



ANNUAL INFORMATION FORM

November 6, 2025
for the year ended on September 30, 2024

**For additional information:
symbols:**
Investor Relations
ir@blumetric.ca

Trading
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1. GENERAL

In this Annual Information Form and unless the context otherwise requires, the words “Company” and “BluMetric” refer collectively to BluMetric Environmental Inc. and its subsidiaries.

Products and services offered by the Company are described on its website at www.blumetric.ca. Copies of each press release issued by the Company are also available on its website. Information on the website is not incorporated by reference in this Annual Information Form.

Data relating to market and industry forecasts presented in this Annual Information Form are derived from various publicly available sources. While management of the Company believes these sources to be independent and reliable, the accuracy and completeness of that information are not guaranteed and were not independently verified by the Company.

Unless otherwise indicated, money figures are expressed in Canadian dollars. The “US\$” symbol refers to American dollars.

The Company holds, directly or through its subsidiaries, registered and non-registered trademarks, including, but not limited to, the following: BluMetric Environmental, BluMetric, WesaTech, SeproTech, Cobra, H4, M.A.R.S., WESA, A Better Environment for Business, Blumod, Rotordisk, Envir-Eau, Providing Water to Those Who Provide Freedom, Gemini Water. To facilitate the reading of this Annual Information Form, the symbols ® and “TM”, referring to trademarks, have been intentionally omitted.

2. CAUTIONARY STATEMENTS WITH RESPECT TO FORWARD-LOOKING STATEMENTS

Certain statements in this Annual Information Form may constitute forward-looking statements, and such statements may also be included in other filings or written or oral communications from the Company. Forward-looking statements are made in accordance with applicable securities legislation. Forward-looking statements may include, but are not limited to, statements and comments with respect to the Company’s business, activities, predictions, projections, financial objectives, forecasts, targets, expectations regarding financial condition or operating results and performance. Forward-looking statements may also relate to, among other things, the Company’s strategies to achieve its objectives, as well as to management’s beliefs, plans, expectations, anticipations, estimations and intentions, and may also include other statements that are predictive in nature, or that depend upon or refer to future events or conditions. The management of BluMetric would like to point out that forward-looking statements involve several uncertainties, known and unknown risks and other factors which may cause the actual results, performance or achievements of the Company, or of its industry, to materially differ from any future results, performance or achievements expressed or implied by such forward-looking statements. In preparing its outlook, the Company made assumptions that do not consider extraordinary events or circumstances beyond its control. When used in this Annual Information Form in the positive or negative, words such as “aim”, “anticipate”, “assume”, “believe”, “continue”, “cost savings”, “could”, “estimate”, “expect”, “forecast”, “foresee”, “future”, “goal”, “guidance”, “indicate”, “intend”, “likely”, “maintain”, “may”, “objective”, “outlook”, “plan”, “potential”, “predict”, “project”, “seek”, “should”, “strategy”, “synergies”, “target”, “undertake”, “view”, “vision”, “will”, “would”, comparable terminology, as well as terms usually used in the future and conditional tenses are generally intended to identify forward-looking statements, although not all forward-looking statements include such words.

Information contained in forward-looking statements is based upon certain material assumptions that were used to draw conclusions or to establish expectations, forecasts, projections, predictions, or estimations, including management’s perceptions of historical trends, current conditions and expected future developments, as well as other considerations that are believed to be appropriate in the circumstances. A change affecting an assumption can also have an impact on other interrelated assumptions, which could increase or diminish the effect of the change. Forward-looking statements are presented for the purpose of assisting investors and others in understanding certain key elements of the Company’s current objectives, strategic priorities, expectations and plans, and in obtaining a better understanding of the Company’s business and anticipated operating environment. Readers are cautioned

that some of the forward-looking statements in this Annual Information Form, such as statements concerning sales growth rate, capital expenditures, inventory levels and expenses associated with the Company's Strategic Plan, may be considered as financial outlooks for the purposes of the applicable securities legislation. These financial outlooks are presented to evaluate potential future earnings and anticipated future use of cash flow and may not be appropriate for other purposes. Readers should not assume these financial outlooks will be achieved.

Forward-looking statements contained in this Annual Information Form include, but are not limited to, statements regarding business and management strategies and the expansion and growth of the Company's operations; the timing of new and existing projects; the Company's ability to deliver such projects in due time, without additional costs, considering labor shortage and the global impact on supply chain; new market opportunities; the Company's ability to capitalize on future growth opportunities; the Company's ability to successfully integrate and leverage its acquisitions; anticipated trends in the Company's revenue streams and business mix; expectations of customers' future needs; customers' acceptance of and confidence in the Company's existing technologies; the success and impact of the Company's new technologies; and other expectations, beliefs, plans, goals, objectives, assumptions, information and statements about possible future events, conditions and results. Several factors, risks or uncertainties could cause the actual results to differ materially from the results discussed in the forward-looking statements. Should one or more of these factors, risks or uncertainties materialize or should the assumptions underlying those forward-looking statements prove incorrect, actual results may vary materially from those described herein. Such factors include, without limitation: (a) recruitment, retention and management of quality employees and key personnel; (b) IT network and cybersecurity; (c) health and safety; (d) regulatory and environmental compliance; (e) quality control; (f) manufacturing capabilities; (g) contract revenues; (h) supply chain; (i) climate change and unpredictable weather conditions; (j) competitive environment; (k) litigation; (l) acquisition and integration; (m) international operations and geopolitical climate; (n) current global financial conditions; (o) development of new products; (p) liquidity; (q) interest rates and inflation; (r) implementation and achievement of the Strategic Plan; (s) indebtedness; (t) compliance with anti-corruption and anti-bribery laws; (u) stock liquidity; (v) insurance coverage; (w) credit; (x) foreign exchange; (y) impairment of intangible assets; (z) transfer pricing; (aa) confidentiality breach; (bb) public health, (cc) capacity to secure performance guarantees, and (dd) additional equity financing and dilution. The Company cautions that the foregoing list of factors is not exhaustive. Additional information about the risk factors to which the Company is exposed to is provided in section 5.7 of this Annual Information Form.

The forward-looking statements set forth therein reflect the Company's expectations as of the date of this Annual Information Form and are subject to change after this date. The Company may, from time to time, make oral forward-looking statements. The Company advises that the above paragraphs and the risk factors described herein should be read as a description of certain factors that could cause the actual results of the Company to differ materially from those in the oral forward-looking statements. Unless required to do so pursuant to applicable securities legislation, BluMetric assumes no obligation to update or revise forward-looking statements contained in this Annual Information Form or in other communications as a result of new information, future events, and other changes.

3. CORPORATE STRUCTURE

3.1 NAME AND INCORPORATION

BluMetric Environmental Inc. (formerly, Seprotech Systems Incorporated), was incorporated by articles of in Company under the Canada Business Company's Act on September 6, 1985.

On October 24, 2012, the Company commenced trading on the TSX-V under the trading symbol "BLM".

On November 16, 2012, the Company completed a reverse takeover transaction whereby the Company acquired 100% of WESA Group Inc., following which the Company and WESA Group Inc. amalgamated by articles of amalgamation dated November 16, 2012.

The Company's registered and head office is located at 1682 Woodward Drive, Ottawa ON K2C 3R8, Canada.

In September of 2024, BluMetric acquired Gemini Water LLC, a water treatment systems company in Gainesville, Florida. Part of our long-term growth strategy, this acquisition increases our product line offerings and expands our geographic footprint into the U.S. and Caribbean markets.

Our combined legacy of expertise and experience includes:

- The design, engineering, manufacturing, installation, and operation of water and wastewater treatment plants throughout the world;
- Hydrogeology, industrial hygiene, occupational health and safety, environmental risk assessment, geomatics and GIS, environmental compliance auditing, and management systems.

Today, BluMetric is an interdisciplinary team of scientists, engineers, industrial hygienists, environmental auditors, project managers, water system specialty trades, financial management specialists, and support personnel who provide complete and agile solutions to protect the soil, water, and air.

3.2 ORGANIZATIONAL CHART

The following organizational chart shows the principal subsidiaries of the Company and their respective jurisdiction of as of September 30, 2024.



4. GENERAL DEVELOPMENT OF THE BUSINESS

BluMetric Environmental Inc. is a Canadian environmental consulting and water technology company that offers comprehensive solutions to address challenges such as water purification, environmental protection, and health and safety assurance. Serving clients across industrial, commercial, mining, government, and military sectors, BluMetric provides services in environmental geosciences and engineering, industrial hygiene, occupational health and safety, water and wastewater treatment, and environmental contracting and management. The company has an interdisciplinary team of over 220 professionals, including scientists, engineers, and industrial hygienists, collaborating to deliver tailored solutions for both built and natural environments.

Established in 2012 through the reverse takeover of Seprotech Systems Incorporated by WESA Group Inc, BluMetric has a legacy of expertise in environmental consulting and water technology solutions. In September 2024, BluMetric acquired Gemini Water LLP, a water treatment systems company in Gainesville, Florida, as part of its long-term growth strategy. This acquisition increased BluMetric's product line offerings and

expanded its geographic footprint into the U.S. and Caribbean markets.

BluMetric's growth strategy includes driving organic growth through developing new client relationships, driving strategic growth through accretive acquisitions in consulting services and water-related technologies, continued investment in innovation and development for water and wastewater management, and growing its team of professionals to deepen expertise. The company is committed to improving the built and natural environments for its clients and within communities.

Headquartered in Ottawa, Ontario, BluMetric operates offices in 10 locations across Canada and has expanded its presence internationally through its recent acquisitions of Gemini Water LLP . As a publicly traded company on the TSX Venture Exchange under the symbol BLM, BluMetric continues to build shareholder value while focusing on sustainable growth and innovation in environmental solutions.

4.1.THREE-YEAR HISTORY

Over the past three years, the following events significantly influenced the general development of the Company's business:

Current Fiscal Year (2025):

- Stephan May is appointed to the Board of Directors effective September 29, 2025.
- Wanda Richardson steps down from the Board of Directors effective September 11, 2025 after 3 years of support..
- BluMetric continues to expand its relationship with the Department of National Defence and announced that it secured a new Master Service Agreement for the maintenance and support of Reverse Osmosis Water Purification Units (ROWPU). To commence, BluMetric has been awarded an initial service order valued at \$5.8 million under the new agreement.
- BluMetric announced the technological approval to proceed with production of 26 Advanced Sub-Unit Water Purification Systems (ASUWPS) under its \$12.2 million contract with Rheinmetall Canada for the Canadian Armed Forces.
- BluMetric secured several water and wastewater projects through its subsidiary, Gemini Water, to a number of private island developers amounting to \$21 million to June 30, 2025.
- BluMetric announced a board leadership change with Scott MacFabe appointed as Chair of the Board of Directors, in addition to his role as CEO. He succeeds Ian Mor Macdonald, who remains Chair of the Audit Committee.
- Gemini expanded its US operational capacity by increasing its production facility to 25,000 square feet in Gainesville, Florida, to accommodate increased production capacity and support the integration of Gemini Water's operations. This expansion aims to meet the growing demand for water treatment solutions in the Caribbean and beyond.
- Mohsen Mortada was added to the Board of Directors, effective February 1, 2025. Mr. Mortada brings extensive experience in water utility management, engineering, desalination, and professional services. He currently serves as Chief of Staff at the Metropolitan Water District of Southern California and has held leadership roles at Cole Engineering Group and Arcadis. Additionally, BluMetric has made strategic hires to strengthen its WaterTech division: Matthew Politzi, with over 30 years in water and wastewater treatment, has been appointed Director of Client Experience; and Kevin Wrubluski, with 25 years of sales experience, joins as Director of Operations. These appointments aim to enhance sales, business development, and establish an Operations and Maintenance division to support Gemini Water's growth
- BluMetric completed a brokered private placement raising \$3.5 million and a concurrent non-brokered placement raising \$500,000 in exchange for 5 million common shares at \$0.80 each.

