

**BLUMETRIC ENVIRONMENTAL INC.
3108 Carp Road, Ottawa, Ontario, K0A 1L0**

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the Annual and Special Meeting of the Shareholders (the "Meeting") of BluMetric Environmental Inc. (the "Corporation") will be held at the Fairfield Inn & Suites, 578 Terry Fox Drive, Ottawa, Ontario, K2L 4G8, on Wednesday, March 23, 2016 at 2:00 p.m. (EDT) for the following purposes:

1. to receive the audited consolidated financial statements of the Corporation for the financial year ended September 30, 2015 and the auditors' report thereon;
2. to elect the directors of the Corporation;
3. to appoint MNP LLP as auditors of the Corporation and to authorize the board of directors to fix their remuneration; and
4. to consider, and if deemed advisable, to approve the resolution annexed as Schedule "B" to the Management Proxy Circular, subject to approval by the TSX Venture Exchange, approving an increase in the number of common shares available from 3,200,000 shares to 4,200,000 shares under the Corporation's Amended and Restated Share Option Plan (the "Option Plan Resolution"); and
5. 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 consolidated financial statements of the Corporation for the financial year ended September 30, 2015 together with management's discussion and analysis thereon, and a form of proxy.

Dated at Ottawa, Ontario, this 17th day of February, 2016.

BY ORDER OF THE BOARD OF DIRECTORS

/s/ Vivian Karaikos
Secretary

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.

IMPORTANT NOTICE

YOUR VOTE IS VERY IMPORTANT. THE BOARD OF DIRECTORS URGES YOU TO COMPLETE, SIGN, DATE AND RETURN TODAY THE ENCLOSED PROXY TO 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. IF YOU ARE ABLE TO ATTEND THE MEETING, SENDING YOUR PROXY WILL NOT PREVENT YOU FROM VOTING IN PERSON. IF YOUR SHARES ARE HELD IN THE NAME OF A BROKER OR NOMINEE, YOU MUST PROVIDE VOTING INSTRUCTIONS TO THE BROKER OR NOMINEE FOR YOUR SHARES TO BE REPRESENTED AT THE MEETING.

PLEASE RETURN YOUR PROXY BY 2:00 PM (EDT) ON MONDAY, MARCH 21, 2016 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.

BLUMETRIC ENVIRONMENTAL INC.
3108 Carp Road
Ottawa, Ontario
K0A 1L0

MANAGEMENT PROXY CIRCULAR

**For the Annual and Special Meeting of Shareholders to be held at 2:00 p.m. (EDT) on
Wednesday, March 23, 2016 at**

Fairfield Inn & Suites, 578 Terry Fox Drive, Ottawa, Ontario K2L 4G8

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 and Special Meeting of Shareholders of the Corporation (the "Meeting") to be held at 2:00 p.m. (EDT) on March 23, 2016 at the Fairfield Inn & Suites, 578 Terry Fox Drive, Ottawa, Ontario K2L 4G8 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 17, 2016, unless otherwise indicated.

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, (b) FOR the appointment of management's nominee as auditor and the authorization of the directors to fix the remuneration of the auditor, and (c) FOR the Option Plan Resolution.**

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 3108 Carp Road, PO Box 430, Ottawa, ON K0A 1L0 **for receipt no later than 2:00 p.m. (EDT) on Monday, March 21, 2016**, 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 2:00 p.m. (EDT) on Monday, March 21, 2016**, 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. 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 2:00 p.m. (EDT) on Monday, March 21, 2016**, 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 (3108 Carp Road, PO Box 430, Ottawa Ontario K0A 1L0) 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, of which the 2,831,325 Series I Special Shares were authorized and were issued on November 21, 2012 then were subsequently converted to the same number of Common Shares. As of February 17, 2016, 27,880,140 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 17, 2016 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”), the Corporation will prepare a list of holders of Common Shares on the Record Date. Each holder of Common Shares named in the list at the close of business on the Record Date will be entitled to vote the Common Shares shown opposite his or her name on the list at the Meeting.

As at February 17, 2016 to the knowledge of the directors and senior officers of the Corporation, no 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.

Series I Special Shares

The Corporation created the Series I Special Shares in November 2012 and authorized and issued 2,831,325 Series I Special Shares on November 21, 2012. By the terms and conditions of the Series I Special Shares, these shares were automatically converted on July 2, 2013 into an equivalent number of Common Shares of the Corporation. No Series I Special Shares are currently 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 consolidated financial statements of the Corporation for the financial year ended September 30, 2015 (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, 2015, accompany the Notice of Meeting and are also available on SEDAR at www.sedar.com

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 fixed six as the number of Directors to be elected. Mr. Geoff Simonett is a new nominee to the Board of Directors, see the heading “Composition of the Board” for Mr. Simonett’s biographical information. **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 IN THE PROXY THAT THE SHARES ARE TO BE WITHHELD. All the director nominees indicated below are currently members of the Board of Directors, except for Mr. Geoff Simonett, 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 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.

