Management Discussion & Analysis

Financial Quarters Ended June 30, 2019 and June 30, 2018
(expressed in Canadian Dollars)

BluMetric™ Environmental

August 29, 2019

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This Management Discussion and Analysis "MD&A" explains the material changes in BluMetric's financial condition and results of operations for the quarter ended June 30, 2019. The MD&A should be read in conjunction with the Company's condensed consolidated interim financial statements and related notes for the nine months ended June 30, 2019 as well as the MD&A and audited consolidated financial statements and notes for the year ended September 30, 2018. The information provided in this document is not intended to be a comprehensive review of all matters concerning the Company.

This discussion and analysis of the financial condition and the results of operations contain forward-looking statements about expected future events and the financial and operating performance of the Company. These statements, which include descriptions of the Company's business strategy, potential variances impacting the Company's internal and external performance drivers, and the Company's ability to meet its ongoing working capital needs through the ensuing 12 months, are included in the "Discussion of Results and Financial Condition for the Financial Quarter Ended June 30, 2019", "Liquidity", and "Business Outlook" sections which follow. These statements are not guarantees of future performance and are subject to risks and uncertainties that could cause actual results to differ materially from those in the forward-looking statements. This MD&A also makes reference to certain non-GAAP measures to assist users in assessing BluMetric's performance. Non-GAAP measures do not have any standard meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other issuers. These measures are identified and described under the section "Financial Terms and Definitions".

Business Overview and Strategy

In 1977, BluMetric Environmental Inc. ("BluMetric" or the "Company") started by providing water and soil assessment services to its clients, primarily in the land development market. For over forty years, BluMetric, a Canadian company, has provided cost-effective and sustainable solutions to help its clients overcome their most difficult water related environmental and business challenges. The Company has evolved into a broad spectrum environmental solutions provider setting a standard of care that follows water from its source to its return to the environment. BluMetric's strategy is to deliver a solution that will help its clients successfully manage their water related environmental, health, and safety responsibilities. BluMetric builds partnerships with its customers by providing a long-term holistic approach to water management. This degree of service differentiates BluMetric from competitors that simply provide a one size fits all product or service.

BluMetric focusses its efforts in North America, a geographic region with significant growth potential in markets where BluMetric has had its greatest success. Operating from nine offices, the Company has served hundreds of clients from the Panama Canal to the Arctic Circle. The business continues to stabilize as BluMetric focuses on value-added solutions for target industries and clients. BluMetric is proud to be a trusted provider of services to many of Canada's northern Indigenous communities; working side by side to make the environment a cleaner and safer place.

The BluMetric team of experts consists of highly experienced and motivated hydrogeologists, engineers, occupational and industrial hygienists, environmental auditors, environmental scientists, chemists, project managers, finance professionals, trades and support personnel.

Technology and Innovation

Innovation is driven by client demands as they face more stringent environmental regulations or the emergence of a previously unregulated contaminant. Finding a solution for a specific problem is the creative process that differentiates BluMetric from its competitors. An innovative solution must be scientifically and economically viable. All potential new services, products, or technologies go through a stage gate process to confirm the technology works and the potential market is of sufficient size to provide a return on investment. BluMetric's ammonia removal and total cyanide reduction systems fit these requirements. Poly fluorinated compounds (PFC) reduction and dissolved solids, especially chloride, reduction technologies will continue to be evaluated by the stage gate process.

Ammonia Removal – As stated in previous MD&A documents, ammonia is recognized as a significant contaminant responsible for the degradation of water quality. Government and public pressure has not abated and will continue to be the motive force behind the implementation of stricter effluent limits.

In September 2018, BluMetric received a U.S. Patent for its proprietary ammonia removal process, MARS. This membrane-based process reduces ammonia by isolation and direct adsorption. Environmental compliance, reduced capital costs and reduced operational costs are the main advantages of the MARS process. Prime applications are in the mining, landfill leachate, food and beverage, and industrial markets.

The installation of two full-scale ammonia removal systems in late 2018 and early 2019 and successful pilot tests have ratified the viability of the product. The quotation activity in the mining sector is robust, but purchasing decisions have been delayed due to macroeconomic uncertainty impacting the sector. The recent increase in the price of gold has spawned new opportunities and the resurrection of earlier proposals. All proposals for mine process wastewater treatment now include ammonia removal.

