

# **BluMetric Environmental Inc.**

**Condensed Interim Financial Statements  
For the Three and Six Months Ended  
March 31, 2021**  
(unaudited, expressed in Canadian dollars)

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

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

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

**BluMetric Environmental Inc.**  
**Condensed Interim Statements of Financial Position**  
**As at March 31, 2021 and September 30, 2020**

(expressed in Canadian dollars)

	March 31, 2021 \$	September 30, 2020 \$
<b>Current assets</b>		
Cash	4,208,972	2,470,002
Accounts receivable (note 4)	5,780,673	4,788,286
Unbilled revenue	2,398,555	2,770,720
Contract assets	1,026,736	2,451,726
Prepaid expenses	346,980	147,679
	13,761,916	12,628,413
<b>Non-current assets</b>		
Property and equipment	185,866	168,477
Intangible assets	44,774	48,474
Right-of-use assets (note 6)	920,176	1,207,018
Deferred income tax assets	979,329	1,464,309
	2,130,145	2,888,278
	15,892,061	15,516,691
<b>Current liabilities</b>		
Trade and other payables (note 9)	3,817,365	5,293,289
Income tax payable	30,166	-
Contract liabilities	1,013,397	228,825
Current portion of lease liabilities (note 6)	505,474	500,774
Current portion of long-term debt (note 10)	1,949,422	2,453,843
	7,315,824	8,476,731
<b>Non-current liabilities</b>		
Long-term debt (note 10)	164,656	164,656
Lease liabilities (note 6)	486,696	732,891
Advances	50,000	50,000
Due to shareholders	16,638	16,638
	717,990	964,185
	8,033,814	9,440,916
<b>Shareholders' Equity</b>		
Share capital	5,554,010	5,526,964
Contributed surplus and other equity	706,851	703,090
Retained earnings (deficit)	1,597,386	(154,279)
	7,858,247	6,075,775
	15,892,061	15,516,691

**Approved by the Board of Directors**

\_\_\_\_\_  
 "Ian Mor Macdonald"  
 Ian Mor Macdonald

Director

\_\_\_\_\_  
 "Geoff Simonett"  
 Geoff Simonett

Director

**BluMetric Environmental Inc.**  
**Condensed Interim Statements of Changes in Shareholders' Equity**  
**For the six months ended March 31, 2021 and 2020**

(expressed in Canadian dollars)

	Common shares #	Share capital \$	Contributed surplus and other equity \$	Retained earnings (deficit) \$	Total \$
<b>Balance – October 1, 2019</b>	28,675,695	5,526,964	687,737	(625,738)	5,588,963
Share-based compensation	-	-	7,786	-	7,786
Net loss and comprehensive loss for the period	-	-	-	(1,423,941)	(1,423,941)
<b>Balance – March 31, 2020</b>	<b>28,675,695</b>	<b>5,526,964</b>	<b>695,523</b>	<b>(2,049,679)</b>	<b>4,172,808</b>
<b>Balance – October 1, 2020</b>	28,675,695	5,526,964	703,090	(154,279)	6,075,775
Share-based compensation (note 11)	-	-	14,407	-	14,407
Exercise of stock options (note 11)	80,000	27,046	(10,646)	-	16,400
Net earnings and comprehensive income for the period	-	-	-	1,751,665	1,751,665
<b>Balance – March 31, 2021</b>	<b>28,755,695</b>	<b>5,554,010</b>	<b>706,851</b>	<b>1,597,386</b>	<b>7,858,247</b>

**BluMetric Environmental Inc.**  
**Condensed Interim Statements of Net Earnings and Comprehensive Income**  
**For the three and six months ended March 31, 2021 and 2020**

(expressed in Canadian dollars)