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 17, 2016	
			Common Shares	Options
Jordan B. Grant ⁽¹⁾⁽²⁾⁽³⁾ Ontario, Canada	September 30, 2002	President of the Seaton Group of Companies since 1990. Chair of Board of Directors of the Corporation from April 14, 2009 to March 26, 2015. Acting CEO of the Corporation from January 26, 2011 until January 1, 2012.	1,524,289	213,750
Ron Clifton ⁽¹⁾⁽³⁾ Ontario, Canada	March 26, 2015	President and Founder of CliftonGroup International Limited, a management consulting company since 2010.	2,949	50,000
Roger M. Woeller ⁽²⁾⁽⁴⁾ Ontario, Canada	November 16, 2012	CEO from March 20, 2014 to present. Co-CEO from November 18, 2013 to March 20, 2014 and Chief Corporate Development Officer from November 16, 2012. CEO of WESA Group Inc. from June 1, 2001 to November 16, 2012.	1,909,012	-
Murray Malley ⁽¹⁾⁽²⁾⁽³⁾ Alberta, Canada	October 29, 2013	President of Malley Associates, a consulting firm, since 2007; President of MediDirect, a corporate provider of Canadian & International Benefits, Payroll & Compensation Services since 2002.	32,493	100,000

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 17, 2016	
			Common Shares	Options
Jane Pagel ⁽²⁾⁽³⁾ Ontario, Canada	January 31, 2014	Retired. Interim President and CEO, Sustainable Development Technology Canada from June 2014 to June 2015. President and CEO of the Ontario Clean Water Agency from 2010 to 2014. Principal, Government and Industrial Relations for Stantec Inc from 2009 to 2010, SVP and Principal for Jacques Whitford Inc from 2000 to 2009 until the company was acquired by Stantec Inc.	42,306	50,000
Geoff Simonett Ontario, Canada	-	RIC Centre: Member of Investment Review Panel November 2013 to January 2015 and Entrepreneur In Residence February 2015 to present. Green Sky Capital: Founder/President September 2008 to December 2014, Entrepreneur in Residence January 2015 to October 2015.	-	-

Notes:

- (1) Member of the Audit Committee.
- (2) Member of the Human Resources and Compensation Committee.
- (3) Member of Corporate Governance and Nominating Committee.
- (4) The Corporation was unable to file its annual consolidated financial statements for the thirteen months ended September 30, 2013 within the statutory filing deadlines for such documents. As a result, the CEO, Roger Woeller, and the former CFO, Ian Malone, were subject to a temporary management cease trade order, which was subsequently rescinded upon filing of the relevant financial statements and MD&A.

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

Except as identified in the table under the heading “Election of Directors”, 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.

Raymond Chabot Grant Thornton LLP were the auditors of the Corporation from October 18, 2010 until October 31, 2014.

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 2016 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, Chief Financial Officer and President and Chief Operating Officer.

The compensation arrangements of the Chief Executive Officer, Chief Financial Officer and President and Chief Operating Officer as well as all the executive officers were reviewed by the Compensation 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, Chief Financial Officer and Chief Operating Officer

On March 20, 2014 Mr. Woeller was appointed CEO of the Corporation; on November 18, 2013, he became co-CEO of the Corporation and on February 14, 2014 signed a two-year employment agreement which provides for a base salary of \$160,000 and provision for a Corporation-owned vehicle. At the

discretion of the Board of Directors a performance-based cash bonus may be awarded to Mr. Woeller. Mr. Woeller is entitled to 12 months' severance if his services are terminated by the Corporation, other than for cause. Currently, the Corporation and Mr. Woeller are in the process of finalizing an amendment to extend the term of Mr. Woeller's employment agreement to September 30, 2016.

Vivian Karaiskos became Chief Financial Officer of the Corporation as of February 1, 2015 replacing Ian Malone who retired on January 31, 2015. Her employment agreement provides for a base salary of \$185,000, options for 200,000 common shares, and a vehicle allowance of \$1,500 per month. At the discretion of the Board of Directors a performance-based cash bonus may be awarded to Ms. Karaiskos. Ms. Karaiskos is entitled to 12 months' severance if her services are terminated by the Corporation, other than for cause. Ms. Karaiskos was also entitled to a signing bonus of \$15,000. On July 1, 2015, Ms. Karaiskos became Secretary of the Corporation, replacing Mr. Malone upon the completion of his consulting agreement on June 30, 2015.

David Haig became President and Chief Operating Officer of the Corporation as of June 22, 2015. Initially, Mr. Haig's employment agreement had a term ending December 31, 2016, provided for a base salary of \$174,000, and a vehicle allowance of \$1,500 per month. At the discretion of the Board of Directors a performance-based cash bonus may be awarded to Mr. Haig. In addition, Mr. Haig was entitled to 6 months' severance if his services are terminated by the Corporation, other than for cause. On January 25, 2016, Mr. Haig entered into an amended employment agreement, extending the term of Mr. Haig's agreement to March 31, 2018, increasing his base salary to \$204,000 per annum, and providing a signing bonus of \$10,000 and options for 200,000 common shares. In addition, Mr. Haig's severance entitlement was increased to 12 months if his services are terminated by the Corporation, other than for cause.

Executive Compensation Principles

The Compensation 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 Compensation 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 Compensation 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 a salary benchmarking service (Payscale Human Capital) and various informal benchmarking procedures in order to assist the Compensation 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, a vehicle allowance and, in some circumstances, 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 the Chief Executive Officer, Chief Financial Officer and Chief Operating

Officer is reviewed in light of various performance parameters, such as profitability, share price, revenue growth and any other influences on performance as may from time to time be considered relevant.

Variable Compensation Awards

A performance-based cash bonus for each executive officer is set at the discretion of the Compensation Committee and Board of Directors of the Corporation. The performance-based criteria will be based on the achievement of certain personal (50% of target) and corporate performance goals (50% of target). The Chief Operating Officer does not have a provision in his employment agreement for variable compensation awards.