The proceeds are intended for general corporate purposes and to reduce the operating line of credit.

Fiscal year ended September 30, 2024:

- On September 24, 2024 BluMetric acquired U.S.-based Gemini Water, LLC, for US\$5.05 million, marking a strategic expansion into the Caribbean and U.S. water markets. This acquisition enhances BluMetric's cleantech water portfolio and is expected to contribute to revenue growth in fiscal year 2025.
- On May 7, 2024 BluMetric was named a Preferred Supplier to Team Vigilance, the consortium led by Vard Marine Inc. to replace the Royal Canadian Navy's (RCN) Kingston Class Maritime Coastal Defence Vessels under Canada's National Shipbuilding Strategy.
- On August 29, 2024, BluMetric announced its first turn key water treatment system for remote First Nations communities.
- On February 16, 2024, BluMetric was granted a \$5.3 Million Service Contract Extension with Canadian Department of National Defence for Reverse Osmosis Water Purification Units (ROWPU).
- BluMetric Environmental Inc. announced the appointment of Dan Hilton as Chief Financial Officer, effective October 1, 2023. Replacing the former CFO who departed on August 24, 2023, Mr. Hilton brings over 35 years of experience in finance leadership across both fast-growing and established technology companies.

Fiscal year ended September 30, 2023:

- On August 31, 2023, BluMetric partnered with Stantec to lead Environmental Impact Assessment (EIA) studies for Troilus Gold Corporation in northern Québec. This collaboration combines BluMetric's expertise in water studies with Stantec's strengths in permitting, facilitating comprehensive provincial and federal assessments. BluMetric's role includes conducting water, soil, and sediment studies and engaging with regulatory agencies and Indigenous Cree communities. The \$4.9 million contract allocates \$1.5 million to BluMetric. This project underscores BluMetric's expanding presence in Québec's mining sector and its commitment to sustainable environmental practices
- On May 25, 2023, BluMetric partnered with Rheinmetall Canada to develop and deliver small, self-contained water purification systems as part of a contract awarded by the Canadian Armed Forces. The Advanced Sub-Unit Water Purification System (ASUWPS) will enhance the CAF's ability to support missions by providing potable water for 125-250 personnel.

Fiscal year ended September 30, 2022:

- On August 10, 2022, Linde Canada (formerly Praxair) awarded a 4,681 m³ soil remediation contract in Montreal to BluMetric.
- On March 10, 2022, BluMetric was named a finalist in the Department of National Defence's (DND) "Pop Up City" contest, part of the Innovation for Defence Excellence and Security (IDEaS) program. The competition sought innovative solutions for integrated energy, water, and waste management systems for Canadian Armed Forces Relocatable Temporary Camps (RTCs) deployed in national and international operations.
- In December 2021, BluMetric showcased its technology in response to a state of emergency declared in the far north due to contaminated water supplies. The Canadian Armed Forces deployed mobile water purification units designed and built by BluMetric. These units, capable of removing carbon, biological, radioactive, and nuclear contaminants, as well as 99.9% of bacteria and viruses, were successfully operated in subfreezing conditions by the Canadian Joint

Operations Command. The deployment marked BluMetric's first Arctic mission, demonstrating the effectiveness of its portable water treatment systems in extreme environments. This mission underscored the company's commitment to delivering clean drinking water in emergency situations and highlighted the global demand for its mobile water treatment technologies

4.2. PRODUCTS AND SERVICES OFFERED BY THE BUSINESS

BluMetric Environmental Inc. operates through two operating divisions that service four verticals.

- **Professional Services:** This division offers environmental earth sciences and engineering solutions, including contaminated site remediation, water resource management, industrial hygiene and occupational health & safety. BluMetric establishes strong working relationships and select partnerships with like-minded service providers to broaden its geographic reach and provide efficient local support to clients. These partnerships bring together complementary technical services, geographic representation, logistics, local engagement, and capacity building. BluMetric focuses on four verticals; namely, commercial/industrial, military, government and mining.
- **WaterTech (USA through Gemini Water & Canada):** This division specialize in supporting fixed based and mobile water and wastewater solutions for military applications, humanitarian relief, remote locations, private islands, resorts, and municipal developments with capacity up to five million gallons per day (GPD)

4.2.1 Professional Services Division

This division provides consulting and engineering solutions, encompassing:

- **Environmental Geosciences and Engineering:** Services include contaminated site assessment and remediation, hydrogeology, and environmental
- **Industrial Hygiene and Occupational Health & Safety:** Assessments and strategies to ensure workplace safety and compliance.
- **Environmental Contracting and Management:** Project management and execution of environmental remediation and compliance projects.
- **Geomatics:** Utilization of geospatial data for environmental monitoring and analysis.

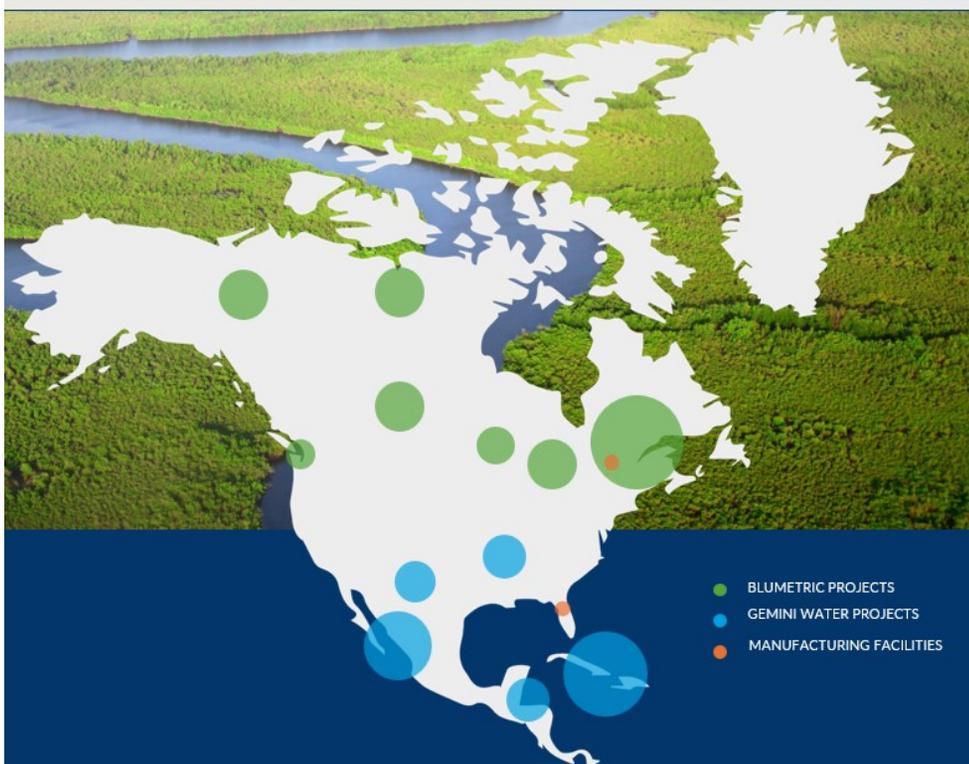
4.2.2 Water Technology Division - WaterTech

Focusing on water and wastewater treatment solutions, this division offers:

- **Design-Build and Pre-Engineered Water and Waste-Water Systems:** Tailored solutions for industrial and commercial water treatment needs.
- **Mission Ready Water Systems / WaterTech:** Portable and modular systems for remote military, mining or emergency applications.
- **Reverse Osmosis Water Purification Units (ROWPU):** Advanced systems for producing potable water from various sources.
- **Mobile Wastewater Treatment Plants (MWWTP):** Portable units for treating wastewater in diverse settings.
- **Shipboard Reverse Osmosis Desalination (SROD):** Systems designed for desalinating seawater aboard vessels.

- Shipboard Oily Water Separators (SOWS): Equipment for removing oil from water on ships.
- Portable Water Purification Systems (PWPS): Compact units for emergency water purification.

These products are supported by certifications such as CWB, TSSA, and ISO 9001:2019



Gemini Water LLC, acquired in September 2024, enhances BluMetric's offerings with its expertise in large-scale water treatment systems:

- Membrane-Based Desalination Systems: Advanced systems for converting seawater into potable water, addressing water scarcity in coastal regions.
- Membrane-Based Wastewater Treatment Systems: Innovative solutions for treating wastewater, ensuring environmental compliance and sustainability.

Gemini Water's systems are operational across 22 locations in the Caribbean and Texas.

Together, BluMetric and Gemini Water offer a comprehensive suite of water treatment solutions, from portable purification units to large-scale desalination and wastewater treatment systems, catering to a diverse range of clients and applications.

4.2.3 Operation and Maintenance (“O&M”)

WaterTech Canada provides a range of O&M services for water and wastewater treatment systems, including:

- System Monitoring and Performance Optimization: Regular monitoring to ensure systems operate efficiently and meet performance standards.
- Preventive and Corrective Maintenance: Scheduled maintenance to prevent system failures and timely repairs when issues arise.
- Compliance Assurance: Ensuring systems comply with environmental regulations and standards.
- Training and Support: Providing training for operators and ongoing technical support.

These services are designed to extend the lifespan of treatment systems and ensure reliable water quality.

Gemini Water LLC O&M Services

Gemini Water is currently in the process of rolling out O&M services to its existing customer base of large-scale desalination and wastewater treatment systems, with the intent of offering:

- **Comprehensive O&M Contracts:** Long-term agreements covering all aspects of system operation and maintenance.
- **Remote Monitoring and Diagnostics:** Utilizing advanced technologies to monitor system performance and diagnose issues remotely.
- **Emergency Response and Troubleshooting:** Rapid response to system failures to minimize downtime.
- **Regulatory Compliance Management:** Ensuring systems meet all local and international regulatory requirements.

Together, Water Tech Canada and Gemini Water intent to provide integrated long-term O&M services that ensure the efficient and sustainable operation of water treatment systems, addressing the unique challenges of various sectors and regions.

As of September 30, 2024, BluMetric operated with one reportable segment across the 4 verticals with revenues as outlined below. Since October 1, 2024, BluMetric has provided segmented reporting of professional services and WaterTech.