Cyanide – In late 2016 mining regulators changed the cyanide limits for the effluent exiting the tailings ponds and mining facilities. In close association with the Company's technology partners, BluMetric tested a new treatment process for total cyanide reduction and based on the results, a patent application has been generated. Pilot testing with our technology partners continues in fiscal year 2019 and has been refined to focus on membrane separation and biological reduction.

Emerging Contaminants – 1-4 Dioxane, poly fluorinated compounds (PFC), cobalt, and selenium have emerged as contaminants of concern. Reduction of total dissolved solids (TDS), especially chloride, is of increasing concern due to the impact on aquatic life. BluMetric has been working successfully with its technology partners to develop processes and systems to treat, adsorb, isolate, reduce, and destroy these compounds. The evaluation of the technology and potential markets continues in 2019.

Sales and Marketing

BluMetric's business development is focused on four key markets:

- Mining
- Military
- Commercial and Industrial (site remediation and wastewater)
- Government (with specific expertise in Northern Canada)

Business Development is spearheaded by experienced Market Leaders who are supported by dedicated Client Managers. This client-centric approach involves an emphasis on understanding the clients' environmental issues and then identifying and preventing potential problems. This approach allows BluMetric to provide an integrated solution for all of the client's environmental issues.

Market Leaders and Client Managers evaluate the environmental concerns presented by their clients to determine if the issues are client specific or market driven. This evaluation helps select the appropriate course of action, identifies trends and allows BluMetric to be more pro-active to the future demands of the market.

In Q2 and Q3 the Company hired seasoned employees in the mining, commercial and industrial sectors to focus on the delivery of projects and the development of new opportunities.

Satisfied clients provide repeat business as well as incredibly valuable word-of-mouth advertising to allied companies. BluMetric continues to actively leverage the successes of past projects to expand and diversify client relationships, strategic partnerships and service offerings.

Board of Directors

The Board of Directors currently consists of seven members, five of whom are independent. The independent directors reflect a wide range of senior experience in the management of publicly traded and privately held companies. The Board members have expertise in finance, operations, management, and governance.

Executive Management

The Senior Management team comprises: Scott MacFabe, Chief Executive Officer; Vivian Karaiskos, Chief Financial Officer; Tim Beckenham, Senior Director, Operations; and Wayne Ingham, Director, Strategic Business Development.

This team has extensive business and environmental experience and is well supported by highly qualified and experienced managers.

Our People

The BluMetric team consists of approximately 165 hydrogeologists, engineers, environmental scientists, industrial hygienists, project managers, skilled tradespeople, finance professionals and support personnel. They are experts in providing a comprehensive range of environmental services and engineered solutions, from contaminated site assessment and remediation to complete turn-key wastewater treatment systems.

Staffing levels fluctuate seasonally with the hiring of contract staff and students to meet peak demand periods. The Company strives to recruit and retain highly skilled employees who are able to use their technical expertise to deliver creative solutions to complex environmental issues.

Diversity

BluMetric is committed to the principles of diversity. The Company strives to create and support an inclusive work environment that respects and values the contributions of all employees and their individual differences. BluMetric's employees come from a wide range of cultural, ethnic, educational, religious, and political backgrounds. Women represent 49% of the workforce from welders and field service technicians to the top members of the executive team and Board of Directors.

To that end, BluMetric's goal is to capitalize on the strength derived from diversity while affording the team members the greatest opportunity to excel, grow, and contribute to business and society.

Results of Operations

	Three Months Ended				Nine Months Ended			
	June 30, 2019	June 30, 2018	Change	Change	June 30, 2019	June 30, 2018	Change	Change
	$	$	$	%	$	$	$	%
Revenue	7,035,185	8,416,374	(1,381,189)	-16%	21,626,062	23,684,084	(2,058,022)	-9%
Gross profit	1,297,390	1,652,911	(355,521)	-22%	4,439,887	4,940,651	(500,764)	-10%
Gross margin %	18%	20%			21%	21%		
Operating costs	1,169,559	1,459,326	(289,767)	-20%	3,625,273	4,193,034	(567,761)	-14%
EBITDA[1]	153,703	217,050	(63,347)	-29%	893,335	842,453	50,882	6%
Earnings before provision for income tax	12,464	65,233	(52,769)	-81%	441,721	334,628	107,093	32%
Income tax expense	2,519	-	2,519		130,073	-	130,073	
Net earnings	9,945	65,233	(55,288)	-85%	311,648	334,628	(22,980)	-7%
Weighted average common shares outstanding	28,675,695	28,650,735	24,960		28,675,695	28,434,992	240,703	
Earnings per share- basic and diluted	0.00	0.00	-		0.01	0.01	-	
Total assets					12,528,863	10,518,024	2,010,839	19%
Working capital					4,335,621	3,976,660	358,961	9%
Long term debt and demand loan					3,645,523	3,692,347	(46,824)	-1%
Shareholders' equity					5,541,142	2,898,635	2,642,507	91%

Note 1: EBITDA is a non-IFRS measure (see 'Financial Terms and Definitions) and is calculated as net income before interest expense, income taxes, depreciation, and amortization.