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.

Each of the executive officers has available to them an automobile allowance or use of a company-owned vehicle.

Employee Incentive Plans

The Compensation 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, employees and consultants, from time to time, at the discretion of the Compensation Committee and Board of Directors of the Corporation pursuant to the terms of the Corporation's Amended and Restated Share Option Plan.

Summary Compensation Table

The following table sets forth the summary information concerning compensation paid to, or earned during the thirteen months ended September 30, 2013, and for the financial years ended September 30, 2014 and September 30, 2015 by the Corporation's Chief Executive Officer and Chief Financial Officer and the three highest paid executive officers, who earned total compensation in excess of \$150,000 during the financial year ended September 30, 2015 and who were serving as executive officers at September 30, 2015 or would have been included had such individuals been serving as executive officers at September 30, 2015 (collectively, the "Named Executive Officers").

Name and principal position	Year	Salary ⁽⁷⁾ (\$)	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			
Roger M. Woeller ⁽¹⁾ CEO	2015	160,000	-	-	-	-	-	26,387	176,387
	2014	136,000	-	-	-	-	-	12,881	148,881
	2013	163,000	-	-	-	-	-	20,991	183,991
Vivian Karaiskos ⁽²⁾ CFO & Corporate Secretary	2015	122,950	-	-	-	-	-	13,240	136,190
	2014	-	-	-	-	-	-	-	-
	2013	-	-	-	-	-	-	-	-
Dan Scroggins ⁽⁴⁾ SVP, Research and Innovation	2015	160,000	-	-	-	-	-	22,688	172,688
	2014	111,900	-	100,000	-	-	-	10,952	122,851
	2013	106,868	-	-	-	-	-	-	-
Jim Hotchkies ⁽³⁾ SVP, Business Development and Growth	2015	112,500	-	-	-	-	-	13,813	126,313
	2014	-	-	-	-	-	-	-	-
	2013	-	-	-	-	-	-	-	-
Ian W. Malone ⁽⁵⁾ Former CFO & Corporate Secretary	2015	69,502	-	-	-	-	-	5,250	74,752
	2014	141,833	-	145,000	-	-	-	18,322	160,155
	2013	173,290	-	-	65,000	-	-	15,000	253,290
Nell van Walsum ⁽⁶⁾ Former SVP, Operations	2015	160,000	-	-	-	-	-	24,375	174,375
	2014	136,000	-	-	-	-	-	14,594	150,593
	2013	162,500	-	-	-	-	-	-	162,500

Notes:

- (1) Roger M. Woeller was appointed CEO of the Corporation on March 20, 2014; co-CEO of the Corporation on November 18, 2013 and Chief Corporate Development Officer on November 16, 2012, prior to which he was CEO of WESA Group Inc. Mr. Woeller entered into an employment contract with the Corporation on February 14, 2014. In respect of Mr. Woeller's 2015 salary, \$10,000 has been accrued but has not been paid as of February 17, 2016. The Corporation and Mr. Woeller are currently negotiating an amendment to the term of his employment agreement to September 30, 2016.
- (2) Vivian Karaiskos was appointed CFO of the Corporation on February 1, 2015 and Corporate Secretary on July 1, 2015. Ms. Karaiskos entered into an employment contract with the Corporation on January 2, 2015. Prior to this, Ms. Karaiskos was a consultant with the Corporation. Ms. Karaiskos received 200,000 options on November 2, 2015 pursuant to her employment agreement. The options were issued at \$0.28 and expire November 2, 2020. Previously, Ms. Karaiskos received 40,000 options pursuant to a six month contract ended June 30, 2014. These options were issued at \$0.50 and expire March 4, 2019.
- (3) Jim Hotchkies was appointed Senior Vice President, Business Development and Growth on July 2, 2015, prior to which he was Chief Growth Officer, Water Division. Mr. Hotchkies entered into an employment contract with the Corporation on January 5, 2015. Prior to this, Mr. Hotchkies was on contract with the Corporation from February 28, 2014 and received 40,000 options pursuant to this contract on November 2, 2015. These options were issued at \$0.28 and expire on November 2, 2020.
- (4) Dan Scroggins was appointed Senior Vice President, Research and Innovation on July 2, 2015, prior to which he was President, Water Division of the Corporation, prior to which he was Chief Technology Officer. Mr. Scroggins entered into an employment contract with the Corporation effective January 1, 2014. In respect of Mr. Scroggin's 2015 salary, \$10,000 has been accrued but has not been paid as of February 17, 2016.
- (5) Mr. Malone was appointed CFO on September 27, 2010 at a salary of \$120,000 per annum, and which was adjusted to \$140,000 on completion of a 6-month probationary period on March 27, 2011. Pursuant to the terms of his contract, Mr.

Malone has also earned a contractual bonus in September 2011 of \$24,000 which as of February 28, 2013 was being repaid over four years in blended monthly payments of principal and interest (7% per annum). Effective March 1, 2013 payments were suspended by the Corporation and the balance outstanding was postponed in favour of the Corporation's bank. On September 28, 2015, this balance was converted to equity. In 2012, Mr. Malone was awarded a retroactive salary adjustment of \$15,000 and a cash bonus of \$25,000 for each of 2011 and 2012. Mr. Malone entered into a new employment agreement on September 23, 2013. Mr. Malone retired as CFO on January 31, 2015 and Vivian Karaiskos was appointed CFO. Mr. Malone continued as Secretary of the Corporation pursuant to a consulting arrangement which was completed on June 30, 2015.

