



**METALO MANUFACTURING INC.
INTERIM MD&A - QUARTERLY HIGHLIGHTS
FOR THE SECOND QUARTER ENDED DECEMBER 31, 2020**

METALO MANUFACTURING INC. is a publicly listed corporation, trading on the Canadian Securities Exchange (the “CSE”), with a ticker symbol “MMP”, headquartered in Toronto, Ontario, Canada.

The following is a discussion of the unaudited interim consolidated financial condition and results of operations of Metalo Manufacturing Inc. (the “Corporation”) for the second quarter ended December 31, 2020. This interim discussion and analysis should be read in conjunction with the Corporation’s quarterly unaudited consolidated interim financial statements for the quarter ended December 30, 2020 and the annual audited consolidated financial statements and the annual MD&A for the year ended June 30, 2020.

The Corporation’s principal asset is a 43.92% shareholding in Grand River Ironsands Incorporated (“GRI”), a private company incorporated in Nova Scotia. GRI owns 90% of North Atlantic Iron Corporation (“NAIC”), a private corporation incorporated in Newfoundland and Labrador that is involved in the exploration and development of a mineral sands project near Happy Valley-Goose Bay, NL, Canada. GRI also owns 100% of Pure Fonte Ltée (“PFL”), a Federal corporation based in Québec established to construct an ultra high purity pig iron smelting plant.

The unaudited interim consolidated financial statements are presented in Canadian dollars and have been prepared in compliance with International Financial Reporting Standards (“IFRS”), as issued by the IASB, and the Interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”). These accounting policies are based on the IFRS standards and IFRIC interpretations that are applicable at December 31, 2020.

Additional information about the Corporation can be found on SEDAR at www.sedar.com and on the Canadian Securities Exchange at www.cse.ca

This MD&A is dated as of February 26, 2021 and contains discussion of material events up to and including that date.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

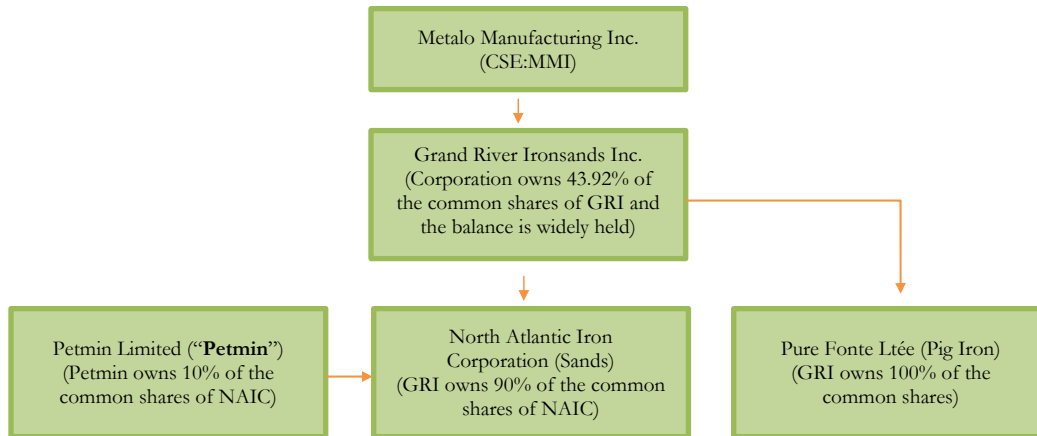
The following discussion and analysis contain forward-looking statements which reflect management’s expectations regarding the Corporation’s future growth, results of operations, performance, and business prospects and opportunities. Although the forward-looking statements reflect management’s current assumptions based upon information currently available to management and based upon what management believes to be reasonable assumptions, the Corporation cannot be certain that actual results will be consistent with these forward-looking statements. Forward-looking statements involve significant known and unknown risks, assumptions and uncertainties that may cause the Corporation’s actual results, performance, prospects, and opportunities in future periods to differ materially from those expressed or implied by such forward looking statements. These risks and uncertainties include, among other things, market demand, commodity pricing, regulatory matters, currency risks, liability claims, integration of new operations, financing risks, and interest rate risks. Although the Corporation has attempted to identify important risks and factors that could cause actual results to differ materially from those described in the forward-looking statements, there may be other factors and risks that may cause results not to be as anticipated, estimated or intended.

There can be no assurance that forward-looking statements will prove to be accurate, as actual results may differ materially from those anticipated in such statements. Certain factors that may impact operations are also discussed. Such comments will be affected by, and may involve, known and unknown risks and uncertainties that may cause the actual results of the Corporation to be materially different from those expressed or implied. Accordingly, readers should not place undue reliance on forward-looking statements. These forward-looking statements are made as of the date of this MD&A and, except as required by law, the Corporation assumes no obligation to update or revise them to reflect new events or circumstances.



CORPORATE OVERVIEW

The following chart displays the corporate structure and ownership structure post restructuring.



The Corporation with its two advanced projects (indirectly controlled through GRI) has guided the next chief targeted steps. The consistent corporate focus remains on the strategy of maximizing the reduction of CO₂ emissions and being a leader in climate change solutions.

1. PFL – the cast iron plant for Québec:

- Is targeting the month of February to announce the location and intention to initiate the final and public hearing stage of the permitting process. PFL has completed most of the detailed studies for the extensive Environmental Social Impact Assessment application, with a last study document soon to be finalized. (NOTE: The announcement will respect any matters related to COVID-19 and as a cautionary that may cause a delay.)
- Has seen supply chain improvements; the targeted financial model for the pig iron plant remains +/- 1% compared to pre-COVID returns, including factoring in the price of iron ore recently trading at UAS\$156/t (February 9, 2021).
- Is conducting ongoing assessments to reduce CO₂ and will continue as the project continues to ensure the proposed CO₂ solution will be best in class globally for these plants. Assessments to use hydrogen, syngas and methanation will continue as required. PFL remains committed to being a global leader on CO₂ management including the predominant use of a conveyance system for operations.
- Reconfirms its relationship for offtake of 100% of production to be placed among two traders.

2. NAIC – the mineral sands in Labrador:

- Is currently assessing a trading solution to ship bulk minerals – namely feldspars, high purity silica quartz, magnetite, and garnets.
- Has lab studies underway to validate the economic viability to separate smelter grade alumina from the feldspars. As well, assessing the ability to use hydrometallurgy processes to separate the two minerals in the titanomagnetite (titanium and magnetite).
- Are in ongoing discussions with the Canadian government’s senior officials, and actively endeavours to continue to assess proven technologies to produce glass vials; borosilicate (e.g., Pyrex) products; ceramic tiles; sanitaryware (tubs, toilets, and sinks), using minerals from the project combined with hydroelectricity to power electric kilns/furnaces. It appears Canada imports nearly 100% of its glass and ceramic products from USA, China, Mexico, etc.
- Mine planning is focused on a strategy of “zero emissions from mine to port” using electric powered truck shovels, electric powered separation circuit, and a slurry pipeline, instead of transporting by truck.
- Discussions remain with Nalcor and the Province of Newfoundland and Labrador on the final mineral claims’ definition, which will become the basis for initiating permitting and finalizing a resource calculation.
- Once NAIC has the results of the above studies and market assessment, a mine size will be determined. The USA imports US\$215 million annually in feldspars at an average price of US\$97/t. NAIC’s cost to mine and process is targeted to be much lower cost.

