

**BLUMETRIC ENVIRONMENTAL INC.**  
**1682 Woodward Drive, Ottawa, Ontario, K2C 3R8**  
**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS**

**NOTICE IS HEREBY GIVEN** that the Annual Meeting of the Shareholders (the “Meeting”) of BluMetric Environmental Inc. (the “Corporation”) will be held at the Brookstreet Hotel, 525 Legget Drive, Ottawa ON K2K 2W2 on Wednesday, March 22, 2023 at 1:00 p.m. (EDT) for the following purposes:

1. to receive the audited financial statements of the Corporation for the financial year ended September 30, 2022 and the auditors’ report thereon;
2. to elect the directors of the Corporation;
3. to appoint MNP LLP as the auditor of the Corporation and to authorize the board of directors to fix their remuneration; and
4. to transact such further or other business as may properly be brought before the Meeting or any adjournment or adjournments thereof.

Accompanying this notice are the management proxy circular containing details of the matters to be dealt with at the Meeting, the audited financial statements of the Corporation for the financial year ended September 30, 2022 together with management’s discussion and analysis thereon, to shareholders who requested them, and a form of proxy.

**If shareholders do not plan to attend in person, the Corporation encourages shareholders to vote on the matters before the Meeting by proxy in accordance with the instructions set out below and to join the Meeting by videoconference or teleconference. Shareholders can watch or listen to the Meeting but will not be permitted to vote at the Meeting unless the shareholder attends the Meeting in person.**

**Details to access the Meeting by teleconference are as follows:**

**Date and Time: Wednesday, March 22, 2023 at 1:00 pm (EDT)**

**Dial-in Number: 1-833-663-7151**

**Access Code: 548 942 388#**

**OR**

**Shareholders who instead would like to attend through videoconference are welcome to register through our website at [www.blumetric.ca/agm2023](http://www.blumetric.ca/agm2023).**

**Participants should dial in or connect approximately 5 to 10 minutes prior to the scheduled start time.**

**The Board of Directors urges you to complete, sign, date and return the enclosed proxy of the Corporation at its office set out above or to Computershare Investor Services, 100 University Avenue, 8th floor, Toronto, Ontario, M5J 2Y1 or by facsimile at 1-866-249-7775 or by internet as soon as possible. If your shares are held in the name of a broker or nominee (beneficial holders), you must provide voting instructions to the broker or nominee for your shares to be represented at the meeting.**

**Please return your proxy by 1:00 pm (EDT) on Monday, March 20, 2023 or if the meeting is adjourned, by no later than 48 hours (excluding Saturdays, Sundays and holidays) prior to when the adjournment thereof is to be held, or your proxy may be deposited with the Chair of the Meeting at any time prior to the commencement of the Meeting or any adjournment thereof.**

In order to be represented by proxy at the Meeting you must complete and submit the enclosed Form of Proxy or other appropriate form of proxy.

Dated at Ottawa, Ontario, this 15<sup>th</sup> day of February, 2023.

**BY ORDER OF THE BOARD OF DIRECTORS**

*/s/ Vivian Karaiskos*  
Secretary

**BLUMETRIC ENVIRONMENTAL INC.  
1682 Woodward Drive  
Ottawa, Ontario  
K2C 3R8**

**MANAGEMENT PROXY CIRCULAR**

**For the Annual Meeting of Shareholders to be held at 1:00 p.m. (EDT) on  
Wednesday, March 22, 2023 at  
Brookstreet Hotel, 525 Legget Drive, Ottawa, ON K2K 2W2**

**SOLICITATION OF PROXIES**

This management proxy circular (the “**Circular**”) is furnished in connection with the solicitation of proxies by the management of BluMetric Environmental Inc. (the “**Corporation**”) for use at the Annual Meeting of Shareholders of the Corporation (the “**Meeting**”) to be held at 1:00 p.m. (EDT) on Wednesday, March 22, 2023 at the Brookstreet Hotel, 525 Legget Drive, Ottawa ON K2K 2W2 for the purposes set forth in the attached Notice of Meeting (the “**Notice**”). It is anticipated that the solicitation will be primarily by mail, but proxies may also be solicited personally or by telephone by directors, officers, employees or representatives of the Corporation. The cost of such solicitation will be borne by the Corporation. The information contained herein is given as at February 15, 2023, unless otherwise indicated.

**If shareholders do not plan to attend in person, the Corporation encourages shareholders to vote on the matters before the Meeting by proxy in accordance with the instructions set out below and to join the Meeting by videoconference or teleconference. Shareholders can watch or listen to the Meeting but will not be permitted to vote at the Meeting unless the participant attends the Meeting in person.**

**Details to access the Meeting by teleconference are as follows:**

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**Participants should dial in or connect approximately 5 to 10 minutes prior to the scheduled start time.**

**VOTING AND DISCRETION OF PROXIES**

On any ballot that may be called for, the common shares of the Corporation (the “**Common Shares**”) represented by proxies in favour of the persons named by management of the Corporation will be voted for or against, or voted for or withheld from voting on, the matters identified in the proxy, in each case in accordance with the instructions of the shareholder. **In the absence of any instructions on the proxy, it is the intention of the persons named by management in the accompanying form of proxy to vote (a) FOR the election of management’s nominees as directors, and (b) FOR the appointment of**

**management’s nominee as auditor and the authorization of the directors to fix the remuneration of the auditor.**

The accompanying form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations of the matters identified in the Notice or any other matters that may properly come before the Meeting. As at the date of this Circular, management of the Corporation knows of no such amendments, variations or other matters that may properly come before the Meeting other than the matters referred to in the Notice.

**APPOINTMENT OF PROXIES**

Each shareholder has the right to appoint a person other than the persons designated in the enclosed form of proxy, who need not be a shareholder of the Corporation, to represent such shareholder at the Meeting or any adjournment thereof. Such right may be exercised by striking out the names of the persons designated in the enclosed form of proxy and by inserting in the blank space provided for that purpose the name of the desired person or by completing another proper form of proxy and, in either case, delivering the completed and executed proxy to the Corporation before the time of the Meeting or any adjournment thereof. If a shareholder of the Corporation appoints a person other than the persons designated in the enclosed form of proxy to represent him, such person will vote the shares in respect of which he is appointed proxy-holder in accordance with the direction of the shareholder appointing him. In the absence of such direction, such person may vote such shares at his discretion. It is the responsibility of the shareholder appointing some other person to represent him to inform such person that he has been appointed.

**VOTING INSTRUCTIONS**

There are two methods by which registered shareholders (“**Registered Shareholders**”), whose names are shown on the books or records of the Corporation as owning Common Shares, can vote their Common Shares at the Meeting: in person at the Meeting or by proxy. Should a Registered Shareholder wish to vote in person at the Meeting, the form of proxy included with the Circular should not be completed or returned; rather, the Registered Shareholder should attend the Meeting where his or her vote will be taken and counted. Should the Registered Shareholder not wish to attend the meeting or not wish to vote in person, his or her shares may be voted by proxy through one of the methods described below and the shares represented by the proxy will be voted or withheld from voting, in accordance with the instructions as indicated in the form of proxy, on any ballot that may be called for, and if a choice was specified with respect to any matter to be acted upon, the shares will be voted accordingly.

A Registered Shareholder may vote by proxy by using one of the following methods: (i) the enclosed paper form of proxy to be returned by mail or delivery, (ii) by facsimile, or (iii) by internet. The methods of using each of these procedures are as follows:

*Voting by Mail or Delivery.* A Registered Shareholder may vote by mail or delivery by completing, dating and signing the enclosed form of proxy and depositing it with Computershare Investor Services Inc. (the “Transfer Agent”) using the envelope provided or by mailing or delivering it to Computershare Investor Services Inc., Attention: Proxy Department, 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1 or to the Corporate Secretary of the Corporation at 1682 Woodward Drive, Ottawa, ON K2C 3R8 **for receipt no later than 1:00 p.m. (EDT) on Monday, March 20, 2023**, or if the Meeting is adjourned, by no later than 48 hours (excluding Saturdays, Sundays and holidays) before any adjourned Meeting.

*Voting by Facsimile.* A Registered Shareholder may vote by facsimile by completing, dating and signing the enclosed form of proxy and returning it by facsimile to the Transfer Agent at 1-866-249-7775. The form of proxy **must be received by no later than 1:00 p.m. (EDT) on Monday, March 20, 2023**, or if the Meeting is adjourned, no later than 48 hours (excluding Saturdays, Sundays and holidays) before any adjourned Meeting.