- (6) Nell van Walsum was appointed Senior Vice President, Operations on July 2, 2015, prior to which she was President, Professional Services Division of the Corporation, prior to which she was President of WESA Group Inc. Ms. van Walsum entered into an employment contract with the Corporation on February 14, 2014. Ms. Van Walsum left the Corporation on November 30, 2015. In respect of Ms. van Walsum's 2015 salary, \$10,000 was accrued and paid on December 15, 2015.
- (7) Base salary amounts reflect a thirteen month period for 2013 and a twelve month periods for 2014 and 2015.

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 Named Executive Officers that were granted before, and remain outstanding as of the end of, the most recently completed financial year ended September 30, 2015.⁽⁵⁾

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
Roger M. Woeller	-	-	-	-	-	-
Vivian Karaiskos ⁽¹⁾	40,000	\$0.50	March 4, 2019	-	-	-
Dan Scroggins	100,000	\$0.50	Oct. 11, 2018	-	-	-
Jim Hotchkies ⁽²⁾	-	-	-	-	-	-
Ian W. Malone ⁽³⁾	50,000 150,000	\$1.00 \$0.50	Aug. 31, 2015 Aug. 31, 2015	-	-	-
Nell van Walsum ⁽⁴⁾	-	-	-	-	-	-

Notes:

- (1) Vivian Karaiskos became CFO of the Corporation on February 1, 2015. Ms. Karaiskos received 200,000 options on November 2, 2015 pursuant to her employment agreement. The options were issued at \$0.28 and expire November 2, 2020.
- (2) Jim Hotchkies received 40,000 options on November 2, 2015 pursuant to a consulting agreement with the Corporation dated February 28, 2014. The options were issued at \$0.28 and expire November 2, 2020.
- (3) Ian Malone retired as CFO on January 31, 2015 and his consulting agreement as Secretary of the Corporation ended on June 30, 2015.
- (4) Nell van Walsum left the Corporation on November 30, 2015.
- (5) Based on the September 30, 2015 closing price of \$0.19 for the Corporation's 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, 2015, by each of the Named Executive Officers.

Name	Share-based awards – Value vested during the financial year ended September 30, 2015 (\$)	Non-equity incentive plan compensation – Value earned during the financial year ended September 30, 2015 (\$)
Roger M. Woeller	-	-
Vivian Karaiskos	-	-
Dan Scroggins	-	-
Jim Hotchkies	-	-
Ian Malone	-	-
Nell van Walsum	-	-

Termination and Change of Control Benefits

Under current employment arrangements there are no termination or change of control benefits for any of the Named Executive Officers other than as provided for by statute or common law and change of control provisions under the BluMetric Environmental Inc. Amended and Restated Share Option Plan.

Employment Contracts/Consulting Arrangements

Roger Woeller entered into a two year employment agreement with the Corporation on February 14, 2014. Mr. Woeller is entitled to fixed compensation of \$160,000 per annum and his contract also provides for a vehicle owned by the Corporation to be available for Mr. Woeller’s use. The agreement also provides for payment, at the discretion of the Board of Directors, of a performance-based cash bonus based on achievement related to personal and corporate goals. Currently, the Corporation and Mr. Woeller are in the process of finalizing an amendment to extend the term of Mr. Woeller’s employment agreement to September 30, 2016.

Vivian Karaiskos became Chief Financial Officer of the Corporation as of February 1, 2015. Her employment agreement provides for a base salary of \$185,000, options for 200,000 common shares, and a vehicle allowance of \$1,500 per month. At the discretion of the Board of Directors a performance-based cash bonus may be awarded to Ms. Karaiskos based on achievement related to personal and corporate goals. Ms. Karaiskos was also entitled to a signing bonus of \$15,000. On July 1, 2015, Ms. Karaiskos become Secretary of the Corporation.

David Haig became President and Chief Operating Officer of the Corporation as of June 22, 2015. Initially, Mr. Haig’s employment agreement has a term ending December 31, 2016, provides for a base salary of \$174,000, and a vehicle allowance of \$1,500 per month. At the discretion of the Board of Directors a performance-based cash bonus may be awarded to Mr. Haig. On January 25, 2016, Mr. Haig entered into an amended employment agreement, extending the term of Mr. Haig’s agreement to March 31, 2018, increasing his base salary to \$204,000, and providing a signing bonus of \$10,000 and options for 200,000 common shares. In addition, Mr. Haig’s severance entitlement was increased to 12 months if his services are terminated by the Corporation, other than for cause.

Dan Scroggins was appointed Senior Vice President, Research and Innovation on July 2, 2015, prior to which he was President, Water Division. Mr. Scroggins entered into an employment agreement with the Corporation effective January 1, 2015. Mr. Scroggins is entitled to fixed compensation of \$160,000 and a monthly vehicle allowance of \$1,500. The agreement also provides for payment, at the discretion of the Board of Directors, of a performance-based cash bonus based on achievement related to personal and corporate goals.

Jim Hotchkies was appointed Senior Vice President, Business Development and Growth on July 2, 2015, prior to which he was Chief Growth Officer, Water Division. Mr. Hotchkies entered into an employment agreement with the Corporation effective January 5, 2015. Mr. Hotchkies is entitled to fixed compensation of \$150,000 and a monthly vehicle allowance of \$1,500. The agreement also provides for payment, at the discretion of the Board of Directors, of a performance-based cash bonus based on achievement related to personal and corporate goals.