	For the three months ended		For the six months ended	
	March 31, 2021 \$	March 31, 2020 \$	March 31, 2021 \$	March 31, 2020 \$
<b>Revenue</b> (note 14,15)	9,138,727	5,028,246	17,290,916	11,343,820
<b>Cost of sales</b> (note 12)	6,475,204	4,538,515	12,407,825	9,422,921
<b>Gross profit</b>	2,663,523	489,731	4,883,091	1,920,899
<b>Operating expenses and other items</b>				
Selling, general and administrative (note 12)	1,198,725	1,307,648	2,349,825	2,462,521
Gain on disposal of assets held for sale (note 5)	-	-	-	(947,914)
Impairment of goodwill (note 7)	-	1,592,095	-	1,592,095
	1,198,725	2,899,743	2,349,825	3,106,702
<b>Operating profit (loss)</b>	1,464,798	(2,410,012)	2,533,266	(1,185,803)
Finance costs (note 12)	(121,521)	(114,996)	(241,061)	(268,981)
<b>Earnings (loss) before income taxes</b>	1,343,277	(2,525,008)	2,292,205	(1,454,784)
<b>Income tax expense (recovery)</b>				
Current	55,560	-	55,560	-
Deferred	235,895	(256,620)	484,980	(30,843)
	291,455	(256,620)	540,540	(30,843)
<b>Net earnings (loss) and comprehensive income (loss) for the period</b>	1,051,822	(2,268,388)	1,751,665	(1,423,941)
<b>Earnings (loss) per share</b>				
Basic	0.04	(0.08)	0.06	(0.05)
Diluted	0.04	(0.08)	0.06	(0.05)
<b>Weighted average number of shares outstanding</b> (note 13)				
Basic	28,683,473	28,675,695	28,679,541	28,675,695
Diluted	28,949,342	28,691,865	28,784,267	28,692,192

**BluMetric Environmental Inc.**  
**Condensed Interim Statements of Cash Flows**  
**For the six months ended March 31, 2021 and 2020**

(expressed in Canadian dollars)

	<b>For the six months ended</b>	
	<b>March 31, 2021 \$</b>	<b>March 31, 2020 \$</b>
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Net earnings (loss) and comprehensive income (loss) for the period	1,751,665	(1,423,941)
Non-cash items:		
Deferred income tax expense (recovery)	484,980	(30,843)
Increase in credit loss allowance	41,362	165,173
Depreciation of property and equipment	29,351	24,275
Amortization of intangible assets	5,094	4,376
Depreciation of right of use assets (note 6)	270,357	197,890
Gain on disposal of assets held for sale (note 5)	-	(947,914)
Amortization of deferred financing costs	5,579	5,579
Financing fees on debt repayment	-	23,948
Share-based compensation (note 11)	14,407	7,786
Impairment of goodwill (note 7)	-	1,592,095
Changes in working capital balances	(98,004)	(442,762)
	<u>2,504,791</u>	<u>(824,338)</u>
<b>Investing activities</b>		
Acquisition of property, plant and equipment	(46,741)	(28,000)
Acquisition of intangible assets	(1,394)	-
Proceeds on disposal of other assets held for sale, net of transaction costs (note 5)	-	1,079,424
	<u>(48,135)</u>	<u>1,051,424</u>
<b>Financing activities</b>		
Increase (decrease) in bank indebtedness	-	669,790
Repayment of demand loan	-	(925,000)
Repayment of long-term debt	(510,000)	(27,050)
Principal payments on leases (note 6)	(224,086)	(187,924)
Exercise of stock options	16,400	-
	<u>(717,686)</u>	<u>(470,184)</u>
<b>Change in cash and cash equivalents during the period</b>	<b>1,738,970</b>	<b>(243,098)</b>
<b>Cash and cash equivalents – Beginning of period</b>	<b>2,470,002</b>	<b>243,098</b>
<b>Cash and cash equivalents – End of period</b>	<b>4,208,972</b>	<b>-</b>
<b>Supplementary Information</b>		
Interest paid	194,007	216,208

# **BluMetric Environmental Inc.**

## **Notes to Condensed Interim Financial Statements**

### **For the three and six months ended March 31, 2021 and 2020**

---

(expressed in Canadian dollars)

#### **1 Nature of operations**

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

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

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

#### **2 Basis of presentation**

##### **Statement of compliance**

These condensed unaudited interim financial statements have been prepared in compliance with International Accounting Standard 34 Interim Financial Reporting ("IAS 34"). These condensed unaudited interim financial statements do not contain all the information and disclosures required for annual financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended September 30, 2020, which have been prepared in accordance with International Financial Reporting Standards ("IFRS").