*Voting by Internet.* A Registered Shareholder may vote by internet by accessing the following website: [www.voteproxyonline.com](http://www.voteproxyonline.com). When you logon to the site you will be required to input a control number as instructed on the logon page. Please see the additional information enclosed with the Circular. A Registered Shareholder **may vote by internet by no later than 1:00 p.m. (EDT) on Monday, March 20, 2023**, or if the Meeting is adjourned, no later than 48 hours (excluding Saturdays, Sundays and holidays) before any adjourned Meeting.

### **Non-Registered Shareholders (Beneficial Owners)**

In the Circular and the enclosed form of proxy and Notice, all references to shareholders are to Registered Shareholders. Only Registered Shareholders, or the person they appoint as their proxy, are permitted to vote at the Meeting. However, in many cases, Common Shares beneficially owned by a holder (a “**Non-Registered Shareholder**” or “**Beneficial Owner**”) are registered either:

- (a) in the name of an intermediary (an “**Intermediary**”) that the Non-Registered Shareholder deals with in respect of the shares, such as, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans; or
- (b) in the name of a clearing agency such as CDS & Co. (the registration name for CDS Clearing and Depository Services Inc.) of which the Intermediary is a participant.

Common Shares held by your broker or its nominee can only be voted upon your instructions. Without specific instructions, your broker, its agent or its nominee is prohibited from voting your Common Shares. **Therefore, beneficial shareholders should ensure that instructions respecting the voting of their Common Shares are communicated to the appropriate person.**

There are two kinds of Beneficial Owners: those who object to their name being made known to the Corporation, referred to as objecting beneficial owners (“**OBOs**”), and those who do not object to the Corporation knowing who they are, referred to as non-objecting beneficial owners (“**NOBOs**”). In accordance with the requirements of National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer*, the Corporation has distributed copies of the Notice, the Circular and the enclosed form of proxy (collectively, the “**Meeting Materials**”) to all NOBOs directly through the Transfer Agent. The Meeting Materials will be distributed to OBOs through clearing agencies and Intermediaries, who often use a service company such as Broadridge Financial Solutions, Inc. (“**Broadridge**”) to forward meeting materials to Non-Registered Shareholders.

The Meeting Materials are being sent to both Registered and Non-Registered Shareholders. If you are a Non-Registered Shareholder, and the Corporation or its agent has sent these Meeting Materials directly to you, your name and address and information about your holdings of Common Shares, have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding on your behalf.

By choosing to send the Meeting Materials to NOBOs directly, the Corporation (and not the Intermediary holding on your behalf) has assumed responsibility for (i) delivering these Meeting Materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

### ***Objecting Beneficial Owners***

Intermediaries are required to forward Meeting Materials to OBOs unless an OBO has waived the right to receive them. Generally, OBOs who have not waived the right to receive Meeting Materials will usually receive a voting instruction form (“**VIF**”) from Broadridge in lieu of the form of proxy from the Corporation. The VIF will name the same person as the proxy to represent the shareholder at the Meeting. A shareholder has the right to appoint a person (who need not be a shareholder of the Corporation) other than persons designated in the VIF, to represent the shareholder at the Meeting. To exercise this right, the shareholder should insert the name of the desired representative in the blank space provided in the VIF. You are asked to complete and return the VIF to Broadridge by mail or facsimile. Alternatively, you can call Broadridge’s toll free telephone number or access Broadridge’s Internet website to vote your Common Shares. Broadridge tabulates the results of all instructions received and provides appropriate instructions respecting the voting Common Shares to be represented at the Meeting. **If you receive a VIF from Broadridge, it cannot be used as a proxy to vote Common Shares directly at the Meeting as the VIF must be returned to Broadridge well in advance of the Meeting in order to have the Common Shares voted or to appoint an alternative representative to attend at the Meeting in person to vote such Common Shares.**

### ***Non-Objecting Beneficial Owners***

NOBOs can expect to receive the Meeting Materials with a VIF from the Transfer Agent. These VIFs are to be completed and returned to the Transfer Agent in the envelope provided or by following the instructions contained on the VIF for facsimile, telephone or Internet voting. The Transfer Agent will tabulate the results of the VIFs received from NOBOs and will provide appropriate instructions at the Meeting with respect to the shares represented by the VIFs received. **If you receive a VIF from the Transfer Agent, it cannot be used as a proxy to vote Common Shares directly at the Meeting as the VIF must be returned to the Transfer Agent well in advance of the Meeting in order to have the Common Shares voted or to appoint an alternative representative to attend at the Meeting in person to vote such Common Shares.**

The purpose of these procedures is to permit Non-Registered Shareholders to direct the voting of the shares they beneficially own. Should a Non-Registered Shareholder who receives either a proxy or a VIF wish to attend and vote at the Meeting in person (or have another person attend and vote on behalf of the Non-Registered Shareholder), the Non-Registered Shareholder should strike out the names of the persons named in the proxy and insert the Non-Registered Shareholder’s (or such other person’s) name in the blank space provided or, in the case of a VIF, follow the corresponding instructions on the form.

In any event, Non-Registered Shareholders should carefully follow the instructions of their Intermediaries and Broadridge or other service company, or the Transfer Agent, as the case may be.

### **REVOCATION OF PROXIES**

A shareholder who has given a proxy has the power to revoke it as to any matter on which a vote shall not already have been cast pursuant to the authority conferred by such proxy and may do so by delivering another properly executed proxy bearing a later date and depositing it as aforesaid, including within the

prescribed time limits noted above; or by depositing an instrument in writing revoking the proxy executed by the shareholder or by the shareholder's attorney authorized in writing, by one of the following methods: (a) at the registered office of the Corporation (1682 Woodward Drive, Ottawa Ontario K2C 3R8) at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof, at which the proxy is to be used, (b) with the Chair of the Meeting, prior to its commencement, on the day of the Meeting or at any adjournment thereof; (c) by attending the Meeting in person and so requesting; or (d) in any other manner permitted by law.

A Non-Registered Shareholder may revoke a VIF or a waiver of the right to receive Meeting Materials and to vote given to an Intermediary at any time by written notice to the Intermediary, except that an Intermediary is not required to act on a revocation of a VIF or of a waiver of the right to receive Meeting Materials and to vote that is not received by the Intermediary at least seven days prior to the Meeting.

## **VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF**

The Corporation is authorized to issue an unlimited number of Common Shares and an unlimited number of non-voting special shares, issuable in series with rights, privileges, restrictions and conditions to be determined by the board of directors of the Corporation (the "**Board of Directors**") without shareholder action. As of February 15, 2023, 29,435,695 Common Shares were issued and outstanding. Each Common Share entitles the holder thereof to one vote at all meetings of shareholders.

The Board of Directors has fixed the close of business on February 15, 2023 as the record date for the purposes of determining shareholders entitled to receive notice of the Meeting. In accordance with the *Canada Business Corporations Act* ("**CBCA**"), no later than ten days after the Record Date, the Corporation will prepare an alphabetical list of holders of Common Shares as of the Record Date. Each holder of Common Shares named on the list will be entitled to vote the Common Shares shown opposite his, her or its name on the list at the Meeting.

As at February 15, 2023 to the knowledge of the directors and senior officers of the Corporation based on publicly available information, Roger Woeller and his affiliates hold 3,768,269 Common Shares, or approximately 12.8% of the issued and outstanding Common Shares. To the knowledge of the directors and senior officers of the Corporation, no other persons, firms or corporations beneficially own, directly or indirectly, or exercise control or direction over voting securities of the Corporation carrying more than 10% of the voting rights attaching to any class of voting securities of the Corporation.

## **DESCRIPTION OF SHARE CAPITAL**

### **Common Shares**

The Corporation is authorized to issue an unlimited number of Common Shares. The holders of the Corporation's Common Shares are entitled to dividends as and when declared by the Board of Directors, to one vote per share at meetings of shareholders of the Corporation and, upon liquidation, to receive such assets of the Corporation as are distributable to the holders of the Common Shares.

### **Special Shares**

The Corporation is also authorized to issue an unlimited number of Special Shares, issuable in series. Upon liquidation or dissolution of the Corporation, before any distribution is made to the holders of Common Shares, holders of Special Shares will be entitled to receive the amount of the paid up capital of each

Special Share together with all accrued and unpaid cumulative dividends thereon (if any) and all declared and unpaid cumulative dividends thereon (if any). Unless otherwise stated, holders of Special Shares shall not be entitled to any further distribution of the assets of the Corporation. There are no voting rights attached to Special Shares, unless otherwise provided under the CBCA. There are no Special Shares issued and outstanding.