Ian Malone retired as Chief Financial Officer as of January 31, 2015 and continued as Secretary of the Corporation pursuant to a consulting arrangement whereby he received a monthly retainer of \$1,500 in addition to having his outstanding stock options continued for the term of the arrangement. This agreement was terminated June 30, 2015.

Nell Van Walsum left the Corporation on November 30, 2015. For a period of 13 months, expiring December 31, 2016, she will receive fixed compensation of \$160,000 per annum as well as a monthly vehicle allowance of \$1,500, continued RRSP matching and payment of professional registrations.

Compensation of Directors

The following table provides information regarding compensation paid to the Corporation's non-executive directors during the financial year ended September 30, 2015.

Name	Year	Fees Earned \$	Share Based Awards \$	Option Awards	Non-Equity Incentive Plan Compensation \$	Pension Value \$	All Other Compensation ⁽⁵⁾ \$	Total \$
Jordan B. Grant	2015	21,500	-	-	-	-	-	21,500
	2014	34,000	-	148,750	-	-	-	34,000
	2013	22,750	-	-	-	-	6,250	29,000
Denis H. J. Douville ⁽¹⁾	2015	6,750	-	-	-	-	-	6,750
	2014	18,500	-	57,500	-	-	-	18,500
	2013	13,500	-	-	-	-	-	13,500
Ron Clifton ⁽³⁾⁽⁶⁾	2015	12,500	-	-	-	-	-	12,500
	2014	-	-	-	-	-	-	-
	2013	-	-	-	-	-	-	-
Murray Malley ⁽³⁾⁽⁶⁾	2015	23,250	-	-	-	-	-	23,250
	2014	18,250	-	50,000	-	-	-	18,250
	2013	-	-	-	-	-	-	-
Jane Pagel ⁽⁴⁾	2015	18,000	-	-	-	-	-	18,000
	2014	13,500	-	50,000	-	-	-	13,500
	2013	-	-	-	-	-	-	-

Notes:

- (1) Denis H.J. Douville was appointed to the Board of Directors on April 19, 2011, and did not stand for re-election in 2015.
- (2) Ron Clifton was elected to the Board of Directors on March 28, 2015.
- (3) Murray Malley was appointed to the Board of Directors on October 29, 2013.

- (4) Jane Pagel was appointed to the Board of Directors on January 31, 2014.
 (5) Additional payments made for specific board mandated activities.
 (6) On November 2, 2015, Murray Malley was issued 50,000 options for services as Board Chair and Ron Clifton was issued 50,000 options for services as a Director for joining the Board of Directors on March 28, 2015.

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-management directors that were granted before, and remain outstanding as of the end of, the most recently completed financial year ended September 30, 2015.

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
Jordan B. Grant	65,000	\$1.00	Aug. 18, 2016	-	-	-
	148,750	\$0.50	Oct 13, 2018	-	-	-
Denis H. J. Douville ⁽¹⁾	10,000	\$1.00	May 28, 2015	-	-	-
	57,500	\$0.50	May 28, 2015	-	-	-
Ron Clifton ⁽⁴⁾⁽⁵⁾	-	-	-	-	-	-
Murray Malley ^{(2) (5)}	50,000	\$0.50	March 4, 2019	-	-	-
Jane Pagel ⁽³⁾	50,000	\$0.50	March 4, 2019	-	-	-

Notes:

- (1) Mr. Douville resigned from the Board of Directors on March 28, 2015.
 (2) Mr. Malley was appointed to the Board of Directors on October 29, 2013.
 (3) Ms. Pagel was appointed to the Board of Directors on January 31, 2014.
 (4) Mr. Ron Clifton was appointed to the Board of Directors on March 28, 2015.
 (5) On November 2, 2015, Murray Malley was issued 50,000 options for services as Board Chair and Ron Clifton was issued 50,000 options for services as a Director for joining the Board of Directors on March 28, 2015. The options were issued at \$0.28 and expire November 2, 2010.

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, 2015 by each of the non-management directors.

Name	Option-based awards – Value vested during the financial year ended September 30, 2015 (\$)	Share-based awards – Value vested during the financial year ended September 30, 2015 (\$)	Non-equity incentive plan compensation – Value earned during the financial year ended September 30, 2015 (\$)
Jordan B. Grant	-	-	-
Denis H. J. Douville	-	-	-
Ron Clifton	-	-	-
Murray Malley	-	-	-
Jane Pagel	-	-	-

The Board compensation policy in effect at September 30, 2015 provided that each Director who is not an employee of the Corporation is entitled to a base retainer fee of \$8,000 per annum and options for 50,000 Common Shares are granted for services as a Director, when a Director first joins the Board of Directors. Additionally, each Director who is not an employee is entitled to \$1,000 for each Board of Directors meeting attended (\$500 per meeting attended by telephone) and \$750 for each committee meeting attended (\$500 per committee meeting attended by telephone). The non-executive Chairman receives a base retainer fee of \$16,000 per annum, a per meeting fee of \$1,500 (\$1,000 if attending by telephone). Committee chairpersons receive a meeting fee of \$1,000 (\$750 if attending by telephone) and Committee Members receive a per meeting fee of \$750 (\$500 if attending by telephone).

