

Form 62-103F1

Required Disclosure under the Early Warning Requirements

State if this report is filed to amend information disclosed in an earlier report. Indicate the date of the report that is being amended.

Not applicable.

Item 1 – Security and Reporting Issuer

1.1 State the designation of securities to which this report relates and the name and address of the head office of the issuer of the securities.

This report relates to the common shares (the “Common Shares”) of Metalo Manufacturing Inc. (“Metalo”)

Metalo’s address is as follows:

1400-141 Adelaide Street
Toronto, Ontario M5H 3L5

1.2 State the name of the market in which the transaction or other occurrence that triggered the requirement to file this report took place.

Not applicable.

Item 2 – Identity of the Acquiror

2.1 State the name and address of the acquiror.

Forest Lane Holdings Limited (“FLH”)
311-380 Bedford Highway
Halifax NS Canada B3M2L4

2.2 State the date of the transaction or other occurrence that triggered the requirement to file this report and briefly describe the transaction or other occurrence.

On May 1, 2020, FLH entered into an amendment to its \$2 million convertible debenture originally dated May 1, 2015 (the “**Convertible Debenture**”) with Metalo. Material terms of the amendment are:

- The maturity date of the Convertible Debenture has been extended to November 1, 2020; and
- An additional 200,000 common shares were issued as consideration for the extension of the maturity date.

All other material terms and conditions remain the same, including the following:

- Quarterly interest payments of \$25,000 remain payable pursuant to the terms of the original Convertible Debenture. At the option of Metalo, interest accrued can be converted by Metalo into shares at a conversion price equal to the 20 day trading average price prior to issuance to the volume-weighted average trading price of the common shares of Metalo for the 20 consecutive trading days prior to conversion notice.
- The \$2,000,000 debenture remains convertible into common shares of Metalo at the conversion rate of \$1.00 per share.

2.3 State the names of any joint actors.

Not applicable.

Item 3 – Interest in Securities of the Reporting Issuer

3.1 State the designation and number or principal amount of securities acquired or disposed of that triggered the requirement to file this report and the change in the acquiror’s securityholding percentage in the class of securities.

David J. Hennigar (“DJH”) is a majority shareholder of FLH and currently either directly or indirectly holds an aggregate 4,639,435 common shares of Metalo, representing approximately 24.64% of the total issued and outstanding common shares of Metalo. Metalo has elected to pay the quarterly interest payments on the Convertible Debenture in shares to preserve cash. In light of the significant decrease in the trading share price, DJH has increased his shareholding in excess of 2%. In addition, interest payments of \$25,000 are due on August 1, 2020 and also on November 1, 2020 for an aggregate total of \$50,000 which is convertible into shares depending on the market trading prices and volumes.

Should the Convertible Debenture and his 176,000 options be converted into common shares of Metalo prior to November 1, 2020, DJH would own 6,815,435 common shares of Metalo, representing approximately 32.44% of Metalo’s issued and outstanding common shares on a partially diluted basis.

3.2 State whether the acquiror acquired or disposed ownership of, or acquired or ceased to have control over, the securities that triggered the requirement to file this report.

DJH acquired additional shares under the 2% threshold for this period as part of the extension to the maturity date, but in light of the two additional interest payments which may be converted into shares and the potential impact of converting the Convertible Debenture fully, it was determined this early warning report should be filed.

3.3 If the transaction involved a securities lending arrangement, state that fact.

Not applicable.

3.4 State the designation and number or principal amount of securities and the acquiror’s securityholding percentage in the class of securities, immediately before and after the transaction or other occurrence that triggered the requirement to file this report.

See Item 3.1 above.

3.5 State the designation and number or principal amount of securities and the acquiror’s securityholding percentage in the class of securities referred to in Item 3.4 over which

(a) the acquiror, either alone or together with any joint actors, has ownership and control,

See Item 2.2 and 3.1 above.

(b) the acquiror, either alone or together with any joint actors, has ownership but control is held by persons or companies other than the acquiror or any joint actor, and

Not applicable.

(c) the acquiror, either alone or together with any joint actors, has exclusive or shared control but does not have ownership.

Not applicable.

- 3.6** If the acquiror or any of its joint actors has an interest in, or right or obligation associated with, a related financial instrument involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the related financial instrument and its impact on the acquiror's securityholdings.

Not applicable.

- 3.7** If the acquiror or any of its joint actors is a party to a securities lending arrangement involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the arrangement including the duration of the arrangement, the number or principal amount of securities involved and any right to recall the securities or identical securities that have been transferred or lent under the arrangement.

