

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

**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 TownePlace Marriott Ottawa Kanata, 1251 Maritime Way Ottawa, ON K2K 0J6 on Wednesday, March 23, 2022 at 1:00 p.m. (EDT) for the following purposes:

1. to receive the audited financial statements of the Corporation for the financial year ended September 30, 2021 and the auditors’ report thereon;
2. to elect the directors of the Corporation;
3. to appoint MNP LLP as the auditor of the Corporation and to authorize the board of directors to fix their remuneration;
4. to consider and, if deemed appropriate, to pass, with or without amendment, a resolution to approve the amendments to the BluMetric Environmental Inc. Amended and Restated Stock Option Plan 2022 (the “Amended Plan”), including an increase in the number of common shares available under the Amended Plan from 3,200,000 common shares to 4,500,000 common shares, representing approximately 15.3% of the issued and outstanding common shares of the Corporation, as more fully described in the accompanying management proxy circular (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 financial statements of the Corporation for the financial year ended September 30, 2021 together with management’s discussion and analysis thereon, to shareholders who requested them, and a form of proxy.

**In light of ongoing concerns related to the spread of COVID-19, and in order to mitigate potential risks to the health and safety of the Corporation’s shareholders, employees, communities and other stakeholders, meeting participants are strongly encouraged NOT to attend the Meeting in person.**

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

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

**Date and Time: Wednesday, March 23, 2022 at 1:00 pm (EDT)**

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

**Access Code: 200 938 767#**

**OR**

**Participants who instead would like to attend through videoconference are welcome to register through our website at [www.blumetric.ca/agm2022](http://www.blumetric.ca/agm2022).**

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

The Corporation reserves the right to take any further precautionary measures deemed to be appropriate, necessary or advisable in relation to the Meeting in response to further developments in the COVID-19 outbreak, including: (i) changing the Meeting date and/or changing the means of holding the Meeting; and (ii) such other measures as may be recommended by public health authorities. Should any such changes to the Meeting format occur, the Corporation will announce any and all of these changes by way of news release, which will be filed under the Corporation's profile on SEDAR. In the event of any changes to the Meeting format due to the COVID-19 outbreak, the Corporation will not prepare or mail an amended Circular, Notice of Meeting or related proxy.

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

**Please return your proxy by 1:00 pm (EDT) on Monday, March 21, 2022 or if the meeting is adjourned, by no later than 48 hours (excluding Saturdays, Sundays and holidays) prior to when the adjournment thereof is to be held, or your proxy may be deposited with the Chair of the Meeting at any time prior to the commencement of the Meeting or any adjournment thereof.**

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

Dated at Ottawa, Ontario, this 16<sup>th</sup> day of February, 2022.

**BY ORDER OF THE BOARD OF DIRECTORS**

*/s/ Vivian Karaiskos*  
Secretary

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

**MANAGEMENT PROXY CIRCULAR**

**For the Annual and Special Meeting of Shareholders to be held at 1:00 p.m. (EDT) on  
Wednesday, March 23, 2022 at  
TownePlace Marriott Ottawa Kanata, 1251 Maritime Way, Ottawa, ON K2K 0J6**

**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 1:00 p.m. (EDT) on March 23, 2022 at the TownePlace Marriott Ottawa Kanata, 1251 Maritime Way Ottawa, ON K2K 0J6 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 16, 2022, unless otherwise indicated.

**In light of ongoing concerns related to the spread of COVID-19, and in order to mitigate potential risks to the health and safety of the Corporation’s shareholders, employees, communities and other stakeholders, meeting participants are strongly encouraged NOT to attend the Meeting in person.**

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

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

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

**VOTING AND DISCRETION OF PROXIES**

On any ballot that may be called for, the common shares of the Corporation (the “Common Shares”) represented by proxies in favour of the persons named by management of the Corporation will be voted

for or against, or voted for or withheld from voting on, the matters identified in the proxy, in each case in accordance with the instructions of the shareholder. **In the absence of any instructions on the proxy, it is the intention of the persons named by management in the accompanying form of proxy to vote (a) FOR the election of management's nominees as directors, (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 1682 Woodward Drive, Ottawa, ON K2C 3R8 **for receipt no later than 1:00 p.m. (EDT) on Monday, March 21, 2022**, or if the Meeting is adjourned, by no later than 48 hours (excluding Saturdays, Sundays and holidays) before any adjourned Meeting.

*Voting by Facsimile.* A Registered Shareholder may vote by facsimile by completing, dating and signing the enclosed form of proxy and returning it by facsimile to the Transfer Agent at 1-866-249-7775. The form of proxy **must be received by no later than 1:00 p.m. (EDT) on Monday, March 21, 2022**, or if the Meeting is adjourned, no later than 48 hours (excluding Saturdays, Sundays and holidays) before any adjourned Meeting.

*Voting by Internet.* A Registered Shareholder may vote by internet by accessing the following website: [www.voteproxyonline.com](http://www.voteproxyonline.com). When you logon to the site you will be required to input a control number as instructed on the logon page. Please see the additional information enclosed with the Circular. A Registered Shareholder **may vote by internet by no later than 1:00 p.m. (EDT) on Monday, March 21, 2022**, 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.

## **REVOCAION OF PROXIES**

A shareholder who has given a proxy has the power to revoke it as to any matter on which a vote shall not already have been cast pursuant to the authority conferred by such proxy and may do so by delivering another properly executed proxy bearing a later date and depositing it as aforesaid, including within the prescribed time limits noted above; or by depositing an instrument in writing revoking the proxy executed by the shareholder or by the shareholder's attorney authorized in writing, by one of the following methods: (a) at the registered office of the Corporation (1682 Woodward Drive, Ottawa Ontario K2C 3R8) at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof, at which the proxy is to be used, (b) with the Chair of the Meeting, prior to its commencement, on the day of the Meeting or at any adjournment thereof; (c) by attending the Meeting in person and so requesting; or (d) in any other manner permitted by law.

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

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

The Corporation is authorized to issue an unlimited number of Common Shares and an unlimited number of non-voting special shares, issuable in series with rights, privileges, restrictions and conditions to be determined by the board of directors of the Corporation (the "Board of Directors") without shareholder action, 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 16, 2022, 29,395,695 Common Shares were issued and outstanding. Each Common Share entitles the holder thereof to one vote at all meetings of shareholders.

The Board of Directors has fixed the close of business on February 16, 2022 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 16, 2022 to the knowledge of the directors and senior officers of the Corporation based on publicly available information, Roger Woeller and his affiliates hold 3,768,269 Common Shares, or approximately 12.8% of the issued and outstanding Common Shares. To the knowledge of the directors and senior officers of the Corporation, no other persons, firms or corporations beneficially own, directly or indirectly, or exercise control or direction over voting securities of the Corporation carrying more than 10% of the voting rights attaching to any class of voting securities of the Corporation.

## **DESCRIPTION OF SHARE CAPITAL**

### **Common Shares**

The Corporation is authorized to issue an unlimited number of Common Shares. The holders of the Corporation's Common Shares are entitled to dividends as and when declared by the Board of Directors,

to one vote per share at meetings of shareholders of the Corporation and, upon liquidation, to receive such assets of the Corporation as are distributable to the holders of the Common Shares.

### **Special Shares**

The Corporation is also authorized to issue an unlimited number of Special Shares, issuable in series. Upon liquidation or dissolution of the Corporation, before any distribution is made to the holders of Common Shares, holders of Special Shares will be entitled to receive the amount of the paid up capital of each Special Share together with all accrued and unpaid cumulative dividends thereon (if any) and all declared and unpaid cumulative dividends thereon (if any). Unless otherwise stated, holders of Special Shares shall not be entitled to any further distribution of the assets of the Corporation. There are no voting rights attached to Special Shares, unless otherwise provided under the CBCA.

### ***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 financial statements of the Corporation for the financial year ended September 30, 2021 (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, 2021, accompany the Notice of Meeting and are also available on SEDAR at [www.sedar.com](http://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 five directors and has fixed five as the number of Directors to be elected at the Meeting. Geoff Simonett will not stand for re-election at the Meeting. Wanda Richardson is a new director nominee at the Meeting.

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

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



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

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

| 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 16, 2022 |         |
|--|-------------------------------|--|---|---------|
|  |                               |  | Common Shares   | Options |
| Jeffrey Talley <sup>(1) (2)</sup><br>Arizona, USA      | March 27, 2019                | Founder and Principal of The P3i Group LLC since 2020. Senior executive for IBM from 2016 to 2020. Lt. Gen. (Retired) Talley was in the active and reserve military service as a Citizen-Soldier for 36 years prior to his retirement in 2016.   | 40,000  | 20,000  |
| Ian Murray Macdonald <sup>(2)</sup><br>Ontario, Canada | March 25, 2020                | Employee of the Corporation and its predecessor companies since 1986. Professional geoscientist and certified environmental auditor.   | -   | -       |
| Scott MacFabe<br>Ontario, Canada                       | March 28, 2018                | CEO of the Corporation from March 1, 2018. COO of Industrial and Environmental Division, Kennedy Jenks Consultants from November 2012 to February 16, 2018. Director and Executive VP of Strategic Initiatives Canada, ARCADIS from 2009 to 2012. Director, Industrial/Commercial Business Unit, Malcolm Pirnie from 2002 to 2009. Senior Hydrogeologist Officer, Dames and Moore from 1985 to 2002. | 10,000  | -       |

| 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 16, 2022 |         |
|--|-------------------------------|---|---|---------|
|  |                               |   | Common Shares   | Options |
| Ian Mor Macdonald <sup>(1)(2)</sup><br>Ontario, Canada | February 16, 2021             | Managing Director of Tricapital Solutions Inc., a boutique merchant bank and corporate advisory consultancy since 1986. Prior to his position as Managing Director of Tricapital, Mr. Macdonald was Vice-President of Finance and Treasurer of Bacardi International Limited from 1980 to 1985. Previous to that, he was a member of the Strategic Planning Advice unit of PricewaterhouseCoopers (previously Coopers & Lybrand). | -   | 60,000  |
| Wanda Richardson<br>Ontario, Canada                    | -                             | Independent business development advisor to private firms. Previously Vice President Federal Services with AECOM Canada from 2014-2019, where she served on the Canadian Executive. Also held senior leadership positions at Hatch, the University of Waterloo and Region of Waterloo.  | -   | -       |

Notes:

(1) Member of the Audit Committee. Geoff Simonett is also a member of the Audit Committee.