Discussion of Results and Financial Condition for the Financial Quarter Ended June 30, 2019

This analysis compares the quarter ended June 30, 2019 with the quarter ended June 30, 2018.

Revenue

During the quarter ended June 30, 2019, total revenue was $7.0 million, a decrease from $8.4 million in total revenue in the same quarter of the previous year. The decline is primarily explained by multiple one-time engineered solutions projects in 2018 that did not reoccur in fiscal year 2019 and a decline in revenue from the Government market, particularly on the federal level, as spending has slowed in anticipation of this fall's upcoming election.

Notwithstanding the third quarter's moderate results, the Company achieved some noteable successes.

In the mining sector, the Company initiated construction and remedial engineering oversight for a major mining company. In addition, it secured additional engineering design projects with a prominent mining firm in northern Ontario.

In the commercial and industrial market, environmental due diligence and risk assessment work remained steady during the quarter as development demand continued, particularly in the Toronto area.

As noted before, revenue from the government market segment has been lower this quarter, as well as year to date. This decrease is attributed mainly to decreased government spending due to the upcoming federal election. Despite this slow down, BluMetric completed two Yukon based government projects. One of these projects involves contaminated site assessment work which was initiated in Q2 and is leading to a larger multi-year project. The other relates to various groundwater protection plan studies in this territory. BluMetric also completed several northern remediation projects in the arctic, further showcasing the Company's ability to execute complex field programs in remote settings.

Subsequent to quarter end, Blumetric signed a teaming agreement with Brown and Caldwell, which was press released July 10, 2019. Through this teaming agreement, BluMetric will support its American partner in accessing new opportunities in Canada, as well as allowing BluMetric to service U.S. clients with Brown and Caldwell. This agreement is in line with BluMetric's repositioning, whereby the Company divested its South American presence in order to focus on more familiar markets, such as the United States.

Gross profit for the quarter ended June 30, 2019 was $1.3 million or 18%, which was $360,000 lower than the quarter ended June 30, 2018.

Operating costs for the quarter ended June 30, 2019 were $1.2 million, a decrease of $300,000 from the same period in the prior year. The favourable change in operating costs was a result of improved credit risk management resulting in lower bad debt expense and cost savings initiatives, including the sale of the El Salvador operation in 2018.

Finance costs of $115,000 for the quarter ended June 30, 2019 decreased from $128,000 reported for the same period a year earlier. This was primarily due to lower overall overdrafts on the Company's operating line of credit, as well as decreased royalties from lower gross revenue in the quarter compared to the prior year.

Earnings before the provision for income tax for the quarter ended June 30, 2019 were $12,000 compared to $65,000 for the quarter ended June 30, 2018.

Net earnings for the quarter ended June 30, 2019 were $10,000 compared to $65,000 for the quarter ended June 30, 2018.

Shareholders' equity increased to $5.5 million at June 30, 2019 from $2.9 million for the period ended June 30, 2018.

The Consolidated Statement of Financial Position as at June 30, 2019 showed working capital of $4.3 million, compared to $4.0 million reported as at June 30, 2018. As at June 30, 2019, the Company was in compliance with all its covenants.

EBITDA (see "Financial Terms and Definitions")

	For three months ended June 30		For nine months ended June 30	
	2019	2018	**2019**	2018
	$	$	**$**	$
Net income	**9,945**	65,233	**311,648**	334,628
Finance costs	**115,367**	128,352	**372,893**	412,989
Income tax expense	**2,519**	-	**130,073**	-
Depreciation of property, plant and equipment	**25,124**	11,136	**76,135**	27,670
Amortization of intangible assets	**748**	12,329	**2,586**	67,166
EBITDA	**153,703**	217,050	**893,335**	842,453

The Company recorded EBITDA of $153,703 for the three months ended June 30, 2019. EBITDA was lower than the same quarter last year as declines in gross profit were only partially offset by savings in operating costs.

