), floatation, magnetics achieving an SiO<sub>2</sub> of 99.3% with an Fe of 0.01%. The lower Fe meets the specifications for clear glass making (residential and commercial) and borosilicate glass (Pyrex). A higher iron (0.07%) can be used for coloured glass – while both the feldspars and silica quartz can be used for construction, sand cast moulds, fibreglass, water filtration, ceramics, silicon carbide, with one lab confirming frac sands, etc. Currently, an immediate focus on off-take, a US\$3-5 million financing and permitting. Additionally, several drill permits have been filed with the regulatory authorities.**

**MMI has a holding of 43.92% in GRI which owns 100% of PFL and 90% of NAIC. The trading symbol is ‘MMI’ and trades on the Canadian Securities Exchange (CSE).**

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

***The Issuer* continues to monitor the progress of GRI. Currently, GRI controls 100% of PFL, the owner of the pig iron project, and 90% of NAIC, the owner of the mineral sand’s asset. NAIC has recently commenced re-assessing potential minerals of value with the project in Labrador. Work plans for 2020-21 are being assessed. Upon closing the proposed financing for the minerals**

sands a dedicated team will be put in place to advance the next steps including community consultations and permitting.

There have been significant shifts in several cost centres for the pig iron plant and the net effect is a marginal shift in project economics with CapEx declining – the movement of inputs and sales process will continue to fluctuate. Market prices and volumes remain volatile due to COVID-19 impacts.

**MMI currently has 18,830,815 shares issued and outstanding.**

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

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.

**There have been no acquisitions.**

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.

**No Applicable**

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.

**Not applicable**

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.

**None**

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. The Defendants maintain that the suit has no merit and are vigorously defending themselves. On May 6, 2020, the Defendants' Motion to Dismiss for Lack of Personal Jurisdiction was heard by Court. A decision is pending.**

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

**None**

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

Security	Number Issued	Details of Issuance	Use of Proceeds <sup>(1)</sup>

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

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

**None**

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.

**Comment on the Potential Material Impact of the Current COVID-19 Pandemic on the Company.**

**The current COVID-19 global health pandemic is significantly impacting the global economy and commodity and financial markets. The full extent and impact of the COVID-19 pandemic is unknown and to date has included volatility in financial markets and commodity prices, and a slowdown in economic activity and to varying levels capital market interest.**

**Major governmental assistance programs are being implemented. GRI has secured a \$40,000 loan as presented under the current initiatives related to COVID-19 and a portion of those funds were loaned to NAIC for work on the mineral sands.**

## 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 August 9, 2020.

Francis MacKenzie  
Name of Director/Senior Officer

Signed "Francis MacKenzie"  
Signature

President  
Official Capacity

<b><i>Issuer Details</i></b> - Name of Issuer	For Month End	Date of Report YY/MM/D
<b>Metalo Manufacturing Inc.</b>	July 2020	20/08/9
Issuer Address Suite 1400-141 Adelaide Street West		
City/Province/Postal Code	Issuer Fax No.	Issuer Telephone No.
Toronto, ON M5H 3L5	(902) 835-0585	(902) 499-7150
Contact Name	Contact Position	Contact Telephone No.
Liz MacKenzie	Investor Relations	(902) 233-7255
Contact Email Address <a href="mailto:liz@metalo.ca">liz@metalo.ca</a>	Web Site Address <a href="http://www.metalo.ca">www.metalo.ca</a>	