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

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

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

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

## **Penalties or Sanctions**

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

## **Personal Bankruptcies**

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

## **APPOINTMENT OF AUDITORS**

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

Upon the resignation of PricewaterhouseCoopers LLP on September 21, 2021, MNP LLP was appointed the Company's auditors, as more fully described below. On September 28, 2021, the Company filed a Change of Auditor Notice (the "Notice") in accordance with National Instrument 51-102 ("NI 51-102"), the Notice confirms that there have been no reservations or modified opinions contained in the audit reports for the two most recently completed fiscal years. There are no reportable events (as defined in NI 51-102) between the Company and PricewaterhouseCoopers LLP, and there have been no qualified opinions or denial of opinions of PricewaterhouseCoopers LLP. MNP LLP and PricewaterhouseCoopers LLP each filed a letter with the securities regulatory authorities in each province of Canada where the Company is a reporting issuer confirming their agreement with the information set out in the Notice.

A copy of the reporting package containing the Notice and the letters referred to above are included as Schedule B to this Circular.

PricewaterhouseCoopers LLP were the auditors of the Corporation from November 1, 2017 until September 20, 2021.

**PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR THE APPOINTMENT OF THE FIRM MNP LLP, AS AUDITORS OF THE CORPORATION, AT A REMUNERATION TO BE FIXED BY THE DIRECTORS, TO HOLD OFFICE UNTIL THE NEXT ANNUAL MEETING OF SHAREHOLDERS FOLLOWING THE COMPLETION OF THE 2022 FISCAL YEAR UNLESS A SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT THE SHARES ARE TO BE WITHHELD.**

## **APPROVAL OF THE OPTION PLAN RESOLUTION**

On February 28, 2003 the Corporation's shareholders approved the establishment of a share option plan which was known as the Seprtech Systems Incorporated Share Option Plan and which was amended on February 2, 2006, February 7, 2008, August 4, 2011, March 15, 2012, October 24, 2012 and February 21, 2013 (the "Original Plan"). At this Meeting, it is proposed that the Original Plan be further amended and

restated as set out in the BluMetric Environmental Inc. Amended and Restated Stock Option Plan 2022 (the “Amended Plan”) attached as Schedule D to this Circular. The summary description of the Amended Plan below is qualified in its entirety by the full text of the Amended Plan set out in Schedule D to this Circular and should be read in conjunction with the full text of the Amended Plan.

Currently, the Original Plan provides for a maximum of 3,200,000 shares. Under the Amended Plan, the shareholders under the Option Plan Resolution are being asked to approve an increase in the number of shares under the Amended Plan by 1,300,000 shares to a maximum of 4,500,000 shares, representing approximately 15.3% of the issued and outstanding shares of the Corporation as of February 16, 2022.

The purpose of the Amended 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 Amended Plan shall be determined at the discretion of the Board of Directors, with the assistance of the HR & Governance Committee, if any. New amendments modify and update certain provisions of the Amended Plan to correspond with revised provisions of the TSX Venture Exchange Manual (the “TSXV Manual”).

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

Unless otherwise determined by the Board of Directors, the Plan provides that options granted under the Amended 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 Amended Plan further provides that in all circumstances one year after the participant ceases to be a director, officer, employee or consultant of the Corporation the options will terminate. Options granted to a participant who is engaged in investor relations activities shall expire 30 days after the participant ceases to provide investor relations services.

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

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

The Amended Plan also contemplates a cashless exercise of options whereby the brokerage firm sells a sufficient number of Common Shares to cover the option price of the options in order to repay the loan

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

No individual may hold options to purchase Common Shares exceeding 5% of the then outstanding Common Shares. The maximum number of options granted to any one consultant in a 12 month period shall not exceed 2% of the then outstanding Common Shares. The maximum number of options granted to participants providing investor relations services shall not exceed 2% of the then outstanding Common Shares in any 12 month period. The maximum number of options granted to the Corporation's insiders (as a group) under the Amended Plan shall not exceed 10% of the outstanding Common Shares in a 12 month period, unless disinterested shareholder approval is obtained. The maximum number of options granted to the Corporation's insiders (as a group) under the Amended Plan shall not exceed 10% of the outstanding Common Shares at any point in time, unless disinterested shareholder approval is obtained. The Amended Plan provides that the Board of Directors will determine the vesting of options at the time of grant to the participant.

As of February 16, 2022, there were 3,200,000 Common Shares reserved for issuance and of which options for 120,000 shares were outstanding and options for 733,500 common shares had been exercised.

The full text of the Option Plan Resolution approving the amendments to the BluMetric Environmental Inc. Amended and Restated Stock Option Plan 2022, including an increase in the number of Common Shares under the Amended Plan from 3,200,000 shares to 4,500,000 shares, is attached as Schedule C, and a copy of the full Amended Plan is attached as Schedule D.

In order to be approved, the Option Plan Resolution must be approved by a majority of votes cast at the Meeting, in person or by proxy, excluding 171,000 Common Shares held by certain insiders of the Corporation and their affiliates and must receive regulatory approval. Management strongly recommends that shareholders vote FOR 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 HIS OR HER SHARES ARE TO BE VOTED AGAINST THE OPTION PLAN RESOLUTION.**

## **STATEMENT OF EXECUTIVE COMPENSATION**

### **Introduction**

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

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

## **Compensation Discussion and Analysis**

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

Scott MacFabe was appointed the Chief Executive Officer (“CEO”) of the Corporation on March 1, 2018. His employment agreement, as amended by the Board of Directors, provides for a base salary of \$275,000 commencing as of March 1, 2021. Effective October 1, 2019, Mr. MacFabe’s vehicle allowance was increased to \$1,500 per month. At the discretion of the Board of Directors a performance-based cash bonus (“Performance Bonus”) may be awarded to Mr. MacFabe as well as options for Common Shares. Mr. MacFabe is entitled to 12 months severance if his services are terminated by the Corporation, other than for cause.

Vivian Karaiskos was appointed Chief Financial Officer (“CFO”) of the Corporation as of February 1, 2015 and Secretary of the Corporation on July 1, 2015. Her amended employment agreement effective March 1, 2021 provides for a base salary of \$225,000 and a vehicle allowance of \$1,500 per month. At the discretion of the Board of Directors, a Performance Bonus may be awarded to Ms. Karaiskos as well as options for Common Shares. Ms. Karaiskos is entitled to 12 months severance if her services are terminated by the Corporation, other than for cause.

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

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

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

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

The executive compensation packages consist of a base salary, a discretionary performance-based cash bonus, a benefit package, 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 CEO and CFO is reviewed in light of various performance parameters, such as profitability, share price, revenue growth and other factors related to performance as may from time to time be considered relevant.

### *Variable Compensation Awards*

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

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

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

### *Benefits Package and Vehicle Allowance*

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

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

### *Employee Incentive Plans*

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

### *Options*

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

## Summary Compensation Table

The following table sets forth the summary information concerning compensation paid to, or earned for the financial years ended September 30, 2019, September 30, 2020 and September 30, 2021 by the Corporation’s Chief Executive Officer and Chief Financial Officer and the three highest paid individuals who earned total compensation in excess of \$150,000 during the financial year ended September 30, 2021 and who were serving as executive officers or in a similar capacity at September 30, 2021 (collectively, the “NEOs”).

