

BLUMETRIC ENVIRONMENTAL INC.

CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS

**FOR THE THIRD QUARTER AND NINE MONTH PERIOD ENDED
JUNE 30, 2022**



About Us

BluMetric Environmental Inc. is a publicly traded environmental consulting and water cleantech company. We provide complete solutions to challenges such as water purification, protecting environments, and ensuring health and safety for Industrial/Commercial, Mining, Government, and Military clients.

BluMetric has more than 170 employees operating in ten offices and over 40 years of expertise. From remote northern mines to urban workplaces, we deliver with an interdisciplinary team best suited to solving unique challenges.

HEAD OFFICE
BluMetric Environmental Inc.
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Canada

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Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the condensed interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying condensed unaudited interim financial statements of the company have been prepared by, and are the responsibility of, the company's management.

The company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of condensed interim financial statements by an entity's auditor.

BluMetric Environmental Inc.
Condensed Unaudited Interim Statements of Financial Position
As at June 30, 2022 and September 30, 2021

(expressed in Canadian dollars)

	June 30, 2022 \$	September 30, 2021 \$
Current assets		
Cash	5,960,177	4,727,420
Trade and other receivables (note 4)	4,283,173	4,717,157
Unbilled revenue	2,658,308	3,156,000
Contract assets	2,793,909	2,902,644
Prepaid expenses	211,039	178,044
	15,906,606	15,681,265
Non-current assets		
Property and equipment	184,961	183,299
Intangible assets	66,780	50,589
Right-of-use assets (note 5)	843,093	608,804
Deferred income tax assets	719,435	896,371
	1,814,269	1,739,063
	17,720,875	17,420,328
Current liabilities		
Trade and other payables (note 7)	3,586,710	3,935,145
Contract liabilities	650,894	1,020,609
Current portion of lease liabilities (note 5)	360,588	399,912
Current portion of long-term debt (note 8)	494,239	612,634
	5,092,431	5,968,300
Non-current liabilities		
Long-term debt (note 8)	949,241	1,321,435
Lease liabilities (note 5)	538,865	268,563
	1,488,106	1,589,998
	6,580,537	7,558,298
Shareholders' equity		
Share capital	5,796,819	5,600,081
Contributed surplus and other equity	637,648	690,584
Retained earnings	4,705,871	3,571,365
	11,140,338	9,862,030
	17,720,875	17,420,328

Approved by the Board of Directors

 "Ian Mor Macdonald" Director
 Ian Mor Macdonald

 "Jeffrey Talley" Director
 Jeffrey Talley

BluMetric Environmental Inc.

Condensed Unaudited Interim Statements of Changes in Shareholders' Equity For the nine months ended June 30, 2022 and 2021

(expressed in Canadian dollars)

	Common shares #	Share capital \$	Contributed surplus and other equity \$	Retained earnings (deficit) \$	Total \$
Balance – October 1, 2020	28,675,695	5,526,964	703,090	(154,279)	6,075,775
Share-based compensation (note 9)	-	-	17,950	-	17,950
Exercise of stock options (note 9)	220,000	73,117	(28,917)	-	44,200
Net earnings and comprehensive income for the period	-	-	-	2,438,899	2,438,899
Balance – June 30, 2021	28,895,695	5,600,081	692,123	2,284,620	8,576,824
Balance – October 1, 2021	28,895,695	5,600,081	690,584	3,571,365	9,862,030
Share-based compensation (note 9)	-	-	17,742	-	17,742
Exercise of stock options (note 9)	540,000	196,738	(70,678)	-	126,060
Net earnings and comprehensive income for the period	-	-	-	1,134,506	1,134,506
Balance – June 30, 2022	29,435,695	5,796,819	637,648	4,705,871	11,140,338

BluMetric Environmental Inc.