## **INFORMATION DISCLOSED**

The Corporation is providing disclosure in this Circular in accordance with the requirements of the *Securities Act* (Ontario) and the CBCA. The Corporation has available to it with respect to the most recently completed fiscal year certain disclosure exemptions by virtue of the fact that the Corporation is a corporation whose shares are listed on the TSX Venture Exchange (a “**Venture Issuer**”).

## **FINANCIAL STATEMENTS**

The audited financial statements of the Corporation for the financial year ended September 30, 2022 (the “**Financial Statements**”) and the auditor’s report on the Financial Statements and the Corporation’s management’s discussion and analysis for the financial year ended September 30, 2022 (“**MD&A**”), accompany the Notice of Meeting, if requested by the Shareholder. The Financial Statement and MD&A are also available on SEDAR at [www.sedar.com](http://www.sedar.com) and the company website at [www.blumetric.ca](http://www.blumetric.ca).

## **ELECTION OF DIRECTORS**

In accordance with the articles of the Corporation, the Board of Directors may fix the number of Directors to be elected to not less than three, and no more than ten Directors. The Board of Directors currently has five directors and has fixed five as the number of Directors to be elected at the Meeting.

## **PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR THE ELECTION OF THE NOMINEES WHOSE NAMES ARE INDICATED BELOW UNLESS A SHAREHOLDER HAS SPECIFIED OTHERWISE IN THE PROXY.**

All the director nominees indicated below are currently members of the Board of Directors and have been since the dates indicated. The term of office for each such person will be until the next Annual Meeting of Shareholders or until his successor is elected or appointed.

The Corporation’s By-Law No. 2 Advance Notice By-Law contains an advance notice provision (the “**Notice Provision**”) for nominations of directors by shareholders in certain circumstances. As of the date hereof, the Corporation has not received notice of any director nominations in connection with this year’s Meeting within the time periods prescribed by the Notice Provision.

The following are the names of the nominees for election to the Board of Directors, their principal occupation or employment during the last five years, and the dates, where applicable, on which they became Directors. See additional biographical information regarding each of the directors under the heading “Statement of Corporate Governance Practices - Composition of the Board of Directors”.

Name and Province and Country of Residence	Date First Appointed Director	Principal Occupation	Number of Securities Beneficially Owned or Over Which Control or Direction is Exercised as of February 15, 2023	
			Common Shares	Options
Jeffrey Talley <sup>(1)</sup> Arizona, USA	March 27, 2019	President & CEO of Minerals Metals Initiative (M2i) Corporation, and Founder and Principal of The P3i Group, LLC since 2020. Senior executive for IBM from 2016 to 2020. Lt. Gen. (Retired) Talley was in the active and reserve military service as a Citizen-Soldier for 36 years prior to his retirement in 2016.	60,000	30,000
Ian Murray Macdonald <sup>(2)</sup> Ontario, Canada	March 25, 2020	Employee of the Corporation and its predecessor companies since 1986. Professional geoscientist and certified environmental auditor.	-	90,000
Scott MacFabe Ontario, Canada	March 28, 2018	CEO of the Corporation from March 1, 2018. COO of Industrial and Environmental Division, Kennedy Jenks Consultants from November 2012 to February 16, 2018. Director and Executive VP of Strategic Initiatives Canada, ARCADIS from 2009 to 2012. Director, Industrial/Commercial Business Unit, Malcolm Pirnie from 2002 to 2009. Senior Hydrogeologist Officer, Dames and Moore from 1985 to 2002.	61,428	400,000
Ian Mor Macdonald <sup>(1)(2)</sup> Ontario, Canada	February 16, 2021	Managing Director of Tricapital Solutions Inc., a boutique merchant bank and corporate advisory consultancy since 1986. Prior to his position as Managing Director of Tricapital, Mr. Macdonald was Vice-President of Finance and Treasurer of Bacardi International Limited from 1980 to 1985. Previous to that, he was a member of the Strategic Planning Advice unit of PricewaterhouseCoopers (previously Coopers & Lybrand).	-	60,000



Name and Province and Country of Residence	Date First Appointed Director	Principal Occupation	Number of Securities Beneficially Owned or Over Which Control or Direction is Exercised as of February 15, 2023	
			Common Shares	Options
Wanda Richardson <sup>(1)(2)</sup> Ontario, Canada	March 23, 2022	Independent business development advisor to private firms. Previously Vice President Federal Services with AECOM Canada from 2014-2019, where she served on the Canadian Executive. Also held senior leadership positions at Hatch, the University of Waterloo and Region of Waterloo.	20,000	90,000

Notes:

(1) Member of the Audit Committee.

(2) Member of the Human Resources and Governance Committee ("HR & Governance Committee").

The statements as to the shares of the Corporation beneficially owned or over which control or direction is exercised by the nominees for election as Directors are, in each instance, based upon information furnished by the person concerned.

#### **Corporate Cease Trade Orders or Bankruptcies**

None of the directors or officers of the Corporation is, or has been within the ten years before the date of this Circular, a director or officer of any other issuer that, while that person was acting in that capacity, was the subject of a cease trade or similar order or an order that denied the issuer access to any statutory exemptions under Canadian securities legislation for a period of more than 30 consecutive days or was declared bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver-manager or trustee appointed to hold the assets of that company.

#### **Penalties or Sanctions**

None of the directors or officers of the Corporation has been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority or been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

#### **Personal Bankruptcies**

None of the directors or officers of the Corporation has, during the ten years prior to the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or has been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver-manager or trustee appointed to hold the assets of the director or officer.

## **APPOINTMENT OF AUDITORS**

At the Meeting, it is proposed to re-appoint MNP LLP, Chartered Accountants, as auditors of the Corporation to hold office until the next annual meeting of shareholder with their remuneration to be fixed by the Board of Directors.

MNP LLP were appointed as the Corporation's auditors on September 21, 2021. Prior to MNP LLP's appointment, PricewaterhouseCoopers LLP were the auditors of the Corporation from November 1, 2017 until September 21, 2021.

**PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR THE APPOINTMENT OF THE FIRM MNP LLP, AS AUDITORS OF THE CORPORATION, AT A REMUNERATION TO BE FIXED BY THE DIRECTORS, TO HOLD OFFICE UNTIL THE NEXT ANNUAL MEETING OF SHAREHOLDERS FOLLOWING THE COMPLETION OF THE 2023 FISCAL YEAR, UNLESS A SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT THE SHARES ARE TO BE WITHHELD.**

## **STATEMENT OF EXECUTIVE COMPENSATION**

### **Introduction**

This compensation discussion and analysis describes and explains the Corporation's policies and practices with respect to the compensation of the Corporation's Chief Executive Officer and Chief Financial Officer.

The compensation arrangements of the Chief Executive Officer and Chief Financial Officer as well as all the executive officers were reviewed by the HR & Governance Committee and the executive officers have entered into employment arrangements with the Corporation, as more fully described under the heading "Employment Agreements".

### **Compensation Discussion and Analysis**

#### ***Chief Executive Officer and Chief Financial Officer***

Scott MacFabe was appointed the Chief Executive Officer ("**CEO**") of the Corporation on March 1, 2018. His amended employment agreement was effective as of March 1, 2022 and provides for a base salary of \$343,000, removing the vehicle allowance of \$1,500 per month. At the discretion of the Board of Directors a performance-based cash bonus ("**Performance Bonus**") may be awarded to Mr. MacFabe as well as options for Common Shares. Mr. MacFabe is entitled to 12 months severance if his services are terminated by the Corporation, other than for cause. This entitlement is increased to 21 months in the event of a change in control of the Corporation as amended by the Board of Directors as of August 22, 2022.

Vivian Karaiskos was appointed Chief Financial Officer ("**CFO**") of the Corporation as of February 1, 2015 and Secretary of the Corporation on July 1, 2015. Her amended employment agreement was effective as of March 1, 2022 and provides for a base salary of \$253,125, removing the vehicle allowance of \$1,500 per month. At the discretion of the Board of Directors, a Performance Bonus may be awarded to Ms. Karaiskos as well as options for Common Shares. Ms. Karaiskos is entitled to 12 months severance if her services are terminated by the Corporation, other than for cause. This entitlement is increased to 21 months in the event of a change in control of the Corporation as amended by the Board of Director as of August 22, 2022.

### ***Executive Compensation Principles***

The HR & Governance Committee and the Board of Directors undertake the process for determining executive compensation. The Corporation does not employ any formal objectives in determining executive compensation and the implementation of compensation programs that may exist from time to time. When determining executive compensation, the HR & Governance Committee and the Board of Directors rely on their current and past experience and collective knowledge of the market including similarly situated public and private companies.