Quarterly Results

Quarterly financial information for the eight quarters ended June 30, 2019
(in 000's, except as otherwise indicated)

	Q3 2019 Jun 30, 2019	Q2 2019 Mar 31, 2019	Q1 2019 Dec 31, 2018	Q4 2018 Sep 30, 2018
Revenue	7,035	6,990	7,601	8,563
Cost of sales	5,738	5,508	5,940	6,743
Gross profit	1,297	1,481	1,661	1,820
Gross margin %	18%	21%	22%	21%
Operating expenses	1,170	1,197	1,259	1,477
Finance costs	115	122	135	134
Earnings before provision for income tax	12	162	267	209
Income tax expense (recovery)	3	50	78	(2,116)
Net earnings	10	112	189	2,325
Weighted average common shares- basic	28,675,695	28,675,695	28,675,695	28,675,695
Earnings per share- basic and diluted	0.00	0.00	0.01	0.08

	Q3 2018 Jun 30, 2018	Q2 2018 Mar 31, 2018	Q1 2018 Dec 31, 2017	Q4 2017 Sep 30, 2017
Revenue	8,416	7,708	7,560	7,587
Cost of sales	6,763	6,091	5,889	5,893
Gross profit	1,653	1,616	1,671	1,694
Gross margin %	20%	21%	22%	22%
Operating expenses	1,459	1,311	1,422	1,580
Finance costs	128	136	149	168
Earnings before provision for income tax	65	169	101	(54)
Deferred income tax expense (recovery)	-	-	-	-
Net earnings (loss)	65	169	101	(54)
Weighted average common shares- basic	28,650,735	28,391,778	28,263,869	27,880,140
Earnings (loss) per share- basic and diluted	0.00	0.01	0.00	(0.00)

Q3 19 vs Q3 18

Revenues, gross profit and gross margin in the third quarter of 2019 were $7.0 million, $1.3 million and 18% respectively. Total revenue declined by approximately $1.4 million primarily due to multiple one-time engineered solutions projects in 2018 that did not reoccur in fiscal year 2019. In addition, there was a decline in revenue from the Government market, particularly on the federal level, as a result of slower than usual spending in anticipation of this fall's upcoming election. Gross margin declined to 18% from 20% for Q3 2018. Operating costs decreased favourably to $1.2 million in Q3 2019 from $1.5 million in Q3 2018. Consistent with Q2 of 2019, this decrease is primarily due to cost savings resulting from the sale of the Company's El Salvador operations and improved credit risk management resulting in lower bad debt expense. Earnings before provision for income tax were $12,000 or $53,000 lower than in the same quarter of last year. Net earnings were $10,000 for the period ended June 30, 2019, compared to $65,000 in the same quarter of 2018. Overall for Q3 2019, the Company continues to focus on business development efforts.

Q2 19 vs Q2 18

Revenues, gross profit and gross margin in the second quarter of 2019 were $7.0 million, $1.5 million and 21% respectively. Total revenue declined by approximately $700,000, primarily due to one time projects that did not reoccur in fiscal year 2019. In addition, a number of mining sector projects were delayed in Q2 2019 due to weather and temporary delays on approvals. Gross margin was consistent at 21% for both periods. Operating costs decreased favourably to $1.2 million in Q2 2019 from $1.3 million in Q2 2018, primarily due to cost savings resulting from the sale of the Company's El Salvador operations and improved credit risk management resulting in lower bad debt expense. Despite lower gross profit in the quarter, earnings before provision for income tax were $162,000, which is comparable with the same quarter of last year. Net earnings were $112,000 for the period ended March 31, 2019, compared to $169,000 in the same quarter of 2018.

Q1 19 vs Q1 18

Revenues, gross profit and gross margin in the first quarter of 2019 were $7.6 million, $1.7 million and 22% respectively. These results are consistent with the quarter ended December 31, 2017. Operating costs decreased to $1.3 million in Q1 2019 from $1.4 million in Q1 2018, primarily due to a severance of $250,000 for the previous CEO of the Company that was recognized in Q1 2018. Earnings before provision for income tax were $267,000 and net earnings were $189,000 at December 31, 2018, compared to earnings before income tax and net earnings of $101,000 in the same quarter of the previous year.