| Name and principal position  | Year | Salary <sup>(7)</sup><br>(\$) | Share based awards<br>(\$) | Option based awards<br>(\$) | Non-equity incentive plan compensation<br>(\$) |                           | Pension value<br>(\$) | All other compensation<br>(\$) | Total compensation<br>(\$) |
|--|------|-------------------------------|----------------------------|-----------------------------|--|---------------------------|-----------------------|--------------------------------|----------------------------|
|  |      |                               |                            |                             | Annual incentive plans                         | Long-term incentive plans |                       |                                |                            |
| Scott MacFabe <sup>(1)</sup><br>CEO  | 2021 | 256,250                       | -                          | -                           | <sup>(8)</sup>                                 | -                         | -                     | 26,271                         | 282,521                    |
|  | 2020 | 230,000                       | -                          | -                           | 25,000   | -                         | -                     | 27,946                         | 282,946                    |
|  | 2019 | 230,000                       | -                          | -                           | 21,500   | -                         | -                     | 26,032                         | 266,533                    |
| Vivian Karaikos <sup>(2)</sup><br>CFO & Corporate Secretary                        | 2021 | 216,667                       | -                          | -                           | <sup>(8)</sup>                                 | -                         | -                     | 29,800                         | 246,467                    |
|  | 2020 | 205,000                       | -                          | -                           | 25,000   | -                         | -                     | 28,945                         | 258,924                    |
|  | 2019 | 194,658                       | -                          | -                           | 18,500   | -                         | -                     | 28,849                         | 242,007                    |
| Wayne Ingham <sup>(3)</sup><br>Senior Director,<br>Strategic Business Development  | 2021 | 161,240                       | -                          | -                           | 35,000   | -                         | -                     | 8,668                          | 204,908                    |
|  | 2020 | 148,361                       | -                          | -                           | 15,000   | -                         | -                     | 7,921                          | 171,282                    |
|  | 2019 | 144,267                       | -                          | -                           | 5,000  | -                         | -                     | 8,021                          | 157,288                    |
| Andy Benson <sup>(4)</sup><br>Senior Director,<br>Operations                       | 2021 | 159,584                       | -                          | -                           | 10,000   | -                         | -                     | 913                            | 170,497                    |
|  | 2020 | 98,786                        | -                          | -                           | 7,000  | -                         | -                     | 557                            | 106,342                    |
|  | 2019 | -                             | -                          | -                           | -  | -                         | -                     | -                              | -                          |
| Lydia Renton <sup>(5)</sup><br>Director, Corporate Occupational Hygiene and Safety | 2021 | 139,429                       | -                          | -                           | 30,000   | -                         | -                     | 7,576                          | 177,005                    |
|  | 2020 | 139,429                       | -                          | -                           | 13,000   | -                         | -                     | 8,167                          | 160,596                    |
|  | 2019 | 138,012                       | -                          | -                           | 6,000  | -                         | -                     | 8,016                          | 152,028                    |
| Tim Beckenham <sup>(6)</sup><br>Former Senior Director, Operations                 | 2021 | 93,137                        | -                          | -                           | -  | -                         | -                     | 10,292                         | 103,429                    |
|  | 2020 | 152,188                       | -                          | -                           | 15,000   | -                         | -                     | 16,254                         | 183,442                    |
|  | 2019 | 147,917                       | -                          | -                           | 10,000   | -                         | -                     | 16,326                         | 174,243                    |

Notes:

- (1) Scott MacFabe was appointed as CEO of the Corporation on March 1, 2018.
- (2) Vivian Karaikos was appointed CFO of the Corporation on February 1, 2015 and Corporate Secretary on July 1, 2015.
- (3) Wayne Ingham was appointed Senior Director, Strategic Business Development on June 1, 2018. Prior to June 1, 2018, Dr. Ingham was Vice President, Corporate Development from April 1, 2013 to May 31, 2018.
- (4) Andy Benson was appointed Senior Director, Operations effective May 10, 2021. Prior to May 10, 2021, Mr. Benson was a Senior Engineer from January 13, 2000 to May 7, 2021.
- (5) Lydia Renton was appointed as Director, Corporate Occupational Hygiene and Safety on November 16, 2012 (prior to the Reverse Take Over by the Corporation of WESA Group Inc., Ms. Renton was employed by WESA Group Inc. from May 17, 1999).
- (6) Tim Beckenham was appointed Senior Director, Operations on June 1, 2018. Mr. Beckenham left the Corporation on May 7, 2021.
- (7) Base salary amounts reflect twelve month periods for 2019, 2020 and 2021.
- (8) As of February 16, 2022, no bonus awards for the CEO and CFO for fiscal year 2021 have been determined.



## Incentive Plan Awards

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

The following table sets forth information concerning all option-based and share-based awards granted to each of the NEOs that were granted before, and remain outstanding as of the end of, the most recently completed financial year ended September 30, 2021.<sup>(1)</sup>

| Name                         | Option-based Awards                                 |                       |                        |  | Share-based Awards                    |   |
|------------------------------|---|-----------------------|------------------------|--|---------------------------------------|---|
|                              | Number of securities underlying unexercised options | Option Exercise Price | Option Expiration Date | Value of Unexercised in the money options (\$) | Number of shares that have not vested | Market or payout value of share-based awards that have not vested |
| Scott MacFabe                | 500,000   | \$0.24                | March 1, 2023          | 235,000  | -                                     | -   |
| Vivian Karaiskos             | -   | -                     | -                      | -  | -                                     | -   |
| Wayne Ingham                 | -   | -                     | -                      | -  | -                                     | -   |
| Andy Benson                  | -   | -                     | -                      | -  | -                                     | -   |
| Lydia Renton                 | -   | -                     | -                      | -  | -                                     | -   |
| Tim Beckenham <sup>(2)</sup> | -   | -                     | -                      | -  | -                                     | -   |

Notes:

(1) Based on the September 30, 2021 closing price of \$0.71 for the Common Shares on the TSX Venture Exchange.

(2) Tim Beckenham left the Corporation on May 7, 2021.

### *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, 2021, by each of the NEOs.

| Name                         | Option-based awards – Value vested during the financial year ended September 30, 2021 (\$) | Share-based awards – Value vested during the financial year ended September 30, 2021 (\$) | Non-equity incentive plan compensation – Value earned during the financial year ended September 30, 2021 (\$) |
|------------------------------|--|---|---|
| Scott MacFabe                | 48,333   | -   | <sup>(1)</sup>  |
| Vivian Karaiskos             | -  | -   | <sup>(1)</sup>  |
| Wayne Ingham                 | -  | -   | 35,000  |
| Andy Benson                  | -  | -   | 10,000  |
| Lydia Renton                 | -  | -   | 30,000  |
| Tim Beckenham <sup>(2)</sup> | -  | -   | -   |

Notes:

(1) As of February 16, 2022, bonus awards for the CEO and CFO for fiscal year 2021 have not been determined.

(2) Tim Beckenham left the Corporation on May 7, 2021.

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

Under current employment agreements and consulting arrangements there are no change of control benefits for any of the NEOs other than as provided for under the BluMetric Environmental Inc. Amended and Restated Share Option Plan or as may be provided under the Amended Plan, as more fully described under the heading “Approval of the Option Plan Resolution” above. Termination benefits under the current employment agreements and consulting arrangements are set out below.

### **Employment Agreements**

Scott MacFabe was appointed the CEO of the Corporation on March 1, 2018. His employment agreement, as amended by the Board of Directors, provides for a base salary of \$275,000 commencing as of March 1, 2021. Effective October 1, 2019, Mr. MacFabe’s vehicle allowance was increased to \$1,500 per month. At the discretion of the Board of Directors a performance-based cash bonus (“Performance Bonus”) may be awarded to Mr. MacFabe as well as options for Common Shares. Mr. MacFabe is entitled to 12 months severance if his services are terminated by the Corporation, other than for cause.

Vivian Karaiskos was appointed Chief Financial Officer of the Corporation as of February 1, 2015 and Secretary of the Corporation on July 1, 2015. Her amended employment agreement effective March 1, 2021 provides for a base salary of \$225,000 and a vehicle allowance of \$1,500 per month. At the discretion of the Board of Directors, a Performance Bonus may be awarded to Ms. Karaiskos as well as options for Common Shares. Ms. Karaiskos is entitled to 12 months severance if her services are terminated by the Corporation, other than for cause.

Wayne Ingham became the Senior Director, Strategic Business Development of the Corporation on June 1, 2018. His employment agreement provides for a base salary of \$139,740. Effective March 1, 2019, Dr. Ingham’s salary increased to \$147,500. Effective March 1, 2020, Dr. Ingham’s base salary was increased to \$170,000. At the discretion of the Board of Directors, a Performance Bonus may be awarded to Dr. Ingham.

Andy Benson was hired as Senior Engineer on January 13, 2020. His employment agreement provides for a base salary of \$145,000.00 per annum. Effective May 10, 2021, Mr. Benson assumed the role of Senior Director, Operations. On June 23, 2021, Mr. Benson’s base salary was increased to \$170,000, retroactive to March 1, 2021, in consideration of this promotion. At the discretion of the Board of Directors, a Performance Bonus may be awarded to Mr. Benson.

Lydia Renton became the Director Corporate Occupational Hygiene and Safety on November 16, 2012. Prior to the Reverse Take Over by the Corporation of WESA Group Inc., she held the same position with WESA Group Inc. from May 17, 1999. Her amended employment agreement provides for a base salary of \$139,429. At the discretion of the executive management team, a bonus may be awarded to Ms. Renton.

Tim Beckenham became the Senior Director, Operations of the Corporation on June 1, 2018 and resigned from the Corporation on May 7, 2021. Effective March 1, 2019, Mr. Beckenham’s salary was increased to \$150,000. Mr. Beckenham was entitled to nine months severance if his services are terminated by the Corporation, other than for cause.