Positive discussions for the capital required for both projects continue. Additionally, off-take dialogue with traders remains vigorous and encouraging. Given the same asset base, efforts to combine GRI and MMI into one company are currently being assessed.



OVERVIEW OF NAIC (Mineral Sands of Labrador)

Mineral claim deposits are licenses held by NAIC with the Province of Newfoundland and Labrador that required a deposit and commitment by NAIC to inject a prescribed amount of exploration expenditures into the land designated by the license within a five-year time frame. NAIC's mineral claims are in central Labrador immediately to the west and to the north side of the Churchill River. The claims extend west of Muskrat Falls along the lower Churchill River to the Hamilton Inlet. At the date of the MD&A, the property comprises 181 claims in 3 claim blocks with a total area of approximately 23 square kilometres.

NAIC has undertaken a major review of all claims with a view to only maintain those claims that are critical to the mining operation and to reduce carrying costs and future work commitments. As at the date of the MD&A, the Corporation has injected the prescribed amount of exploration expenditures into the remaining mineral claims. Discussions with Province and its related entities continue regarding areas in each claim that will be removed due to a transmission line and other structures established after NAIC opened its mineral claims. NAIC maintains more than \$10 million has been invested directly and indirectly for the development efforts related to the lands.

NAIC Mineral Claims

Claim Number	# of claims	Issued	Status	Renewal Date	Report Date	NTS Map
017907M <i>Muskrat</i>	23	2010-08-23	Active	2025-08-25	2021-10-22	13F07
017911M <i>South Branch</i>	44	2010-08-23	Active	2025-08-25	2021-10-22	13F02,13F07
018325M <i>Hoffman</i>	114	2011-01-06	Active	2026-01-06	2021-03-08	13F02,13F03

NAIC has had ongoing communications with engineering firms experienced in mineral sands in China, Germany and Canada. Additionally, NAIC has actively been exploring funding solutions, including potentially issuing flow through shares in Canada. Industrial minerals (silica quartz, feldspars, garnets, zircon, etc.) are not commonly understood in Canada by experts or investors. This complexity may require broadening the investment efforts. NAIC has been in ongoing discussions to raise up to \$5 million to advance the asset through permitting, feasibility, and market assessment efforts. Community consultation were activated in Q3 2020 in Newfoundland and Labrador, subject to any additional post COVID-19 travel restrictions. As pertinent information is obtained, it will be shared with through a media release or the CSE Form 7A monthly filing.

Historical

On June 17, 2014, the Corporation filed on SEDAR "NI 43-101" highlighting resource estimates from three major mineral blocks contained within the Corporation's Labrador mineral claims, together with extensive mineral analysis, processing tests, smelting, and melt tests conducted over the last 12-24 months. The "NI 43-101" was prepared by SRK Consulting (Canada) Inc. supplemented by technical assistance and review for processes and mineral testing by Hatch Engineering of Mississauga, ON. Please refer to the "NI 43-101" document for detailed resource estimates, detailed mineral analysis, and detailed results from the smelting and melt tests conducted by the Corporation.

In 2015, due to the oversupply of iron ore feedstock, it was decided to source iron ore from other Canadian producers for the pig iron plant. NAIC also began pursuing the evaluation of accessory minerals associated with the Labrador mineral sands properties. These minerals primarily include garnet, zircon, feldspars, and silica sands. In 2017, NAIC made the decision to abandon further evaluation of the iron interests with the objective to pursue the accessory minerals only. The primary minerals of interest are feldspars 52% of head feed and silica quartz at 22% of head feed. The minerals have value for many requirements including ceramics, glass making, fiberglass, silicon carbide, foundry product, etc. NAIC expects to commission a market feasibility study in the near term to further understand the development potential associated with the accessory minerals in the properties.

In determining the recoverable amount of the resource properties, NAIC has made estimates regarding the quantity of accessory minerals to be extracted, the accessory mineral prices expected to be in place at the time of extraction, the direct costs associated with mining these minerals and total project capital expenditures. Based on this analysis, NAIC believes the carrying amount to be recoverable. Given the uncertainty associated with each of the above assumptions, it is reasonably possible that outcomes which differ from these assumptions could require material adjustment to the carrying amount of the resource properties in the future.

NAIC plans to revisit the viability of the mineral sands from an economic, market, permitting and economic development opportunity for the community and Province of Newfoundland and Labrador. Other considerations will include access to required electricity and labour as

well as the future direction for the port in the local area to accommodate increased traffic. Equally important will be the support of the Innu First Nations and other aboriginal communities and residents.

OVERVIEW OF PFL

GRI has invested substantial funds (more than an estimated C\$50 million in total for mining and iron making) in measures to solve and prove the economic viability and to develop a bankable feasibility study related to the planned construction of the pig iron facility. This included site selection, preliminary environmental assessment and permitting, process design and engineering and logistics. Approximately \$2.9 million was capitalized through PFL as project development costs with an additional \$3 million in other development expenditures related to a Québec location.

PFL continues to advance its efforts to develop the pig iron plant. This plant will be a specialized producer in North America of a premium grade pig iron and has been designed to provide a new standard for environmental emissions and stewardship. As well, it will be strategically located to provide competitive advantage in both access to raw materials as well as access to markets in North America and Europe. Financing has been challenging with commodity prices fluctuating and manufacturing plants having to address environment management issues. These topics have created uncertainty on the views of investors. The environmental topic requires more precise clarification relative to economic development opportunities.

The design attributes required are as follows:

1. Lowest generation of greenhouse gases (GHGs) per tonne of pig iron produced in the industry.
2. Economic returns necessary to ensure the required capital investment is available.
3. Manufacturing process capable of producing premium grade pig iron to guarantee best pricing and least market volatility.
4. Location supported by the government and the community, with the ability to provide skilled labour and competitive infrastructure.
5. Location must serve and be competitive in both European and North American markets.

The bankable feasibility study (the “BFS”) was independently completed for the US\$408 million pig iron manufacturing plant for a Québec site, subject to cost adjustments since 2018. The environmental assessment work in Québec was placed on hold in 2019 until greater visibility on capital raising for the pre-construction work was obtained. More recently definition on the cost implications regarding CO₂ must be fully understood. Those efforts are now advancing with plans to finalize.

