

BluMetric Announces Profitable Second Quarter in FY2017

Ottawa – May 30, 2017 – BluMetric Environmental Inc. (TSX.V: BLM), an Ottawa-based cleantech company, announced sales of \$7.2 million and net income of \$90,000 in the unaudited results for its second quarter ended March 31, 2017.

Financial Highlights

- **Year-to-date revenue** is \$15.5 million, a reduction of 2% compared to \$15.9 million for the six months ended March 31, 2016.
- **Revenue for the quarter** decreased 9% to \$7.2 million compared to \$7.9 million for the quarter ended March 31, 2016. Professional Services revenue of \$4.9 million decreased \$200,000 quarter over quarter, while Water Systems revenue of \$2.3 million showed a decrease of \$500,000. The decline in the Water Systems revenue can be mainly attributed to the length of the sales cycles for new engineered solutions projects.
- **Gross margin** decreased slightly to 22% compared to 24% for the same quarter in fiscal 2016, mostly arising from lower margins in Water Systems relating to the reduced number of ongoing engineered solutions projects, offset slightly by an improved margin in Professional Services. **Year-to-date gross margin** is 21%, consistent with the previous year.
- **Operating costs** remained consistent with the same quarter in the prior year at \$1.4 million.
- **Net income** for the quarter was \$90,000 compared to a net income of \$289,000 for the same quarter in fiscal 2016. In the six-month period, net income was \$318,000 compared to \$304,000 in the previous year.
- **EBITDA** (see Note 1 definition below) in the quarter decreased to \$353,000 from \$663,000 for the same quarter in fiscal 2016, and in the six months decreased to \$868,000 from \$1.0 million in the same period in the previous year.

Operational Highlights

- BluMetric continues to drive business development and research and innovation to increase sales in its identified target markets.

Operational Highlights (cont'd)

- BluMetric's Professional Services group:
 - posted ongoing successes in Canada's North, including the diversification of work into hazardous substance and chemical reviews as well as remote community drilling programs;
 - successfully completed significant and challenging government work, proving the utility of several innovative new approaches in remote environments.
- BluMetric's Water Systems group:
 - made substantial progress on a mining engineered solutions contract that expands the Company's product and service profile;
 - implemented an improved project management system to increase efficiencies through the full life cycle of our projects.

Outlook

Historically, a substantial portion of the business generated by Professional Services has come from the mining sector, which has been rebounding for the past three quarters. As a result, Professional Services has seen increased activity in this vertical.

Creative collaboration between Professional Services and Water Systems recently resulted in an order for new technology with an established client. BluMetric sees opportunities for this type of business development in the coming quarters in mining, as well as in other traditional verticals.

The mining sector is also showing increased interest in the Company's ammonia reduction systems (MARS), which was the core technology in a recent contract. The patent-pending MARS technology is also applicable to the Food & Beverage vertical, where the Company is currently pilot testing the product in different applications. Pilot tests on landfill leachate have proved the viability of the product in what has been identified as another emerging and growing market.

"BluMetric's products and services have been developed to address specific client needs, which are partially driven by environmental regulations," said Roger Woeller, CEO of BluMetric. "The Company has developed and delivered expertise and technology that reduce its clients' operating and capital costs, which differentiates BluMetric from its competitors and is part of the Company's strategy for future growth. As part of this strategy, BluMetric continues to evaluate potential partnerships with the suppliers of complementary technologies, innovative products, and cost-effective services to add value to our solutions."



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Financial Summary

	Three Months Ended March 31, 2017	Three Months Ended March 31, 2016	Six Months Ended March 31, 2017	Six Months Ended March 31, 2016
	(\$000)	(\$000)	(\$000)	(\$000)
Revenue	7,219	7,920	15,507	15,857
Gross profit	1,604	1,913	3,300	3,389
Gross margin %	22%	24%	21%	21%
Operating expenses	1,349	1,368	2,269	2,605
EBITDA ¹	353	663	868	1,044
Adjusted EBITDA ²	360	505	841	777
Net income	90	289	318	304
Income per share – basic	0.00	0.01	0.01	0.01
Income per share – diluted	0.00	0.01	0.01	0.01

Note 1: EBITDA is a non-IFRS measure and is calculated as net income before interest expense, income taxes, depreciation, and amortization.

Note 2: Adjusted EBITDA is a non-IFRS measure and is calculated as EBITDA, gain or loss on foreign exchange, stock-based compensation, gain or loss on sale of property plant and equipment, unrealized gains on investments held for sale, and impairment of goodwill.

The full results are available at www.sedar.com.

About BluMetric Environmental Inc.

BluMetric Environmental Inc. is a publicly traded cleantech company with a portfolio of industry-leading products, processes, and services in the environment sciences and engineering sectors. We take pride in our strong record of providing sustainable solutions to the world's environmental challenges. Headquartered in Ottawa, Ontario, BluMetric's award-winning team of industry experts serves clients in Canada, the United States, and Central America.

For more information, visit www.blumetric.ca, or please contact:

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Forward-Looking Statements

Some of the statements in this press release, including those relating to the Company's quarterly and annual results, future products, opportunities and cost initiatives, strategies and other statements that are predictive in nature, that depend upon or refer to future events or conditions, or that include words such as "expects", "anticipates", "intends", "plans", "believes", "estimates", or similar expressions, are forward-looking statements within the meaning of securities laws. Forward-looking statements include, without limitation, the information concerning possible or assumed future results of operations of the Company. These statements are not historical facts but instead represent only the Company's expectations, estimates, and projections regarding future events. The Company does not undertake any obligation to update or release any revisions to these forward-looking statements to reflect events or circumstances after the date of this presentation or to reflect the occurrence of unanticipated events, except as required by law.

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