## Compensation of Directors

The following table provides information regarding compensation paid to the Corporation's non-employee directors during the financial year ended September 30, 2021 <sup>(5)(6)</sup>.

| Name                             | Year | Fees Earned<br>\$ | Share Based Awards<br>\$ | Option Awards<br>(\$) | Non-Equity Incentive Plan Compensation<br>\$ | Pension Value<br>\$ | All Other Compensation <sup>(3)</sup><br>\$ | Total<br>\$ |
|----------------------------------|------|-------------------|--------------------------|-----------------------|--|---------------------|---|-------------|
| Geoff Simonett <sup>(1)</sup>    | 2021 | 31,250            | -                        | 5,748                 | -  | -                   | -   | 36,998      |
|                                  | 2020 | 26,667            | -                        | 920                   | -  | -                   | -   | 27,587      |
|                                  | 2019 | 16,000            | -                        | -                     | -  | -                   | -   | 16,000      |
| Jeffrey Talley <sup>(2)</sup>    | 2021 | 19,500            | -                        | -                     | -  | -                   | -   | 19,500      |
|                                  | 2020 | 16,000            | -                        | -                     | -  | -                   | -   | 16,000      |
|                                  | 2019 | 7,000             | -                        | 8,517                 | -  | -                   | -   | 15,517      |
| Ian Mor Macdonald <sup>(3)</sup> | 2021 | 12,417            | -                        | 18,879                | -  | -                   | -   | 31,296      |
|                                  | 2020 | -                 | -                        | -                     | -  | -                   | -   | -           |
|                                  | 2019 | -                 | -                        | -                     | -  | -                   | -   | -           |
| Jane Pagel <sup>(4)</sup>        | 2021 | 7,000             | -                        | -                     | -  | -                   | -   | 7,000       |
|                                  | 2020 | 21,000            | -                        | 920                   | -  | -                   | -   | 21,920      |
|                                  | 2019 | 30,000            | -                        | 2,839                 | -  | -                   | -   | 32,839      |

Notes:

- (1) Geoff Simonett was elected to the Board of Directors on March 23, 2016.
- (2) Jeffrey Talley was elected to the Board of Directors on March 27, 2019.
- (3) Ian Mor Macdonald was appointed to the Board of Directors on February 16, 2021.
- (4) Jane Pagel was appointed to the Board of Directors on January 31, 2014 and ceased to be a director on March 24, 2021.
- (5) Ian Murray Macdonald was elected to the Board of Directors on March 25, 2020 and is an employee of the Corporation and therefore is not paid non-employee director fees.
- (6) Scott MacFabe was elected to the Board of Directors on March 28, 2018 and is the CEO of the Corporation and therefore is not paid non-employee director fees.

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

The following table sets forth information concerning all option-based and share-based awards granted to each of the non-employee directors that were granted before, and remain outstanding as of the end of, the most recently completed financial year ended September 30, 2021.

| 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 |
| Geoff Simonett <sup>(1)</sup> | 20,000  | \$0.08                | March 25, 2025         | 12,600                                    | -                                     | -   |
|                               | 20,000  | \$0.47                | March 24, 2026         | 4,800                                     | -                                     | -   |
| Jeffrey Talley <sup>(2)</sup> | 20,000  | \$0.22                | March 27, 2024         | 9,800                                     | -                                     | -   |

| 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 |
| Ian Mor Macdonald <sup>(3)</sup> | 60,000  | \$0.34                | February 16, 2026      | 22,200                                    | -                                     | -   |
| Jane Pagel <sup>(4)</sup>        | -   | -                     | -                      | -   | -                                     | -   |

Notes:

- (1) Mr. Simonett was elected to the Board of Directors on March 23, 2016.
- (2) Jeffrey Talley was elected to the Board of Directors on March 27, 2019.
- (3) Ian Mor Macdonald was appointed to the Board of Directors on February 16, 2021.
- (4) Ms. Pagel was appointed to the Board of Directors on January 31, 2014 and ceased to be a director on March 24, 2021.

### ***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, 2021 by each of the non-employee directors.

| Name                             | Option-based awards – Value vested during the financial year ended September 30, 2021 (\$) | Share-based awards – Value vested during the financial year ended September 30, 2021 (\$) | Non-equity incentive plan compensation – Value earned during the financial year ended September 30, 2021 (\$) |
|----------------------------------|--|---|---|
| Geoff Simonett <sup>(1)</sup>    | 7,200  | -   | -   |
| Jeffrey Talley <sup>(2)</sup>    | -  | -   | -   |
| Ian Mor Macdonald <sup>(3)</sup> | -  | -   | -   |
| Jane Pagel <sup>(4)</sup>        | 7,200  | -   | -   |

Notes:

- (1) Mr. Simonett was elected to the Board of Directors on March 23, 2016.
- (2) Jeffrey Talley was elected to the Board of Directors on March 27, 2019.
- (3) Ian Mor Macdonald was appointed to the Board of Directors on February 16, 2021.
- (4) Ms. Pagel was appointed to the Board of Directors on January 31, 2014 and ceased to be a director on March 24, 2021.

## **Summary of Compensation**

Commencing September 1, 2021, the Board of Directors' compensation policy was amended to provide each director with a flat annual fee of \$28,000 per year (previously \$14,000 per year) paid quarterly, with no additional per meeting fee. Additionally, the chair of the Audit Committee will receive an additional \$10,000 per year (previously \$4,000 per year), the Chair of the HR & Governance Committee will receive an additional \$8,000 per year (previously \$4,000 per year) and the chair of the Board of Directors will receive an additional \$15,000 per year (previously \$14,000). If a director is absent from two regularly scheduled sequential meetings this will result in such director forfeiting the quarterly payment, subject to review by the chair of the Board of Directors. Subject to regulatory approvals each director will be entitled to receive an initial option grant for 90,000 Common Shares (previously options for 60,000 Common Shares) which will vest as to one third on each anniversary of the date of grant. Should a director continue to serve on the Board of Directors more than three years, additional option grants of 30,000 Common Shares (previously options for 20,000 Common Shares) shall be made on each of the third and subsequent anniversaries of the annual meeting of shareholders of the Corporation ratifying their accession to the Board of Directors, vesting one year following the date of each such additional grant.

## **SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS**

The following table summarizes the number of Common Shares authorized for issuance from treasury under the Corporation's equity compensation plans as at September 30, 2021.

| <b>Plan Category</b>                                   | <b>Number of securities to be issued upon exercise of outstanding options (a)</b> | <b>Weighted-average exercise price of outstanding options</b> | <b>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))</b> |
|--|---|---|--|
| Equity compensation plans approved by shareholders     | 620,000   | \$0.25  | 2,966,500  |
| Equity compensation plans not approved by shareholders | -   | -   | -  |

## **EQUITY INCENTIVE PLAN**

### **Stock Option Plan**

See the heading above "Approval of the Option Plan Resolution".

## **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, 2021, the Corporation recorded expenses and made payments for services from the Board of Directors of \$70,167 which were included in general operations and administrative expense for services from the Board of Directors.

## **STATEMENT OF CORPORATE GOVERNANCE PRACTICES**

### **Introduction**

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

### **Mandate of the Board**

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

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

### **Composition of the Board of Directors**

The frequency of Board of Directors’ meetings and the nature of agenda items may change from year to year depending upon the activities of the Corporation. However, the Board of Directors meets at least quarterly to review the Corporation’s operations and performance. During the financial year ended September 30, 2021, the Board of Directors met nine times.

The Corporation’s Board of Directors currently consists of five directors of which Geoff Simonett, Jeffrey Talley and Ian Mor Macdonald 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. Simonett is not standing for re-election at this Meeting. Wanda Richardson is a new director nominee at this Meeting and if elected would be considered an independent director as contemplated by the CSA Guidelines.

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

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

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

No director is a director of any other reporting issuer.

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

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

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

Mr. Ian Murray Macdonald, M.Sc., P.Geo., EP (CEA) is a professional geoscientist and certified environmental auditor. He has been with BluMetric and its affiliates for more than 34 years working in the earth science and auditing fields. Mr. Ian Murray Macdonald was Director of WESA UK from 1990 to 1993 and a Director for the WESA Group Inc. between 2008 and 2012. He is currently a client manager and project manager for multiple sites in multiple jurisdictions across Canada in the areas of contaminant hydrogeology and remediation, source water protection, waste management and management systems. Mr. Ian Murray Macdonald is a Past President of the PGO (Professional Geoscientists Ontario), has been a member of numerous municipal and institutional advisory committees, and has a wide understanding of the professional service sector.

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

### **Diversity Disclosure**

The Corporation has not adopted a written policy relating to the identification and nomination of directors who are women; Indigenous peoples (First Nations, Inuit and Métis); persons with disabilities; and members of visible minorities (as each of those are defined in the *Employment Equity Act* (Canada) (collectively, the “Designated Groups”). The HR & Governance Committee takes into consideration the level of representation of Designated Groups and diversity when nominating potential director nominees. This was one of several factors taken into consideration in the addition of the new director nominee at this Meeting, Wanda Richardson. The Board of Directors and management will take into account similar considerations in respect of senior management roles. The Corporation has not yet adopted a target for each Designated Group for directors or senior management. The Board of Directors has implemented term limits for directors. See additional information under the heading “Composition of the Board of Directors” above.

On the Board of Directors as of September 30, 2021, there was one individual who self-identified as a person with disabilities, representing 17% of the Board of Directors. Currently, in senior management, there is one individual who has self-identified as a woman, representing 25% of the members of senior management. The number and proportion of Directors and members of senior management who self-identified as being a member of the Designated Groups have been furnished by the respective directors and members of senior management on a voluntary basis and such responses have not been independently verified by the Corporation.



## **Board Committees**

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

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

### ***Audit Committee Report***

The Audit Committee consists of Ian Mor Macdonald (Chair), Geoff Simonett and Jeffrey Talley. During the financial year ended September 30, 2021, the Audit Committee met four times.

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”.

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 initially adopted in 2004 and is periodically reviewed by the Audit Committee and a copy is attached hereto as Schedule A. It is available electronically on the Corporation’s web site at [www.blumetric.ca](http://www.blumetric.ca) and on [www.sedar.com](http://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, 2022.