(in '000s)

Market	YTD 2024		YTD 2023		YTD 2022	
	Revenue	GM%	Revenue	GM%	Revenue	GM%
Commercial	10,644	49%	13,545	44%	13,523	52%
Government	9,149	47%	8,972	44%	9,838	42%
Military	9,534	47%	6,208	28%	6,291	34%
Mining	5,511	32%	6,360	31%	4,667	44%
	34,838	40%	35,084	35%	34,318	29%

4.3 PRODUCTION METHODS AN SPECIALIZED EXPERTISE

BluMetric Environmental Inc. and its subsidiary, Gemini Water LLC, utilize a combination of advanced production methods and specialized expertise to design, build, and maintain high-performance water and wastewater treatment systems tailored to a wide range of environmental challenges. Their production approach integrates modular and scalable system designs, including mobile treatment units and membrane-based technologies such as reverse osmosis and ultrafiltration, enabling rapid deployment and customization for diverse site conditions—from remote military operations to large-scale municipal or resort infrastructure. Both companies emphasize in-house engineering, fabrication, and integration of mechanical, electrical, and control systems to ensure reliability and regulatory compliance. Their specialized expertise includes environmental site assessment, contaminant remediation, industrial hygiene, and effluent treatment, backed by deep knowledge of environmental legislation and permitting processes. Together, they offer end-to-end capabilities—from concept and design through commissioning and long-term O&M—with a focus on sustainability, energy efficiency, and water reuse.

4.4 COMPETITIVE MARKETS AND DISTRIBUTION METHODS

BluMetric Environmental Inc. and its subsidiary, Gemini Water LLC, have distinct yet complementary market strategies and distribution methods, reflecting their integrated approach to water and environmental solutions.

Since the acquisition of Gemini, the Company has become very active in the United States, Canada, and in the Caribbean. However, as at September 30, 2024, operations were primarily focused in Canada.

During the 9 months ended June 30, 2025, 52% of the Company's sales were recorded in Canada, 5% were recorded in the United States and 43% were recorded in the Caribbean.

During fiscal year ended September 30, 2024, 99% of the Company's sales were recorded in Canada, 1% were recorded in the United States and 0% were recorded in the Caribbean.

During fiscal year ended September 30, 2023, 100% of the Company's sales were recorded in Canada, 0% were recorded in the United States and 0% were recorded in the Caribbean.

Sales were primarily composed of professional environmental service and water-tech solutions as outlined below

While the Company is exposed to global market demand, prices and foreign exchange fluctuations, most sales are denominated in either Canadian or US dollar currencies with a significant upfront payment on all watertech transactions that are not sold to governments.

The introduction of tariff uncertainty, trade barriers and sanctions against certain countries may impact the Company's performance results.

For each of fiscal years ended on September 30, 2024, and September 30, 2023, only sales to the Canadian Federal Government accounted for more than 10% of its revenues.

The Company believes that it is not exposed to significant seasonality risks related to its sales, with the sole exception of work undertaken in northern Canada which can be impacted by accessibility restrictions due to weather patterns and wildfire patterns.

In order to manage the potential impact of the economic cycles, the Company strives to balance its activities between government, commercial, mining and the defence markets.

The Company's water technologies and services are mainly sold directly to its customers by its internal salesforce in Canada and the United States.

Consulting engagements are managed by approximately 150 consulting professionals who are all tasked with building their respective books of business as they sell into our 4 verticals, namely, military, commercial, government and mining. Larger scale projects offered by governments are often managed through a formal tendering process and we have a dedicated team that supports proposal response and the management of standing offer agreements.

The Watertech business sells into the same 4 verticals; however, military systems have predominantly been sold from Canada and commercial sales have traditionally been through the United States and the Caribbean. The Watertech business is supported by 4 dedicated sales professionals and relies on relationships with developers and ancillary product suppliers for lead generation.

As at June 30, 2025, having three production facilities between Canada and United States allows BluMetric to better manage economic uncertainty caused by tariff negotiations as it can procure and ship from either country and can better manage the impact of pricing uncertainty as it can bypasses the United States altogether by selling directly to our Caribbean clients. BluMetric has yet to realize the historic synergies of its Canadian and US base water-tech groups. Canadian operations have mobile Mission Ready Water systems that would be of interest to the US Military and could be now built directly in the United States, while the US operations have specific expertise in the design and manufacture of fixed based water and waste-water systems.

4.5 STRATEGIC ORIENTATION

Together, BluMetric and Gemini Water's strategic orientations align to provide comprehensive, sustainable, and innovative water treatment solutions across North America and the Caribbean.

BluMetric Environmental Inc. – Strategic focus encompasses:



MARKET SEGMENTS

Key Markets Provide Breadth & Diversification

	Commercial & Industrial	Government	Military	Mining
Professional Services	EHS due diligence, designated substance surveys, site servicing, impact studies, dewatering and permitting, waste management, compliance, emissions	Northern Canada work, EHS system development, waste management, compliance, remediation	Developing Relationships	Environmental assessments and permitting Mine effluent and water table management
WaterTech Systems			Potable water and wastewater treatment systems Agile "Mission Ready Water" systems deployed on navy ships and land	Potable water and wastewater treatment systems Deployed in remote mining camps for workers
% of Revenues ⁽¹⁾	62%	15%	13%	10%

- **Sustainable Growth:** Emphasizing environmental stewardship and positive practices, BluMetric integrates sustainability into its core operations.
- **Organic and Strategic Growth:** Pursuing both organic growth through new client relationships and strategic acquisitions in consulting services and water-related technologies.
- **Innovation and Development:** Investing in innovation for water and wastewater management to enhance service offerings.
- **Market Diversification:** Expanding its cleantech customer base into new industrial and commercial applications, particularly through the acquisition of Gemini Water
- **Strategic Partnerships:** BluMetric establishes strong working relationships and select partnerships with like-minded service providers to broaden geographic reach and provide efficient local support to clients.

Gemini Water LLC – Strategic orientation focuses on:

- **Membrane-Based Water Treatment:** Specializing in large-scale desalination and wastewater treatment systems using innovative membrane-based technologies.
- **Geographic Expansion:** Expanding its reach into the U.S. and Caribbean markets, increasing its capacity to address water scarcity issues.
- **Project Execution:** Focusing on executing large-scale projects, such as the two-million-gallon-per-day desalination plant in St. Kitts and Nevis, to meet the growing demand for potable water.

Our Flywheel Drives Client Value

BluMetric's flywheel approach to innovative solutions is based on a commitment to partner with our clients, producing tailored solutions to their specific needs



Environmental Engineering

Environmental engineering in Canada stands at a critical intersection of technological innovation, regulatory demands, and the urgent realities of climate change. As a country blessed with vast natural resources and diverse ecosystems, Canada faces unique challenges in balancing economic growth, environmental stewardship, and public health. The environmental engineering sector has emerged as an essential driver in developing solutions for waste management, water treatment, air quality control, and sustainable infrastructure.

The sector encompasses everything from consulting and design to construction, remediation, and ongoing monitoring. Typical services include site assessments, contamination remediation, wastewater treatment, air pollution control, renewable energy integration, and climate change adaptation strategies.

The main market segments within environmental engineering in Canada include:

- **Water and Wastewater Treatment:** Addressing the needs of municipalities and private clients, this segment focuses on designing, upgrading, and operating water treatment plants, stormwater management systems, and innovative filtration technologies.
- **Contaminated Site Remediation:** Environmental engineers work with developers, governments, and industry to assess and remediate polluted land, often using advanced bioremediation, soil vapor extraction, or phytoremediation techniques.
- **Air Quality Management:** With urbanization and industrial activity, air pollution control is a growing concern. Firms specialize in emissions reduction, monitoring, and compliance with increasingly stringent regulations.
- **Solid Waste Management:** Canadian cities face mounting pressure to divert waste from landfills, and environmental engineers play a pivotal role in developing recycling infrastructure, waste-to-energy systems, and sustainable collection strategies.
- **Renewable Energy Solutions:** As provinces push for greener energy, environmental engineering firms design and implement wind, solar, hydroelectric, and bioenergy projects, often integrating these solutions with overall sustainability strategies.

Large multinationals compete in Canada Stantec, WSP Global and AECOM. These firms offer a wide array of engineering services, including environmental impact assessments, water and wastewater design, remediation, and climate resilience planning. Their size enables them to compete for the largest government and industrial contracts, and their multidisciplinary teams often provide an edge in integrating environmental solutions across complex projects.

Canadian National Firms are becoming scarce due to a consolidating market. Competitors such as Golder Associates (now part of WSP), Dillon Consulting, and EXP s are known for their technical excellence, customized solutions, and strong relationships with Canadian regulators. Golder Associates, in particular, has carved out a niche in geotechnical, mining, and contaminated site remediation, often collaborating with resource extraction industries. Dillon Consulting, meanwhile, specializes in municipal infrastructure with a focus on sustainability and community engagement.

Regional players and niche firms play an essential role in serving local markets and tackling specialized challenges. Companies such as BluMetric, Matrix Solutions, SLR Consulting, and Hemmera focus on specific services such as ecosystem restoration, environmental permitting, or Indigenous engagement. Their agility and in-depth knowledge of local regulations allow them to respond quickly to changing client needs and environmental conditions and they work well as subcontractors to the larger suppliers.

BluMetric has regional expertise in eastern Ontario and Quebec in the natural environment, and its Indigenous joint ventures allow for unique service offerings in Northern Canada. When coupled with its WaterTech solutions, BluMetric is uniquely positioned for growth as water become ever scarcer throughout Canada, the Southern United States and throughout the Caribbean as a result of localized saltwater intrusion of the aquifers in many island nations.

The market for reverse osmosis (RO) and desalination solutions across North America and the Caribbean has evolved rapidly in response to increasing water scarcity, population growth, and climate-related pressures.

BluMetric is a long-standing water solution service provider for the Canadian military.

Major multinational Companies, such as Veolia, SUEZ, and Xylem, dominate large-scale municipal and industrial projects.

Alongside these large-scale producers, a network of regional and specialized companies competes by targeting niche markets and tailoring services to local conditions—such as the unique needs of island nations and rural communities. Firms like Gemini Water, H2O Innovation, TSG, Consolidated Water, Aquatech, and DesalCo distinguish themselves through flexible, modular systems and a focus on decentralized, scalable solutions. In the Caribbean, where logistical challenges and small-scale installations are common, these suppliers excel in rapid deployment, maintenance, and client education.

4.6 EMPLOYEES

As of September 30, 2025, the Company had more than 233 employees with 210 in Canada and 23 in the United States. Included in this figure are more than 170 engineers and water scientists specialized in the management of water and earth sciences coupled with specialized design and build skills for mobile and fixed water and wastewater solutions. As of September 30, 2024 there were 205 employees.

Intellectual property

BluMetric Environmental Inc. and its subsidiary, Gemini Water LLC, leverage a robust portfolio of intellectual property (IP) encompassing intellectual know-how, trademarks, and proprietary technologies to drive innovation in environmental and water treatment solutions, but do not hold any patents or patent applications

Trademarks

BluMetric has registered several trademarks to protect its brand and specialized products:

- **BLUMETRIC:** Registered in Canada and the U.S., this mark represents the company's core identity and

services.

- Gemini Water: Registered in Canada and the U.S., this mark represents the company's primary identity in the Caribbean and Southern United States.