The model economics remained intact when the price of iron ore increased as they were offset by other costs that were reduced in the market. Natural gas and electricity prices have remained in forecasted ranges. Letters of undertaking have been secured to purchase 100% of the plant production.

The key goals for the initial pig iron manufacturing initiative for the next several months will be to; (i) complete the permitting process; (ii) complete and release the BFS for the chosen site; (iii) review the project economics and complete and publish an economic assessment; (iv) assess the interest of strategic partners for partnering, off-take and other possible business arrangements; and (v) initiate a capital raise campaign and other corporate related requirements with all partners to the project.

As with NAIC and PFL, the Corporation will provide pertinent information through media releases and/or “Form 7A” filed monthly with the Canadian Securities Exchange (CSE) – www.cse.com entering the stock symbol the Corporation.

FINANCIAL SUMMARY

The unaudited interim consolidated financial statements for the quarter ended December 31, 2020 include all the accounts of the Corporation, GRI, NAIC, PFL and Forks Specialty Metals Inc. (“FSM”) (refer to legal proceedings below as regards FSM).

The following discussion addresses the operating results and financial condition of the Corporation for the second quarter ended December 31, 2020. This discussion and analysis is qualified in its entirety by reference to and should be read in conjunction with the Corporation’s audited consolidated financial statements for the year ended June 30, 2020 and the related notes thereto, as well as reference to the forward-looking statements within this report. All results in this report are presented in Canadian dollars, unless otherwise indicated.

HIGHLIGHTS

The following is a summary of the major financial highlights for the second quarter ended December 31, 2020 (including subsequent events).

- On October 8, 2020, GRI reached an agreement with David J. Hennigar to extend the maturity date of its \$2,000,000 loan to GRI to August 31, 2022, without penalty.
- On October 28, 2020 and on December 22, 2020, NAIC received loans from a related party each in the amount of \$25,000. The loans bear received an interest rate of 10% per annum and matures on October 28, 2021, and December 22, 2021.
- On November 1, 2020, the Corporation issued 157,469 common shares to a related party, Forest Lane Holdings Limited (“**FLH**”). This represents interest due November 1, 2020 in the aggregate amount of \$25,000 on the convertible debenture and was made at a deemed price of \$0.1588 per share, which is the volume-weighted trading price for the 20 trading days ended October 13, 2020. The securities are subject to a four-month hold period following the date of issuance.
- On December 22, 2020, the Corporation received an interest-free loan of \$40,000 pursuant to the Canada Emergency Business Account program (“**CEBA**”). This loan program was created by the Federal Government to assist businesses during the COVID-19 pandemic. On January 26, 2021, the Corporation received a second CEBA loan of \$20,000, bringing the total to \$ *60,000. If the loans are repaid before December 31, 2022, the forgivable amount will be \$ \$20,000.
- On December 22, 2020, GRI received a second CEBA loan of \$20,000, of which \$10,000 is forgivable if repaid before December 31, 2022.
- On January 1, 2021, GRI entered into an agreement with an unrelated party extending the maturity date of a \$250,000 loan to December 31, 2022.
- On January 8, 2021 and January 26, 2021, NAIC received a total of \$60,000 CEBA loans. \$20,000 is forgivable if repaid by December 31, 2022.
- On January 22, 2021, PFL received a \$60,000 CEBA loan. \$20,000 is forgivable if repaid by December 31, 2022.
- On February 1, 2021, the Corporation reached an agreement with FLH to extend the maturity date on the convertible debenture from November 1, 2020 to August 1, 2021.
- On February 1, 2021, the Corporation issued 262,928 common shares to FLH. This represents interest due February 1, 2021 in the aggregate amount of \$ 25,000 on the convertible debenture and was made at a deemed price of \$ 0.0951 per share, which is the volume-weighted trading price for the twenty trading days ended January 4, 2021. The securities are subject to a four-month hold period following the date of issuance.

Financial and operational results

NON-GAAP Financial Measures

There are measures included in this MD&A that do not have a standardized meaning under GAAP and therefore may not be comparable to similarly titled measures presented by other publicly traded companies. The Corporation includes these measures because it believes certain investors use these measures as a means of assessing financial performance. Management believes that the measure ‘Loss before the undernoted’ is an important indicator of the Corporation’s ability to generate liquidity through operating cash flow to fund future working capital requirements, service outstanding debt, and fund future capital expenditures and uses this measure for that purposes. In addition, the Corporation’s management reporting system evaluates performance based on several factors; however, the primary profitability measure is the earnings from operations before depreciation, amortization, net financing income or expense and income taxes (“**EBITDA**”).

Management adjusts measures to provide investors and analysts with a more comparable year-over-year performance measure than the basic measure, by excluding certain items. These items could impact the analysis of trends in performance and affect the comparability of our financial results. By excluding these items, management is not implying they are non-recurring.



Selected Consolidated Operating Results				
	Three Months		Six Months	
	December 31-20	December 31-19	December 31-20	December 31-19
	\$'s	\$'s	\$'s	\$'s
Revenue	-	-	-	-
Expenses				
Utilities	4,008	1,873	6,225	2,010
Dues and fees	14,483	10,034	21,344	12,920
Feasibility study	-	-	6,270	-
Foreign exchange losses	(5,345)	(1,964)	(8,945)	976
General and administrative	2,966	13,340	4,541	15,012
Insurance	-	583	-	1,458
Management and consulting fees	106,200	112,927	148,700	220,177
Professional fees	18,784	43,697	41,755	84,313
Rental	936	855	1,860	1,710
Travel	6,993	28,660	19,601	59,381
Salaries and wages	27,807	13,842	63,426	29,606
Consolidated operating loss before under noted	(176,832)	(223,847)	(304,777)	(427,563)
Amortization	(954)	(881)	(1,909)	(1,762)
Interest including accretion	(212,742)	(242,377)	(416,907)	(449,847)
Gain (loss) on investments	(400)	(720)	(1,200)	(320)
Government assistance benefit (Note 8)	14,631	-	14,631	-
Net Income (before taxes)	(376,297)	(467,825)	(710,162)	(879,492)
Income tax (expense) recovery	112,589	140,213	213,757	263,767
Net Income	(263,708)	(327,612)	(496,405)	(615,725)
Non-controlling interest	(125,320)	127,168	243,250	(255,428)
Comprehensive income (loss) attributable to MMI	(138,388)	(200,444)	(253,155)	(360,297)
Income (Loss) per share	(0.007)	(0.011)	(0.014)	(0.020)
Avg. Weighted Shares O/S	18,635,073	18,229,315	18,635,073	18,229,315

For the quarter ended December 31, 2020, the consolidated operating loss before interest, amortization income tax and other unusual items was (\$176,832) compared to a loss of (\$223,847) for the prior year. For the quarter ended December 31, 2020 the comprehensive loss attributed to the Corporation's shareholders was (\$138,388) (\$0.007) per share compared to a loss of (\$200,444) (\$0.011 per share) for the prior year.