Condensed Unaudited Interim Statements of Net Earnings and Comprehensive Income For the three and nine months ended June 30, 2022 and 2021

(expressed in Canadian dollars)

	<u>For the three months ended</u>		<u>For the nine months ended</u>	
	<u>June 30,</u> <u>2022</u> \$	<u>June 30,</u> <u>2021</u> \$	<u>June 30,</u> <u>2022</u> \$	<u>June 30,</u> <u>2021</u> \$
Revenue (note 13,14)	8,353,226	8,488,308	24,383,252	25,779,224
Cost of sales (note 10)	6,394,885	6,295,292	18,578,229	18,703,117
Gross profit	1,958,341	2,193,016	5,805,023	7,076,107
Operating expenses and other items				
Selling, general and administrative (note 10)	1,513,657	1,147,288	4,232,811	3,497,113
Operating profit	444,684	1,045,728	1,572,212	3,578,994
Finance costs (note 10)	(28,764)	(40,234)	(85,319)	(281,295)
Earnings before income taxes	415,920	1,005,494	1,486,893	3,297,699
Income tax expense (note 11)	98,058	318,260	352,387	858,800
Net earnings and comprehensive income for the period	317,862	687,234	1,134,506	2,438,899
Earnings per share				
Basic	0.01	0.02	0.04	0.08
Diluted	0.01	0.02	0.04	0.08
Weighted average number of shares outstanding (note 12)				
Basic	29,406,464	28,836,574	29,342,508	28,731,885
Diluted	29,425,907	29,168,721	29,414,674	28,913,980

BluMetric Environmental Inc.
Condensed Unaudited Interim Statements of Cash Flows
For the nine months ended June 30, 2022 and 2021

(expressed in Canadian dollars)

	For the nine months ended	
	June 30, 2022	June 30, 2021
	\$	\$
Cash provided by (used in)		
Operating activities		
Net earnings and comprehensive income for the period	1,134,506	2,438,899
Non-cash items:		
Deferred income tax expense (note 11)	176,936	577,163
Increase (decrease) in credit loss allowance	71,351	(66,171)
Depreciation of property and equipment	46,099	45,571
Amortization of intangible assets	10,834	8,000
Depreciation of right of use assets (note 5)	325,318	403,303
Amortization of deferred financing costs	-	6,508
Financing fees on debt repayment	-	4,649
Share-based compensation (note 9)	17,742	17,950
Impairment of computer hardware	-	90,418
Changes in working capital balances	216,984	(1,219,152)
	<u>1,999,770</u>	<u>2,307,138</u>
Investing activities		
Acquisition of property and equipment	(47,761)	(119,210)
Acquisition of intangible assets	(27,025)	(13,181)
	<u>(74,786)</u>	<u>(132,391)</u>
Financing activities		
Repayment of long-term debt	(490,588)	(2,543,207)
Proceeds from long-term debt refinancing	-	2,000,000
Principal payments on leases (note 5)	(327,699)	(360,414)
Exercise of stock options (note 9)	126,060	44,200
	<u>(692,227)</u>	<u>(859,421)</u>
Change in cash and cash equivalents during the period	1,232,757	1,315,326
Cash and cash equivalents – Beginning of period	<u>4,727,420</u>	<u>2,470,002</u>
Cash and cash equivalents – End of period	<u>5,960,177</u>	<u>3,785,328</u>
Supplementary Information		
Interest paid	40,450	208,807

BluMetric Environmental Inc.

Notes to Condensed Unaudited Interim Financial Statements

For the three and nine months ended June 30, 2022 and 2021

(expressed in Canadian dollars)

1 Nature of operations

BluMetric Environmental Inc. (the Company) is an integrated product and service organization providing sustainable solutions to complex environmental issues in Canada and abroad. The Company serves customers in many industrial sectors, and at all levels of government, both domestically and internationally.

The Company focuses on environmental earth sciences and engineering, contaminated site remediation, water resource management, industrial hygiene, occupational health and safety, water and wastewater design-build and pre-engineered solutions.

The head office of the Company is located at 1682 Woodward Drive Ottawa, Ontario, Canada K2C 3R8. The Company's common shares are listed on the Toronto Venture Exchange (TSXV – BLM) in Canada.

2 Basis of presentation

Statement of compliance

These condensed unaudited interim financial statements have been prepared in compliance with International Accounting Standard 34 Interim Financial Reporting ("IAS 34"). These condensed unaudited interim financial statements do not contain all the information and disclosures required for annual financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended September 30, 2021, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board (IASB) and the interpretations of the IFRS Interpretations Committee.