Proprietary Technologies

BluMetric and Gemini Water have developed and implemented proprietary technologies in various projects:

- Modular Water Treatment Systems: Designed for rapid deployment in remote or challenging environments, such as military operations and disaster response scenarios. These systems are uniquely ruggedized for field deployments with minimal consumables. These systems have proprietary sub-zero cold weather capability.
- Membrane-Based Desalination: Utilized in large-scale projects like the two-million-gallon-per-day desalination plant in St. Kitts and Nevis, addressing water scarcity issues. These unique designs and management systems allow for rapid design to commissioning in harsh corrosive and hot environments.
- Ammonia Scrubbing Systems: Integrated into wastewater treatment processes to remove ammonia efficiently, enhancing water quality and compliance with environmental standards.
- Advanced doping systems to extend the life of water infrastructure at sea.

These intellectual property assets underscore BluMetric and Gemini Water's commitment to innovation and excellence in environmental and water treatment solutions

4.7 ENVIRONMENTAL PROTECTION (ESG)

The Company is concerned about the principles of sustainable development, including energy efficiency and the optimal use of resources, such as the reclamation and reuse of water. As a result, the Company's solutions help its customers to reduce their environmental footprint.

BluMetric places sustainability at the core of its operations. The company has been assisting clients in meeting their sustainability goals for 50 years by designing and implementing environmental solutions that benefit both clients and the communities they serve. BluMetric promotes conservation activities, including reusing, reducing, and recycling, across all aspects of its business.

Additionally, the company proactively meets standards established in relevant environmental legislation. BluMetric offers a full spectrum of environmental consulting and engineering services.

Environmental Stewardship:

BluMetric is committed to reducing its environmental impact and promoting environmental stewardship both within our operations and for our clients. This commitment aligns with the Environmental component of ESG.

Client Driven Advisory Initiatives: BluMetric supports the ongoing efforts of our clients to minimize their impact on the environment as we assist them with their corporate agenda:

Water Management: As a WaterTech company, BluMetric is dedicated to producing potable water and minimizing wastewater discharge as a core stewardship tenet of its commitment to a healthy planet and the betterment of its inhabitants on land and sea from the cold remote arctic to the most arid of climates coping with the material impact of climate uncertainty. Through innovative water management solutions, we help our clients conserve and efficiently manage water resources. This goal aligns with GRI 303: Water and SASB's Water Management standards. This is also in alignment with United Nations Sustainable Development Goal #6 - Ensure availability and sustainable management of water and sanitation for all.

Environmental Science: As a consultancy we strive to assist our clients in their ongoing effort to ensure healthy and safe work environment for their employees while delivering meaningful solutions with minimal environmental impact.

Social Responsibility:

BluMetric's focuses on supporting communities, promoting employee well-being, and enhancing social equity of opportunity. This is emphasized in our Environmental Health and Safety Policy, which is reviewed annually. BLM has an established Environment, Health, and Safety Policy that promotes sustainability in all areas of our operations. A core aspect of this commitment is ensuring that employees work in a safe and healthy environment.

Management is dedicated to implementing practical initiatives to protect the health and safety of employees, other individuals, and the natural environment impacted by our business. Employees receive relevant health and safety training and are encouraged to adopt safe work practices while complying with legal and procedural standards. BLM promotes conservation activities and emphasizes environmental stewardship through recycling, reducing, and reusing resources. BLM is committed to sustainable development and environmental protection through continual improvement of our environmental practices. We take a proactive stance to meet or exceed health, safety, and environmental regulations and believe that environmental stewardship activities are a shared responsibility between BLM and its employees. with these responsibilities shared between BLM and our employees may be affected by BluMetric business.



Employee Well-Being: We prioritize the health and safety of our employees, offering a range of wellness programs, ensuring safe working environments, and providing comprehensive training and development opportunities. Our employees are our greatest strength, and we continually work to improve our common goal of a safe and efficient workplace. Every corporate initiative is started with a health and safety spotlight to reinforce the importance of this principle. We believe that our commitment to training, and the prioritization of health and safety concerns are our best strategies to ensure a continued safe workplace. Employee compensation is benchmarked regularly, goal setting and performance reviews take place regularly, and employees are offered matching awards for retirement and ownership.

Community Engagement: BluMetric supports local communities through the delivery of EHS consulting services, the delivery of potable water, education programs and through employee directed charitable donations.

A Culture of Inclusion: We are committed to fostering a diverse, inclusive, and equitable workplace. BluMetric implements policies that encourage diversity in hiring, ensure equal pay for equal work, and provide opportunities for growth to underrepresented groups. BluMetric believes that every employee should be afforded the same opportunity for growth and advancement.

Governance and Ethical Business Practices:

Strong governance is essential for BluMetric's success and long-term sustainability. Our Governance practices ensure that we adhere to the highest standards of corporate ethics and transparency.

Corporate Governance: BluMetric is governed by a Board of Directors that oversees all ESG-related initiatives. We maintain robust internal controls and policies that ensure compliance with EHS, social, and legal standards.

Business Systems: BluMetric continues to make improvements to its business system including enterprise resource planning (ERP), customer relationship management (CRM), Human Resources Information System (HRIS), cybersecurity and information technology (IT) infrastructure. These improvements coupled with our Business Authority Matrix (BAM) ensure that policies are adhered to, and risks are adequately assessed and mitigated at every stage of our customer and business journey. BluMetric adheres to the International Organization for Standardization (ISO) 9001 Quality Management System (QMS) standard that has been registered to the ISO 9001:2015 Standard for our WaterTech service line. Our QMS Quality Management and Quality Process documents guide and ensure that BluMetric's professional activities are planned, accomplished, verified and documented. Our QMS processes were designed to ensure that client requirements are met in the most effective manner and that BluMetric consistently provides uniformly high-quality professional services.

Transparency and Accountability: We are committed to providing stakeholders with clear, transparent, and reliable information on our ESG performance.

Ethical Sourcing and Supply Chain: BluMetric maintains strict ethical sourcing practices policy, ensuring that all suppliers meet high EHS and social standards. In 2024, BluMetric published its first report on its response to Bill S-211 to address the fight against forced labour and child labour in its supply chain. 100% of key suppliers are now accepting purchase commitments in compliance with BluMetric's ethical sourcing guidelines. BluMetric confirmed that it has and will continue to take steps to ensure that these conditions do not present themselves in any aspect of our business practices.

4.8 RISKS AND UNCERTAINTIES

The following risks and uncertainties relating to the Company are not exhaustive, since the Company operates in a constantly evolving sector, in which new risks and uncertainties are likely to arise. The Company has implemented measures to identify, monitor and, to the extent possible, mitigate the risks and uncertainties to which it is or could be subject. However, the Company is neither able to fully predict these risks and uncertainties, nor to fully evaluate their impact, as the case may be, on its activities, nor to evaluate

the extent to which a factor, or a combination of factors, may cause actual results to differ from those discussed below.

Recruitment, Retention and Management of Quality Employees and Key Personnel

The Company depends on the skill and experience of its executive officers, management team and other key employees, having significant expertise and broad knowledge of the Company's business and activities. Therefore, the Company's future growth and performance depend, among other things, on its ability to attract, retain and motivate quality employees and key personnel throughout all its business lines.

Losses of key employees can lower productivity, alter the work climate, affect the quality of services provided to customers and lead to the loss of important corporate knowledge. The labor market is competitive, and employees are being solicited by other employers with competitive salary and benefits packages, which increases the possibility of employee turnover. For the same reasons, departures are difficult to replace. Losses of key employees could lead to both direct (e.g. recruitment costs) and indirect (e.g. weakened quality of work, risk of burnout for the team members taking over the workload of the departing employees) financial effects.

The Company's ability to meet its labour needs while controlling labour costs is subject to many external factors, including the competition for and availability of quality personnel in relevant markets, unemployment levels within those markets, minimum wage laws, health and other insurance costs and changes in employment and labour legislation. In the event of a labour shortage affecting the Company's staffing needs, the Company could experience difficulties in delivering its products and performing its services in a timely manner. Although the Company periodically reviews and enhances its employment conditions and benefits packages in order to attract and retain workers, for instance by recently increasing its minimum wage and granting additional employee wellness days, there is no assurance that these enhanced employment conditions will be sufficient to retain key employees.

Reliance on Key Clients

Historically, the federal government of Canada has played a lead role in many projects undertaken by the Company and represents a material portion of BluMetric's revenues are derived from sales. For the year ended September 30, 2024, 30% of revenue was derived across many projects administered by two departments of the federal government of Canada; namely the Department of National Defence (18%) and the Public Services and Procurement Canada (12%). While it is expected that this reliance will decrease, BluMetric may continue to depend on a relatively small number of clients for a significant portion of our revenue. The loss of a significant client or failure to attract more clients could be harmful to our business and negatively impact our future financial success.

IT Network and Cybersecurity

The Company relies on the accuracy, reliability, and proper use of information processing systems and management information technology ("IT") and provides several services to its customers using these information processing systems. Moreover, a significant amount of highly confidential information is stored on the Company's IT systems, including engineering drawings, research and development-related information, and customer data. Any interruption in its IT systems and the resulting operational delays could have a material adverse effect on the Company's business, financial condition, and results of operations. Such an interruption could be caused, for instance, by a natural disaster, a network bug, a hardware failure or a cyberattack. A cyber-attack, depending on its magnitude, could therefore have material adverse effects on the Company's business, including an interruption in the Company's activities, operational delays, reputational damages and related financial consequences.

The Company has developed and implemented a cybersecurity plan to mitigate the risks associated with cyber-attacks or threats, breaches or losses of data and inadequate user behaviors. Different controls are currently in place, including network security, data security, mandatory training, and awareness initiatives. All employees of the Company who work remotely must connect themselves to the Company's network through a virtual private network (VPN). The Company's network is also protected by firewalls, which control

incoming and outgoing network traffic based on predetermined security rules. In addition, the Company hired an IT specialized external consultant to perform an external intrusion test to identify and verify the presence of security weaknesses and vulnerabilities within the targeted systems and components. Following the external intrusion test, the recommendations of the IT consultant were implemented to improve the Company's network security. Nevertheless, there is no assurance that the above-mentioned cybersecurity measures will be sufficient to prevent the occurrence of cyberattacks or interruptions in the Company's IT systems.

Environmental Health & Safety

Considering the nature of the Company's business activities, the Company faces situations involving high health and safety ("H&S") risks for its employees, customers and subcontractors, which could potentially cause accidents resulting in long-term injuries or death. Such accidents could in turn lead to financial losses, criminal prosecutions, interruptions in business activities, reputational damages, losses of customer confidence, etc. Although the Company has implemented a corporate wide H&S program designed to raise awareness about potentially hazardous work situations, which includes training on how to face safety issues as well as a H&S manual, (ii) employees fully dedicated to H&S, and (iii) created a H&S Committee with the objective of documenting all H&S practices already in place in each of the Company's business lines, in order to create a uniform H&S program throughout the Company, H&S hazards cannot be completely predicted and eliminated, and there is no guarantee that accidents resulting in serious injuries or death will not occur. If the Company's employees engage in unsafe or negligent behavior, or neglect or fail to comply with the Company's H&S measures, if the Company is unable to comply with its H&S measures or if, despite its best efforts and precautions, the Company's employees are exposed or expose themselves to hazardous work situations, the Company's abilities to maintain its operations and activities, as well as its financial performance, may be adversely affected.