Commencing April 1, 2016, the Board compensation will be adjusted to provide each director with a flat annual fee of \$14,000 per year with no additional per meeting fee. Additionally, the chair of each committee will receive an additional \$4,000 per year and the chair of the Board will receive an additional \$14,000 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. Subject to regulatory approvals, each director will be entitled to receive an initial option grant for 60,000 common shares which will vest as to one third on each anniversary of the date of grant. Thereafter annual grants of 20,000 options per year will be made commencing on the second anniversary of the board member's term, vesting two years following the date of each such grant. The chair of the board will receive double the number of options.

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, 2015.

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	2,009,325	\$0.61	1,190,675
Equity compensation plans not approved by shareholders	-	-	-

SHARE OPTION PLAN

On February 28, 2003 the Corporation's shareholders approved the establishment of a share option plan which was known as the Seprotech 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 and is now the BluMetric Environmental Inc. Amended and Restated Share Option Plan (the "Plan"). At this Meeting, an amendment to the Plan is proposed, increasing the number of common shares available under the Plan from 3,200,000 shares to 4,200,000 shares. See Appendix B for the Option Plan Resolution.

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.

Options granted under the Plan are not assignable or transferable. 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.

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 Plan provides that unless otherwise determined by the Board of Directors, options granted under the Plan shall vest in three equal tranches one year apart. The first vesting date will be set by the Board of Directors but is not to exceed one year after the date of grant.

During the financial year ended September 30, 2015, no options were issued, no options were exercised and 72,450 previously issued options were cancelled or expired. There are currently 3,200,000 common shares reserved for issuance and of which options for 2,009,325 common shares have been granted as at September 30, 2015 each at a weighted average exercise price of \$0.61 per share. Pursuant to the Option Plan Resolution, the number of common shares under the Plan would be increased from 3,200,000 to 4,200,000 or approximately 15% of the issued and outstanding Common Shares.

Option Plan Resolution

The shareholders of the Corporation will be asked to vote for a Resolution (set out in Schedule “B” hereto) approving an increase in the number of common shares available under the Plan from 3,200,000 shares to 4,200,000 shares, subject to approval by the TSX Venture Exchange.

In order to be effective, the proposed resolution must be passed by a majority of the votes cast in respect thereof by the shareholders of the Corporation who vote in respect of such resolution at the Meeting, either in person or by proxy, excluding 3,802,808 Common Shares held by certain insiders of the Corporation and their affiliates. The Board of Directors recommends approval of the Option Plan Resolution.

PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR THE APPROVAL OF THE OPTION PLAN RESOLUTION UNLESS A SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT THE SHARES ARE TO BE VOTED AGAINST SUCH RESOLUTION.

NON-ARM’S LENGTH PARTY TRANSACTIONS

On November 29, 2011, the Corporation announced a bridge loan facility of up to \$200,000. The facility was unsecured with an interest rate of 7% per annum payable monthly in arrears. Jordan Grant participated for \$100,000. The facility was originally repayable by the Corporation on February 27, 2012 but was converted to a demand loan by mutual consent of the parties. On September 25, 2015, the demand loan, including interest, was fully converted to equity.

On June 27, 2013 the Corporation completed the private placement of 1,430 unsecured convertible debenture units (the “Units”), for gross proceeds of \$1,430,000. Each Unit of the Offering comprises a C\$1,000 convertible debenture and 1,666 one-half common share purchase warrant. Jordan Grant, then Chairman of the Board of Directors and his wife, Margaret Floyd participated in the offering, each purchasing \$25,000 of Units representing 3.5% of the offering.

During the year ended September 30, 2014, related party advances from various directors and officers of the Corporation of \$165,000 were received. These amounts bear interest at a rate of 7% and are repayable. On September 25, 2015, related party advances of \$105,312, representing principal and interest, were converted to equity.

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, 2015, the Corporation recorded expenses of \$129,098 which were included in general operations and administrative expense for services to the Board of Directors. During the financial year ended September 30, 2015, the Corporation made payments of \$68,063 in outstanding Board fees.

On September 28, 2015, the Corporation completed a debt to equity conversion that included the participation of certain insiders. Roger Woeller, directly and through his holding company converted \$88,851 in debt to 306,383 common shares; Nell van Walsum, directly and through her holding company, converted \$49,714 in debt to 171,428 common shares; Dan Scroggins, through an affiliated company, converted \$34,137 in debt to 117,713 common shares; and Jordan Grant, directly and through an affiliated company, converted \$223,655 to 687,877 common shares. In addition, Murray Malley converted outstanding board fees of \$11,600 to 32,493 common shares, Jane Pagel converted outstanding board fees of \$15,313 to 42,306 common shares and Ron Clifton converted outstanding board fees of \$1,000 to 2,949 common shares.

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 mandate of the Corporation’s Board of Directors is to provide guidance to the Corporation’s management in the following areas:

- long-term strategic planning
- risk analysis and monitoring of risk management systems
- overseeing the appointment, training and compensation of senior 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

The Corporation’s Board currently consists of five directors of which Murray Malley, Jane Pagel, Ron Clifton, and Jordan Grant 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). Mr. Malley is Chair of the Board of Directors. Mr. Clifton joined the Board on March 28,

2015 replacing Denis Douville who did not stand for re-election. Mr. Douville was an independent director prior to his departure. Mr. Woeller was appointed as a director of the Corporation on November 16, 2012 upon the completion of the Reverse Takeover. Mr. Woeller was appointed co-CEO along with Mr. Touzel on November 18, 2013, and subsequently was appointed CEO on March 20, 2014. 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. All directors are elected annually.

Currently, none of the directors is a director of any other reporting issuer.