Based on that background and assessment, the HR & Governance Committee and the Board of Directors, through discussion, base their ultimate determination on (i) the overall objectives of the Corporation, (ii) individual negotiations with an executive, as applicable, and (iii) the best interests of the Corporation, its shareholders and its other stakeholders. The Corporation uses information from an executive search firm consultant and salary surveys (TechEdge and Mercer) to understand current market data and benchmark executive positions. The Corporation also uses informal benchmarking procedures in order to assist the HR & Governance Committee and the Board of Directors to assist with the assessment process.

### ***Elements of Executive Compensation Program***

The executive compensation packages consist of a base salary, a discretionary performance-based cash bonus, a benefit package and stock options.

#### ***Base Salaries***

The base salary component is intended to provide a fixed level of pay that is established at the time that the officer joins the Corporation, and is reviewed from time to time thereafter, not less frequently than annually. The performance of CEO and CFO is reviewed in light of various performance parameters, such as profitability, share price, revenue growth and other factors related to performance as may from time to time be considered relevant.

#### ***Variable Compensation Awards***

At the discretion of the HR & Governance Committee and Board of Directors, a performance-based cash bonus for each executive officer is established each year. The performance-based criteria are established yearly and are related to the achievement of specific corporate targets and the achievement of specific personal targets.

The CEO bonus is based on the achievement of financial and non-financial targets. The financial targets are based on the Corporation's approved budget, as monitored on a quarterly basis. These targets typically focus on revenue, gross margins and EBITDA. Share performance in light of the marketplace is also reviewed. Non-financial criteria include: leadership goals, such as brand establishment and investor relations coverage; business development goals, such as client diversification and the development of sales plans; employee goals, such as health and safety and succession planning; and communication with the Board of Directors. Each of the other executive officers is then benchmarked accordingly in respect of corporate targets. Additional criteria will also have been established for personal targets for the other executive officers.

The amount of variable compensation, as determined by the HR & Governance Committee and Board of Directors, if any, for all executive officers, is to be determined by February 28 of each year and will be paid, if applicable, prior to the end of Corporation's second quarter.

#### *Benefits Package and Vehicle Allowance*

The Corporation has a benefit plan which includes health and dental benefits, long term disability coverage and life insurance. All employees including the executive officers are entitled to participate in the benefit plan. The Corporation also has a group RRSP, which allows for company matching of employee contributions, up to a maximum based on the amount the employee contributes, as well as other criteria.

Each of the executive officers has available to them an automobile allowance and/or a reimbursement for mileage.

#### *Employee Incentive Plans*

The HR & Governance Committee continues to review and assess its employee incentive plans which allocate cash bonuses and option grants to employees including executive officers, of the Corporation based on the achievement of certain personal and corporate performance goals.

#### *Options*

Options to purchase Common Shares may be awarded to executive officers, directors, employees and consultants, from time to time, at the discretion of the HR & Governance Committee and Board of Directors of the Corporation pursuant to the terms of the Corporation's Amended and Restated Option Plan 2022.

## Summary Compensation Table

The following table sets forth the summary information concerning compensation paid to, or earned for the financial years ended September 30, 2020, September 30, 2021 and September 30, 2022 by the Corporation’s Chief Executive Officer and Chief Financial Officer and the three highest paid individuals who earned total compensation in excess of \$150,000 during the financial year ended September 30, 2022 and who were serving as executive officers or in a similar capacity at September 30, 2022 (collectively, the “NEOs”).

Name and principal position	Year	Salary <sup>(6)</sup> (\$)	Share based awards (\$)	Option based awards (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
Scott MacFabe <sup>(1)</sup> CEO	2022	304,167	-	97,066	<sup>(7)</sup>	-	-	29,106	430,339
	2021	256,250	-	-	90,000	-	-	26,271	372,521
	2020	230,000	-	-	25,000	-	-	27,946	282,946
Vivian Karaiskos <sup>(2)</sup> CFO & Corporate Secretary	2022	232,906	-	97,066	<sup>(7)</sup>	-	-	28,852	358,824
	2021	216,667	-	-	90,000	-	-	29,800	336,467
	2020	205,000	-	-	25,000	-	-	28,945	258,945
Wayne Ingham <sup>(3)</sup> Senior Director, Strategic Business Development	2022	173,967	-	36,400	<sup>(7)</sup>	-	-	9,646	220,013
	2021	161,240	-	-	35,000	-	-	8,668	204,908
	2020	148,361	-	-	15,000	-	-	7,921	171,282
Andy Benson <sup>(4)</sup> Senior Director, Operations	2022	173,967	-	36,400	<sup>(7)</sup>	-	-	7,340	217,707
	2021	159,584	-	-	10,000	-	-	913	170,497
	2020	98,786	-	-	7,000	-	-	557	106,343
Lydia Renton <sup>(5)</sup> Director, Corporate Occupational Hygiene and Safety	2022	142,682	-	14,560	<sup>(7)</sup>	-	-	7,813	165,055
	2021	139,429	-	-	30,000	-	-	7,576	177,005
	2020	139,429	-	-	13,000	-	-	8,167	160,596

Notes:

- (1) Scott MacFabe was appointed as CEO of the Corporation on March 1, 2018.
- (2) Vivian Karaiskos was appointed CFO of the Corporation on February 1, 2015 and Corporate Secretary on July 1, 2015.
- (3) Wayne Ingham was appointed Director, Strategic Business Development on June 1, 2018. Prior to June 1, 2018, Dr. Ingham was Vice President, Corporate Development from April 1, 2013 to May 31, 2018.
- (4) Andy Benson was appointed Director, Operations effective May 10, 2021. Prior to May 10, 2021, Mr. Benson was a Senior Engineer from January 13, 2000 to May 7, 2021.
- (5) Lydia Renton was appointed as Director, Corporate Occupational Hygiene and Safety on November 16, 2012 (prior to the Reverse Take Over by the Corporation of WESA Group Inc., Ms. Renton was employed by WESA Group Inc. from May 17, 1999).
- (6) Base salary amounts reflect twelve month periods for 2020, 2021 and 2022.
- (7) As of February 15, 2023, no bonus awards for fiscal year 2022 have been determined.

## Incentive Plan Awards

### *Outstanding Share-Based Awards and Option-Based Awards*

The following table sets forth information concerning all option-based and share-based awards granted to each of the NEOs that were granted before, and remain outstanding as of the end of, the most recently completed financial year ended September 30, 2022.<sup>(1)</sup>

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options	Option Exercise Price	Option Expiration Date	Value of Unexercised in the money options (\$)	Number of shares that have not vested	Market or payout value of share-based awards that have not vested	Market or payout value of vested share-based awards not paid out or distributed
Scott MacFabe	400,000	\$0.35	August 24, 2027	4,000	-	-	-
Vivian Karaiskos	400,000	\$0.35	August 24, 2027	4,000	-	-	-
Wayne Ingham	150,000	\$0.35	August 24, 2027	1,500	-	-	-
Andy Benson	150,000	\$0.35	August 24, 2027	1,500	-	-	-
Lydia Renton	60,000	\$0.35	August 24, 2027	600	-	-	-

Notes:

(1) Based on the September 30, 2022 closing price of \$0.36 for the Common Shares on the TSX Venture Exchange.

### *Incentive Plan Awards – Value Vested or Earned During the Year*

The following table sets forth information concerning the value vested or earned in respect of incentive plan awards during the financial year ended September 30, 2022, by each of the NEOs.

Name	Option-based awards – Value vested during the financial year ended September 30, 2022 (\$)	Share-based awards – Value vested during the financial year ended September 30, 2022 (\$)	Non-equity incentive plan compensation – Value earned during the financial year ended September 30, 2022 (\$)
Scott MacFabe	-	-	(1)
Vivian Karaiskos	-	-	(1)
Wayne Ingham	-	-	(1)
Andy Benson	-	-	(1)
Lydia Renton	-	-	(1)

Notes:

(1) As of February 15, 2023, bonus awards for fiscal year 2022 have not been determined.

## **Termination and Change of Control Benefits**

Under current employment agreements there are change of control benefits for the CEO and the CFO. Additionally, there are change of control benefits for all NEOs provided under the BluMetric Environmental Inc. Amended and Restated Share Option Plan 2022, as more fully described under the heading “Equity Incentive Plan” below. Termination benefits under the current employment agreements are set out below.

### **Employment Agreements**

Scott MacFabe was appointed the Chief Executive Officer (“**CEO**”) of the Corporation on March 1, 2018. His amended employment agreement was effective as of March 1, 2022 and provides for a base salary of \$343,000, removing the vehicle allowance of \$1,500 per month. At the discretion of the Board of Directors a performance-based cash bonus (“Performance Bonus”) may be awarded to Mr. MacFabe as well as options for Common Shares. Mr. MacFabe is entitled to 12 months severance if his services are terminated by the Corporation, other than for cause. This entitlement is increased to 21 months in the event of a change in control of the Corporation as amended by the Board of Directors as of August 22, 2022.