State if the securities lending arrangement is subject to the exception provided in section 5.7 of NI 62-104.

Not applicable.

- 3.8** If the acquiror or any of its joint actors is a party to an agreement, arrangement or understanding that has the effect of altering, directly or indirectly, the acquiror's economic exposure to the security of the class of securities to which this report relates, describe the material terms of the agreement, arrangement or understanding.

Not applicable.

Item 4 – Consideration Paid

- 4.1** State the value, in Canadian dollars, of any consideration paid or received per security and in total.

The Convertible Debenture was amended by extending the maturity date in consideration of the issuance of 200,000 common shares of Metalo. This issuance is made at a deemed price of \$0.07 per share which is the closing market price as of April 30, 2020.

- 4.2** In the case of a transaction or other occurrence that did not take place on a stock exchange or other market that represents a published market for the securities, including an issuance from treasury, disclose the nature and value, in Canadian dollars, of the consideration paid or received by the acquiror.

See Item 4.1 above.

- 4.3** If the securities were acquired or disposed of other than by purchase or sale, describe the method of acquisition or disposition.

Not applicable.

Item 5 – Purpose of the Transaction

- 5.1** State the purpose or purposes of the acquiror and any joint actors for the acquisition or disposition of securities of the reporting issuer. Describe any plans or future intentions which the acquiror and any joint actors may have which relate to or would result in any of the following:

(a) the acquisition of additional securities of the reporting issuer, or the disposition of securities of the reporting issuer;

(b) a corporate transaction, such as a merger, reorganization or liquidation, involving the reporting issuer or any of its subsidiaries;

- (c) a sale or transfer of a material amount of the assets of the reporting issuer or any of its subsidiaries;
- (d) a change in the board of directors or management of the reporting issuer, including any plans or intentions to change the number or term of directors or to fill any existing vacancy on the board;
- (e) a material change in the present capitalization or dividend policy of the reporting issuer;
- (f) a material change in the reporting issuer's business or corporate structure;
- (g) a change in the reporting issuer's charter, bylaws or similar instruments or another action which might impede the acquisition of control of the reporting issuer by any person or company;
- (h) a class of securities of the reporting issuer being delisted from, or ceasing to be authorized to be quoted on, a marketplace;
- (i) the issuer ceasing to be a reporting issuer in any jurisdiction of Canada;
- (j) a solicitation of proxies from securityholders;
- (k) an action similar to any of those enumerated above.

The amendment of the Convertible Debenture reflects terms required by FLH in exchange for the extension to the maturity date. FLH may from time to time acquire additional securities, exercise securities, dispose of some or all of the existing or additional securities, or may continue to hold the securities of Metalo.

Item 6 – Agreements, Arrangements, Commitments or Understandings With Respect to Securities of the Reporting Issuer

- 6.1 Describe the material terms of any agreements, arrangements, commitments or understandings between the acquiror and a joint actor and among those persons and any person with respect to securities of the class of securities to which this report relates, including but not limited to the transfer or the voting of any of the securities, finder's fees, joint ventures, loan or option arrangements, guarantees of profits, division of profits or loss, or the giving or withholding of proxies. Include such information for any of the securities that are pledged or otherwise subject to a contingency, the occurrence of which would give another person voting power or investment power over such securities, except that disclosure of standard default and similar provisions contained in loan agreements need not be included.

Not applicable.

Item 7 – Change in Material Fact

- 7.1 If applicable, describe any change in a material fact set out in a previous report filed by the acquiror under the early warning requirements or Part 4 in respect of the reporting issuer's securities.

Not applicable.

Item 8 – Exemption

- 8.1 If the acquiror relies on an exemption from requirements in securities legislation applicable to formal bids for the transaction, state the exemption being relied on and describe the facts supporting that reliance.

Not applicable.

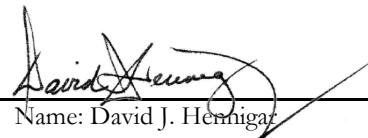
Item 9 – Certification

9.1 Certificate

I, as the acquiror, certify, or I, as the agent filing this report on behalf of an acquiror, certify to the best of my knowledge, information and belief, that the statements made in this report are true and complete in every respect.

DATED this 1st day of May, 2020.

FOREST LANE HOLDINGS LIMITED

By: 
Name: David J. Hennigar
Title: President