Authorization of financial statements

The condensed unaudited interim financial statements were approved and authorized for issue by the Board of Directors on August 25, 2022.

Presentation and functional currency

The Company's presentation and functional currency is the Canadian dollar.

Basis of measurement

The condensed unaudited interim financial statements have been prepared on the historical cost basis.

BluMetric Environmental Inc.
Notes to Condensed Unaudited Interim Financial Statements
For the three and nine months ended June 30, 2022 and 2021

(expressed in Canadian dollars)

Critical accounting judgments and estimates

The preparation of these condensed unaudited interim financial statements requires management to make judgments, estimates, and assumptions that affect the reported amounts of the Company's assets, liabilities, revenue, and expenses during the reporting period presented. The significant judgments made by management when applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Company's September 30, 2021 annual financial statements.

3 Summary of significant accounting policies

The accounting policies set out in the Company's most recent annual audited financial statements have been applied consistently to all periods presented in these condensed unaudited interim financial statements which include considerations for the impacts of the continuing COVID-19 pandemic and new variants. The COVID-19 pandemic has had adverse financial impacts on the global economy and financial markets. There has not been any significant impact on the Company's results to date. However, management continues to monitor for any potential impacts on the operations and financial position of the Company. These condensed unaudited interim financial statements should be read in conjunction with the annual audited financial statements and related note disclosures for the year ended September 30, 2021.

4 Trade and other receivables

	June 30, 2022	September 30, 2021
	\$	\$
Trade and other receivables	4,636,310	5,013,706
Credit loss allowance – trade receivables	(353,137)	(296,549)
	<u>4,283,173</u>	<u>4,717,157</u>

BluMetric Environmental Inc.
Notes to Condensed Unaudited Interim Financial Statements
For the three and nine months ended June 30, 2022 and 2021

(expressed in Canadian dollars)

5 Right-of-use assets and lease liabilities

Right of use assets

	For the nine months ended June 30, 2022				For the nine months ended June 30, 2021			
	Office	Vehicles	IT equipment	Total	Office	Vehicles	IT equipment	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Balance – Beginning of period	580,882	4,495	23,427	608,804	1,100,358	28,690	77,970	1,207,018
Additions	512,177	-	65,000	577,177	-	-	-	-
Lease renewals, reassessments and modifications	-	-	(17,570)	(17,570)	(31,482)	(16,485)	-	(47,967)
Impairment							(20,157)	(20,157)
Amortization	(304,133)	(4,495)	(16,690)	(325,318)	(373,749)	(6,025)	(23,529)	(403,303)
Balance - End of period	788,926	-	54,167	843,093	695,127	6,180	34,284	735,591

BluMetric Environmental Inc.
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For the three and nine months ended June 30, 2022 and 2021

(expressed in Canadian dollars)

Lease Liabilities

	<u>For the nine months ended June 30, 2022</u>				<u>For the nine months ended June 30, 2021</u>			
	<u>Office</u>	<u>Vehicles</u>	<u>IT equipment</u>	<u>Total</u>	<u>Office</u>	<u>Vehicles</u>	<u>IT equipment</u>	<u>Total</u>
	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
Balance – Beginning of period	639,251	4,762	24,462	668,475	1,123,720	29,806	80,139	1,233,665
Additions	512,177	-	65,000	577,177	-	-	-	-
Lease renewals, reassessments and modifications	-	-	(18,500)	(18,500)	(34,832)	(17,409)	-	(52,241)
Interest expense on lease liabilities	27,166	52	1,430	28,648	43,327	381	2,992	46,700
Payments	(333,526)	(4,814)	(18,007)	(356,347)	(374,922)	(6,452)	(25,740)	(407,114)
Balance at end of Period	<u>845,068</u>	<u>-</u>	<u>54,385</u>	<u>899,453</u>	<u>757,293</u>	<u>6,326</u>	<u>57,391</u>	<u>821,010</u>
Current portion of lease liabilities				<u>360,588</u>				<u>451,055</u>
Non-current portion of lease liabilities				<u>538,865</u>				<u>369,955</u>

BluMetric Environmental Inc.
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(expressed in Canadian dollars)

Lease liabilities are discounted using the Company's incremental borrowing rate at the lease commencement date for each lease. The rates range from 2.99% to 5.95%.