Vivian Karaiskos was appointed Chief Financial Officer (“**CFO**”) of the Corporation as of February 1, 2015 and Secretary of the Corporation on July 1, 2015. Her amended employment agreement was effective as of March 1, 2022 and provides for a base salary of \$253,125, removing the vehicle allowance of \$1,500 per month. At the discretion of the Board of Directors, a Performance Bonus may be awarded to Ms. Karaiskos as well as options for Common Shares. Ms. Karaiskos is entitled to 12 months severance if her services are terminated by the Corporation, other than for cause. This entitlement is increased to 21 months in the event of a change in control of the Corporation as amended by the Board of Director as of August 22, 2022.

Wayne Ingham became the Director, Strategic Business Development of the Corporation on June 1, 2018. Effective as of March 1, 2022, Dr. Ingham’s amended employment agreement provides for a base salary of \$176,800 per annum. At the discretion of the executive management team, a Performance Bonus may be awarded to Dr. Ingham.

Andy Benson was hired as Senior Engineer on January 13, 2020 and effective May 10, 2021, Mr. Benson assumed the role of Director, Operations. Effective as of March 1, 2022, Mr. Benson’s amended employment agreement provides for a base salary of \$176,800 per annum. At the discretion of the executive management team, a Performance Bonus may be awarded to Mr. Benson.

Lydia Renton became the Director Corporate Occupational Hygiene and Safety on November 16, 2012. Prior to the Reverse Take Over by the Corporation of WESA Group Inc., she held the same position with WESA Group Inc. from May 17, 1999. Effective as of March 1, 2021, Ms. Renton’s amended employment agreement provides for a base salary of \$145,000. At the discretion of the executive management team, a Performance Bonus may be awarded to Ms. Renton.

## Compensation of Directors

The following table provides information regarding compensation paid to the Corporation's non-employee directors during the financial year ended September 30, 2022 <sup>(5)(6)</sup>.

Name	Year	Fees Earned \$	Share Based Awards \$	Option Based Awards (\$)	Non-Equity Incentive Plan Compensation \$	Pension Value \$	All Other Compensation <sup>(3)</sup> \$	Total \$
Jeffrey Talley <sup>(1)</sup>	2022	39,649	-	12,417	-	-	-	52,066
	2021	19,500	-	-	-	-	-	19,500
	2020	16,000	-	8,517	-	-	-	24,517
Ian Mor Macdonald <sup>(2)</sup>	2022	38,000	-	-	-	-	-	38,000
	2021	12,417	-	18,879	-	-	-	31,296
	2020	-	-	-	-	-	-	-
Wanda Richardson <sup>(3)</sup>	2022	18,774	-	37,250	-	-	-	56,024
	2021	-	-	-	-	-	-	-
	2020	-	-	-	-	-	-	-
Geoff Simonett <sup>(4)</sup>	2022	20,575	-	-	-	-	-	20,575
	2021	31,250	-	5,748	-	-	-	36,998
	2020	20,667	-	920	-	-	-	27,587

Notes:

- (1) Jeffrey Talley was elected to the Board of Directors on March 27, 2019.
- (2) Ian Mor Macdonald was appointed to the Board of Directors on February 16, 2021.
- (3) Wanda Richardson was appointed to the Board of Directors on March 23, 2022.
- (4) Geoff Simonett was elected to the Board of Directors on March 23, 2016 and ceased to be a director on March 23, 2022.
- (5) Ian Murray Macdonald was elected to the Board of Directors on March 25, 2020 and is an employee of the Corporation and therefore is not paid non-employee director fees.
- (6) Scott MacFabe was elected to the Board of Directors on March 28, 2018 and is the CEO of the Corporation and therefore is not paid non-employee director fees.



### **Outstanding Option-Based Awards and Share-Based Awards**

The following table sets forth information concerning all option-based and share-based awards granted to each of the non-employee directors that were granted before, and remain outstanding as of the end of, the most recently completed financial year ended September 30, 2022.

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options	Option Exercise Price	Option Expiration Date	Value of Unexercised in the money options	Number of shares that have not vested	Market or payout value of share-based awards that have not vested	Market or payout value of vested share-based awards not paid out or distributed
Jeffrey Talley <sup>(1)</sup>	30,000	\$0.60	March 22, 2027	-	-	-	-
Ian Mor Macdonald <sup>(2)</sup>	60,000	\$0.34	February 15, 2026	1,200	-	-	-
Wanda Richardson <sup>(3)</sup>	90,000	0.60	March 22, 2027	-	-	-	-
Geoff Simonett <sup>(4)</sup>	-	-	-	-	-	-	-

Notes:

- (1) Jeffrey Talley was elected to the Board of Directors on March 27, 2019.
- (2) Ian Mor Macdonald was appointed to the Board of Directors on February 16, 2021.
- (3) Wanda Richardson was elected to the Board of Directors on March 23, 2022.
- (4) Mr. Simonett was elected to the Board of Directors on March 23, 2016 and ceased to be a director on March 23, 2022.

### **Incentive Plan Awards – Value Vested or Earned During the Year**

The following table sets forth information concerning the value vested or earned in respect of incentive plan awards during the financial year ended September 30, 2022 by each of the non-employee directors.

Name	Option-based awards – Value vested during the financial year ended September 30, 2022 (\$)	Share-based awards – Value vested during the financial year ended September 30, 2022 (\$)	Non-equity incentive plan compensation – Value earned during the financial year ended September 30, 2022 (\$)
Jeffrey Talley <sup>(1)</sup>	-	-	-
Ian Mor Macdonald <sup>(2)</sup>	5,800	-	-
Wanda Richardson <sup>(3)</sup>	-	-	-
Geoff Simonett <sup>(4)</sup>	-	-	-

Notes:

- (1) Jeffrey Talley was elected to the Board of Directors on March 27, 2019.
- (2) Ian Mor Macdonald was appointed to the Board of Directors on February 16, 2021.
- (3) Wanda Richardson was elected to the Board of Directors on March 23, 2022.
- (4) Mr. Simonett was elected to the Board of Directors on March 23, 2016 and ceased to be director on March 23, 2022.

## Summary of Compensation

Commencing September 1, 2021, the Board of Directors' compensation policy was amended to provide each director with a flat annual fee of \$28,000 per year paid quarterly, with no additional per meeting fee. Additionally, the chair of the Audit Committee will receive an additional \$10,000 per year, the Chair of the HR & Governance Committee will receive an additional \$8,000 per year and the chair of the Board of Directors will receive an additional \$15,000 per year. If a director is absent from two regularly scheduled sequential meetings this will result in such director forfeiting the quarterly payment, subject to review by the chair of the Board of Directors. Subject to regulatory approvals each director will be entitled to receive an initial option grant for 90,000 Common Shares which will vest as to one third on each anniversary of the date of grant. Should a director continue to serve on the Board of Directors more than three years, additional option grants of 30,000 Common Shares shall be made on each of the third and subsequent anniversaries of the annual meeting of shareholders of the Corporation ratifying their accession to the Board of Directors, vesting one year following the date of each such additional grant.

## SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table summarizes the number of Common Shares authorized for issuance from treasury under the Corporation's equity compensation plans as at September 30, 2022.

Plan Category	Number of securities to be issued upon exercise of outstanding options (a)	Weighted-average exercise price of outstanding options	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by shareholders	2,839,000	\$0.36	1,641,000
Equity compensation plans not approved by shareholders	-	-	-

## EQUITY INCENTIVE PLAN

### Stock Option Plan

On February 28, 2003 the Corporation's shareholders approved the establishment of a share option plan which was known as the Seprtech Systems Incorporated Share Option Plan and which was amended on February 2, 2006, February 7, 2008, August 4, 2011, March 15, 2012, October 24, 2012 and February 21, 2013. On March 23, 2022, the plan was further amended, restated and renamed the BluMetric Environmental Inc. Amended and Restated Stock Option Plan 2022 (the "Plan"). The summary description of the Plan below is qualified in its entirety by the full text of the Plan.

Currently, the Plan provides for a maximum of 4,500,000 shares representing approximately 15.3% of the issued and outstanding shares of the Corporation as of February 15, 2023.

The purpose of the Plan is to develop the interest of and provide an incentive to eligible directors, officers, employees and consultants of the Corporation in the Corporation's growth and development by granting

to such eligible persons from time to time, options to purchase Common Shares of the Corporation, thereby advancing the interests of the Corporation and its shareholders. The extent to which any director, officer, employee or consultant shall be entitled to be granted options pursuant to the Plan shall be determined at the discretion of the Board of Directors, with the assistance of the HR & Governance Committee.