Additional explanations

Revenue

The Corporation does not expect any revenues in the immediate future from its principle line of business, its indirect interests in the production of pig iron or sales of mineral sands.

Interest and accretion expense

For the second quarter ended December 31, 2020, the Corporation had an interest and accretion expense of \$212,742 (Q2 2020) compared to an interest expenses of \$242,377 (Q2 2019). These amounts do not include interest expense or accretion that was capitalized during the year.

Income tax recovery

Income taxes are calculated using the liability method. A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized. The deferred tax benefit of these losses has been recognized as a reduction of the deferred tax liabilities. (Refer to Note 14 of the unaudited interim consolidated financial statements).



Selected Quarterly Financial Data

The following table reports the operating results for the last eight quarters.

Selected Quarterly Financial Data								
	31-Dec	30-Sep	30-Jun	31-Mar	31-Dec	30-Sep	30-Jun	31-Mar
	2020	2020	2020	2020	2019	2019	2019	2019
Expenses								
Utilities	4,008	2,217	2,947	2,048	1,873	137	-	268
Dues and fees	14,483	6,861	8,236	370	10,034	2,886	3,121	4,129
Feasibility study	-	6,270	-	-	-	-	-	-
Foreign exchange losses	(5,345)	(3,600)	(6,742)	13,716	(1,964)	2,940	(2,457)	(2,163)
General and administrative	2,966	1,575	(4,169)	10,316	13,340	1,671	(8,720)	596
Insurance	-	-	-	-	583	875	1,167	583
Management fees	106,200	42,500	(116,043)	41,274	112,927	107,250	151,635	108,550
Professional fees	18,784	22,971	28,575	28,271	43,697	40,616	112,343	11,577
Rental	936	924	982	1,186	855	855	16,744	822
Travel	6,993	12,608	(2,358)	25,738	28,660	30,722	23,266	3,734
Salaries and wages	27,807	35,619	16,033	3,159	13,842	15,764	23,046	10,276
Operating (loss) income) before under	176,832	(127,945)	(72,539)	(126,078)	(223,847)	(203,716)	(320,145)	(138,372)
Cumulative Translations adjustments	-	-	-	-	-	-	-	-
Amortization	-954	(955)	(955)	(889)	(881)	(881)	(1,965)	(280)
Interest expense including accretion	(212,742)	(204,165)	(319,576)	(251,437)	(242,377)	(207,470)	(228,058)	(177,238)
Government assistance benefit	14,631	-	-	-	-	-	-	-
Valuation discount term loan	-	-	-	-	-	-	234,526	-
Gain (loss) on investments	(400.00)	(800)	320	-	(720)	400	1,120	(1,120)
Income tax recovery	112,589	101,168	87,269	114,942	140,213	123,554	290,171	93,081
Consolidated Income (Loss)	(263,708)	(232,697)	(148,281)	(263,462)	(327,612)	(288,112)	(24,351)	(223,929)
Non-controlling interest	125,320	117,930	(90,328)	108,196	127,168	128,260	185,430	87,532
Comprehensive Income (Loss)	(138,388)	(114,767)	(57,953)	(155,266)	(200,444)	(159,852)	161,079	(136,396)
Income (Loss) per share	-\$0.007	(\$0.006)	(\$0.003)	(\$0.008)	(\$0.011)	(\$0.009)	\$0.009	(\$0.008)
Avg. Weighted Shares O/S	18,635,073	18,362,704	1,834,944	18,470,304	18,229,315	18,139,144	18,208,212	17,862,991

Segmented Information

The Corporation's Board of Directors monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements. However, the Corporation's income taxes are monitored on a consolidated level and are not allocated to operating segments. The segments are managed on a worldwide basis, but operate in one principal geographical area, namely, Canada. Segment assets are based on the geographical location of the assets.

	Corporate		NAIC		Pure Fonte		Consolidated	
	31-Dec-20	31-Dec-19	31-Dec-20	31-Dec-19	31-Dec-20	31-Dec-19	31-Dec-20	31-Dec-19
	\$	\$	\$	\$	\$	\$	\$	\$
Revenue - intersegment	-	-	-	-	-	-	-	-
Operating expenses	(195,797)	(275,089)	(57,318)	(7,714)	(51,662)	(144,760)	(304,777)	(427,563)
Depreciation and Amortization	(532)	(440)	(1,377)	(1,322)	-	-	(1,909)	(1,762)
Interest and bank charges	(346,019)	(318,202)	(8,036)	(247)	(19,158)	(16,504)	(373,212)	(334,954)
Interest accretion	(2,090)	(83,048)	-	-	(41,605)	(31,845)	(43,695)	(114,893)
Unrealized gain on investments	(1,200)	(320)	-	-	-	-	(1,200)	(320)
Government assistance benefit	14,631	-	-	-	-	-	14,631	-
	(531,007)	(677,099)	(66,731)	(9,283)	(112,424)	(193,110)	(710,162)	(879,492)
Segment income (loss) before taxes	(531,007)	(677,099)	(66,731)	(9,283)	(112,424)	(193,110)	(710,162)	(879,492)
Total assets	3,373,793	3,557,870	53,896,863	53,896,863	1,466,491	1,566,011	58,737,147	59,020,744
Total liabilities	14,215,621	13,709,138	380,379	425,787	636,597	587,121	15,232,597	14,722,046



Selected Consolidated Financial Information

Selected items from the Consolidated Balance Sheet the prior three fiscal years.

Selected Consolidated Balance Sheet Items			
	Year to Date December 31, 2020	Year End June 30, 2020	Year End June 30, 2019
	\$'s	\$'s	\$'s
Cash	91,476	325,513	7,138
Other receivables	15,286	9,297	15,241
Prepaid and other deposits	-	-	29,031
Investment and loan receivable	1,600	2,800	2,800
Resource Properties	57,154,185	57,210,600	57,175,564
Project development costs	1,462,322	1,462,322	1,462,322
Property and equipment	12,278	14,187	16,821
Accounts Payable	(881,145)	(860,835)	(922,540)
Short Term Loans	(8,994,977)	(8,692,604)	(4,892,256)
Long term debt	(1,052,114)	(1,001,993)	(3,045,386)
Deferred Taxes	(4,304,359)	(4,518,332)	(4,984,312)
Shareholders' Equity	17,301,860	17,505,015	17,964,531
Shareholders' Equity associated with Non controlling interests	26,202,690	26,445,940	26,899,892

Account and Other Receivables

This principally consists of HST receivable.