Awareness of mental health issues is also a priority for the Company. Anyone can develop mental health problems, and no workplace is immune to the resulting negative impacts. Mental illnesses can lead to absenteeism and presenteeism, stress, demoralization, depression, anxiety, burnout and even to the harmful use of substances or alcohol. These situations can result in negative consequences for the Company, including reduced employee morale, loss of productivity, errors, and a possible increase of work-related accidents. In addition, if an employee is suffering from a mental health issue and has to take time off work, the rest of this employee's team may experience negative consequences, as they will have to assume the absent employee's workload in addition to their own. Although the Company offers paid wellness days and a mental and physical health assistance program for its employees, there is no guarantee that these measures will prevent mental health issues.

Regulatory and Environmental Compliance

The Company operates in highly legislated and regulated areas of business and in numerous jurisdictions across the world. The Company is therefore required to comply with various local, state, provincial, national and international rules, laws, regulations and other legal requirements enforced by governments or other regulatory authorities, including environmental requirements such as precise standards and limits for wastewater discharges and greenhouse gas emissions. The Company conducts thorough analyses before entering new markets or geographic locations, monitors new laws, regulations and related compliance measures, and requires compliance with high ethical standards and applicable rules, laws, regulations and other legal requirements in its policies, such as its Ethics and Business Conduct Policy and Supplier Code of Business Conduct and Ethics. However, since internal controls and compliance measures are subject to inherent limitations, including human error,

these internal controls and compliance measures could be intentionally or accidentally circumvented, or become inadequate as a result of changed conditions. Misconduct, negligence, fraud or any other improper activity by one of the Company's employees, agents, subcontractors, suppliers or other business partners could cause the Company to become non-compliant with a given rule, law or regulation. Multiple external factors may affect the Company's capability to remain compliant with applicable legal, regulatory and administrative requirements. For instance, the Company's capability to operate and maintain the water and wastewater treatment facilities under its responsibility in compliance with applicable environmental

requirements could be hindered by adverse weather conditions, unforeseeable equipment failures and human error, such as an accidental spill of wastewater or chemicals, or the filing of an erroneous compliance report. Non-compliance with applicable rules, laws or regulations could in turn result in damages to the Company's reputation and financial losses for the Company, as it could have to pay remediation costs, statutory fines or penalties. Moreover, failure to comply with certain legal, regulatory or administrative requirements may lead to operating license revocations and/or penal prosecution.

Operations in Emerging Markets

The Company's principal business operations are conducted in Canada with a subsidiary in Florida, USA. However, the Company conducts a portion of its operations in the Caribbean, which is considered an emerging market. Emerging markets generally present greater political, economic and social risks than more developed markets, and these factors could materially and adversely affect the Company's business, financial condition and results of operations.

Economic and political conditions in the Caribbean can be less stable and more unpredictable than in Canada or other developed jurisdictions. Governments in the region may impose unexpected changes in laws, regulations, taxation, currency controls or foreign ownership restrictions. The enforcement of laws and regulations, including those relating to contracts, property rights, labour, environmental protection, and anti-corruption, may be less predictable or inconsistent among jurisdictions. Additionally, judicial and administrative systems in some Caribbean countries may be subject to delays, lack of independence, or limited transparency.

The economies of many Caribbean countries are also more vulnerable to external factors, such as fluctuations in global commodity prices, foreign investment levels, exchange rates, and tourism demand. Infrastructure limitations, political instability, or civil unrest in any of the countries in which the Company operates could disrupt business activities or supply chains. Furthermore, the region is exposed to natural disasters such as hurricanes, flooding, and tropical storms, which could cause significant damage to infrastructure and operations.

The combination of these factors may result in increased costs of doing business, delays in project development, reduced profitability, or the inability to enforce contractual rights. There can be no assurance that the political, economic, and social conditions in the Caribbean will remain stable or that future developments in these markets will not have a material adverse effect on the Company's business, financial condition or results of operations.

Quality Control

Insufficient quality control could potentially cause major project or product failures, which could in turn cause injuries and/or expose the Company to product liability claims, warranty claims, criminal prosecution, significant financial losses, reputational damages, loss of goodwill and customer confidence, reduced insurability, etc.

To mitigate the risks related to the potential consequences of major project or product failures, the Company (i) implemented a reinforced quality assurance and quality control plan internally and with its suppliers, including by obtaining ISO certifications for some of its manufacturing facilities, (ii) provided, and continues to provide, detailed operation manuals and safety guidelines to its customers, (iii) regularly reviews its insurance portfolio, (iv) regularly performs quality audits on selected strategic suppliers and (v) regularly reviews the life expectancy of the components of its water treatment systems, (vi) added the function of quality control to the responsibilities of its Health, Safety and Environment Department, and (vii) uses software that has improved the design, drafting, estimation and fabrication of its products to minimize human error and control production quality in its plants. However, the Company cannot guarantee that these measures will prevent the occurrence of major project or product failures and related consequences.

Manufacturing Capabilities

The Company faces the risk that the manufacturing capacity of its current facilities may be insufficient to

meet its growing backlog of orders for water treatment systems and specialty products. Despite the Company's ongoing efforts to optimize its facilities and processes, multiple factors could exert pressure on its manufacturing capabilities, including significant increases in demand and labor shortages. Such manufacturing capability limitations could in turn cause delays in delivering orders to customers, potential contractual penalties, revenue losses, and damages to the Company's reputation.

Contract Revenues

The Company typically enters into fixed price contracts for the design, manufacturing and commissioning of its water treatment systems, as well as for the supply of certain specialty products. The price of such contracts is based on technical risk estimates, production costs and potential contingencies. Such fixed prices, if materially inaccurate or impacted by significant increases in the costs of manufacturing, supplies and transportation, could potentially result in losses and therefore affect the Company's overall financial performance.

To mitigate the risks related to the fixed price of water treatment system contracts and specialty product contracts, the Company endeavours to include price adjustment provisions in its agreements, which, for instance, allow the Company to increase the contract price in the event of increases in the costs of manufacturing, supplies and transportation. To mitigate the risks related to the fixed price of O&M service agreements, the Company endeavours to include in its agreements consumer price index ("CPI") adjustment provisions, which allow the Company to increase its fees on a yearly basis. To mitigate the risks related to the non-renewal or termination of an agreement by a client, the Company endeavours to include in its agreements, termination and suspension provisions that provide for the payment of compensation by the client, including reasonable overhead, in the event of termination or suspension without cause. Moreover, the Company endeavours, where possible, to generate change orders with higher profit margins and to bid on projects that provide higher profit margins and present less technical difficulty. Nonetheless, there can be no guarantee that the Company will be able to negotiate the inclusion of the above-mentioned provisions in its contracts, or that the Company will be able to negotiate higher profit margins.

The business of the Company depends, in part, upon the capital investments of its customers. In many cases, such capital expenditures are substantial compared to the customers' operating budgets. The technologies of the Company may be an alternative solution to more customary methods for water treatment issues, which is why it strives to educate its customers about its water treatment solutions. As a result, a significant proportion of the Company's business is comprised of large orders in comparison to its total revenues and is subject to a sale cycle which may exceed one year, as well as to project postponements, suspensions and cancellations.

Furthermore, the Company's reported performance obligations are derived from contracts that are considered firm or which management estimates will generate a certain amount of revenues. Project delays, suspensions, cancellations or reductions in scope may occur from time to time in the Company's industry due to considerations beyond the Company's control and may have adverse material effects on the amount of reported performance obligations, as well as a corresponding adverse impact on future revenues and profitability. Furthermore, the loss of recurrent customers or distributors could have a noticeable impact on expected revenues and profitability.

Supply Chain

For the manufacturing of its products and the performance of its services, the Company relies on different suppliers, vendors and subcontractors worldwide. Management believes that the Company has good relationships with its various suppliers and that it is generally able to obtain competitive pricing and other favorable commercial terms and conditions. Raw materials, parts, materials, equipment or services, including transportation are bought on an order-by-order basis and the Company has very few master purchase agreements with its various suppliers.

In addition to rising inflation and interest rates, tariffs as well as related operating cost increases, including for raw materials, transportation and other services, the Company is exposed, among other things, to supply chain disruptions, errors, unforeseeable delays in delivery, foreign exchange rate fluctuations and

port congestions that could (i) affect the Company's ability to obtain supplies in a timely manner, to deliver products according to initial schedules and to maintain competitive prices, or (ii) result in faulty materials, shortages of supplies, penalties, increased manufacturing prices or impacts on contract profitability. While it is currently difficult to quantify the potential and actual impacts of these geopolitical issues and related sanctions, their consequences on the global supply chain could have material adverse effects on the Company.

If a supplier fails or is unable, for any reason, to provide supplies to the Company, or provides supplies that are not of an acceptable quality, the Company may be required to delay the delivery of those supplies or to source them from other suppliers, on an expedited basis and at a higher price than anticipated, which would impact contract profitability. In addition, providing faulty supplies to a customer could result in claims against the Company for failure to meet project specifications. Although the Company continuously identifies alternative suppliers where possible, there can be no assurance that the marketplace can provide all the products and services needed by the Company on a timely basis, or at a price acceptable to the Company, particularly in instances where the Company relies on a single contracted supplier or a small number of suppliers for the procurement of a given product or service.

Failure to maintain effective supplier selection and a deterioration in procurement practices could adversely affect the Company's ability to comply with project specifications or to deliver products and services in due time, potentially exposing the Company to liquidated damages, unattractive pricing and decreased contract profitability.

The potential impacts of variations in supply prices and related costs on the Company's financial results depend on its ability to transfer those increases to its customers by adjusting the price of some of its products or services. While the Company can adjust the prices of some of its products and services to manage the overall raw material price and freight cost increase, some of its business lines are facing margin erosions in some fixed price projects.

Climate Change and Unpredictable Weather Conditions

The Company may be negatively impacted to varying degrees by climate change and unpredictable weather conditions, including (i) extreme temperatures, which could for instance prevent or hinder the safe performance of outdoor labour, and (ii) unusual seasonal conditions, which could lead to disruptions in the harvest of the Company's agri-food and maple syrup producing clients, and therefore decrease the Company's sales and cause financial losses. Moreover, natural disasters, such as hurricanes, tornadoes, floods, wildfires, hail or ice storms could also disrupt significant segments of the Company's operations, including manufacturing at key facilities and the provision of services at important project sites, which would in turn result in financial losses for the Company.

While the Company is usually well prepared to face these types of events, extreme or unusual weather conditions are hard to predict, and natural disasters can evolve quickly and have potential operational and financial impacts that are hard to predict. Consequently, there is no assurance that the Company's operations and ability to carry on its business will not be disrupted by natural disasters or climate change.