Options granted under the Amended Plan are not assignable or transferable except in limited circumstances as permitted under the TSX Venture Exchange Manual (the “**TSXV Manual**”) and as set out in the Plan. The Plan provides that the exercise price of the options will be calculated using the volume weighted average trading price (the “**VWAP**”) of the Common Shares on TSX Venture Exchange calculated by dividing the total value by the total volume of such securities traded for the five Trading Days immediately preceding the grant of the option. The Board of Directors will determine the vesting period of the options at the time of the grant; provided, however, options granted to a participant engaged in investor relation activities will vest over a period of not less than 12 months from the date of grant and with no more than 25% of the options vesting in any three month period.

Unless otherwise determined by the Board of Directors, the Plan provides that options granted under the Plan will expire not more than 10 years from the date of grant. The options will terminate one year after the death of a participant and 60 days after the termination of a participant ceases to be a director, officer, employee or consultant of the Corporation subject to adjustment by the Board of Directors. The Plan further provides that in all circumstances one year after the participant ceases to be a director, officer, employee or consultant of the Corporation the options will terminate. Options granted to a participant who is engaged in investor relations activities shall expire 30 days after the participant ceases to provide investor relations services.

Except for a participant engaged in investor relations activities, the Plan provides for a net exercise of options, whereby the participant does not make a cash payment for the participant’s options, except for all mandatory tax withholdings, but instead receives only the number of underlying Common Shares that is equal to:

$$\frac{(\text{Number of Options being Exercised}) \times (\text{VWAP of the Common Shares minus the Option Price of the Options})}{\text{VWAP of the underlying Common Shares}}$$

The Plan also contemplates a cashless exercise of options whereby the brokerage firm sells a sufficient number of Common Shares to cover the option price of the options in order to repay the loan made to the participant and the brokerage firm receives an equivalent number of Common Shares from the exercise of the options and participant then receives the balance of Common Shares or the cash proceeds from the balance of such Common Shares; provided, however, the cashless exercise mechanism will only come into effect if the Board of Directors determines to permit a cashless exercise and sets up the required arrangements with a brokerage firm. Currently, the Corporation does not have such arrangements in place.

No individual may hold options to purchase Common Shares exceeding 5% of the then outstanding Common Shares. The maximum number of options granted to any one consultant in a 12 month period shall not exceed 2% of the then outstanding Common Shares. The maximum number of options granted to participants providing investor relations services shall not exceed 2% of the then outstanding Common Shares in any 12 month period. The maximum number of options granted to the Corporation’s insiders (as a group) under the Plan shall not exceed 10% of the outstanding Common Shares in a 12 month period, unless disinterested shareholder approval is obtained. The maximum number of options granted to the

Corporation's insiders (as a group) under the Plan shall not exceed 10% of the outstanding Common Shares at any point in time, unless disinterested shareholder approval is obtained. The Plan provides that the Board of Directors will determine the vesting of options at the time of grant to the participant.

As of February 15, 2023, there were 4,500,000 Common Shares reserved for issuance and of which options for 2,691,000 shares were outstanding and options for 40,000 common shares had been exercised.

## **INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

Under Canadian securities laws, "informed person" means a director or executive officer of a reporting issuer, a director or executive officer of a person or Corporation that is itself an informed person or subsidiary of a reporting issuer, any person or Corporation who beneficially owns, directly or indirectly, voting securities of a reporting issuer or who exercises control or direction over voting securities of a reporting issuer or a combination of both carrying more than 10 percent of the voting rights attached to all outstanding voting securities of the reporting issuer (other than certain exemptions).

During the financial year ended September 30, 2022, the Corporation recorded expenses and made payments for services from the Board of Directors of \$120,256 which were included in general operations and administrative expense for services from the Board of Directors.

## **STATEMENT OF CORPORATE GOVERNANCE PRACTICES**

### **Introduction**

The Board of Directors believes that effective corporate governance contributes to improved corporate performance and enhanced shareholder value. The Board of Directors has reviewed the corporate governance best practices identified in National Policy 58-201 *Corporate Governance Guidelines* and National Instrument 58-101 *Disclosure of Corporate Governance Practices* (collectively, the "**CSA Guidelines**"). The Board of Directors is committed to ensuring the Corporation follows best practices.

### **Mandate of the Board**

The Corporation's Board of Directors assumes responsibility for the stewardship of the Corporation and the creation of shareholder value. The Board of Directors is responsible for, among other things:

- long-term strategic planning, including approving a strategic plan each year which takes into account the opportunities and risks of the Corporation
- risk analysis and monitoring of risk management systems
- overseeing the appointment, training and compensation of executive management and monitoring their performance, including succession planning
- establishing and monitoring the Corporation's communications policy and ensuring that it addresses the feedback and concerns of shareholders in particular
- ensuring the integrity of the Corporation's systems for internal controls and management information
- developing and implementing the Corporation's corporate governance guidelines

## Composition of the Board of Directors

The frequency of Board of Directors' meetings and the nature of agenda items may change from year to year depending upon the activities of the Corporation. However, the Board of Directors meets at least quarterly to review the Corporation's operations and performance. During the financial year ended September 30, 2022, the Board of Directors met seven times.

The Corporation's Board of Directors currently consists of five directors of which Jeffrey Talley, Ian Mor Macdonald and Wanda Richardson are independent directors as contemplated by the CSA Guidelines (i.e., each is independent of management and free from any interest in and any business or other relationship with the Corporation which could reasonably be expected to interfere with the exercise of the director's judgement).

Scott MacFabe and Ian Murray Macdonald are not independent directors. Mr. MacFabe was appointed as CEO on March 1, 2018 and elected as a director on March 28, 2018. Mr. Ian Murray Macdonald is an employee of the Corporation and was elected as a director on March 25, 2020.

In determining whether a director is independent, the Board of Directors considers the specific circumstances of a director and the nature, as well as the materiality, of any relationship between the director and the Corporation.

### *Term Limits*

All directors are elected annually and have a term limit of six years, with an optional extension at the determination of the Board of Directors for up to two additional one year terms, for a maximum term of eight years. Board size, composition and renewal are considered annually as part of the HR & Governance Committee's mandate and nominations for the Board of Directors is assessed by considering a variety of factors, including the existing skills, experience of the members and diversity.

No director is a director of any other reporting issuer.

### *Director Biographies*

#### Jeffrey W. Talley – Chair of the Board of Directors; Member of the Audit Committee

Lieutenant General (Ret.) Jeffrey W. Talley is the President and CEO of the Minerals Metals Initiative (M2i) Corporation, and the Founder and Principal of The P3i Group LLC, a management consulting firm that brings together people, technology, and solutions from across government, business, not-for-profit, and academia. Prior to joining The P3i Group, he was a Vice President & Global Fellow at IBM. His military service culminated in 2012 when he was appointed by President Obama to a four-year term as the 32nd Chief of Army Reserve and Commanding General of the U.S. Army Reserve Command. He has held academic appointments at the University of Southern California, Harvard University, The Johns Hopkins University, Southern Methodist University, and the University of Notre Dame. He holds a PhD in Civil & Environmental Engineering from Carnegie Mellon and an Executive MBA from Oxford. He is a registered Professional Engineer (PE), a Board-Certified Environmental Engineer (BCEE) in Sustainability, and a Diplomate, Water Resources Engineer (D.WRE). He currently serves on the Board of Directors for the Environmental and Energy Study Institute and is a member of the U.S. Global Leadership Coalition's National Security Advisory Council.

Ian Mor Macdonald – Chair of the Audit Committee; Member of the HR & Governance Committee

Mr. Ian Mor Macdonald is a Founder and Managing Director of Tricapital Solutions Inc., a boutique merchant bank and consultancy firm providing strategic business development and capital markets advice to mid-sized private and public companies. Mr. Macdonald and Tricapital have raised over \$500 million in capital for client companies and have restructured, bought, sold and co-invested behind dozens of companies. Prior to starting Tricapital Solutions Mr. Macdonald worked in senior roles at both Bacardi International and PwC. He is a member of the Institute of Certified Public Accountants of Ontario, a member of the Institute of Corporate Directors, and a past member of the Restructuring Association of Canada and the Venture Capital Association of Canada. Mr. Macdonald is past Chair of the Board of Empire Industries Limited, a TSX-listed company, Past Chair of the Canadian Professional Sales Association and is currently Chair of MI Petro (Services) Inc, a construction and service company.

