

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: June 4, 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.**

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).

Negotiations on term sheets for financing for both assets (pig iron plant and mineral sands) continue, with a debt solution being sought for the pig iron project. The negotiations are complex, markets are shifting, and investors remain cautious. Management remains confident a solution will be secured. The pig iron project is focused on a closing of US\$15-25 million for pre-construction activities including detailed engineering and permitting.

Capital for the mineral sands is currently being negotiated and marketing for the capital raise is currently underway. Geochemistry efforts are being assessed for specific products of market interest and value. Currently the focus is on the high purity mineral sands, specifically the silica quartz, grading at 99.3% SiO₂, and uses for a sub rounded and angular product specifically for construction, glass making, fibreglass and other higher value uses. These sands are not applicable for the frac sands market as they are not rounded. A key consideration will be logistics and products that can benefit from lower cost power. The project is adjacent to a seaport with a shipping season over six months.

Planning efforts to undertake site work, including a drill program, are under review. The geochemistry report is expected to be finalized within 60 days and will address specific products of market interest. An economic impact assessment will be the next key step. It is widely accepted there is a growing shortage, globally, for mineral sands with similar properties believed to be contained in the deposit.

On the proposed pig iron plant, GRI has identified a site and continues to finalize the key issues. Discussions have been reactivated with engineering firms and permitting entities. A detailed rollout, with a public announcement on location and permitting strategy, will be forthcoming upon closing of the financing.

Upon concluding the Bankable Feasibility Study, production decisions will be made. The highlights of the feasibility study are expected to be released concurrent with the next round of financing.

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 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 trade-marks.
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.
The Issuer entered into a loan agreement (the "Loan Agreement") with an arms-length lender (the "Lender") pursuant to which the Issuer has borrowed C\$1,000,000 (the "Loan"). The Loan will bear an annual interest rate of 10% and will mature on April 16, 2021. The Issuer issued 100,000 share purchase warrants to the Lender (the "Loan Warrants") as consideration for the Loan. Each Loan Warrant will entitle the holder to purchase one common share of the Issuer at an exercise price of Cdn\$0.15 for a period of two years.
Additionally, the Issuer retired, in full, a third-party loan announced in September 2019.
See related party loan extension in Section 15.
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.

Pursuant to the terms of a convertible debenture entered into on May 1, 2015 (the “Debenture”) between the Issuer and Forest Lane Holdings Limited (“FLH”), a company controlled by an insider of the Issuer, the Issuer issued 160,511 common shares of its common stock to FLH. This issuance is made at a deemed price of \$0.1558 per share which is the volume-weighted trading price for the 20 trading days ending April 2, 2020 and represents interest due as of May 1, 2020, for an aggregate amount of \$25,000. The securities will be subject to a four month hold period following the date of issuance.

The Issuer and FLH also entered into an amending agreement on May 1, 2020 (the “Amending Agreement”) to extend the maturity date of the Debenture to November 1, 2020 (previously May 1, 2020). As consideration for the extension to the Maturity Date, 200,000 common shares in the capital stock of the Issuer were issued to FLH.

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 massive unemployment.

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 June 4, 2020.

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.	May 2020	20/06/4
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 liz@metalo.ca	Web Site Address www.metalo.ca	