Resource Properties

NAIC's exploration properties are in Happy Valley-Goose Bay region of Newfoundland and Labrador. At the date of the MD&A the property comprises 181 claims in 3 claim blocks with a total area of approximately 23 square kilometres.

	Balance 30-Jun-20	Interest Accretion	Accretion Adjustment	Balance 31-Dec-20
	\$	\$	\$	\$
Labrador Mineral Sands	57,210,600	15,437	(71,852)	57,154,185

Project development costs

This represents engineering and consulting costs associated with the preparation of the BFS, site selection and permitting for the proposed pig iron facility.

	31/Dec/20	31/Dec/19
	\$	\$
Balance beginning of period	1,462,322	1,462,322
Balance end of period	1,462,322	1,462,322

Property and Equipment

	Computer equipment	Industrial equipment	Office equipment	Total
	\$	\$	\$	\$
For the period ended December 31, 2020				
Opening net book value	2,006	12,000	181	14,187
Depreciation	(387)	(1,500)	(22)	(1,909)
Net Book Value	1,619	10,500	159	12,278
As at December 31, 2020				
Cost	3,250	18,751	282	22,283
Accumulated depreciation	(1,631)	(8,251)	(123)	(10,005)
Net Book Value	1,619	10,500	159	12,278

Accounts Payable

The accounts payable balance at December 31, 2020 was \$ 881,145 (2019- \$ 1,110,927)

Short Term Loans (refer to Note 7 of the unaudited interim consolidated financial statements)

On August 25, 2016, GRI borrowed \$250,000 from an unrelated party with interest at 6% per annum, accruing monthly, plus 50,000 common share purchase warrants at an exercise price of \$0.01 per share. On January 1, 2021, the repayment date in the original loan agreement was been extended to December 31, 2022 and the warrant expiry date of December 31, 2020 is currently being negotiated. Including accrued interest, the balance outstanding at December 31, 2020 totaled \$324,221.

On September 29, 2016, GRI borrowed \$250,000 from a related party, with interest at 6% per annum, accruing monthly, plus 50,000 common share purchase warrants at an exercise price of \$0.01 per share. The loan also extended a line of credit facility bearing interest at 6% per annum, accruing monthly, to GRI in the amount of \$2,105,000. The loan and line of credit have been combined into a demand note, with no fixed terms of repayment, for \$2,355,000 with interest at 6% per annum accruing monthly. The original loan amount was increased by an additional \$14,000 on March 14, 2019, bringing the total loan amount to \$2,369,000. The warrant expiry time was also extended to December 31, 2020 and the terms of an extension are being negotiated. Including accrued interest, the balance outstanding at December 31, 2020 totaled \$2,977,409.

On May 1, 2015, the Corporation announced that it had completed a non-brokered private placement of an unsecured convertible debenture for proceeds of \$2,000,000 with FLH. The maturity date of the debenture was extended until August 1, 2021 (previously November 1, 2020) and bears interest at a rate of 5% per annum payable quarterly and in previous years was reflected in long-term debt. The debenture is convertible, at the option of the holder, into common shares of the Corporation on or prior to the maturity date. The conversion price will be \$1.00 per common share.

On August 31, 2017, GRI received from a related party, a loan of \$2,000,000 bearing interest at 12% per annum payable monthly. This loan was previously reflected in short-term debt, however, subsequent to year end, a loan extension was signed extending the payment of principal, without penalty, on or before August 31, 2020, and the holder has the option to convert the principal of the loan and the interest accrued on the loan to common shares at a conversion rate of \$2.10 per share. On October 8, 2020, the maturity dated was extended to August 31, 2022. Including accrued interest, the balance outstanding at December 31, 2020 totaled \$2,642,807. This loan was reclassified to current liabilities as at September 30, 2019.

On October 28, 2020, NAIC received a loan from a related party of \$25,000. The loan bears an interest rate of 10% per annum and matures on October 28, 2021. On December 22, 2020, NAIC received another loan from a related party of \$25,000. The loan bears an interest rate of 10% per annum and matures December 22, 2021.

LIQUIDITY AND CAPITAL RESOURCES

The Corporation has no revenue generating operations from which it can internally generate funds. To date, the Corporation's ongoing operations have been predominantly financed through the sale of its equity securities by way of private placements and/or shareholder loans and advances. There can be no assurances that equity financing or other sources of capital will be available or available on terms acceptable to the Corporation when required.

At February 26, 2021, the Corporation has cash on hand of approximately \$165,000 and has a working capital deficiency of approximately \$9,875,000. The Corporation has had recurring negative cash flows from operations and will require additional financing to fund its continuing business efforts. These uncertainties cast significant doubt upon the Corporation's ability to continue as a going concern. Management plans to raise additional debt and/or equity financing to continue operations. Although the Corporation has been successful in raising funds to date, there can be no assurance that adequate funding will be available in the future, or available under terms favorable to the Corporation. The consolidated financial statements do not reflect adjustments in the carrying values of the assets and liabilities, the reported expenses, and the balance sheet classifications used, that would be necessary if the Corporation was unable to realize its assets and settle its liabilities as a going concern in the normal course of operations, and such adjustments could be material.

Long-Term Debt

NAIC received an interest-free repayable loan from ACOA, a government agency, in the amount of \$500,000. The loan is repayable in five annual equal and consecutive installments commencing nine months after the end of the fiscal year in which project success is achieved. It is unknown if success will be achieved with the process undertaking with the terms of this loan and therefore repayment remains uncertain and unlikely. It is management's opinion that this loan will be forgiven.

On July 5, 2018, an unsecured loan in the amount of \$621,000 was provided to PFL by a non-related party. The loan bears interest at a rate of 5% per annum and matures three years from the date of receipt. The interest shall accrue and will be capitalized to the end of term. The principal and accumulated interest can be converted into shares at the option of the holder discounted by 25%. The loan can be paid in advance, however, is subject to a 15% penalty.

On May 5, 2020, GRI received an interest-free loan of \$ 40,000 pursuant to the terms of the Canada Emergency Business Account. This loan was created by the Federal Government to assist businesses during the COVID-19 pandemic. 25% of the loan is forgivable (up to \$10,000) if GRI repays the loan on or before December 31, 2022. If the loan is not repaid by that date, the loan can be converted to a three-year term loan bearing interest of 5% per annum. A government assistance benefit of \$12,122 was recognized during the prior year.

On December 22, 2020, GRI received a second interest -free loan of \$20,000 pursuant to CEBA. This loan is on top of the initial \$40,000 loan received. 50% of the loan is forgivable (up to \$ 10,000) if GRI repays the loan on or before December 31, 2022. If the loan is not repaid by that date, the loan can be converted to a three-year term loan bearing interest of 5% per annum. A government assistance benefit of \$4,877 was recognized during the quarter.