Scott MacFabe – Director; Chief Executive Officer of the Corporation

Mr. Scott MacFabe was appointed the CEO of the Corporation on March 1, 2018. Prior to becoming CEO of the Corporation, Mr. MacFabe was COO of Industrial and Environmental Division at Kennedy Jenks Consultants from November 2012 to February 16, 2018. From 2009 to 2012, Mr. MacFabe was the Director and Executive VP of Strategic Initiatives Canada, ARCADIS and Director, Industrial/Commercial Business Unit, Malcolm Pirnie from 2002 to 2009. From 1985 to 2002, Mr. MacFabe was a Senior Hydrogeologist Officer at Dames and Moore. Mr. MacFabe is a hydrogeologist and holds both professional hydrogeology and geology accreditations.

Ian Murray Macdonald – Director; Member of the HR & Governance Committee

Mr. Ian Murray Macdonald, M.Sc., P.Geo., EP (CEA) is a professional geoscientist and certified environmental auditor. He has been with BluMetric and its affiliates for more than 36 years working in the earth science and auditing fields. Mr. Ian Murray Macdonald was Director of WESA UK from 1990 to 1993 and a Director for the WESA Group Inc. between 2008 and 2012. He is currently a client manager and project manager for multiple sites in multiple jurisdictions across Canada in the areas of contaminant hydrogeology and remediation, source water protection, waste management and management systems. Mr. Ian Murray Macdonald is a Past President of the PGO (Professional Geoscientists Ontario), has been a member of numerous municipal and institutional advisory committees, and has a wide understanding of the professional service sector.

Wanda Richardson – Chair of the HR & Governance Committee; Member of the Audit Committee

Wanda Richardson, MAES, MCIP holds a Masters in Environmental Planning and is currently an independent business development advisor to private firms. She previously held the position of Vice President Federal Services with AECOM Canada where she served on the Canadian Executive. She successfully developed and led the Federal infrastructure and indigenous portfolios in Canada achieving exponential growth year over year. She was accountable for business strategy implementation, financial and risk management and performance management of the Canadian team. Wanda has also held senior leadership positions at Hatch, the University of Waterloo and Region of Waterloo. She has specific success in partnership development leveraging the capital and expertise of the private sector to achieve public outcomes. She is a certified professional planner, member of the Canadian Institute of Planners (MCIP) and is an active mentor of students, women and young professionals. She is currently a Board Director with Soroptimist Foundation of Canada and Monica Place, where she has been involved in executive

performance review, compensation and retention, succession planning, evaluating board effectiveness and policy development. Previously she was Board Director with the Transportation Association of Canada and Chair of the Urban Transportation Council.

### **Diversity Disclosure**

The Corporation has adopted a written Board and Executive Diversity Policy which is available on the Corporation's website [www.blumetric.ca](http://www.blumetric.ca). The Policy, while not setting targets, identifies the Corporation's approach to recognizing, achieving and maintaining diversity on its Board of Directors and Executive including seeking Executive candidates and nominating directors who are women; Indigenous peoples (First Nations, Inuit and Métis); persons with disabilities; and members of visible minorities (as each of those are defined in the Employment Equity Act (Canada) (collectively, the "Designated Groups"). The HR & Governance Committee evaluates the level of representation of Designated Groups and diversity when nominating potential director nominees. The Board of Directors and Executive take into account similar considerations in respect of senior management roles and are in the process of evaluating a diversity policy for such roles.

The Board of Directors has implemented term limits for directors. See additional information under the heading "Composition of the Board of Directors" above.

On the Board of Directors as of September 30, 2022, there was one individual who self-identified as a woman on the Board of Directors representing 20% of the directors. There was one individual who self-identified as a person with disabilities, representing 20% of the Board of Directors. There are no Indigenous peoples or members of visible minorities on the Board of Directors.

Currently, among the four individuals in senior management, there is one individual who has self-identified as a woman, representing 25% of the members of senior management. There are no Indigenous peoples, persons with disabilities or members of visible minorities in senior management.

The number and proportion of Directors and members of senior management who self-identified as being a member of the Designated Groups have been furnished by the respective directors and members of senior management on a voluntary basis and such responses have not been independently verified by the Corporation.

### **Board Committees**

There are two permanent Board of Directors committees: (i) the Audit Committee (the "**Audit Committee**"), and (ii) the Human Resources and Governance Committee (the "**HR & Governance Committee**").

The Board of Directors may also appoint other temporary or permanent committees from time to time for particular purposes.

## ***Information on the Audit Committee***

### *Composition of the Audit Committee*

The Audit Committee is currently composed of Ian Mor Macdonald (Chair), Jeffrey Talley and Wanda Richardson. During the financial year ended September 30, 2022, the Audit Committee met four times.

The Board of directors has determined that each of the members of the Audit Committee is “financially literate” as defined in National Instrument 52-110 (“**NI 52-110**”), that is, each member has the ability to read and understand a set of financial statements that present a breadth and complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation’s financial statements.

A director of an audit committee is “independent” if he or she has no direct or indirect relationship with the issuer, that is a relationship which could, in the view of the Board of Directors, reasonably be expected to interfere with the exercise of the committee member’s independent judgement. For the purposes of assessing the independence of a member of an audit committee, NI 52-110 further provides that an individual will be deemed to have a material relationship with an issuer if he or she accepts, directly or indirectly, any consulting, advisory or other compensatory fee from the issuer or any subsidiary entity of the issuer, other than as remuneration for acting in his or her capacity as a member or as a part-time chair or vice-chair of the board of directors of the issuer or any committee thereof. For his purpose, the indirect acceptance of a fee by an individual of any consulting, advisory or other compensatory fee includes the acceptance of a fee by an entity in which such individual is a partner, and which provides accounting, consulting, legal, investment banking or financial advisory services to the issuer or any subsidiary entity of the issuer.

Based on the foregoing, the Board of Directors has determined that Ian Mor Macdonald, Jeffrey Talley and Wanda Richardson are independent members of the Audit Committee.

The education and experience of each member of the Audit Committee, including experience relevant to the performance of his or her responsibilities as a member of the Audit Committee, is set forth above under the heading “Composition of the Board of Directors Biographies”.

### *Charter of the Audit Committee*

The Audit Committee charter was initially adopted in 2004 and is periodically reviewed by the Audit Committee and was most recently amended on August 25, 2022. A copy is attached hereto as Schedule A. It is available electronically on [www.sedar.com](http://www.sedar.com).

### *Mandate of the Audit Committee*

The Audit Committee assists the Board of Directors in carrying out its responsibilities relating to corporate accounting and financial reporting practices. The Audit Committee is responsible for reviewing the Corporation’s quarterly and annual financial statements, reviewing internal controls, reviewing the engagement and advice of the Corporation’s auditors, and reporting thereon to the Board of Directors.

The Audit Committee maintains direct communication during the year with the Corporation’s external auditors and the Corporation’s senior officers responsible for accounting and financial matters.



The Audit Committee has recommended to the Board of Directors that the shareholders of the Corporation be requested to re-appoint MNP LLP, Chartered Accountants, as the independent auditor for the year ending September 30, 2023.

*External Auditor Service Fees*

For the financial years ended September 30, 2022 and September 30, 2021 the fees paid by the Corporation for audit work were as follows:

	<b>Financial Year ended September 30, 2022</b>	<b>Financial Year ended September 30, 2021</b>
Audit fees	\$97,200	\$90,000
Audit related fees	\$13,084	\$18,264
Tax fees - Preparation of Tax Returns	\$8,500	\$8,000
All other fees	\$7,490	\$6,998
<b>Total</b>	<b>\$126,274</b>	<b>\$123,262</b>

Pursuant to the Audit Committee charter, the Audit Committee approved in advance all auditing services of the external auditors and related fees and terms and all non-audit service mandates including related fees and terms, to the extent permitted by applicable laws.

*Reliance on Exemption*

The Corporation is relying upon the exemption in section 6.1 of NI 52-110 exempting the Corporation from the requirements of Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110.

**Human Resources and Governance Committee**

*Composition of the HR & Governance Committee*

The Human Resources and Governance Committee consists of Wanda Richardson (Chair), Ian Mor Macdonald and Ian Murray Macdonald. The HR & Governance Committee met four times during the financial year ended September 30, 2022.

See the board biographies above under the heading “Composition of the Board of Directors Biographies” for the relevant experience for the performance of his or her responsibilities as a member of the HR & Governance Committee.