The Company leases buildings for its office spaces across Canada. Lease terms range from less than one to eight years. To provide operational flexibility, the Company seeks to include extension or termination options in its leases. At the commencement of a lease, the Company assesses whether it is reasonably certain it will exercise the lease extension option (or not exercise a termination option). The Company reassesses this when a significant event or significant change in circumstances within the Company's control has occurred.

The Company leases vehicle and office equipment with terms of three to five years. These leases do not usually contain extension options, purchase options, or residual value guarantees. The Company also leases IT equipment and other equipment with terms of one to five years. These leases are generally short-term or for low-value assets.

	For the three months ended		For the nine months ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
Amounts recognized in selling, general and administrative	\$	\$	\$	\$
Rent expense – variable lease payments	59,758	67,737	183,410	184,183
Expense related to short-term leases	65,106	49,430	177,638	151,027
Expense related to low-value assets	16,168	11,819	47,921	35,841
Income from subleases	(3,237)	(2,948)	(8,659)	(8,870)
	<u>137,795</u>	<u>126,038</u>	<u>400,310</u>	<u>362,181</u>

	For the nine months ended	
	June 30, 2022	June 30, 2021
Amounts recognized in the statements of cash flow	\$	\$
Cash payments for the interest portion of lease liabilities	28,648	46,700
Cash payments for leases not included in the measurement of lease liabilities	<u>400,310</u>	<u>362,181</u>
Cash outflow in operating activities	428,958	408,881
Cash payments for the principal portion of lease liabilities included in financing activities	<u>327,699</u>	<u>360,414</u>
Total cash outflow for leases	<u>756,657</u>	<u>769,295</u>

BluMetric Environmental Inc.
Notes to Condensed Unaudited Interim Financial Statements
For the three and nine months ended June 30, 2022 and 2021

(expressed in Canadian dollars)

6 Credit facilities

The Company has a \$2,500,000 operating demand loan available to it as a shared limit between its overdraft facility and letters of credit. The Company has a maximum limit of \$500,000 for the issuance of letters of credit.

As at June 30, 2022, the Company had drawn \$nil on its operating demand loan and \$nil in letters of credit (September 30, 2021 – \$nil and \$nil, respectively).

The Company has certain covenants in accordance with its credit facilities. As at June 30, 2022, the Company was in compliance with all its covenants.

The Company also has a corporate credit card facility in the amount of \$250,000. As at June 30, 2022, the Company had utilized \$56,366 (September 30, 2021 – \$46,089) against this facility, which is recorded under trade and other payables in the statements of financial position.

7 Trade and other payables

	June 30, 2022	September 30, 2021
	\$	\$
Trade payables	2,039,484	2,207,931
Salaries and benefits payable	963,834	865,925
Other accrued liabilities and payables	583,392	861,289
	<u>3,586,710</u>	<u>3,935,145</u>

8 Long-term debt

	June 30, 2022	September 30, 2021
	\$	\$
Term loan ^(a)	1,443,480	1,803,680
Other financial liabilities ^(b)	-	130,389
	<u>1,443,480</u>	<u>1,934,069</u>
Less: Current portion	<u>494,239</u>	<u>612,634</u>
	<u>949,241</u>	<u>1,321,435</u>

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(expressed in Canadian dollars)

- (a) The term loan has a closed four-year term and carries an interest rate of 3.28% per annum with monthly blended payments of \$44,517 commencing May 31, 2021. This term loan matures April 30, 2025, will be carried at amortized cost and is subject to the same covenants as the Company's credit facilities. As at June 30, 2022, the Company was in compliance with all its covenants.
- (b) On November 15, 2012, the Company reached an agreement with a number of creditors with respect to repayment terms for outstanding amounts payable. The agreement required the Company to repay this amount on a monthly basis, with blended payments of principal and interest. This restructured trade debt was previously postponed in favour of the Company's lender but was subsequently released by the lender and repaid in full.

9 Shareholders' equity

The fair value of options vested is recognized as compensation cost.