Competitive Environment

The Company competes with companies of various sizes offering substantially similar technologies, products and services dedicated to the water industry. Historically, the Company has developed its target markets by building on its innovative technologies and on the expertise and know-how of its employees to provide customers with customized and tailored solutions that provide economic and operational advantages. The Company considers that global financial conditions, the development of innovative technologies and specialty products, as well as capital investments made by potential customers in their infrastructure contribute to increase the competition and the number of companies bidding on the same projects. In the different segments in which the Company operates, competition is based on a number of factors, mainly pricing, performance obligations, internal resources, financial strength, technology, application and know-how, reputation for quality, timeliness and experience, distribution network and technical services. If the Company is unable to effectively respond to competitive factors, results of operations and financial

condition may be adversely impacted.

Litigation

In the course of its business, the Company may become involved in, named as a party to, or be the subject of various legal proceedings and other claims relating to the conduct of its business. These may include claims, lawsuits, government investigations and other proceedings, the outcome of which cannot be predicted with certainty and may be detrimental to the Company. As a result, such matters could have a material adverse effect on the reputation, results of operations, liquidity or financial position of the Company. Moreover, the cost of defending against lawsuits and diversion of management's attention could be significant.

Acquisitions and Integration

The Company may expand its operations by acquiring additional businesses, products or technologies. While the Company's management has extensive experience in integrating businesses, there can be no assurance that (i) the Company will be able to identify, acquire or profitably manage additional businesses, or successfully integrate any acquired business, products, or technologies into the business without substantial expenses, delays or other operational or financial difficulties, or (ii) acquired businesses, products or technologies will achieve anticipated revenues and income. Inadequate integration could lead to (i) the loss of key employees and employee resistance to change management, (ii) the loss of customers and revenue, (iii) organizational disruption and misalignment of corporate cultures, and (iv) not achieving the envisioned synergy, value creation and performance goals.

To mitigate these risks, the Company uses experienced resources to carry out the acquisition and integration processes and establishes detailed integration plans in which all tasks are assigned to the appropriate competent employees. Moreover, prior to completing a business acquisition, the Company performs exhaustive due diligence. However, despite these measures, there are risks associated with the acquisition of a business when certain liabilities including, but not limited to, tax-related claims, contingent liabilities, legal claims and environmental exposures, are not discovered during due diligence and remain unknown at the time the acquisition is negotiated and concluded.

International Operations and Geopolitical Climate

The Company's international sales operations expose it to risks inherent to operating in foreign jurisdictions, such as (i) sanctions or trade barriers, (ii) the imposition of or increases in import or export duties, surtaxes, tariffs or other customs duties, (iii) compliance with import and/or export laws, (iv) tax increases or changes in tax laws, legislation or regulations, or in the interpretation, application and/or enforcement thereof, (v) business practices favoring local companies, (vi) longer accounts receivable cycles in certain foreign countries, whether due to cultural, economic or other factors, and (vii) changes or instability in foreign political or economic conditions. The Company cannot ensure that one or more of these factors will not harm the Company and the Company's potential inability to maintain or expand its international operations would adversely impact its revenues, results of operations and financial condition.

The current conflict between Russia and Ukraine and the tension between China and Taiwan may lead to additional, and hard to predict, sanctions, disruptions and geopolitical issues. The duration and magnitude of these conflicts, as well as their effects on international activities, the global economy and the supply chain remain uncertain and, therefore, the extent to which the Company will be affected by these geopolitical issues cannot be accurately predicted at this time.

Current Global Financial Conditions

Volatile financial market conditions and adverse credit market conditions could adversely affect the borrowing capacity of the Company and of its customers, distributors and partners, which support the continuation and expansion of the Company's activities worldwide, and could result in contract cancellations or suspensions, project delays, payment delays or defaults by the Company's clients. Additionally, a recession or depression in North America and/or Europe could lead to high unemployment, bankruptcies

and a general decline in international trade and capital movements. The Company's ability to operate or expand its business would be limited if, in the future, the Company needs to operate during a recession or a depression and is unable to access sufficient credit capacity, including capital market funding, bank credit, letters of credit, and surety bonding. These disruptions could materially impact the Company's performance obligations, revenues, and net income.

Development of New Products

The water industry is characterized by evolving technologies, competition-imposed standards and regulatory requirements which have an impact on demand and force the Company to improve its technologies, products and services. The Company could potentially lose key customers and revenues if it became unable to enhance existing technologies, products and solutions and to develop and introduce new innovative water treatment solutions in a timely manner in response to changing market conditions and customer demand.

In addition, the development of new specialized technologies and products entails inherent risks, such as (i) the failure of such new technology or product, (ii) unacceptable reliability issues that render such new technology or product unmarketable, or (iii) poor performance of the components procured from third party suppliers. In such circumstances, the development of new technologies and products may have an adverse impact on their marketability and on the Company's product liability, resulting in warranty claims against the Company.

Liquidity

The Company is subject to liquidity risks, including the possibility of non-compliance with payment terms by the Company's customers, which could decrease the Company's cash inflows and therefore decrease the amount of cash available for payments to the Company's suppliers.

The liquidity risks to which the Company is subject are managed by establishing cash forecasts and operating and strategic plans. The Company constantly monitors its expected cash inflows and outflows and evaluates whether its cash resources are sufficient to meet its financial and contractual obligations as they become due, in order to ensure that the Company maintain sufficient liquid financial resources to fund its operations and meet its commitments and obligations. Moreover, the Company's finance controllers review significant purchase orders to establish acceptable payment schedules, and the Company constantly monitors special payments, insures its risky accounts receivables, and employs a dedicated credit and collection analyst.

Interest Rates and Inflation

In the normal course of its business, the Company is exposed to interest rate fluctuations through its current or potential floating interest rate loans, debts receivable and loans payable.

In addition to increasing interest rates, rising inflation could also affect certain operating costs beyond the Company's control, such as raw materials, fuel prices and the cost of some services. The inability to offset inflation with price increases coupled with the provision of higher salaries and benefits to retain and attract qualified workforce could have an adverse effect on the Company's gross profit margin.

Indebtedness

While the Company does not currently have any debt covenants, future credit agreements may contain financial covenants requiring the Company, on a consolidated basis, to satisfy specific ratios. Such credit agreements may also contain negative covenants restricting the Company's discretion and flexibility in the operation of its business. A breach of any of these credit agreements or the Company's inability to comply with these specific ratios could, if not cured or waived, result in an acceleration of the Company's financial debt or a cross-default under certain of its other credit agreements. If the Company's operating results or liquidity are not sufficient to service its current or future indebtedness, the Company may be required to implement measures such as reducing or delaying business activities, acquisitions, investments or capital expenditures, selling assets, restructuring or refinancing its debt, or seeking additional equity capital.

Compliance with Anti-Corruption and Anti-Bribery Laws

Due to its international operations and activities, the Company is subject to various laws and regulations against bribery and corruption in the jurisdictions in which it sells its technologies, products and services. Moreover, an increasing number of stakeholders are involved in the Company's activities, including, in addition to employees, consultants, distributors, subcontractors, suppliers, customers, etc. There is therefore an increasing risk that one of the Company's stakeholders could fail to comply with certain laws or regulations or participate in illegal acts of corruption, whether intentionally or not.

If the Company is found to be liable for anti-corruption or anti-bribery law violations (either due to its own acts or inadvertence, or due to the acts or inadvertence of others, including actions taken by its distributors or representatives), the Company could suffer penalties or sanctions, which could adversely affect its business operations and financial condition. Such liability could also tarnish the reputation, credibility and image of the Company.

Although the Company contract provisions are designed to mitigate the risks described above, the Company relies on its team of dedicated workers to adhere to its business standards as outlined in the Employee Handbook, Business Conduct policy and procurement internal controls.

Stock Liquidity

Trading of the Company's common shares may be unstable, which could cause a decrease in the liquidity of the Company's common shares. The market price for the common shares of the Company could consequently be subject to wide fluctuations. Factors such as the announcement of significant contracts, completion of an acquisition, technological innovations, new commercial products, a change in regulations, quarterly financial results, future sales of common shares by the Company or current shareholders, and many other factors could have considerable repercussions on the price of the Company's common shares. Broad market fluctuations, as well as economic conditions generally may adversely affect the market price of the Company's common shares.

Insurance Coverage

The Company maintains a wide insurance portfolio relating to its operations, including, without limitation, insurance policies for property, general and product liability, workers' compensation as well as directors' and officers' liability. There is a risk that the Company's current insurance coverage will not be sufficient to cover all losses, that future insurance coverage will contain additional exclusions or limitations, that the Company will not be able to continue to obtain all of its current insurance coverage, or that insurance coverage will not be available at an economically reasonable cost.

The Company may be subject to a variety of potential product liability claims and other claims related to its operations, including liabilities and expenses associated with product defects. The Company maintains insurance coverage that management believes to be generally compliant with industry market practice, but there can be no assurance that the Company will always be adequately insured against all such potential liabilities. In the event that the Company does not have adequate insurance, claims, litigation or other losses could have a material adverse effect on results of operations and financial condition.

Credit

Credit risk relates to the risk that a party to a contract will not fulfil some or all of its obligations, thereby causing the Company to sustain a financial loss. The main risk relates to accounts receivable. Even though the Company performs credit investigations before accepting large orders, there is still a risk that the customer's account will not be recovered. To manage credit risks from account receivables, the Company employs dedicated credit and collection analysts, reviews credit limits, monitors the aging of accounts receivable and closely follows up on late payments, files liens and requires bonds or letters of credit, obtains credit insurance when available and establishes an allowance for doubtful accounts based on forward-looking expected credit loss.

Foreign Exchange

The Company's activities outside Canada expose the Company to foreign currency exchange risks, mainly as a result of purchases and sales made in US dollars which could adversely impact its operating results. To limit the impact of the fluctuations of the Canadian dollar over the US dollar and other currencies, the Company matches, in general and when possible, the cash receipts in a foreign currency with the cash disbursements in the same foreign currency. The Company does not currently but may use derivative financial instruments such as forward currency contracts to cover the variability of cash flows in foreign currencies. Although the Company contracted such derivatives financial instruments, they do not use hedging under IFRS 9 – *Financial Instruments* and similar financial instruments.

Impairment of Intangible Assets

A portion of the Company's assets is attributable to goodwill and intangible assets, which is a result of the acquisition completed by the Company in 2024. Goodwill and intangible assets includes, without limitation, brand names, customer base, customer relations, technologies and intellectual property rights (collectively, "financial assets"). Different factors related to market and economic conditions could influence the value of the Company's financial assets. Changes in the Company's situation can lead to an impairment in the value of the Company's assets if such changes lead to a loss, a decrease of market capitalization, the discontinuation of certain operations, or any other situation indicating that the Company's assets are not worth their book value.

Financial assets, other than those accounted for at fair value, are assessed for indicators of impairment at all times during a given fiscal year and are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected. Any future write-offs or write-downs of financial assets could have a material adverse effect on its financial condition or results of operations.