Set out below is the biographical information of the directors and the proposed new board nominee Mr. Geoff Simonett.

Mr. Murray Malley is President of Malley Associates, founded in 2007, an association of C-suite executives who provide small- and mid-cap companies with mentoring and guidance on financial strategies, governance, and corporate sustainability. Mr. Malley is a Chartered Accountant. Mr. Malley is President of MediDirect, a private company providing a single data base payroll, benefits and human resource information system for any currency to any bank account anywhere in the world. Mr. Malley has more than 25 years of senior executive experience in the financial, technology, medical, aviation, manufacturing, waste management, and distribution industries, and has held numerous public and private company directorships as well. Mr. Malley received the 2015 Tech Rev Innovators Award for software development and the 2000 Distinguished Service Award from the Institute of Chartered Accountants of Alberta; in addition, he was a member of an executive team which received the 1998 Entrepreneur of the Year Award, Special Recognition Category, and was also a 1988 Gold Medalist in the Chartered Accountants Provincial Taxation Exam. He has written articles and provided seminars on Human Resource Management and Benefits, Corporate Sustainability, Enterprise Risk Management, and Governance and Succession.

Mr. Jordan Grant is President of the Seaton Group of companies. Seaton's core business is real estate development and it also actively invests in a number of other ventures, including golf course operations operation of an arts and events centre and developing lands in Belize for uses ranging from residential, to citrus groves, to tourist resorts. The majority of Seaton's investments entail joint ventures or partnerships with an operating partner, and as a result, Mr. Grant has had extensive experience serving on the board or management committee of numerous ventures. Through experience in dealing with Seaton's investments and arranging financing for their various business ventures, Mr. Grant is intimately familiar with understanding and analysing financial statements. Seaton's development activities typically require the acquisition of environmental consulting and engineering services, and in some cases, water and wastewater treatment services, which has given Mr. Grant an excellent insight into BluMetric's activities from a client's perspective.

Mr. Ron Clifton, MASC, BASC, P. Eng. is a professional engineer with a broad range of experience successfully running and growing international high-tech companies, both public and privately-owned. Mr. Clifton is President and Founder of Clifton Group International Limited, a management consulting company that specializes in providing a variety of C-level services to small and medium enterprises (SMEs) as well as business units within larger organizations. Previous senior management experience includes President and CEO of International Datacasting Corporation, President and CEO of Senstar Corp (a Daimler-Benz Aerospace company), General Manager of Zenon Environmental Systems Inc. (a water and wastewater treatment company) and Business Unit Manager of Computing Devices Company, a Control Data Company. Mr. Clifton also has project management and operations background and extensive experience with merger and acquisition transactions. His previous board and governance

experience includes: the Ottawa International Airport Authority Board where he chaired the Infrastructure and Environment Committee, Proflin BV (Netherlands), Storm Internet, and ECRM Networks.

Ms. Jane Pagel has held numerous executive positions in both government and the private sector. Ms. Pagel has served on a number of boards and currently sits on the board of Sustainable Development Technology Canada. She was recently selected to be part of Canada's Diversity 50 2013 list of board candidates. She was Interim President and CEO at Sustainable Development Technology Canada from June 2014 to June 2015. Prior to that, she was President and CEO of the Ontario Clean Water Agency (OCWA) from 2010 until her retirement in early 2014. Prior industry positions held by Ms. Pagel include Principal Government and Industrial Relations at Stantec; Senior Vice President and Principal at Jacques Whitford, one of Canada's largest private consulting engineering, environmental, and earth sciences companies, with more than 45 offices worldwide and over 1,700 employees (acquired by Stantec in 2009); Vice President Government Relations at Philip Services; and President of Zenon Environmental Laboratories. Ms. Pagel also held senior positions at the Ministry of the Environment and was Director of Research and Technology when she left the Ministry in 1990. Ms. Pagel has many years leading medium and large organizations, and has previously served on Human Resource and Compensation Committees.

Mr. Roger Woeller is the CEO of BluMetric. Mr. Woeller is a seasoned entrepreneur with more than 30 years of experience in the environmental science industry. He led the development of the WESA Group of Companies as CEO from 2001 to 2012, providing leadership that drove steady growth, including identifying new service areas, developing new markets, and promoting innovative thinking throughout the company. He has worked both domestically and abroad in senior management positions, defining the roles of engineers and scientists in the developing environmental consulting, water and wastewater treatment, and OH&S business.

Mr. Geoff Simonett is an accomplished entrepreneur with over two decades of experience operating and financing early stage companies. As an operator Mr. Simonett has founded, built and successfully exited five companies in industries including Software, Marketing and Financial Services. As an investor, advisor or board member Mr. Simonett has participated in dozens of companies primarily in IT, and CleanTech. Mr. Simonett is currently an Entrepreneur in Residence at the RIC Centre in Mississauga, a board member at Method Integration and a consultant/mentor to multiple early stage technology companies.

Board Committees

There are three permanent Board of Directors committees: (i) the audit committee (the "Audit Committee"), (ii) the human resources and compensation committee (the "Compensation Committee"), and (iii) corporate governance and nominating committee. The Board of Directors may also appoint other temporary or permanent committees from time to time for particular purposes.

Audit Committee Report

The Audit Committee consists of Murray Malley (Chair), Jordan Grant and Ron Clifton. Mr. Clifton replaced Mr. Douville on March 28, 2015. Each of the members of the Audit Committee is financially literate as defined in National Instrument 52-110 ("NI 52-110"). The education and experience of each member of the Audit Committee is set forth above under the heading "Composition of the Board". Mr. Malley, the Chair of the Audit Committee, is a Chartered Professional Accountant.

