

**FORM 51-102F3  
MATERIAL CHANGE REPORT**

**Item 1: Name and Address of Company**

Metalo Manufacturing Inc. (formerly Muskrat Minerals Incorporated)  
1400-141 Adelaide Street  
Toronto, Ontario M5H 3L5

**Item 2: Date of Material Change**

May 1, 2020.

**Item 3: News Release**

The media release was issued on May 1, 2020 and disseminated through the facilities of CNW and filed on SEDAR.

**Item 4: Summary of Material Change**

The Issuer announced that it has entered into two agreements:

1. An amending agreement to a convertible debenture entered into with a related party by extending its maturity date from May 1, 2020 to November 1, 2020. 200,000 common shares were issued in consideration of the amendment. The original debenture was announced on May 1, 2015.
2. A loan agreement with an arms-length party pursuant to which the Corporation borrowed \$1,000,000 at a 10% interest rate. 100,000 warrants to purchase common shares of the Corporation at an exercise price of \$0.15 per share for a period of 2 years were also issued to the arm's length party.

**Item 5: Full Description of the material change**

See News Release attached as Schedule "A".

**Item 6: Reliance on subsection 7.1(3) of National Instrument 51-102**

N/A

**Item 7: Omitted Information**

N/A

**Item 8: Executive Officer**

Francis MacKenzie  
President & CEO  
Tel: 902.499.7150

**Schedule "A"**  
**Media Release**

**MEDIA RELEASE**  
**Metalo Manufacturing Inc. – Convertible Debenture and Loan**

(NOT FOR DISSEMINATION IN THE UNITED STATES OR FOR DISTRIBUTION  
VIA U.S. NEWSWIRE)

**Halifax, Nova Scotia -- (Newsfile Corp. – May 1, 2020)** - Metalo Manufacturing Inc. (the “**Issuer**”) (CSE: MMI) announces that it will issue 160,511 common shares of the Issuer to Forest Lane Holdings Limited (“**FLH**”), a company controlled by an insider of the Issuer.

The Issuer and FLH entered into a convertible debenture on May 1, 2015 in the amount of \$2,000,000 (the “**Debenture**”) with interest of 5% payable quarterly in cash or in common shares at the option of the Issuer. 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 Corporation also entered into an amending agreement dated May 1, 2020 (the “**Amending Agreement**”) with FLH, to extend the term of the Debenture. The maturity date of the Debenture has been extended until 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 Corporation are proposed to be issued to FLH, subject to CSE approval. A four-month hold will apply on the share issuance. All other material terms and conditions remain the same. The Amending Agreement and share issuance were approved by independent members of the Board of Directors.

FLH is majority-owned investment company of David J. Hennigar, a director and chairman of Corporation. Subsequent to the share issuances detailed in this release, Mr. Hennigar, will hold, either directly or indirectly through his various companies, 4,639,435 common shares of the Corporation, representing approximately 24.64% of the common shares of the Corporation

The transactions described in this news release between the Corporation and FLH constituted a “related party transactions” within the meaning of Multilateral Instrument 61-101 – Protection of Minority Shareholders in Special Transactions (“**MI 61-101**”). For this transaction, the Corporation intends to rely on the exemption from the formal valuation requirements of MI 61-101 contained in section 5.5(b), and the exemption from the minority shareholder approval requirements in Section 5.7(1)(e).

The Corporation is also pleased to announce that it has entered into a loan agreement (the “**Loan Agreement**”) with an arms-length lender (the “**Lender**”) pursuant to which the Corporation has borrowed Cdn\$1,000,000 (the “**Loan**”). The proceeds of the Loan will be used to pay a portion of Corporation’s consolidated debt with an arms-length party, with the balance to be used for general working capital. The Loan will bear an interest rate of 10% and will mature on April 16, 2021. Subject to the approval of the CSE, the Corporation will issue 100,000 share purchase warrants to the Lender (the “**Loan Warrants**”) as inducement for the Loan. Each Loan Warrant will entitle the holder to purchase one common share of the Corporation at an exercise price of Cdn\$0.15 for a period of two years.

**ABOUT METALO MANUFACTURING INC. (CSE:MMI)**

Metalo's principal focus is an investment in various projects, namely those that are involved in the development and construction of a pig iron manufacturing plant to produce high purity pig iron for steel mills and foundries. MMI is a 44% shareholder of Grand River Ironsands Incorporated ("GRI"). GRI owns a 100% interest in Pure Fonte Ltée, which has its business emphasis to build a plant for the manufacturing of pig iron. North Atlantic Iron Corporation is 90% owned by GRI and it owns mining rights for a resource in Happy Valley-Goose Bay, Newfoundland and Labrador. The Corporation has 18,830,815 issued and outstanding common shares.

*Neither the CSE nor its Regulation Services Provider (as that term is defined in the policies of the CSE) accepts responsibility for the adequacy or accuracy of this release.*

**The Corporation seeks Safe Harbour.**

For additional information contact:  
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