

MEDIA RELEASE
Metalo Manufacturing Inc. – Amendment and Interest Payment

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

Halifax, Nova Scotia -- (Newsfile Corp. – February 1, 2021) - Metalo Manufacturing Inc. (the “**Issuer**”) (CSE: MMI) announces that it will issue 262,928 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, as amended May 1, 2020 (collectively, the “**Debenture**”) and February 1, 2021 (detailed below) in the amount of \$2,000,000 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 \$0.0951 per share which is the volume-weighted trading price for the 20 trading days ending January 11, 2021 and represents interest due as of February 1, 2021, 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 entered into an amending agreement to the Debenture dated February 1, 2021 (the “**Second Amending Agreement**”) with FLH, to extend the term of the Debenture. The maturity date of the Debenture has been extended to August 1, 2021 (previously November 1, 2020). All other material terms and conditions remain the same. The Amending Agreement was approved by independent members of the Board of Directors of the Issuer.

FLH is majority-owned investment company of David J. Hennigar, a director and chairman of the Issuer. Subsequent to the share issuance detailed in this release, Mr. Hennigar, will hold, either directly or indirectly through his various companies, 5,187,492 common shares of the Issuer, representing approximately 26.77% 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 Issuer did not file a material change report more than 21 days before the expected closing of the Second Amending Agreement, as the details of the Second Amending Agreement were not finalized until immediately prior to the closing and the Issuer wished to close the transaction as soon as practicable.

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 19,378,872 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.

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