Transfer Pricing

The Company conducts business operations in multiple jurisdictions and through various legal entities in Canada, the United States. The tax laws of these jurisdictions have detailed transfer pricing regulations which require that all transactions with non-resident related parties be priced using arm's-length pricing principles and that contemporaneous documentation exist to support that pricing. The taxation authorities in the jurisdictions where the Company carries out its business could challenge the Company's arm's-length related party transfer pricing policies. International transfer pricing is a subjective area of taxation and generally involves a significant degree of discretion. If any of these taxation authorities were to successfully challenge the Company's transfer pricing policies, its income tax expenses could be adversely affected, and it could also be subject to interests and penalty charges. Any such increase in its income tax expenses and related interests and penalties could have a significant impact on the Company's future earnings and future cash flows.

Confidentiality Breach

BluMetric Environmental Inc. protects its confidential information and its intellectual property related to its investments in research and development by relying on trade secret laws and confidentiality agreements with third parties who have access to information about its research and development activities. The Company also relies on a combination of laws effective in Canada, the United States or foreign countries with respect to trademarks, patents, trade secrets and other intellectual property. Despite its best efforts, the Company may not be able to determine the extent of unauthorized use, disclosure and infringement of its confidential information or intellectual property rights related to its trademarks, patents and other intellectual property. In any case, such efforts are difficult, expensive, and time-consuming.

Failure to protect the Company's existing and future intellectual property rights could seriously harm its business and may result in the loss of its ability to exclude others from using and profiting from its technology. The Company, being active in an innovative industry and frequently developing new technologies, could face alleged confidentiality breach or intellectual property infringement claims from third parties. Even without merit, these types of claims can be time-consuming and expensive to defend and, therefore, can have an adverse impact on the Company's financial results.

Confidential information also includes material information regarding the Company that only certain persons have access to, including by virtue of their position within the Company's or in the course of their duties ("Insiders"). Although the Company has implemented a Disclosure, Confidentiality and Trading Policy that ensures that non-publicly disclosed information remains confidential and ensures that the trading of its securities remains in compliance with the applicable securities laws and regulations, there is no guarantee that all Insiders will comply with such laws and regulations, or with the restrictions set forth in the Company's Disclosure, Confidentiality and Trading Policy. Violations of the above-mentioned laws and regulations by an Insider could result in the penal prosecution of the Insider in question and damages to the Company's reputation.

Public Health

The widespread outbreak of an illness or any other public health crisis could adversely affect the Company's business activities and financial condition. A public health crisis could cause new rules and restrictions to be implemented, including with regard to commerce and travel, as well as adverse economic consequences, which could in turn cause, among other things, labor shortages, the temporary or long-term closure of important facilities, supply chain disruptions and greater currency volatility.

Capacity to Secure Performance Guarantees

The Company is, in certain instances, required to obtain and maintain bonds or bank guarantees, including letters of credit, to secure its various contractual obligations. Significant instability or disruptions in capital markets or a deterioration in or weakening of its financial position due to internal or external factors, could restrict or prohibit the Company from access to, or significantly increase the cost or the availability of, these bonds or bank guarantees. A deterioration in the Company's financial condition could limit the Company's ability to issue new bonds, letters of credit or other performance guarantees, which would have a material adverse effect on the Company's business, financial condition and results of operations. A draw on bonds, letters of credit or bank guarantees by one or more third parties could, among other things, significantly reduce the Company's cash position and have a material adverse effect on its business and results of operations.

Inability to Implement the Business Strategy

The growth and expansion of BluMetric business is heavily dependent upon the successful implementation of its business strategy. There can be no assurance that BluMetric will be successful in the implementation of its business strategy.

Additional Equity Financing and Dilution

The Company does not exclude raising additional funds by equity financing to fund its activities or implement its Strategic Plan. As of September 30, 2024, there were 4,163,130 stock options issued and outstanding. The exercise of stock options, as well as any new equity financing, could potentially decrease the value of the Company's common shares, dilute the equity interests and voting power of the Company's shareholders, and reduce the Company's earnings per share.

5 DIVIDENDS

BluMetric Environmental Inc. (TSXV: BLM) has not declared any dividends on its common shares. The company has no history of paying dividends to its shareholders, as it has consistently reinvested its earnings into growth initiatives, acquisitions, and operational expansion.

Given BluMetric's focus on reinvestment and growth, it is unlikely that the company will initiate dividend payments in the near future

6 DESCRIPTION OF THE SHARE CAPITAL

The authorized share capital of the Company consists of an unlimited number of common shares and an unlimited number of special shares, issuable in series.

As of September 30, 2024 31,974,979 common shares and no special shares are issued and outstanding.

As of June 30, 2025 37,169,483 common shares and no special shares are issued and outstanding.

The following is a summary of the attributes of the common shares and the preferred shares. This summary is subject to the more detailed provisions set out in the Articles of the Company.

6.2 GENERAL DESCRIPTION

6.2.1 Common shares

The holders of the Company's common shares are entitled to dividends as and when declared by the Board of Directors of the Company, to one vote per share at meetings of shareholders of the Company and, on liquidation, to receive such assets of the Company as are distributable to the holders of the common shares.

6.2.2 Special shares

The Board of Directors of the Company may fix, before issue, the number of special shares in each series, the designation, rights, privileges, restrictions, and conditions attached to that specific series, as well as any right to receive dividends, any terms or conditions of redemption or purchase, and any conversion rights. The special shares do not have any voting rights. On liquidation the special shares rank on par with any other special shares issued and rank in priority over the common shares.

7 MARKET FOR SECURITIES

7.2 TRADING PRICE AND VOLUME

The common shares of the Company are listed on the TSX under the symbol "BLM".

The following table sets out trading information for the common shares for each month during fiscal year ended September 30, 2024, as well as corresponding monthly volume:

Month	Closing High	Closing Low	Volume
October 2023	\$0.31	\$0.28	225,241
November 2023	\$0.34	\$0.25	223,308
December 2023	\$0.30	\$0.25	95,243
January 2024	\$0.41	\$0.25	302,940
February 2024	\$0.48	\$0.38	254,585
March 2024	\$0.43	\$0.33	174,412
April 2024	\$0.45	\$0.37	301,926
May 2024	\$0.45	\$0.39	94,401
June 2024	\$0.48	\$0.39	247,491
July 2024	\$0.57	\$0.40	1,107,200
August 2024	\$0.60	\$0.46	551,268
September 2024	\$0.75	\$0.54	1,646,061

7.3 PRIOR SALES

No securities of any class have been issued by the Company during the fiscal year ended September 30, 2024.

8.2 DIRECTORS

Below are the names, city and province or state of residence of the current directors of the Company, the positions and offices held with the Company, 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

Name and Province and Country of Residence	Date First Appointed Director	Principal Occupation	Position and Office held with the Company	Number of Shares held November 6, 2025
Mohsen Mortada ^(1,3) California, United States of America	February 1, 2025	Founder at 3i Strategies, LLC from 2021 to Present. Chief of Staff of the Metropolitan Water District of Southern California from 2023 to 2024 and prior to that, the President and CEO of Cole Engineering Group from 2014 to 2021.	Chair of Compensation Committee	Nil
David Rudolph ^(1,3) Ontario, Canada	July 20, 2023	Professor since 1990 at the University of Waterloo, Department of Earth and Environmental Sciences, Faculty of Science	Board Member	34,597
Ian Murray Macdonald ⁽²⁾ Ontario, Canada	March 25, 2020	Employee of the Company and its predecessor companies since 1986. Professional geoscientist and certified environmental auditor.	Senior Hydrologist / Auditor	112,384
Scott MacFabe Ontario, Canada	March 28, 2018	CEO of the Company from March 1, 2018.	Chair & CEO	255,389
Ian Mor Macdonald ^(1,2) Ontario, Canada	February 16, 2021	Managing Director of Tricapital Solutions Inc., a boutique merchant bank and corporate advisory consultancy since 1986.	Chair Audit Committee	84,205
Stephan May Ontario, Canada	September 29, 2025	Managing Partner, Welch Capital Partners since January 2015	Board Member	28,846

Notes:

- (1) Member of the Audit Committee.
- (2) Member of the Human Resources and Governance Committee (“HR & Governance Committee”)
- (3) Member of the Compensation Committee.

The statements as to the shares of the Company 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.

Directors are elected on an annual basis by the shareholders. Each director appointed by the Board of Directors to fill a vacancy holds office until the next annual meeting of the shareholders. Each director holds office until its successor has been elected, or unless the director resigns or if his or her position becomes vacant by reason of death, dismissal or any other reason.

8.3 EXECUTIVE OFFICERS

Below are the names, city and province or state of residence of the current executive officers of the Company, their principal occupation, the date they joined the Company and the number of voting shares of the Company held directly or over which they had control on September 30, 2025:

Name and Province and Country of Residence	Date First Appointed Director	Position within the Company	Number of Shares held November 6, 2025
Scott MacFabe, Lanark, Ontario, Canada	March 1, 2018	Chief Executive Officer & Chair of the Board	255,389
Dan Hilton, Stittsville, Ontario, Canada	October 1, 2023	Chief Financial Officer & Corporate Secretary	217,177

For the past five years, all of the executive officers of the Company held the principal occupation indicated beside their name except for the following:

- o Dan Hilton who joined the Company on October 1, 2023 replacing the former Chief Financial Officer who departed September 30, 2023. Prior to joining BluMetric, Mr. Hilton was CFO of Fully Managed Inc. from 2018 to 2023.

As a group, the directors and executive officers of the Company beneficially owned, directly or indirectly, or exercised control or direction over, as of September 30, 2025, 4,235,001 common shares of the Company, representing 4.705% of the issued and outstanding common shares of the Company.

8.4 CEASE TRADE ORDERS, BANKRUPTCIES, PENALTIES OR SANCTIONS

Other than set out below, no director or executive officer of the Company, is or has been, during the ten years preceding the date of this Annual Information Form, a director, chief executive officer or chief financial officer of a company that: i) was subject to a cease trade order or to an order similar to a cease trade order or to an order that denied the relevant company access to any exemption under securities legislation for a period of more than 30 consecutive days that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer, ii) was subject to a cease trade order or to an order similar to a cease trade order or to an order that denied the relevant company access to any exemption under securities legislation for a period of more than 30 consecutive days issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in such capacity, iii) became 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 its assets while that person was a director, chief executive officer or chief financial officer or within a year of that person ceasing to act in that capacity, or iv) became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or became subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

On July 6, 2016, the Ontario Securities Commission issued a temporary management cease trade order against Daniel Hilton related to his role as CFO of Datawind Inc. (the "Temporary Order") for failure to file

audited annual financial statements for the year ended March 31, 2016, management's discussion and analysis related to the audited annual financial statements for the year ended March 31, 2016, annual information form for the year ended March 31, 2016, and certification of the foregoing filings as required by National Instrument 52-109. The Temporary Order lapsed or expired on July 18, 2016 and was replaced with a permanent management cease trade order dated the same day (the "Datawind MCTO"). On September 7, 2016, the Datawind MCTO lapsed or expired and was replaced with a Failure to File Cease Trade Order (the "Datawind FFCTO"). The Datawind FFCTO was revoked on November 25, 2016.

Moreover, no director or executive officer of the Company has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority, nor has entered into a settlement agreement with a securities regulatory authority, nor has 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.

9 LEGAL PROCEEDINGS AND REGULATORY ACTIONS

The Company is not party to any proceedings which would have a material adverse effect, individually or as a whole, on the business, financial situation or operating results of BluMetric or that involve a claim in an amount, exclusive of costs and interest, that exceeds 10% of the current assets of the Company.