During the nine months ended June 30, 2022, the Company recognized \$17,742 (2021 – \$17,950) as contributed surplus and share-based compensation expense and had 540,000 (2021 – 220,000) options exercised with a weighted average exercise price of \$0.23 (2021 – \$0.20) and a weighted average market price of \$0.70 (2021 - \$0.45). The shares were exercised for total proceeds of \$126,060 (2021 – \$44,200).

During the nine months ended June 30, 2022, the Company issued 120,000 (2021 – 80,000) options to directors to purchase common shares. The weighted average exercise price of the options is \$0.60 (2021 - \$0.37). Of the options granted, 30,000 vest over one year and 90,000 vest over three years. All have a term of five years.

10 Other expense items by nature

	<u>For the three months ended</u>		<u>For the nine months ended</u>	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
	\$	\$	\$	\$
Personnel	4,002,051	3,665,930	11,312,368	10,769,026
Direct project expenses	2,900,385	3,076,734	8,723,087	9,235,158
Depreciation and amortization	127,968	152,071	382,251	456,874
Other operating expense	878,138	547,845	2,393,334	1,739,172
	7,908,542	7,442,580	22,811,040	22,200,230
Reported as:				
Cost of sales	6,394,885	6,295,292	18,578,229	18,703,117
Selling, general and administrative	1,513,657	1,147,288	4,232,811	3,497,113
	7,908,542	7,442,580	22,811,040	22,200,230

BluMetric Environmental Inc.
Notes to Condensed Unaudited Interim Financial Statements
For the three and nine months ended June 30, 2022 and 2021

(expressed in Canadian dollars)

	<u>For the three months ended</u>		<u>For the nine months ended</u>	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
	\$	\$	\$	\$
Finance costs				
Interest on restructured debt	-	4,140	-	11,955
Interest on term and bank loans	12,499	9,784	40,450	194,226
Interest on leases	11,088	13,646	28,657	46,782
Bank charges	8,538	11,358	15,716	18,527
Other finance charges (income)	(3,361)	1,306	496	9,805
	<u>28,764</u>	<u>40,234</u>	<u>85,319</u>	<u>281,295</u>

11 Income tax

The following shows the components of income tax expense:

	<u>For the three months ended</u>		<u>For the nine months ended</u>	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
	\$	\$	\$	\$
Current tax expense	45,827	226,077	175,451	281,637
Deferred tax expense	52,231	92,183	176,936	577,163
	<u>98,058</u>	<u>318,260</u>	<u>352,387</u>	<u>858,800</u>

12 Weighted average shares outstanding

	<u>For the three months ended</u>		<u>For the nine months ended</u>	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
	\$	\$	\$	\$
Issued common shares	<u>29,435,695</u>	<u>28,895,695</u>	<u>29,435,695</u>	<u>28,895,695</u>
Weighted average number of basic common shares	29,406,464	28,836,574	29,342,508	28,731,885
Effect of share options on issuance	<u>19,443</u>	<u>332,147</u>	<u>72,166</u>	<u>182,095</u>
Weighted average number of diluted common shares	<u>29,425,907</u>	<u>29,168,721</u>	<u>29,414,674</u>	<u>28,913,980</u>

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Notes to Condensed Unaudited Interim Financial Statements
For the three and nine months ended June 30, 2022 and 2021

(expressed in Canadian dollars)

Options that were anti-dilutive are not included in the computation of diluted common shares. For the three and nine months ended June 30, 2022, 687 and nil options respectively were excluded from the calculation because they were anti-dilutive (2021 – 20,000 and nil respectively).

13 Segmented disclosure

The Company provides comprehensive solution-based products and services in the fields of environmental geosciences and engineering, industrial hygiene, occupational health and safety, water and wastewater treatment and environmental management predominately in Canada.

The Company operates under one operating and reportable segment due to the integration between technical disciplines required to serve its customers.

The chief operating decision maker is (collectively) the Chief Executive Officer, the Chief Financial Officer and the Board of Directors. Performance is evaluated by the chief operating decision maker based on gross margin and is measured consistently with gross margin in the financial statements.