During the financial year ended September 30, 2015, the Audit Committee met six times. 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.

The Audit Committee charter was adopted in 2004, and is periodically reviewed by the Audit Committee, and a copy is attached hereto as Schedule “A”. It is also available electronically on the Corporation’s web site at www.blumetric.ca and on www.sedar.com.

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, 2016.

External Auditor Service Fees

For the financial years ended September 30, 2014 and September 30, 2015 the fees paid by the Corporation for audit work were as follows:

	Financial Year ended September 30, 2015	Financial Year ended September 30, 2014
Audit fees	\$105,000	\$101,336
Audit related fees	1,400	35,000
Tax fees - Preparation of Tax Returns	6,800	19,500
All other fees	27,180	11,972
Total	140,380	167,808

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.

Human Resources and Compensation Committee

The Human Resources and Compensation Committee consists of Jane Pagel (Chair), Jordan Grant, Roger Woeller and Murray Malley (on an ex-officio basis). The Compensation Committee met three times in fiscal 2015.

The Compensation Committee is responsible for personnel matters, including performance, compensation and succession. The terms of reference, previously prepared by the Compensation Committee, include reviewing and making recommendations to the Board of Directors with respect of compensation arrangements for executive officers and management succession planning. As part of the Compensation Committee’s mandate is an ongoing review of compensation of executive officers and directors of the Company, a review of the Company’s current compensation model and to recommend changes including the implementation of short-term and long-term incentives for executive officers, other employees and directors of the Company.

See the board biographies above under the heading “Composition of the Board” for the relevant experience of the members in compensation matters. Ms. Pagel, the Chair, has many years leading medium and large organizations, and has previously served on Human Resource and Compensation Committees.

Corporate Governance and Nominating Committee

The Corporate Governance and Nominating Committee consists of Ron Clifton (Chair), Jordan Grant, Jane Pagel and Murray Malley (on an ex-officio basis). See above under the heading “Composition of the Board” for relevant experience of each member. Mr. Clifton, the Chair, has governance experience both as a public company executive as well as through various Board positions of both private sector companies and the Ottawa Airport Authority. The Corporate Governance and Nominating Committee met five times in fiscal 2015.

The Corporate Governance and Nominating Committee is responsible for executive and board succession planning, monitoring board member effectiveness and performance, governance issues and disclosure policies.

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 and on www.sedar.com.

ADDITIONAL INFORMATION

The financial statements of the Corporation for the financial year ended September 30, 2015, 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. Shareholders can request copies of the Corporation’s financial statements and management’s discussion and analysis by emailing their request to ir@blumetric.ca, calling the Corporation at (613) 839-3053, or visiting the website at 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

Proposals of Shareholders to be presented at the 2016 annual meeting of shareholders of the Corporation must be received by the Corporation before the date that is 90 days before the anniversary date of this Meeting to be considered for inclusion in the Management Proxy Circular and Form of Proxy relating thereto.

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 17th day of February, 2016.

BY ORDER OF THE BOARD OF DIRECTORS

/s/ Murray Malley

Murray Malley
Chair of the Board of Directors

SCHEDULE "A"

AUDIT COMMITTEE CHARTER

The Audit Committee is responsible for:

- reviewing our interim and annual financial statements and management's discussion and analysis related thereto, and all annual and interim earnings press releases before they are publicly disclosed;
- overseeing the work of our external auditors engaged for the purpose of preparing or issuing an audit report or related work;
- ensuring our external auditors report directly to the audit committee throughout the term of their appointment;
- pre-approving all non-audit services to be provided to us or our subsidiaries by our external auditor; and
- recommending to our 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 compensation to be paid to the external auditor.

The Audit Committee does the following main things to fulfill these responsibilities:

- meets with management and the external auditors at least once per year;
- meets separately with each of management several times per year and the external auditors at least once per year;
- reviews the annual audit scope and plan as recommended by the auditors;
- analyzes carefully all internal control points raised by the auditors in correspondence with management;
- discusses our compliance with tax and financial reporting rules as issues arise;
- reviews the appropriateness of insurance levels carried by the Corporation;
- reviews the accounting and financial policies and internal controls of the Corporation.

The Audit Committee has the authority to hire, at the Corporation's expense, independent counsel or advisors to assist the Audit Committee in fulfilling its responsibilities.

SCHEDULE "B"

OPTION PLAN RESOLUTION

WHEREAS, on January 21, 2016, subject to TSX Venture Exchange approval, the Board of Directors of the Corporation approved an increase the number of common shares under the Corporation's Amended and Restated Share Option Plan (the "Plan") from 3,200,000 shares to 4,200,000 shares; and

WHEREAS pursuant to the policies of the TSX Venture Exchange it is necessary to obtain the approval of the shareholders of the Corporation with respect to the amendment to the Plan.

RESOLVED THAT:

1. The amendment to the Plan to increase the number of common shares under the Plan from 3,200,000 shares to 4,200,000 shares, subject to approval by the TSX Venture Exchange and with such amendments as may be required by the TSX Venture Exchange; and
2. Any officer or director of the Corporation be and each of them is hereby authorized to execute and deliver all documents and to do all acts and things necessary or desirable to give effect to this resolution, the execution of any such document or the doing of any such other act or thing being conclusive evidence of such determination.