On December 22, 2020, MMI received an interest-free loan of \$ 40,000 pursuant to CEBA. 25% of the loan is forgivable (up to \$10,000) if MMI repays the loan on or before December 31,2022. If the loan is not repaid by that date, the loan can be converted to a three-year term loan bearing interest of 5% per annum. A government assistance benefit of \$ 9,754 was recognized during the quarter,

Please refer to Note 8 of the unaudited interim consolidated financial statement for further details.

Share Capital

A summary of the Corporation's common shares outstanding as of December 31, 2020

COMMON STOCK ISSUED AND OUTSTANDING		
Authorized: Unlimited number of common shares	Number of Shares	\$
Opening Balance June 30, 2020	18,830,815	9,387,978
Shares issued for convertible debt interest	285,129	50,000
Closing Balance December 31, 2020	19,115,944	9,437,978

Stock Options

Under the Corporation's employee stock option program, the Board of Directors may, at its discretion, grant options to purchase common shares to directors, officers, employees, or consultants of the Corporation. Shareholders approved the number of shares reserved for issuance under the Plan be a maximum of 20% of the issued and outstanding shares, as of the record date, in accordance with the Stock Option Plan approved by Shareholders. However, only 10% can be issued to insiders of the Corporation. Vesting periods are determined by the Board of Directors at the time of the grant and can range up to 5 years from the date of the grant. The Corporation has reserved 3,504,614 common shares pursuant to the stock option plan. Any unexercised options that expire or are forfeited become available again for issuance under the plan. Compensation costs of options granted under the stock option plan are measured at the granting date based upon a fair value of the award and is recognized over the related service period.

Note: There were no Corporation stock options issued during the quarter.

Options Outstanding and Exercisable			
Number of options outstanding	Expiry Date	Exercise Price \$	Number of options exercisable
112,000	28-May-2022	0.65	112,000
350,000	30-Nov-2022	0.65	350,000
815,000	6-Dec-2023	0.85	815,000
405,000	8-Dec-2024	0.75	405,000
1,682,000		0.77	1,682,000

Grand River Ironsands Incorporated Stock Options

The Board of Directors of GRI has established a 10% rolling stock option plan under which options to purchase common shares are granted to directors, officers, consultants, and key employees of GRI. Options to acquire common shares are granted at prices as determined by the Board of Directors. Options expire five years from the date of the grant.

On December 31, 2020, there were 2,376,933 common shares eligible for issuance pursuant to the stock option plan, of which 150,000 options to acquire common shares have been issued and are outstanding under the plan. Any unexercised options that expire or are forfeited become available again for issuance under the plan.

On May 27, 2016, GRI granted 150,000 options to directors, officers, employees, and consultants of GRI under the stock purchase plan at an exercise price of \$2.50. These options vested immediately and expire in 5 years. The fair value of these option was estimated at the date of grant using the Black-Scholes pricing model with the following weighted average assumptions; risk free interest rates of 0.78%; dividend yields of nil; volatility factor of 164.02%; share prices of \$2.07; and a weighted average expected life of the option of 5 years.

A summary of the GRI's outstanding stock option and changes is presented below:

Options Outstanding and Exercisable -December 31, 2020				
Grant Date	Expiry Date	Exercise Price	Issued	Exercisable
May 27,2016	May 27, 2021	\$2.50	150,000	150,000
Total		\$2.50	150,000	150,000

CRITICAL ACCOUNTING POLICIES

General

The accounting policies have been reviewed with the Corporation's Audit Committee and are as described in Note 2 to the unaudited interim consolidated financial statements.

Basis of Presentation and Going Concern

The unaudited interim consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles (“GAAP”) as set out in the Chartered Professional Accountants of Canada Handbook – Accounting – Part 1 (“**CPA Canada Handbook**”), which incorporates International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

The unaudited interim consolidated financial statements have been prepared on a going concern basis, which assumes that the Corporation will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

The Corporation and its subsidiaries have not yet determined whether the properties contain ore reserves that are economically recoverable. The recoverability of amounts shown for mineral properties and related deferred expenditures is dependent upon the discovery of economically recoverable reserves, confirmation of the subsidiary’s interest in the underlying mining claims, the ability of the Corporation and its subsidiaries to obtain necessary financing from shareholders, investors and lenders to complete the development, and upon future profitable production or proceeds from the disposition thereof.

The Corporation has had recurring negative cash flows from operations and will require additional financing to fund its continuing exploration efforts. These matters and conditions indicate a material uncertainty upon the Corporation’s ability to continue as a going concern. Management plans to raise additional debt and/or equity financing in order to continue operations. Although the Corporation has been successful in raising funds to date, there can be no assurance that adequate funding will be available in the future, or available under terms favourable to the Corporation. These consolidated financial statements do not reflect adjustments to the carrying values of the assets and liabilities, the reported expenses, and the balance sheet classifications used, that would be necessary if the Corporation was unable to realize its assets and settle its liabilities as a going concern in the normal course of operations, and such adjustments could be material.

Critical Accounting Estimates

The preparation of consolidated financial statements under IFRS requires the Corporation to make estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of expenses during the period. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Actual results may differ materially from these estimates. Refer to note 2(q) of the unaudited interim consolidated financial statements for details on accounting estimates and assumptions that may impact its reported financial position, results of operations and cash flows.

RISK FACTORS

Limited Business History

The likelihood of success of the Corporation must be considered considering the problems, expenses, difficulties, complications and delays frequently encountered in connection with the establishment of any business. The Corporation has limited financial resources and there is no assurance that additional funding shall be available to it for further operations or to fulfill its obligations under applicable agreements. There is no assurance that the Corporation can generate revenues, operate profitably, or provide a return on investment, or that it shall successfully implement its plans.

Property Commitments

The property of NAIC in which the Corporation has an indirect interest is subject to work commitments and may be subject to other land payments, royalties and/or work commitments to the land claim holder, the Innu Second Nation. Failure by GRI and NAIC to meet their payment obligations or otherwise fulfill its commitments under these agreements could result in the loss of related property interests and dilution.

Potential Joint Ventures

Due to the cost of establishing and operating mining operations, the Corporation may enter into joint ventures in respect of certain mineral exploration properties that may be acquired by the Corporation. Any failure of such joint venture partners to meet their obligations to the Corporation or to third parties could have a material adverse effect on the joint ventures and the Corporation as a result. In addition, the Corporation may be unable to exert influence over strategic decisions made in respect.