### **External Auditor Service Fees**

For the financial years ended September 30, 2020 and September 30, 2021 the fees paid by the Corporation for audit work were as follows:

|                                       | <b>Financial Year ended<br/>September 30, 2021</b> | <b>Financial Year ended<br/>September 30, 2020</b> |
|---------------------------------------|--|--|
| Audit fees                            | 90,000   | \$90,000   |
| Audit related fees                    | 18,264   | \$44,700   |
| Tax fees - Preparation of Tax Returns | 8,000  | \$7,500  |
| All other fees                        | 6,998  | \$4,150  |
| Total                                 | 123,262  | \$146,350  |

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 Governance Committee**

The Human Resources and Governance Committee consists of Jeffrey Talley (Chair), Ian Mor Macdonald and Ian Murray Macdonald. The HR & Governance Committee met four times during the financial year ended September 30, 2021.

See the board biographies above under the heading “Composition of the Board” for the relevant experience of the members in compensation matters.

The HR & Governance Committee is responsible for personnel matters, including performance, compensation and succession. The terms of reference 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 HR & Governance Committee’s mandate is an ongoing review of compensation of executive officers and directors of the Corporation, a review of the Corporation’s current compensation model and to recommend changes including the implementation of short-term and long-term incentives for executive officers, employees and directors of the Corporation, including the criteria for, and award of, the Performance Bonus for executive officers. The HR & Governance Committee is also 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](http://www.blumetric.ca) and on [www.sedar.com](http://www.sedar.com).

## **ADDITIONAL INFORMATION**

The financial statements of the Corporation for the financial year ended September 30, 2021, together with the report of the auditors' thereon, are being mailed to the Shareholders of the Corporation with this Circular. Additional information relating to the Corporation may be obtained on the SEDAR website at [www.sedar.com](http://www.sedar.com). Shareholders can request copies of the Corporation's financial statements and management's discussion and analysis by emailing their request to [info@blumetric.ca](mailto:info@blumetric.ca), calling the Corporation at (613) 839-3053, or visiting the website at [www.blumetric.ca](http://www.blumetric.ca).

## **OTHER BUSINESS**

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

## **SHAREHOLDER PROPOSALS FOR NEXT MEETING**

Proposals of Shareholders to be presented at the 2023 annual meeting of shareholders of the Corporation in 2023 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 16<sup>th</sup> day of February, 2022.

**BY ORDER OF THE BOARD OF DIRECTORS**

*/s/ Geoff Simonett*

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Geoff Simonett

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**

**CHANGE OF AUDITOR REPORTING PACKAGE**



To: British Columbia Securities Commission  
Alberta Securities Commission  
The Manitoba Securities Commission  
Ontario Securities Commission  
TSX Venture Exchange

And to: PricewaterhouseCoopers LLP  
MNP LLP

Re: **Notice of Change of Auditor pursuant to National Instrument 51-102**

1. BluMetric Environmental Inc. (the "Corporation") wishes to advise that the Corporation's auditor PricewaterhouseCoopers LLP ("PwC"), has resigned effective September 21, 2021 at the request of the Corporation.
2. The Board of Directors of the Corporation resolved on September 28, 2021, that MNP LLP ("MNP") be appointed as successor auditor to fill the vacancy in the position of auditor of the Corporation.
3. The resignation of PwC and the appointment of MNP have been considered and approved by the Corporation's Audit Committee and Board of Directors. The Corporation's Audit Committee has reviewed the documents relating to the change of auditor.
4. There have been no reservations or modified opinions contained in the audit reports of PwC for the two most recently completed fiscal years ended September 30, 2019 and 2020 and any prior period. There are no reportable events (as defined in National Instrument 51-102) between the Corporation and PwC, and there have been no qualified opinions or denial of opinion of PwC.

Dated in Ottawa, Ontario, effective this 28th day of September, 2021.

**BluMetric Environmental Inc.**

A handwritten signature in blue ink that reads "V. Karaiskos".

Vivian Karaiskos  
CFO



Tel. 613-839-3053  
Fax. 613-839-5376

BluMetric Environmental Inc.  
1682 Woodward Drive, Ottawa, Ontario, Canada K2C 3R8

[www.blumetric.ca](http://www.blumetric.ca)



September 28, 2021

Mr. Ian Macdonald  
Chair of Audit Committee  
BluMetric Environmental Inc.

Enclosed is our response to the change of auditor notice dated September 28, 2021 in accordance with National Instrument 51-102. We understand that this letter will be reviewed and approved by the Audit Committee, filed with the following Canadian Securities Administrators:

- British Columbia Securities Commission
- Alberta Securities Commission
- The Manitoba Securities Commission
- Ontario Securities Commission
- TSX Venture Exchange

prior to October 5, 2021, and included in the information circular accompanying the notice of any meeting of shareholders at which action is to be taken concerning a change in auditor.

Yours very truly,

*PricewaterhouseCoopers LLP*

**Chartered Professional Accountants**

Encl.

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**PricewaterhouseCoopers LLP**  
99 Bank Street, Suite 710, Ottawa, Ontario, Canada K1P 1E4  
T: +1 613 237 3702, F: +1 613 237 3963, [www.pwc.com/ca](http://www.pwc.com/ca)

This document was written by PricewaterhouseCoopers LLP ("PwC") in connection with the provision of tax services solely for the account of a PwC client. Any use which an individual, partnership, body corporate or other legal entity other than the PwC client makes of this document and any reliance on, or decisions made on the basis of, the contents of this document are the responsibility of such individual, partnership, body corporate or other legal entity. PwC accepts no responsibility for damages, if any, suffered by an individual, partnership, body corporate or other legal entity other than the PwC client as a result of decisions made or actions taken in reliance on the contents of this document.

"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership, which is a member firm of PricewaterhouseCoopers International Limited, each member firm of which is a separate legal entity.



October 4, 2021

To: British Columbia Securities Commission  
Alberta Securities Commission  
The Manitoba Securities Commission  
Ontario Securities Commission  
TSX Venture Exchange

Dear Sirs/Madams:

**Re: BluMetric Environmental Inc. (the "Company")**

Pursuant to National Instrument 51-102 Continuous Disclosure Obligations, we have reviewed the information contained in the Notice of Change of Auditor of the Company dated September 28, 2021 ("the Notice") and, based on our knowledge of such information at this time, we agree with the statements made in the Notice pertaining to our firm. We advise that we have no basis to agree or disagree with the comments in the Notice relating to PwC LLP.

Yours very truly

A handwritten signature in black ink that reads 'MNP LLP' in a stylized, cursive font.

Chartered Professional Accountants

Licensed Public Accountants

Ottawa, Ontario



## SCHEDULE C

### OPTION PLAN RESOLUTION

RESOLVED THAT:

1. the amendments to the BluMetric Environmental Inc. Amended and Restated Stock Option Plan 2022 (the "Amended Plan"), including an increase in the number of common shares available under the Amended Plan from 3,200,000 common shares to 4,500,000 common shares, substantially as set forth in Schedule D to the Corporation's Management Proxy Circular, be approved; and
2. any officer or director of the Corporation is hereby authorized and directed for, and on behalf of, the Corporation to execute or cause to be executed, under the seal of the Corporation or otherwise, and to deliver or cause to be delivered, all such documents and instruments and to perform or cause to be performed all such other acts and things as in such director's or officer's opinion may be necessary or desirable to give full effect to the foregoing resolution and the matters authorized hereby.

## SCHEDULE D

### BLUMETRIC ENVIRONMENTAL INC.

#### AMENDED AND RESTATED STOCK OPTION PLAN 2022

1. Purpose of the Plan

- 1.1 The purpose of this Plan is to attract and retain directors, officers, advisors, employees and other persons or companies engaged to provide ongoing services to the Corporation or its subsidiaries, to provide an incentive for such persons to put forth maximum effort for the continued success and growth of the Corporation, and in combination with these goals, to encourage their equity participation in the Corporation.

2. Definitions

- 2.1 For the purposes of the Plan, the following terms have the respective meanings set forth below:
- (a) **"Affiliate"** has the same meaning ascribed to that term as set out in the OSA;
  - (b) **"Associate"** has the same meaning ascribed to that term as set out in the OSA;
  - (c) **"Black-Out Period"** means that period during which a trading black-out period is imposed by the Corporation to restrict trades in the Corporation's securities by an Eligible Person or Permitted Assign;
  - (d) **"Board"** means the board of directors of the Corporation;
  - (e) **"Business Combination"** has the meaning ascribed to the term in Section 10.7 hereof;
  - (f) **"Cashless Exercise"** has the meaning set forth in Section 9.3;
  - (g) **"Change of Control"** means:
    - (i) the sale of all or substantially all of the assets of the Corporation on a consolidated basis, in one transaction or a series of related transactions, to a Person that is not an Affiliate,
    - (ii) an amalgamation, merger, reorganization, acquisition or consolidation pursuant to which a Person, or any Associate or Affiliate of such Person hereafter acquires the direct or indirect "beneficial ownership" (as such concept may be defined in the *Canada Business Corporations Act*) of securities of the Corporation representing 50% or more of the aggregate voting power of all of the Corporation's then issued and outstanding securities,
    - (iii) a transaction pursuant to which the Corporation goes out of existence,

