

**Fiscal 2017 Third Quarter Report**  
**Three and Nine Months Ended June 30, 2017 and 2016**  
(expressed in Canadian Dollars)



August 29, 2017

## **Report to Shareholders**

The third quarter of fiscal 2017 was another profitable quarter.

During the quarter, we made significant progress in streamlining our “prospect to delivery” process, which encompasses three key focus areas that have been identified as being fundamental to fueling and sustaining growth. These areas include:

- Targeted business development leading to better qualified sales opportunities;
- More efficient project management and execution for increased customer satisfaction and increased delivery efficiency; and
- Research and innovation focused on product development and in tandem with sales.

## **Sales and business development growth**

Sales and business development activity in BluMetric were both strong this quarter.

With respect to business development, we generated a significant number of high value proposals for our customers in all our major target areas, including mining, food beverage and agriculture (FB&A), industrial/commercial/development (ICD) and military. This proposal activity has continued into the fourth quarter and we see it continuing - and potentially accelerating, going forward. Our current opportunities continue to come in part from our relationship-based consulting business but are also coming from the development of new prospects. This is a reflection of greater commercial activity in mining, as well as our deliberate choice to pursue opportunities in specific sectors.

## **Research and innovation progress**

Another notable aspect of our Q3 activity was the progress shown in research and innovation (R&I).

- We made progress at our pilot projects to test and commercialize ammonia reduction technology. This technology can be utilized in three of our key customer segments: Mining, FB&A and ICD. For this reason it has become a major focus of our R&I activities and investment.
- Our Acid Mine Drainage pilot work and waste management pilot work have resulted in orders for portable systems in the US.
- We are now in a position to offer a range of proprietary services relevant to mining, FB&A and ICD customers in addition to our core consulting services.

We have a clear vision of what our best business opportunities are. We deliver solutions to our clients that address their opportunities and problems both in the short and long term. This delivery is only possible with our expert and dedicated staff. We believe that BluMetric is positioned for growth and enhanced profitability.

Sincerely,

Roger M. Woeller

CEO