During fiscal year ended September 30, 2024, the Company has not been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority, nor has it been subject to any 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. The Company has not entered into any settlement agreement before a court relating to securities legislation or with a securities regulatory authority.

10 INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Over the three most recently completed fiscal years and during the current fiscal year, no director, executive officer of the Company or any person that beneficially owns, or controls or directs, directly or indirectly, more than 10% of any class or series of the issued and outstanding voting securities of the Company, or any of their associates or affiliates, is or has been part of a transaction that has materially affected or is reasonably expected to materially affect the Company.

11 TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar of the Company is Odyssey Trust Company which holds the register of transactions of the Company's common shares in its offices located in Toronto, Province of Ontario.

12 MATERIAL CONTRACTS

All contracts entered into and closed by the Company during the current and the last fiscal years, or before the last fiscal year but that are still in effect as of the date of this AIF, are considered as entered into during the normal course of business and are not considered as "material contracts" for the purpose of *Regulation 51-102 respecting Continuous Disclosure Obligations*.

13 INTERESTS OF EXPERTS

During fiscal year ended September 30, 2024, the auditor of the Company was MNP LLP, Chartered Professional Accountants at their Ottawa office. The auditor has confirmed its independence within the meaning of the rules of the Chartered Professional Accountants of Ontario

14 AUDIT COMMITTEE

14.2 GENERAL

The Audit Committee of the Board of Directors is currently comprised of 3 independent directors and is responsible for reporting on certain aspects of the governance of the Company as delegated by the Board of Directors. Additional details related to the disclosure associated with the Audit Committee can be found in the Management Information Circular dated February 18, 2025 available on sedarplus.ca

14.3 CHARTER OF THE AUDIT COMMITTEE

The Charter of the Audit Committee is attached as Schedule "A" to this Annual Information Form.

14.4 COMPOSITIONS

As of September 30, 2025, the members of the Audit Committee are:

Ian Mor Macdonald, Chair of the Audit Committee
Mohsen Mortada
David Rudolph

Each of these members is independent and financially literate.

Ian Mor Macdonald
CA/CPA; MBA, Hon B.Comm

Ian 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.

Mohsen Mortada
B.Sc.

Mohsen Mortada holds a Bachelor of Science in Business Administration and Management Information Systems and is currently a principle and founder of 3i Strategies, LLC where he helps clients develop strategies to cope with climate change. Most recently he acted as the Chief of Staff to the CEO of the 23 Metropolitan Water District of Southern California. Prior to this, Mr. Mortada was the CEO of Cole Engineering Group where he led a 6-year profitability transformation prior to managing the ultimate sale to Arcadis in 2022. Mr. Mortada has held several senior roles with acclaimed water consultancies throughout Canada, the United States, The Caribbean and the Middle East. He is currently on the board of The Pacific Institute, Sustainable Conservation and Open Oceans Global and has served historically on many for profit and not for profit Boards of Directors.

Dr. David L. Rudolph
Ph. D., P. Eng.

David Rudolph, Ph.D., P.Eng., is a Professor in the Department of Earth and Environmental Sciences at the University of Waterloo. He specializes in and teaches in the areas of regional hydrogeology and groundwater protection and management. His research group combines watershed-scale field monitoring with numerical modeling strategies to resolve issues related to water balances, impacts of diffuse source contaminants and groundwater-surface water interaction phenomena. Rudolph has participated extensively with municipal authorities in groundwater development and management projects with specific focus on assessing the impacts to water quality from agricultural land-use practices and evaluating performance of Beneficial Management Practices. He was the 2010 recipient of NGWA's M. King Hubbert

Award for contributions to the field of hydrogeology, was the 2013 NGWA Darcy Lecturer in Ground Water Science and is the recipient of the 2020 IAH Robert N. Farvolden Award in Groundwater Science.

14.5 FEES OF THE AUDITOR

MNP LLP acts as an external independent auditor of the Company. During the past 2 years, the Company paid the following fees to its auditor for services rendered:

For the financial years ended September 30, 2023 and September 30, 2024 the fees paid by the Company for audit work were as follows:

	Financial Year ended September 30, 2023	Financial Year ended September 30, 2024
Audit fees	\$120,150	\$215,000
Audit related fees	\$15,700	\$18,000
Tax fees - Preparation of Tax Returns	\$10,000	\$10,000
All other fees	\$8,050	\$10,165
Total	\$143,750	\$253,165

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.

Reliance on Exemption

The Company is relying upon the exemption in section 6.1 of NI 52-110 exempting the Company from the requirements of Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110.

14.6 AUDIT COMMITTEE OVERSIGHT

Since the beginning of the Company's most recently completed fiscal year, the Audit Committee has not made any recommendations to nominate or compensate an auditor that was not adopted by the Board of Directors of the Company.

15 ADDITIONAL INFORMATION

Additional information regarding the Company is available on SEDAR+ at www.sedarplus.ca. Additional information, including information with respect to directors' and officers' remuneration and indebtedness, principal holders of securities of the Company and securities authorized under equity compensation plans, is contained in the Company's Management Proxy Circular which is published, prior to the Company's Annual General Meeting of Shareholders. Additional information is also provided in the Company's consolidated financial statements and management's discussion and analysis for fiscal year ended September 30, 2024, or by request to the Investor Relations Department, 1682 Woodward Drive, Ottawa, Ontario, K1C 3R8 Canada.

**SCHEDULE A
CHARTER OF THE AUDIT COMMITTEE**

BLUMETRIC ENVIRONMENTAL INC.

CHARTER OF THE AUDIT COMMITTEE

I. PURPOSE

The purpose of the Audit Committee (the "Committee") of BluMetric Environmental Inc. (the "Corporation") is to assist the Board of Directors (the "Board") in its oversight of:

1. the integrity of the Corporation's financial statements and related information;
2. the Corporation's compliance with legal and regulatory requirements related to financial reporting;
3. the independence, qualifications, appointment and performance of the Corporation's external auditor; and
4. disclosure, internal controls and audit procedures (internal and external).

The present charter is not intended to limit, enlarge or change in any way the responsibilities of the Committee as determined by such articles, by-laws, applicable laws, the rules of the TSX Venture Exchange and National Instrument 52-110.

II. COMPOSITION OF THE COMMITTEE

The Committee will consist of not fewer than three Directors. Members of the Committee will be independent, as such term is defined under applicable stock exchange rules and applicable securities laws, whenever practicable. Members of the Committee will be appointed by the Board and will serve at the pleasure of the Board. Unless the chair of the Committee (the "Chair") is appointed by the Board, the members of the Committee will select its Chair.

III. MEETINGS

The Committee will meet at least quarterly or as frequently as may be necessary or appropriate in its judgement as the Committee may determine. Minutes of all meetings of the Committee will be maintained. In addition, the Committee will report to the Board on the Committee's activities at the Board meeting following each Committee meeting.

Meetings of the Audit Committee may be called by any member of the Audit Committee or the external auditor. Notice of meetings of the Committee will be given to each member not less than 48 hours before the time when the meeting is to be held. The notice need not state the purpose or purposes for which the meeting is being held.

The Audit Committee shall meet separately in an "in-camera" session in the absence of management and the external auditor, at each regularly scheduled meeting. The Audit Committee will also meet with the external auditor without management being present.

A quorum for meetings will be a majority of the members present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to

speak and hear each other. At all meetings of the Committee, every question will be decided by a majority of the votes cast on the question. All other procedures at meetings will be determined from time to time by the members.

The Committee may ask members of management of the Corporation or others to attend meetings and provide pertinent information, as necessary.

The Committee will have the right to inspect all information regarding the Corporation that is necessary or desirable to fulfill its duties and all directors, officers and employees will be directed to cooperate as requested by the members of the Committee. The Committee also has the authority to communicate directly with the external auditor, the Chief Financial Officer as well as any other employee of the Corporation as it deems advisable.

The Committee will also have the right, without Board approval, to hire independent counsel, financial and other advisors at the Corporation's expense, if deemed necessary by it, to carry out its duties. The Corporation will provide appropriate funding, as determined by the Committee, to compensate the advisors employed by the Committee.

IV. RESPONSIBILITIES

A. FINANCIAL REPORTING AND CONTROL:

1. Review, on a quarterly and annual basis, the Corporation's financial reporting and accounting standards and principals and significant changes in such standards or principals or in their application including key accounting decisions affecting the financial statements, alternatives thereto and the rationale for decisions made;
2. Review and recommend approval to the Board of the Corporation's quarterly and annual financial statements and management's discussion and analysis related thereto and earnings press releases before they are publicly disclosed;
3. Review with management and the external auditor, the adequacy and effectiveness of the Corporation's accounting and financial controls and the adequacy and timeliness of its financial reporting processes; and
4. Review the Corporation's compliance with tax and financial reporting rules as issues arise.

B. EXTERNAL AUDITOR OVERSIGHT:

1. Recommend to the Corporation's 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 remuneration of the external auditor;
2. Ensure the Corporation's external auditor report directly to the Audit Committee throughout the term of their appointment;

3. Monitor the independence of the external auditor by reviewing all relationships between the external auditor and the Corporation and all non audit work performed for the Corporation by the external auditor;
4. Review with management and the external auditor, significant related party transactions and potential conflicts of interest;
5. Preapprove all non audit services to be provided to the Corporation or its subsidiaries by the external auditor;
6. Review the annual audit scope and plan as recommended by the external auditor;
7. Review and discuss with the external auditor and management any problems or difficulties encountered during the audit, including restrictions on the scope of activities or access to information, and any significant disagreements between the Auditor and management in relation to financial reporting. The Committee may meet with the Auditor and management (together or separately) to discuss and resolve such disagreements.
8. Analyze all internal control points raised by the external auditor in correspondence with management.
9. Create (if required), review and approve the Company's policies respecting the Company's hiring of any (former or current) external auditor's past or present employees or past or present partners that participated in any capacity in any Company audit.
10. Oversee any other matters relating to the external auditor and the performance of audit services on the Company's behalf.

C. LEGAL COMPLIANCE:

Review, on a periodic basis the Corporation's legal compliance with respect to:

1. The legal and regulatory matters which may have a material effect on the Corporation and/or its financial statements, including with respect to pending or threatened material litigations; and
2. Corporate compliance policies.

D. WHISTLEBLOWER, ETHICS, CONDUCT AND INTERNAL CONTROLS COMPLAINT PROCEDURES:

In accordance with the terms of the Whistleblower Policy, ensure that the Corporation has in place, monitors, and reviews annually policies for:

1. The receipt, retention and treatment of complaints received by the Corporation;

2. The confidential, anonymous submission of concerns regarding questionable matters or circumstances (including allegation with respect to fraud, accounting misconduct, harassment, violence, retaliation, etc.).

V. REVIEW OF CHARTER

The Audit Committee will annually review and assess the adequacy of this Charter and recommend to the Board any proposed changes for consideration. The Board may amend this Charter, as required.

VI. EFFECTIVE DATE OF CHARTER

This Charter was adopted by the Board on May 28, 2025.