- (iv) the dissolution or liquidation of the Corporation except in connection with the distribution of assets of the Corporation to one or more Affiliates prior to such event;
  - (v) the occurrence of a transaction requiring approval of the Corporation's shareholders involving the acquisition of the Corporation by an entity through purchase of assets, by amalgamation, arrangement or otherwise; or
  - (vi) any other transaction that is deemed to be a "Change of Control" for the purposes of this Plan by the Board in its sole discretion;
- (h) "**Committee**" means the HR & Governance Committee of the Board constituted as provided in Section 3 hereof and if none is so constituted, means the full Board;
- (i) "**Consultant**" means an individual or a Consultant Company other than an Employee or director, executive officer or Management Employee of the Corporation or an Affiliate of the Corporation, who:
- (i) is engaged to provide on an ongoing *bona fide* basis, consulting, technical, management or other services to the Corporation or an Affiliate of the Corporation other than services provided in relation to a distribution;
  - (ii) provides the services under a written contract between the Corporation or an Affiliate of the Corporation and the individual or the Consultant Company;
  - (iii) in the reasonable opinion of the Corporation, spends or will spend a significant amount of time and attention on the business and affairs of the Corporation or an Affiliate of the Corporation; and
  - (iv) has a relationship with the Corporation or an Affiliate of the Corporation that enables the individual to be knowledgeable about the business and affairs of the Corporation;
- (j) "**Consultant Company**" means a Consultant that is a company;
- (k) "**Corporation**" means BluMetric Environmental Inc. or its successor;
- (l) "**Eligible Person**" means, from time to time, any director, executive officer, *bona fide* Employee or *bona fide* Management Company Employee of the Corporation or a subsidiary of the Corporation and any *bona fide* Consultant;
- (m) "**Employee**" means an individual who is considered an employee of the Corporation or a subsidiary of the Corporation under the *Income Tax Act* (Canada) or is otherwise defined in the TSX-V Manual or determined by the Corporation;
- (n) "**Exchange**" means the TSX-V or, if the Shares are not listed on the TSX-V, the stock exchange on which the Shares are then principally listed from time to time;

- (o) “**Exchange Hold Period**” has the meaning set forth in the TSX-V Manual;
- (p) “**executive officer**” has the same meaning ascribed to that term as set out in National Instrument 51-102 – *Continuous Disclosure Obligations*;
- (q) “**Grant Date**” has the meaning ascribed to that term in Section 5.1 hereof;
- (r) “**Insider**” means:
  - (i) a director or senior officer of the Corporation;
  - (ii) a director or senior officer of a Company that is an Insider or subsidiary of the Corporation;
  - (iii) a Person that beneficially owns or controls, directly or indirectly, voting shares carrying more than 10% of the voting rights attached to all voting shares of the Corporation; or
  - (iv) the Corporation itself if it holds any of its own securities;
- (s) “**Investor Relations Activities**” has the meaning given to it in Policy 1.1 of the TSX-V Corporate Finance Manual;
- (t) “**Management Company Employee**” means an individual employed by a person providing management services to the Corporation, which are required for the ongoing successful operation of the business enterprise of the Corporation, but excluding a person engaged in Investor Relation Activities;
- (u) “**Market Value**” of a Share means (A) if the Shares of the Corporation are listed on an Exchange, with respect to Options at any date when the market value of Shares of the Corporation is to be determined using the VWAP, less any discount permitted by the rules or policies of the Exchange and approved by the Board, or, (B) if the Shares of the Corporation are not listed on any Exchange, the value as is determined solely by the Board, acting reasonably and in good faith;
- (v) “**Net Exercise**” has the meaning ascribed to it in Section 9.2;
- (w) “**NI 45-106**” means National Instrument 45-106 – *Prospectus and Registration Exemptions*;
- (x) “**Option**” means an option, granted pursuant to Section 5 hereof, to purchase a Share;
- (y) “**Option Agreement**” means the form of option agreement, as adjusted from time to time, attached hereto as Appendix A and forming a part of this Plan;
- (z) “**Option Period**” has the meaning ascribed to that term in Section 6.3 hereof;

- (aa) **“Option Price”** means the price per Share at which Shares may be purchased under the Option, as determined pursuant to Section 5.1(b) hereof and as may be adjusted in accordance with Section 10 hereof;
- (bb) **“Optionee”** means an Eligible Person to whom an Option has been granted;
- (cc) **“OSA”** means the *Securities Act* (Ontario), as amended;
- (dd) **“Permitted Assign”** means a holding entity (as defined in Section 2.22 of NI 45-106) of that Eligible Person or an RRSP or RRIF of that Eligible Person;
- (ee) **“person”** includes an individual, corporation, partnership, party, trust, fund, association and any other organized group of persons and the personal or other legal representative of a person to whom the context can apply according to law;
- (ff) **“Plan”** means the Amended and Restated Stock Option Plan 2022 of the Corporation as set forth herein as the same may be amended and/or restated from time to time;
- (gg) **“related entity”** has the same meaning ascribed to that term as set out in Section 2.22 of NI 45-106;
- (hh) **“Securities Laws”** means securities legislation, securities regulation and securities rules, as amended, and the policies, notices, instruments and blanket orders in force from time to time that are applicable to the Corporation;
- (ii) **“Securities Regulators”** has the meaning ascribed to that term in Section 11 hereof;
- (jj) **“Security-Based Compensation Arrangements”** means stock option, stock option plan, employee stock purchase plan, long-term incentive plan or any other compensation or incentive mechanism involving the issuance or potential issuance of Shares from treasury, including a share purchase from treasury by a full-time employee, director, officer, Insider, or Consultant which is financially assisted by the Corporation or a Subsidiary by way of a loan, guarantee or otherwise;
- (kk) **“Share”** means, subject to Section 10 hereof, a common share in the capital of the Corporation;
- (ll) **“Shareholder”** means a registered holder of Shares;
- (mm) **“Take-Over Bid”** has the meaning ascribed to the term in Section 10.8 hereof;
- (nn) **“Trading Day”** means any day when the Exchange is open for trading;
- (oo) **“TSX-V”** means the TSX Venture Exchange;
- (pp) **“TSX-V Manual”** means the TSX Venture Exchange Corporate Finance Manual; and

(qq) “**VWAP**” means the volume weighted average trading price of the Corporation’s Shares on TSX-V calculated by dividing the total value by the total volume of such securities traded for the five Trading Days immediately preceding the grant of the Option or the exercise of the subject Option, as applicable.

2.2 Unless otherwise indicated, all dollar amounts referred to in this Option Plan are in Canadian funds.

2.3 As used in this Plan, words importing the masculine gender shall include the feminine and neuter genders, words importing the singular shall include the plural and vice versa, unless the context otherwise requires and references to person includes any individual, partnership, limited partnership, joint venture, syndicate, sole proprietorship, company or corporation (with or without share capital), unincorporated association, trust, trustee, executor, administrator or other legal representative.

### 3. Administration of the Plan

3.1 The Plan shall be administered by the Board with the assistance of the Committee, if any.

3.2 The Committee shall periodically make recommendations to the Board as to the grant of Options.

3.3 In addition to the powers granted to the Board under the Plan and subject to the terms of the Plan, the Board shall have full and complete authority to grant Options, interpret the Plan, to prescribe such rules and regulations as it deems necessary for the proper administration of the Plan and to make such determinations and to take such actions in connection therewith as it deems necessary or advisable. Any such interpretation, rule, determination or other act of the Board shall be conclusively binding upon all persons.

3.4 The Board may authorize one or more officers of the Corporation to execute and deliver and to receive documents on behalf of the Corporation.

### 4. Shares Subject to the Plan

4.1 The maximum number of Shares which may be issued under the Plan shall not exceed the fixed number of 4,500,000 Shares, subject to adjustment as provided in Section 10.

4.2 Notwithstanding any other provision of this Plan, unless disinterested Shareholder approval is obtained in accordance with the policies of the TSX-V, the aggregate number of Options granted to any one Eligible Person (and companies wholly-owned by that Eligible Person) in a 12 month period must not exceed 5% of the issued Shares of the Company on a non-diluted basis, calculated on the date an Option is granted to the Eligible Person.

4.3 The aggregate number of Options granted to:

(a) Insiders (as a group) under the Plan, or when combined with all of the Corporation's other Security-Based Compensation Arrangements, cannot within a 12 month period, exceed 10% of the issued Shares of the Corporation at the date an Option is granted to Insider, unless the approval of the disinterested shareholders of the Corporation is obtained;

- (b) Insiders (as a group) under the Plan, or when combined with all the Corporation's other Security-Based Compensation Arrangement, cannot exceed 10% of the issued Shares of the Corporation at any point in time, unless the approval of the disinterested shareholders of the Corporation is obtained;
  - (c) any one Consultant in a 12 month period must not exceed 2% of the issued Shares of the Corporation, calculated at the date an Option is granted to the Consultant; and
  - (d) all Eligible Persons retained to provide Investor Relations Activities must not exceed 2% of the issued Shares of the Corporation in any 12 month period, calculated at the date an Option is granted to any such Eligible Person.
- 4.4 Options may be granted in respect of authorized and unissued Shares. Shares in respect of which Options have expired, were cancelled or otherwise terminated for any reason other than the exercise of the Options shall be available for subsequent Options under the Plan.
- 4.5 No fractional Shares may be purchased or issued under the Plan.