Q4 18 vs Q4 17

For the fourth quarter of 2018 revenue was $8.6 million compared to $7.6 million in the fourth quarter of 2017. This was due to increased project activity, mainly in the Commercial and Industrial markets. Gross profit increased by approximately $100,000 to $1.8 million in the quarter from $1.7 million in Q4 2017. Operating costs decreased by approximately $100,000 to $1.5 million from $1.6 million for the same quarter in the previous year. The Company recognized a deferred income tax asset in the fourth quarter of 2018 in the amount of $2.1 million, which significantly increased net earnings to $2.3 million from a net loss of $54,000 compared to the prior year quarter.

Summary of Cash Flows

	For the three months ended		For the nine months ended	
	June 30, 2019	**June 30, 2018**	**June 30, 2019**	**June 30, 2018**
Cash provided by (used in):	**$**	**$**	**$**	**$**
Operating activities, before working capital	49,288	124,766	564,679	437,594
Operating activities, working capital	150,615	543,796	937,561	232,463
Operating activities, after working capital	**199,903**	**668,562**	**1,502,240**	**670,057**
Investing activities	**-**	**3,020**	**(39,946)**	**81,302**
Financing activities	**(199,903)**	**(12,177)**	**(1,462,294)**	**(64,382)**
Increase (decrease) in cash and cash equivalents	-	**659,405**	-	**686,977**
Cash and cash equivalents - beginning of period	-	27,474	-	22,117
Bank indebtedness – beginning of period	(346,585)	(514,170)	(1,596,475)	(536,385)
Adjustment to bank indebtedness – beginning of period (*)	346,585	-	1,596,475	-
	-	**(486,696)**	**-**	**(514,268)**
Cash and cash equivalents - end of year	-	172,709	-	172,709
Bank indebtedness – end of period (*)	(174,003)	-	(174,003)	-
Adjustment to bank indebtedness – end of period (*)	174,003	-	174,003	-
	-	**172,709**	**-**	**172,709**

(*) In light of the company's cash management strategy, at the beginning of the current period it was determined more appropriate to include bank indebtedness as a financing activity

Cash produced from operating activities of $1.5 million in the first nine months of 2019 compares with cash provided by operating activities of $670,000 in the same period for 2018. The majority of the period-over-period increase resulted from lower investments in working capital, specifically higher cash generated from favourable changes in accounts receivable. Operating cash flows, before working capital, were $127,000 higher than 2018 as lower administrative and finance expenses, were partially offset by lower gross profit.

For the first nine months of 2019, cash used in investing activities was $40,000 compared to the same period in 2018 which produced cash from investing activities of $81,000. The variance of $118,000 is due to the sale in 2018 of the investment in Wasdell Falls which generated proceeds of $105,000.

For the first nine months of 2019, cash used in financing activities was $1.5 million compared to $64,000 in 2018. The increase was almost entirely due to repayment of the Company's credit facility using cash flow produced from operations.

Liquidity

The Company's short-term credit facilities consist of an operating demand loan in the amount of $2,000,000 with a $500,000 sublimit for letters of credit. The facility carries a floating interest at prime plus 2.25%, is collateralized by a first ranking general security agreement over all of the Company's present and future assets, and is subject to margining based on the amounts of eligible accounts receivable. Each letter of credit must be 100% guaranteed in favour of the bank through a separate program provided by the Export Development Corporation. For the period ended June 30, 2019, the effective interest rate under this facility was 6.2% (June 30, 2018 – 5.7%).

The Company also has a corporate credit card facility in the amount of $165,000.

As at June 30, 2019, the Company had drawn $165,178 on its operating demand loan (September 30, 2018 - $1,544,136) and it had drawn $208,901 in outstanding letters of credit (September 30, 2018 - $206,635). The letters of credit expire on July 26, 2019.

The Company has certain covenants in accordance with its short-term credit facilities. As at June 30, 2019, the Company was in compliance with all its covenants.

In addition to the above credit facilities, the Company entered into an agreement with a lending institution on September 12, 2016 for a secured five-year term loan in the amount of $2,500,000. This loan bears interest at a rate of 10% and requires the Company to pay royalty fees on gross revenue beginning February 2018. The royalty rate is tiered and applies at a rate of 0.35% of gross revenue up to $38,000,000, and then decreases to 0.15% of gross revenue in excess of that amount.

The Company has certain covenants in accordance with this term loan, as well as cross default provisions with the Company's short-term credit facility arrangement. As of June 30, 2019, the Company was in compliance with its covenants under the term loan agreement.

Business Outlook

The following comments include forward-looking information and users are cautioned that actual results may vary.

In fiscal year 2019, the Company has aligned its sales and marketing team and will focus on obtaining new revenue contracts in key markets, efficiently implementing projects, improving cost control and completing the sale of its non-core assets.