*Mandate of the HR & Governance Committee*

The HR & Governance Committee assists the Board of Directors in carrying out its responsibilities relating to corporate governance and human resource practices. The HR & Governance Committee is responsible for, among other things:

- Reviewing and developing, as needed, corporate governance guidelines;
- Reviewing the Corporations policies and practices with respect to business conduct and ethics;
- Overseeing succession planning for the CEO and the directors of the Corporation;
- Developing qualifications and criteria for the selection of new directors, including in accordance with the Corporation’s Board and Executive Diversity Policy;

- Reviewing compensation of executive officers and directors of the Corporation;
- Reviewing the Corporation's current compensation model and recommending changes including the implementation of short-term and long-term incentives for executive officers and directors of the Corporation;
- Reviewing the performance of the CEO against specific performance criteria and making recommendations to the Board on the compensation of the CEO, including Performance Bonus; and
- Monitoring board member effectiveness and performance.

### **Code of Ethics**

The Corporation adopted a code of ethics (the "Code"). All directors, officers, employees and consultants of the Corporation are expected to be familiar with the Code and adhere to the principles and procedures set forth in the Code that applies to them. The Board of Directors is responsible for the application of the Code to the affairs of the Corporation and the periodic review of the Code. The Code is available electronically on the Corporation's web site at [www.blumetric.ca](http://www.blumetric.ca).

### **ADDITIONAL INFORMATION**

The financial statements of the Corporation for the financial year ended September 30, 2022, together with the report of the auditors' thereon, are being mailed to the Shareholders of the Corporation with this Circular. Additional information relating to the Corporation may be obtained on the SEDAR website at [www.sedar.com](http://www.sedar.com). Shareholders can request copies of the Corporation's financial statements and management's discussion and analysis by emailing their request to [info@blumetric.ca](mailto:info@blumetric.ca), calling the Corporation at 1-877-487-8436, or visiting the website at [www.blumetric.ca](http://www.blumetric.ca).

### **OTHER BUSINESS**

Management is not aware of any other business to come before the Meeting other than the matters referred to in the Notice of Meeting. However, if any other matters should properly come before the Meeting, the Proxy will be voted upon such matters in accordance with the best judgement of the person voting the Proxy.

### **SHAREHOLDER PROPOSALS FOR NEXT MEETING**

The CBCA provides that a registered holder or beneficial owner of shares that is entitled to vote at an annual meeting of the Corporation may submit to the Corporation notice of any matter that the person proposes to raise at the meeting (referred to as a "Proposal") and discuss at the meeting any matter in respect of which the person would have been entitled to submit a Proposal. However, in accordance with the CBCA, the Corporation will not be required to set out the Proposal in its management proxy circular or include a supporting statement, if, among other things, the Proposal is not submitted to the Corporation within the "prescribed period", defined as the 60 day period that begins on the 150<sup>th</sup> day before the anniversary of the previous annual meeting of shareholders. As the date of the Meeting is March 22, 2023, the "prescribed period" for submitting a Proposal in connection with the next annual meeting of shareholders of the Corporation in 2024 will be October 25, 2023 to December 23, 2023.

The foregoing is a summary only. Shareholders should carefully review the provisions of the CBCA relating to Proposals and consult with a legal advisor.

**APPROVAL BY THE BOARD OF DIRECTORS**

The contents of this Management Proxy Circular and the sending thereof to the Shareholders have been approved by the Board of Directors of the Corporation.

DATED at Ottawa, Ontario this 15<sup>th</sup> day of February, 2023.

**BY ORDER OF THE BOARD OF DIRECTORS**

*/s/ Jeffrey Talley*

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Jeffrey Talley  
Chair of the Board of Directors

## SCHEDULE A

### BLUMETRIC ENVIRONMENTAL INC.

#### CHARTER OF THE AUDIT COMMITTEE

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##### I. PURPOSE

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The purpose of the Audit Committee (the “Committee”) of BluMetric Environmental Inc. (the “Corporation”) is to assist the Board of Directors (the “Board”) in its oversight of:

1. the integrity of the Corporation’s financial statements and related information;
2. the Corporation’s compliance with legal and regulatory requirements related to financial reporting;
3. the independence, qualifications, appointment and performance of the Corporation’s external auditor; and
4. disclosure, internal controls and audit procedures (internal and external).

The present charter is not intended to limit, enlarge or change in any way the responsibilities of the Committee as determined by such articles, by-laws, applicable laws and the rules of the TSX Venture Exchange.

##### II. COMPOSITION OF THE COMMITTEE

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The Committee will consist of not fewer than three Directors. Members of the Committee will be independent, as such term is defined under applicable stock exchange rules and applicable securities laws, whenever practicable. Members of the Committee will be appointed by the Board and will serve at the pleasure of the Board. Unless the chair of the Committee (the “Chair”) is appointed by the Board, the members of the Committee will select its Chair.

##### III. MEETINGS

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The Committee will meet at least quarterly or as frequently as may be necessary or appropriate in its judgement as the Committee may determine. Minutes of all meetings of the Committee will be maintained. In addition, the Committee will report to the Board on the Committee’s activities at the Board meeting following each Committee meeting.

Meetings of the Audit Committee may be called by any member of the Audit Committee or the external auditor. Notice of meetings of the Committee will be given to each member not less than 48 hours before the time when the meeting is to be held. The notice need not state the purpose or purposes for which the meeting is being held.

The Audit Committee shall meet separately in an “in-camera” session in the absence of management and the external auditor, at each regularly scheduled meeting. The Audit Committee will also meet with the external auditor without management being present.

A quorum for meetings will be a majority of the members present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak and hear each other. At all meetings of the Committee, every question will be decided by a

majority of the votes cast on the question. All other procedures at meetings will be determined from time to time by the members.

The Committee may ask members of management of the Corporation or others to attend meetings and provide pertinent information, as necessary.

The Committee will have the right to inspect all information regarding the Corporation that is necessary or desirable to fulfill its duties and all directors, officers and employees will be directed to cooperate as requested by the members of the Committee. The Committee also has the authority to communicate directly with the external auditor, the Chief Financial Officer as well as any other employee of the Corporation as it deems advisable.

The Committee will also have the right, without Board approval, to hire independent counsel, financial and other advisors at the Corporation's expense, if deemed necessary by it, to carry out its duties. The Corporation will provide appropriate funding, as determined by the Committee, to compensate the advisors employed by the Committee.

#### **IV. RESPONSIBILITIES**

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##### **A. FINANCIAL REPORTING AND CONTROL:**

1. Review, on a quarterly and annual basis, the Corporation's financial reporting and accounting standards and principals and significant changes in such standards or principals or in their application including key accounting decisions affecting the financial statements, alternatives thereto and the rationale for decisions made;
2. Review and recommend approval to the Board of the Corporation's quarterly and annual financial statements and management's discussion and analysis related thereto and earnings press releases before they are publicly disclosed;
3. Review with management and the external auditor, the adequacy and effectiveness of the Corporation's accounting and financial controls and the adequacy and timeliness of its financial reporting processes; and
4. Review the Corporation's compliance with tax and financial reporting rules as issues arise.

##### **B. EXTERNAL AUDITOR OVERSIGHT:**

1. Recommend to the Corporation's Board of Directors the external auditor to be nominated for the purpose of preparing or issuing an auditor's report (or any related work), as well as the remuneration of the external auditor;
2. Ensure the Corporation's external auditor report directly to the Audit Committee throughout the term of their appointment;
3. Monitor the independence of the external auditor by reviewing all relationships between the external auditor and the Corporation and all non audit work performed for the Corporation by the external auditor;

4. Review with management and the external auditor, significant related party transactions and potential conflicts of interest;
5. Preapprove all non audit services to be provided to the Corporation or its subsidiaries by the external auditor;
6. Review the annual audit scope and plan as recommended by the external auditor;
7. Analyze all internal control points raised by the external auditor in correspondence with management.

**C. LEGAL COMPLIANCE:**

Review, on a periodic basis the Corporation's legal compliance with respect to:

1. The legal and regulatory matters which may have a material effect on the Corporation and/or its financial statements, including with respect to pending or threatened material litigations; and
2. Corporate compliance policies.

**D. WHISTLEBLOWER, ETHICS, CONDUCT AND INTERNAL CONTROLS COMPLAINT PROCEDURES:**

In accordance with the terms of the Whistleblower Policy, ensure that the Corporation has in place, monitors, and reviews annually policies for:

1. The receipt, retention and treatment of complaints received by the Corporation;
2. The confidential, anonymous submission of concerns regarding questionable matters or circumstances (including allegation with respect to fraud, accounting misconduct, harassment, violence, retaliation, etc.).

**V. REVIEW OF CHARTER**

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The Audit Committee will annually review and assess the adequacy of this Charter and recommend to the Board any proposed changes for consideration. The Board may amend this Charter, as required.

**VI. EFFECTIVE DATE OF CHARTER**

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This Charter was adopted by the Board on August 25, 2022.