5. Grants of Options

- 5.1 Subject to the provisions of the Plan, the Board shall, in its sole discretion and from time to time, determine those Eligible Persons to whom Options shall be granted and the date on which such Options are to be granted (the "**Grant Date**"). The Board shall also determine, in its sole discretion, in connection with each grant of Options:
- (a) the number of Options to be granted;
  - (b) subject to the provisions of the Plan, the Option Price applicable to each Option, provided that the Option Price shall not be less than the Market Value per Share on the Grant Date; and
  - (c) the other terms and conditions (which need not be identical and which) of all Options covered by any grant.

6. Eligibility, Vesting and Terms of Options

- 6.1 Options may be granted to Eligible Persons only.
- 6.2 Subject to the adjustments provided for in Section 10 hereof, each Option shall entitle the Optionee to purchase one Share.
- 6.3 The option period (the "**Option Period**") of each Option commences on the Grant Date and expires on a date as determined by the Board in its sole discretion; provided, that (i) in no event shall the Option Period expire later than 4:30 p.m. (Ottawa time) on the tenth anniversary of the Grant Date, and (ii) an Option will not expire more than 12 months from the time the Optionee ceases to be a director, an officer, an employee or Consultant of the Corporation. If an Option expires during a Black-Out Period then, notwithstanding any other provision of the Plan, the Option shall expire 10 business days after the Black-Out Period is lifted by the Corporation.

- 6.4 Subject to Sections 8 and 9, an Option which is subject to vesting, may, once vested, be exercised at any time during the Option Period. Subject to Section 8, an Option which is not subject to vesting may be exercised at any time during the Option Period.
- 6.5 The Board in its sole discretion may determine and impose terms upon which each Option shall become vested in respect of Shares.
- 6.6 An Option is personal to the Optionee and is non-assignable and non-transferable otherwise than (a) by will or by the laws governing the devolution of property in the event of death of the Optionee or (b) with the prior consent of the board, to a Permitted Assign.
- 6.7 Options granted to any Eligible Person retained to provide Investor Relations Activities must vest in a period of not less than 12 months from the date of grant and with no more than 25% of the Options vesting in any three-month period notwithstanding any other provision of this Plan.
- 6.8 Subject to Section 6.3, the Board may by resolution, in its sole discretion extend the expiration date of any Option. The Board shall not, in the event of any such advancement or extension, be under any obligation to advance or extend the date on or by which Options may be exercised by any other Optionee.

## 7. Option Agreement

- 7.1 Upon the grant of an Option, the Corporation and the Optionee shall enter into an option agreement, in a form set out in Appendix A or in such form as approved by the Board, subject to the terms and conditions of the Plan, which agreement shall set out the Optionee's agreement that the Options are subject to the terms and conditions set forth in the Plan as it may be amended or replaced from time to time, the Grant Date, the name of the Optionee, the Optionee's position with the Corporation, the number of Options, the Option Price, the expiry date of the Option Period, vesting terms and such other terms and conditions as the Board may deem appropriate.

## 8. Termination of Employment, Engagement or Directorship

- 8.1 In the event of the death of an Optionee, either while in the employment or engagement of the Corporation, or while a director of the Corporation, the Optionee's estate may, within 365 days from the date of the Optionee's death, exercise any Option granted hereunder to the extent such Option was exercisable and had vested on the date of the Optionee's death; provided, however, that no Option shall be exercisable following the expiration of the Option Period applicable thereto. The Optionee's estate shall include only the executors or administrators of such estate and persons who have acquired the right to exercise such Option directly from the Optionee by bequest or inheritance.
- 8.2 In the event an Optionee's employment, engagement or directorship with the Corporation or its related entity terminates for any reason other than death or cause, the Optionee may exercise any Option granted hereunder to the extent such Option was exercisable and had vested on the date of termination no later than 60 days after such termination or such later date within the Option Period first established by the Board for such Option as the Board may fix, except if the Optionee is engaged in Investor Relations Activities then such period shall be no later than 30 days.



- 8.3 In the event an Optionee's employment, engagement or directorship is terminated for cause, each Option held by the Optionee that has not been effectively exercised prior to such termination shall lapse and become null and void immediately upon such termination.
- 8.4 For the purposes of this Plan, "cause" shall include, among other things, a dishonest act such as gross misconduct, theft, fraud, embezzlement, misappropriation, breach of confidentiality, breach of loyalty or breach of duty of loyalty or placement in conflict of interest and any other reason determined by the Corporation to be cause for termination. For the purposes of the Plan, the determination by the Corporation that the Eligible Person was discharged for "Cause" shall be binding on the Eligible Person.
- 8.5 The Plan shall not confer upon any Optionee any right with respect to a continuation of employment or engagement by, or directorship of, the Corporation or its related entity nor shall it interfere in any way with the right of the Corporation or its related entity to terminate any Optionee's employment, engagement or directorship at any time.
- 8.6 Unless otherwise agreed to in writing by the Board in accordance with Section 8.5, references to "termination" or "the date of such termination" or similar references in this Section 8:
- (a) in the case of an Employee (including executive officers who are also Employees), is deemed to be the last day of active employment by the Employee with the Corporation or its Related Entity, as the case may be, regardless of any salary continuance, notice period required under applicable law or the reason for termination of employment (whether with or without cause or with or without notice);
  - (b) in the case of a Consultant is deemed to be the "termination" or "the date of such termination" of the person engaged as a consultant to provide services to the Corporation or Related Entity; and
  - (c) in the case of a Permitted Assign is deemed to be the "termination" or "the date of such termination" of the director, executive officer, Employee Management Company Employee or Consultant that the Permitted Assign is related to.
- 8.7 For greater certainty, an Option that had not become vested at the time that the relevant termination event referred to in this Section 8 occurred, shall not be or become exercisable and shall be cancelled.
9. Exercise of Options
- 9.1 Subject to the provisions of the Plan, an Option may be exercised from time to time by delivery to the Corporation at its registered office of a written notice of exercise addressed to the Secretary of the Corporation specifying the number of Shares with respect to which the Option is being exercised, together with a certified cheque, bank draft or other appropriate form of payment to be determined by the Corporation, for the aggregate of the Option Prices to be paid for the Shares to be purchased and all mandatory tax withholdings. The tax withholdings will be paid by the Corporation on the Optionee's behalf. Certificates for such Shares shall be issued and delivered to the Optionee within a reasonable time following the receipt of such notice and payment. For

greater certainty, the Corporation will not provide financial assistance in respect of the exercise of an Option unless specifically agreed to by the Board.

9.2 Excluding Options held by an Eligible Person engaged in Investor Relations Activities, in lieu of exercising an Option as set forth in Section 9.1, an Optionee may exercise from time to time by delivery to the Corporation at its registered office a written notice of exercise addressed to the Secretary of the Corporation, whereby the Optionee does not make a cash payment, except for all mandatory tax withholdings, but instead received only the number of underlying Shares ("**Net Exercise**") that is equal to the quotient obtained by dividing:

- (a) the product of the number of Options being exercised multiplied by the difference between the VWAP of the underlying Shares and the Option Price of the subject Options; by
- (b) the VWAP of the underlying Shares.

In the event of a Net Exercise, the number of Options exercised, surrendered or converted, and not the number of Shares actually issued by the Corporation, must be included in calculating the limits set forth in Section 4.

9.3 Excluding Options held by an Eligible Person engaged in Investor Relation Activities, in lieu of exercising an Option as set forth in Sections 9.1 or 9.2, and in the event that the Corporation implements an arrangement with a brokerage firm in accordance with the provisions of the TSX-V Manual and the Board determines to permit a cashless exercise of Options, an Optionee may do a cashless exercise of the Options ("**Cashless Exercise**"), whereby the brokerage firm sells a sufficient number of Shares to cover the Option Price of the Options in order to repay the loan made to the Optionee and the brokerage firm receives an equivalent number of Shares from the exercise of the Options and the Optionee then receives the balance of Shares or the cash proceeds from the balance of such Shares.

9.4 No less than 100 Options may be exercised at any one time, except where a smaller number of Options is or remains exercisable pursuant to a grant, in which case, such smaller number of Options must be exercised at one time,

9.5 All Security-Based Compensation Arrangements are subject to any applicable resale restrictions under Securities Laws and the Exchange Hold Period, if applicable. In addition, if the Exchange Hold Period is applicable, all Options and any Shares issued under Options exercised prior to the expiry of the Exchange Hold Period must be legended with the Exchange Hold Period commencing on the date the Options were granted.

## 10. Adjustment on Alteration of Share Capital

10.1 In the event of a subdivision, consolidation or reclassification of outstanding Shares or other capital adjustment, the number of Shares reserved or authorized to be reserved under the Plan, the number of Shares receivable on the exercise of an Option and the Option Price therefor shall be increased or reduced proportionately and such other adjustments shall be made as may be deemed necessary or equitable by the Board in its sole discretion and such adjustment shall be binding for all purposes of the Plan.