The Company is targeting both organic revenue growth and growth through association with technology suppliers. The Company's focus will continue to be on improving margins on all company projects while reducing overhead costs.

The best opportunities for growth are on projects where the client's operating expenses can be reduced as a result of proposed solutions and where these solutions help clients meet more stringent regulatory requirements.

Capital Resources

The Company's future growth strategy contemplates investment in various technologies and processes requiring capital for prototyping purposes. Accordingly, the Company may opportunistically approach capital markets for additional equity funding if conditions are favourable.

Business Risks

The Company is subject to risks and uncertainties in the normal course of business that could materially affect the financial condition of the Company. These risks and uncertainties include, but may not be limited to, the following:

- Macroeconomic risk of recession in key markets or the economy as a whole;
- Reliance on key clients;
- Failure to retain and develop key personnel;
- Competition from companies which are better-financed or have disruptive technologies;
- Major swings in currency valuations after setting the price of foreign contracts; and
- Cybersecurity threats.

Critical Accounting Estimates and Judgements

Note 2 of the Company's audited consolidated financial statements and related notes for the year ended September 30, 2018 discusses critical accounting estimates and judgements.

New Accounting Standards

Note 4 of the Company's condensed consolidated interim financial statements and related notes for the nine months ended June 30, 2019 discusses IFRS standards and interpretations that are issued and became effective for the Company on October 1, 2018.

Off-Balance Sheet Arrangements

Note 20 of the Company's audited consolidated financial statements and related notes for the year ended September 30, 2018 discusses commitments related to equipment leases and leases related to properties occupied by the Company.

Transactions with Related Parties

All related-party transactions are conducted under terms and conditions reflecting prevailing market conditions at the transaction date and are recorded at the amounts agreed upon by the parties.

The remuneration of key management personnel, including directors, during the period was as follows:

	For the three months ended		For the nine months ended	
	June 30, 2019 $	June 30, 2018 $	June 30, 2019 $	June 30, 2018 $
Salaries	275,571	257,595	778,743	925,339[1]
Short-term benefits	22,257	19,365	80,330	57,365
Share-based compensation	7,839	13,278	34,898	30,949
	305,667	290,238	893,971	1,013,653

[1] This includes $250,000 pursuant to an employment contract with one of the Company's key management personnel whose term ended on November 30, 2017.

Proposed Transactions and Subsequent Events

As at June 30, 2019 the property at 3108 Carp Road is for sale. Apart from this, there were no significant assets or business acquisitions or dispositions being considered by the Company.

Inter-Corporate Relationships

There are no inter-corporate relationships for the quarter ended June 30, 2019.

Summary of Outstanding Shares and Dilutive Instruments

The Company currently has the following shares and dilutive instruments outstanding:

Shares: 28,675,695 common shares
Options: 1,050,000 options

Financial Terms and Definitions

Definition of Non-GAAP Measures

This Management Discussion and Analysis includes reference to and uses terms that are not specifically defined in IFRS and do not have any standardized meaning prescribed by IFRS. These non-GAAP measures may not be comparable to similar measures presented by other companies. The Company believes that the measures defined here are useful for providing investors with additional information to assist them in understanding components of the financial results.

EBITDA. EBITDA represents net income before interest expense, income taxes, depreciation of property and equipment, and amortization of intangible assets. The Company uses this measure as part of assessing operating performance. There is no direct comparable IFRS measure for EBITDA.

Management's Responsibility for Financial Reporting

The consolidated condensed interim financial statements of BluMetric Environmental Inc. and all the information in this Management Discussion and Analysis have been prepared by management, which is solely responsible for the integrity and fairness of the data presented, including the many amounts, which due to necessity, are based on estimates and judgments. The accounting policies followed in the preparation of these consolidated condensed interim financial statements conform to International Financial Reporting Standards. When alternative accounting methods exist, management has chosen those that it deems most appropriate in the circumstances. Financial information presented throughout this report is consistent with that in the consolidated condensed interim financial statements.

BluMetric maintains systems of internal accounting and administrative controls to provide reasonable assurance that the financial information is relevant, reliable and accurate and that transactions are authorized, assets are safeguarded and proper records are maintained.

The Board of Directors is responsible, principally through its Audit Committee, for ensuring that management fulfills its financial reporting responsibility.

Additional Information

Additional information on the Company can be found at www.blumetric.ca and at www.sedar.com.