Resources and Reserves

On June 17, 2014, the corporation filed on SEDAR “NI 43-101” highlighting resource estimates from three major mineral blocks contained within the Corporation’s Labrador mineral claims, together with extensive mineral analysis, processing tests, smelting, and melt tests conducted over the last 12-24 months. The “NI 43-101” was prepared by SRK Consulting (Canada) Inc. supplemented by technical assistance and review for processes and mineral testing by Hatch Engineering of Mississauga, ON. Please refer to the “NI 43-101” document for detailed resources estimates, detailed mineral analysis, and detailed results from the smelting and melt tests conducted by the Corporation. Ultimately, even if the Corporation has success in identifying mineral resources on any properties it may acquire, the economics of potential projects may be affected by many factors beyond the capacity of it to anticipate and control, such as the marketability of the mineral products under profitable conditions, government regulations relating to health, safety and the environment, the scale and scope of royalties and taxes on production. One or more of these risk elements could have an adverse impact on costs of an operation which, if significant enough, could reduce or eliminate the profitability of a particular project.

Properties Remote

The property of NAIC is in a remote area with limited infrastructure. Exploration activities on such projects are particularly vulnerable to delays and additional costs due to weather conditions, labour shortages, and other unforeseeable issues.

Operational Risks

The Corporation shall be subject to a number of operational risks and may not be adequately insured for certain risks, including: environmental pollution, accidents or spills, industrial and transportation accidents, which may involve hazardous materials, labour disputes, catastrophic accidents, fires, blockades or other acts of social activism, changes in the regulatory environment, impact of non-compliance with laws and regulations, natural phenomena, such as inclement weather conditions, floods, earthquakes, ground movements, cave-ins and encountering unusual or unexpected geological conditions and technological failure of exploration methods. This lack of insurance coverage could have an adverse impact on the Corporation’s future cash flows, earnings, results of operations and financial condition.

Competition for Mineral Acquisition Opportunities

Significant and increasing competition exists for mineral acquisition opportunities throughout the world. As a result of this competition, some of which is with larger, better established mining companies with substantial capabilities and greater financial and technical resources, the Corporation may be unable to acquire rights to exploit additional attractive mining properties on terms that the Corporation considers acceptable. If the Corporation is not able to acquire such interests, this could have an adverse impact on the Corporation’s future cash flows, earnings, results of operations and financial condition.

Exploration and Development Activities May Not be Successful

Exploration for and development of mineral properties involves significant financial risks which even a combination of careful evaluation, experience and knowledge may not eliminate. Few properties which are explored are ultimately developed into producing mines. The Corporation cannot ensure that its future exploration and development programs shall result in profitable commercial mining operations.

Properties May be Subject to Defects in Title

Although the Corporation is not aware of any existing title uncertainties with respect to the property, there is no assurance that such uncertainties shall not result in future losses or additional expenditures, which could have an adverse impact on the Corporation’s future cash flows, earnings, results of operations and financial condition.

Environmental, Health and Safety Risks

Mining and exploration companies such as the Corporation must comply with a complex set of environmental, health and safety laws, regulations, guidelines and permitting requirements (for the purpose of this paragraph, “laws”) drawn from a number of jurisdictions.

Decommissioning and Reclamation

Environmental regulators are increasingly requiring financial assurances to ensure that the cost of decommissioning and reclaiming sites is borne by the parties involved, and not by government. It is not possible to predict what level of decommissioning and reclamation (and financial assurances relating thereto) may be required in the future by regulators.



Governmental Regulation and Policy Risks

Mining operations and exploration activities, refining, conversion and transport in Canada are subject to extensive laws and regulations. Such regulations relate to production, development, exploration, exports, imports, taxes and royalties, labour standards, occupational health, waste disposal, protection and remediation of the environment, mine decommissioning and reclamation, mine safety, toxic substances, transportation safety and emergency response, and other matters. Since legal requirements change, are subject to interpretation and may be enforced in varying degrees in practice, the Corporation is unable to predict the ultimate cost of compliance with these requirements or their effect on operations.

Commodity Price Fluctuations

The price of commodities varies on a daily basis but long-term averages are the best method of estimating future prices. However, price volatility could have dramatic effects on the Corporation's results of operations and the ability of the Corporation to execute its business plan.

Currency Fluctuations

The Corporation presently maintains its accounts in Canadian dollars. The Corporation's future operations may make it subject to foreign currency fluctuations and such fluctuations may materially affect its financial position and results.

Key Personnel

The senior officers of the Corporation are critical to its success. In the event of the departure of a senior officer, the Corporation believes that it shall be successful in attracting and retaining qualified successors but there can be no assurance of such success. Recruiting qualified personnel as the Corporation grows is critical to its success. The number of persons skilled in the acquisition, exploration and development of mining properties is limited and competition for such persons is intense. As the Corporation's business activity grows, it shall require additional key financial, administrative, and mining personnel as well as additional operations staff. If the Corporation is not successful in attracting and training qualified personnel, the efficiency of its operations could be affected, which could have an adverse impact on the Corporation's future cash flows, earnings, results of operations and financial condition.

Price Volatility of Publicly Traded Securities

In recent years, the securities markets in Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continuing fluctuations in price shall not occur. It may be anticipated that any quoted market for the shares of the Corporation shall be subject to market trends generally, notwithstanding any potential success of the Corporation in creating revenues, cash flows or earnings. The value of the Corporation's shares shall be affected by such volatility. An active public market for the Corporation's shares might not develop or be sustained after completion of the Proposed Transactions.

Legal Proceedings

On December 28, 2017, Forks Specialty Metals Inc., a wholly owned subsidiary of Grand River Ironsands Incorporated, filed for bankruptcy under Chapter 7 of the United States Bankruptcy Code in the United States Bankruptcy Court, Eastern District of Pennsylvania. The bankruptcy proceedings are on hold pending the result of an adversary complaint filed on February 8, 2019 in the United States Bankruptcy Court for the Eastern District of Pennsylvania by the trustee for the estate of Forks against the Corporation, GRI, NAIC 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 have retained local counsel to defend its position. Several motions have been filed and the matter is ongoing.

On November 12, 2020, the Court issued an order requiring the Plaintiff to submit an amended complaint within 30 days that complies with the requirements imposed by Federal Rules of Civil Procedure 8 and 10(b), including setting forth separate counts against the separate Defendants, with any count asserted against all Defendants so stating. The Court also ordered it has personal jurisdiction over Defendant Francis MacKenzie. The matter is ongoing.



Market for Securities

The Common Shares of the Corporation are listed and posted for trading on the Canadian Securities Exchange (CSE) under the trading symbol “the Corporation”. The stock is thinly traded, and investors should be aware that there may be no market for their shares.