- 10.2 If the Corporation amalgamates, consolidates or combines with or merges with or into another body corporate, whether by way of amalgamation, statutory arrangement or otherwise (the right to do so being hereby expressly reserved), any Share receivable on the exercise of an Option shall be converted into the securities, property or cash which the Optionee would have received upon such amalgamation, consolidation, combination or merger if the Optionee had exercised his or her Option immediately prior to the effective date of such amalgamation, consolidation, combination or merger and the Option Price shall be adjusted as may be deemed necessary or equitable by the Board in its sole discretion and such adjustment shall be binding for all purposes of the Plan.
- 10.3 In the event of a change in the Corporation's currently authorized Shares which is limited to a change in the designation thereof, the shares resulting from any such change shall be deemed to be Shares within the meaning of the Plan.
- 10.4 Subject to TSX-V approval, in the event of any other change affecting the Shares, such adjustment, if any, shall be made as may be deemed necessary or equitable by the Board in its sole discretion to properly reflect such event and such adjustment be binding for all purposes of the Plan.
- 10.5 No adjustment provided in this Section 10 shall require the Corporation to issue a fractional Share and the total adjustment with respect to each Option shall be limited accordingly.
- 10.6 Notwithstanding any other provision herein, if because of a proposed merger, amalgamation or other corporate arrangement or reorganization, the exchange or replacement of shares in the Corporation for securities, property or cash in or from another company is imminent ("**Business Combination**"), the Board may, in a fair and equitable manner, determine the manner in which all unexercised option rights granted under the Plan shall be treated including, for example, requiring the acceleration of the time for the exercise of such rights by the Optionees and of the time for the fulfillment of any conditions or restrictions on such exercise (including without limitation, vesting requirements) or providing that any Share which would be receivable prior to the effective time of the Business Combination on the exercise of an Option be replaced with the securities, property or cash which the Optionee would have received if the Optionee had exercised his or her Option immediately prior to the effective time of the Business Combination and make any necessary adjustment, including adjustments to the Option Price, as may be deemed necessary or equitable by the Board in its sole discretion. All determinations of the Board under this Section 10.6 shall be binding for all purposes of the Plan. Any adjustments made by the Board in the context of a Business Combination are subject to TSX-V approval.
- 10.7 In order to permit Optionees to participate in a proposed offer for Shares made by means of a take-over bid circular ("**Take-over Bid**") or a proposed Business Combination that could result in a Change of Control, the Board may make appropriate provisions for the exercise of options (whether vested or not) conditional upon the Shares resulting therefrom being taken up and paid for under the Take-over Bid or the completion of the Business Combination, as applicable.
11. Regulatory Approval
- 11.1 Notwithstanding any of the provisions contained in the Plan or any Option, the Corporation's obligation to grant Options and issue Shares and to issue and deliver certificates for such securities to an Optionee pursuant to the exercise of an Option shall be subject to:

- (a) compliance with all applicable laws, regulations, rules, orders of governmental or regulatory authorities in Canada (“**Securities Regulators**”);
  - (b) compliance with the requirements of the Exchange; and
  - (c) receipt from the Optionee of such covenants, agreements, representations and undertakings, including as to future dealings in such Shares, as the Corporation determines to be necessary or advisable in order to safeguard against the violation of the securities laws of any jurisdiction.
- 11.2 The Corporation shall in no event be obligated to take any action in order to cause the issuance and delivery of such certificates to comply with any laws, regulations, rules, orders or requirements.
- 11.3 Notwithstanding any provisions in the Plan or any Option if any amendment, modification or termination to the provisions hereof or any Option made pursuant hereto are required by any Securities Regulators, a stock exchange or a market as a condition of approval to a distribution to the public of any Shares or to obtain or maintain a listing or quotation of any Shares, the Board is authorized to make such amendments and thereupon the terms of the Plan, any Options, including any option agreement made pursuant hereto, shall be deemed to be amended accordingly without requiring the consent or agreement of any Optionee or shareholder approval.
12. Miscellaneous
- 12.1 An Optionee entitled to Shares as a result of the exercise of an Option shall not be deemed for any purpose to be, or to have rights as, a shareholder of the Corporation by such exercise, except to the extent Shares are issued therefor and then only from the date such Shares are issued. No adjustment shall be made for dividends or distributions or other rights which the record date is prior to the date such Shares are issued pursuant to the exercise of Options.
- 12.2 If the Corporation shall be required to withhold any amounts by reason of any federal, provincial, state, local or other rules or regulations concerning taxes or social security contributions in respect of the issuance or delivery of Shares to the Optionee, the Corporation may deduct and withhold such amount or amounts from any payment made by the Corporation to such Optionee, whether or not such payment is made pursuant to this Plan. In addition, or as an alternative to such withholding from payments, the Corporation may require an Optionee, as a condition of exercise of an Option, to pay to the Corporation an amount not exceeding the total of the withholding obligation of the Corporation arising in respect of the issuance or delivery of Shares to the Optionee, or to reimburse the Corporation for such amount. Under no circumstances shall the Corporation be responsible for funding the payment of any tax on behalf of any Eligible Person, any Permitted Assign or any transferee of an Option as permitted hereunder, or for providing any tax advice to them.
- 12.3 The Plan and all matters to which reference is made herein shall be governed by and interpreted in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

- 12.4 The invalidity or unenforceability of any provision of the Plan shall not affect the validity or enforceability of any other provision and any invalid or unenforceable provision shall be severed from the Plan.
- 12.5 Each Eligible Person agrees with the Corporation that this Plan and all agreements, notices, declarations and documents accessory to the Plan be drafted in English only. *Chaque participant consent avec la société à ce que ce Plan ainsi que toutes conventions, avis, déclarations et documents afférents au Plan soient rédigés en anglais seulement.*

13. Amendment and Termination

- 13.1 The Board may, subject to shareholder approval, amend the Plan at any time. Notwithstanding the foregoing and subject to TSX-V approval, the Board is specifically authorized to amend or revise the terms of the Plan without obtaining Shareholder approval in the following circumstances:
- (a) to change vesting provisions in the event of a Business Combination or a Take-over Bid, as provided herein;
  - (b) to add any form of financial assistance;
  - (c) to change the termination provisions of the Options or Plan which does not extend beyond the original expiry date; and
  - (d) other amendments of a housekeeping nature, including the correction or rectification of any ambiguities, defective or inconsistent provisions, errors, mistakes or omissions herein and updating provisions herein to reflect changes in the governing laws, including tax laws, and the TSX-V requirements.

Except as otherwise permitted by the TSX-V, amendments to this provision as well as amendments to the number of Shares issuable under the Plan (including an increase to a fixed maximum number of Shares or a fixed maximum percentage of Shares, as the case may be, or a change from a fixed maximum number of Shares to a fixed maximum percentage), may not be made without obtaining approval of the Shareholders in accordance with TSX-V requirements. Any amendments which require Shareholder approval as a result of the rules of the TSX-V will require Shareholder approval in accordance with TSX-V requirements.

- 13.2 The Board may suspend or terminate the Plan at any time. No action by the Board to terminate the Plan pursuant to this Section 13 shall affect any Options granted hereunder prior to termination.
- 13.3 Except as set out below and subject to TSX-V approval, the Board may, without Shareholder approval, amend, modify or terminate any outstanding Option, including, but not limited to, substituting another award of the same or of a different type or changing the date of exercise; provided, however that, the Optionee's consent to such action shall be required unless the Board determines that the action, when taken with any related action, would not materially and adversely affect the Optionee or is specifically permitted hereunder. The exercise price of any outstanding Options may not be reduced and the original Option Period extended unless

Shareholder approval is obtained by way of a resolution passed by a majority of the votes cast by the Shareholders at a meeting of Shareholders. The Option Price of any outstanding Options may not be reduced and the original term of the Option Period may not be extended to the benefit of Insiders unless disinterested Shareholder approval is obtained in accordance with TSX-V requirements.

**APPENDIX A**

**BLUMETRIC ENVIRONMENTAL INC.**

**AMENDED AND RESTATED STOCK OPTION PLAN 2022**

**OPTION AGREEMENT**

This Option Agreement is entered into between BluMetric Environmental Inc. (the “**Corporation**”) and the Optionee named below pursuant to the BluMetric Environmental Inc. Amended and Restated Stock Option Plan 2022 (the “**Plan**”) a copy of which is attached hereto, and confirms the following:

1. **Grant Date:** \_\_\_\_\_
2. **Optionee:** \_\_\_\_\_
3. **Optionee’s Position with the Corporation or related entity:** \_\_\_\_\_
4. **Number of Options:** \_\_\_\_\_
5. **Option Price (\$ per Share):** \$ \_\_\_\_\_
6. **Expiry Date of Option Period:** \_\_\_\_\_
7. Each Option that has vested entitles the Optionee to purchase one Share at any time up to 4:30 p.m. Ottawa time on the expiry date of the Option Period. The Options vest as follows:

| <b>Vesting Date</b> | <b>Number of Shares</b> |
|---------------------|-------------------------|
|                     |                         |
|                     |                         |
|                     |                         |
|                     |                         |
| Total               |                         |

8. This Option Agreement is subject to the terms and conditions set out in the Plan, as amended or replaced from time to time. In the case of any inconsistency between this Option Agreement and the Plan, the Plan shall govern.

9. The Optionee hereby acknowledges that he or she has not received any advice from the Corporation as to tax or legal ramification of the grant of Options hereunder and has been advised to seek independent tax advice as he or she deems necessary.
10. If the Optionee is an Employee or Management Company Employee of the Corporation or a subsidiary of the Corporation, or a Consultant, the Optionee represents that the Optionee is a *bona fide* Employee, Management Company Employee or Consultant, as the case may be.
11. Unless otherwise indicated, all defined terms shall have the respective meanings attributed thereto in the Plan.
12. By signing this agreement, the Optionee acknowledges that he, she, or its authorized representative has read and understands the Plan.

IN WITNESS WHEREOF the parties hereto have executed this Option Agreement as of  
the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

**BLUMETRIC ENVIRONMENTAL INC.**

\_\_\_\_\_  
Signature of Optionee

Per: \_\_\_\_\_  
Authorized Signatory