Geographical information

The Company operates principally in Canada (country of domicile). Sales reported by customer location based on origin of purchase (i.e., country of domicile of contracting party) are as follows:

	<u>For the three months ended</u>		<u>For the nine months ended</u>	
	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>
	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
Canada	8,353,226	8,488,308	24,359,537	25,716,050
Other countries	-	-	23,715	63,174
	<u>8,353,226</u>	<u>8,488,308</u>	<u>24,383,252</u>	<u>25,779,224</u>

For the nine months ended June 30, 2022, approximately 34% of revenue (2021 – 45%) was derived from three customers, of which one customer accounted for over 10% of total revenue (2021 – three of which accounted for over 10% of total revenue). The customers referenced below are not necessarily the same customers in both periods.

	<u>For the nine months ended</u>	
	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Customer 1	19%	21%
Customer 2	8%	13%
Customer 3	7%	11%

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For the nine months ended June 30, 2022, three customers (2021 – three customers) accounted for 29% (2021 – 48%) of accounts receivable.

The Company does not currently, or in the ordinary course of business, hold non-current assets outside of its country of domicile (Canada).

14 Revenue

Disaggregation of revenue

Revenue is disaggregated by customer sector and contract type, since it best depicts how the nature, timing and uncertainty of revenue and cash flows are affected by economic factors.

Revenue from contracts with customers is disaggregated as follows:

	For the three months ended June 30, 2022		
	Fixed price \$	Time and materials \$	Total \$
Commercial and industrial	746,984	3,001,437	3,748,421
Government	1,233,360	854,262	2,087,622
Military	390,450	1,154,340	1,544,790
Mining	215,005	757,388	972,393
	2,585,799	5,767,427	8,353,226
	For the three months ended June 30, 2021		
	Fixed price \$	Time and materials \$	Total \$
Commercial and industrial	858,440	2,862,034	3,720,474
Government	1,007,488	771,471	1,778,959
Military	455,064	1,578,409	2,033,473
Mining	107,479	847,923	955,402
	2,428,471	6,059,837	8,488,308

BluMetric Environmental Inc.
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For the three and nine months ended June 30, 2022 and 2021

(expressed in Canadian dollars)

	For the nine months ended June 30, 2022		
	Fixed price \$	Time and materials \$	Total \$
Commercial and industrial	2,363,949	7,192,061	9,556,010
Government	2,976,833	3,404,219	6,381,052
Military	1,612,523	3,728,508	5,341,031
Mining	317,305	2,787,854	3,105,159
	7,270,610	17,112,642	24,383,252

	For the nine months ended June 30, 2021		
	Fixed price \$	Time and materials \$	Total \$
Commercial and industrial	1,919,247	7,985,271	9,904,518
Government	3,350,653	2,592,826	5,943,479
Military	982,984	4,731,139	5,714,123
Mining	626,567	3,590,537	4,217,104
	6,879,451	18,899,773	25,779,224

Revenue from substantially all the Company's contracts is recognized over time because of the continuous transfer of control to the customer. For the nine months ended June 30, 2022, \$483,617 or 2% (2021 – \$1,785,340 or 7%) was recognized at a point in time, which primarily related to mining sector customers.

15 Related party transactions

Compensation of key management personnel

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, 2022 \$	June 30, 2021 \$	June 30, 2022 \$	June 30, 2021 \$
Salaries	258,455	260,981	967,324	718,594
Short-term benefits	26,810	24,445	75,451	75,192
Share-based compensation	8,462	3,543	17,742	17,950
	293,727	288,969	1,060,517	811,736

BluMetric Environmental Inc.
Notes to Condensed Unaudited Interim Financial Statements
For the three and nine months ended June 30, 2022 and 2021

(expressed in Canadian dollars)

16 Liquidity risk

Liquidity risk is the risk the Company may not be able to meet its financial obligations as they come due. The Company currently settles all of its financial obligations out of cash and its operating demand loan facility. The ability to do so relies on the Company collecting its accounts receivable in a timely manner and by maintaining sufficient cash in excess of anticipated needs.

As at June 30, 2022, the Company had the following balances available on its credit facilities: operating demand loan – \$2,500,000; and credit card facility – \$193,634.

As at June 30, 2022, the Company had approximately \$8.7 million in availability between its operating line and cash balances.