12 Months Trading Data				
Month	High	Low	Close	Volume
2020-01-31	0.200	0.100	0.200	118,000
2020-02-29	0.300	0.125	0.200	4,000
2020-03-31	0.200	0.150	0.150	2,500
2020-04-30	0.150	0.070	0.070	15,830
2020-05-31	0.080	0.070	0.070	105,540
2020-06-30	0.200	0.070	0.200	22,600
2020-07-31	0.120	0.105	0.105	10,000
2020-08-31	0.150	0.150	0.150	11,000
2020-09-30	0.150	0.125	0.150	15,000
2020-10-31	0.250	0.120	0.120	17,000
2020-11-30	0.220	0.090	0.090	141,500
2020-12-31	0.15	0.08	0.100	172,500
	0.300	0.070	0.100	761,470

Cash Flow Requirements

Refer to Notes 7 and 8 of the audited consolidated financial statements at June 30, 2020 for detailed terms and repayments requirements for the Atlantic Canada Opportunity Agency (ACOA) and Convertible Debenture and other short-term loans. The long-term contractual obligations for the next five years are as follows:

Contractual Obligations in CDN\$ December 31, 2020					
Description	Total	Less than one			
		year	2-3 years	4-5 years	After 5 years
Loan- ACOA	\$ 500,000	\$ -	\$ 125,000	\$ 250,000	\$ 125,000
Short term notes and loans	5,994,976	3,994,976	2,000,000	-	-
Term Loan (interest capitalized) IQ	624,308	-	624,308		
Short term notes and CEBA loans	1,240,000	1,000,000	240,000		
Convertible debenture	2,000,000	-	2,000,000		
	\$ 10,359,284	\$ 4,994,976	\$ 4,989,308	\$ 250,000	\$ 125,000

Transactions with Related Parties

The Corporation incurred the following related party expenditures for the second quarter ended December 31, 2020.

	Three months ended		Six months ended	
	31-Dec-20	31-Dec-19	31-Dec-20	31-Dec-19
	\$	\$	\$	\$
Management fees	79,700	95,250	118,700	198,000
Directors fees	2,100	9,450	5,600	9,450
Salaries and benefits	28,695	22,069	64,314	42,333
Operating expenses	110,495	126,769	188,614	249,783

The Corporation has issues in lieu of payment of interest on a related party loan as described in Note 7 of the unaudited interim consolidated financial statements.

The compensation expense associated with key management and directors for services is as follows:

Key management include the President of MMI and the President and Corporate Affairs Director of GRI.

These transactions with related parties have been valued in the unaudited interim consolidated financial statements at the estimated fair value, which is the amount of consideration established and agreed to by the related parties.

Off-Balance Sheet Arrangements

The Corporation has no off-balance sheet arrangements.

Proposed Transactions

As at the date of this MD&A, there are no transactions that the Board of Directors or senior management who believe that confirmation of the decision by the board is probable, have decided to proceed with and that have not been publicly disclosed.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROL OVER FINANCIAL REPORTING

As required by National Instrument 52-109 issued by the Canadian Securities Administrators (“NI52-109”), the Corporation’s Chief Executive Officer (CEO) and the Corporation’s Chief Financial Officer (CFO) will be filing interim certificates “Certification of Disclosure of Issuers’ Annual and Interim Filings” concurrent with the completion of filing its interim filings. The certifying officers have concluded that disclosure controls and procedures are effective at December 31, 2020. Upon completion of its filings, the signed certificates will be available on SEDAR.

The CEO and CFO are reasonably certain that all information is made known to them and those procedures have been implemented to provide reasonable assurance of the reliability of the financial reporting and preparation of the financial statements for external reporting.

The Board of Directors together with an independent and highly qualified audit committee provide direct oversight responsibilities for the review of the quarterly and annual financial statements.

Changes Internal Control over Financial Reporting

The certifying officers have indicated that there were no significant changes in the Corporation’s internal controls or other factors that could significantly affect such controls subsequent to the date of their evaluation, and there were no corrective actions with regard to significant deficiencies and material weaknesses.

ADDITIONAL INFORMATION

Additional information including directors’ and officers’ remuneration and indebtedness, principal holders of the Corporation’s securities, options to purchase securities and interest of insiders in material transactions, if applicable, is contained in the Corporation’s information circular for its most recent annual meeting of shareholders, and in the Corporation’s comparative financial statements for its most recently completed financial year.

This document may contain forward-looking statements, which may include sales, earnings, and profitability comments. These statements may contain words such as “anticipated”, “expected”, “could”, “should”, “may”, “plans”, “will”, or similar expressions that are based on and arise out of our experience, our perception of trends, current conditions and expected future developments as well as other factors. These statements are not a guarantee of future performance. By their very nature, forward-looking statements involve uncertainties and risks that the forecasts and targets will not be achieved.

Readers are cautioned not to place undue reliance on forward looking statements as a number of important factors, as disclosed herein and in the Corporation’s other continuous disclosure documents, could cause actual results to differ materially from those expressed in such forward looking statements. The Corporation includes in publicly available documents filed from time to time with securities commissions, and the Canadian Securities Exchange, a thorough discussion of the risk factors that can cause the Corporation’s anticipated outcomes to differ from actual outcomes. The Corporation disclaims any intention or obligation to update or revise forward-looking statements.

Public Securities Filings

Other information about the Corporation, including the annual information form and other disclosure documents, reports, statements or other information that is filed with Canadian securities regulatory authorities can be downloaded in portable document format (PDF) from the SEDAR web site for Canadian regulatory filings at www.sedar.com additional information is also available on the Canadian Securities Exchange at www.cse.com

CORPORATE PROFILE

CORPORATE PROFILE

<p>Board of Directors J. Paul Allingham David J. Hennigar Francis H. MacKenzie Jean-Marc MacKenzie Paul R. Snelgrove K. Barry Sparks E. Christopher Stait-Gardner</p>	<p>Corporate Officers David J. Hennigar, Chairman Francis H. MacKenzie, President & CEO Kevin Kemper, Vice President Business Development Jean-Marc MacKenzie, Interim CFO K. Barry Sparks, Vice-Chairman Lina Tannous, Corporate Secretary</p>
<p>Corporate Head Office Metalo Manufacturing Inc. Suite 2002, 145 Richmond St. W., Toronto, ON, M5H 2L2 Tel: (902) 233-7255</p>	<p>Mailing Address Metalo Manufacturing Inc. Attn: Francis MacKenzie PO Box 14, 535 Larry Uteck Blvd Halifax, Nova Scotia B3M 0E3</p>

Bankers:

Auditors:

Transfer Agent & Registrar:

Stock Exchange:

Shareholder Information: Contact Person:

Contact Telephone Number and email:

Website:

Bank of Montreal, Main Branch, Halifax, Nova Scotia

PricewaterhouseCoopers LLP

TSX Trust Company, Toronto, Ontario

*Canadian Securities Exchange, **Trading Symbol: MMI***

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