##### **Authorization of financial statements**

The condensed unaudited interim financial statements were approved and authorized for issue by the Board of Directors on May 27, 2021.

##### **Presentation and functional currency**

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

##### **Basis of measurement**

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

##### **COVID-19**

The global COVID-19 pandemic continues to create volatility at local, national and global levels. Significant uncertainty continues regarding both the impact of COVID-19 on the Company and its markets as well as the length of time it will take for the economy to return to pre-COVID-19 levels. Canada continues to roll-out vaccines as it grapples with a recent surge of COVID-19 cases. Accordingly, estimates of the extent to which the pandemic may materially and adversely affect the Company's operations, financial results and condition in future periods are subject to significant uncertainty.

The Company continues to monitor and actively manage the developing impacts from COVID-19, including but not limited to the potential future effects on its assets, cash flows and liquidity.

**BluMetric Environmental Inc.**  
**Notes to Condensed Interim Financial Statements**  
**For the three and six months ended March 31, 2021 and 2020**

(expressed in Canadian dollars)

**3 Summary of significant accounting policies**

The accounting policies set out in the Company's most recent annual audited financial statements have been applied consistently to all periods presented in these condensed unaudited interim financial statements. As such, these condensed unaudited interim financial statements should be read in conjunction with the annual audited financial statements and related note disclosures for the year ended September 30, 2020.

The Company has changed the presentation of the condensed interim statements of cash flows to reflect only cumulative year-to-date information in accordance with IAS 34.

**4 Accounts receivable**

	March 31, 2021 \$	September 30, 2020 \$
Trade and other receivables	6,228,975	5,196,859
Credit loss allowance – accounts receivable	(448,302)	(408,573)
	5,780,673	4,788,286

**5 Assets held for sale**

On October 1, 2019, the Company signed an agreement to sell its office building at 3108 Carp Road in Ottawa for gross proceeds of \$1,150,000. The sale included the land, building, leasehold improvements and paving with a combined carrying amount of \$131,510 and net transaction costs of \$70,576. The transaction closed on December 19, 2019, resulting in a gain on disposal of \$947,914.

**6 Right-of-use assets and lease liabilities**

Information about leases for which the Company is a lessee are presented below:

	Right-of-use assets			
	Offices \$	Vehicles \$	IT equipment \$	Total \$
Balance – October 1, 2020	1,100,358	28,690	77,970	1,207,018
Disposals	-	(16,485)	-	(16,485)
Depreciation	(250,332)	(4,339)	(15,686)	(270,357)
<b>Balance – March 31, 2021</b>	<b>850,026</b>	<b>7,866</b>	<b>62,284</b>	<b>920,176</b>

**BluMetric Environmental Inc.**  
**Notes to Condensed Interim Financial Statements**  
**For the three and six months ended March 31, 2021 and 2020**

(expressed in Canadian dollars)

**Lease liabilities**

	<b>Offices</b> \$	<b>Vehicles</b> \$	<b>IT equipment</b> \$	<b>Total</b> \$
Balance – October 1, 2020	1,123,720	29,806	80,139	1,233,665
Disposals	-	(17,409)	-	(17,409)
Cash interest paid	30,634	320	2,100	33,054
Gross payments	(235,397)	(4,583)	(17,160)	(257,140)
<b>Balance – March 31, 2021</b>	<b>918,957</b>	<b>8,134</b>	<b>65,079</b>	<b>992,170</b>
Less: Current portion				505,474
Non-current portion				486,696

**Right-of-use assets**

	<b>Offices</b> \$	<b>Vehicles</b> \$	<b>IT equipment</b> \$	<b>Total</b> \$
Balance – October 1, 2019	937,290	41,249	109,342	1,087,881
Disposals	177,609	-	-	177,609
Depreciation	(175,924)	(6,280)	(15,686)	(197,890)
<b>Balance – March 31, 2020</b>	<b>938,975</b>	<b>34,969</b>	<b>93,656</b>	<b>1,067,600</b>

**Lease liabilities**

	<b>Offices</b> \$	<b>Vehicles</b> \$	<b>IT equipment</b> \$	<b>Total</b> \$
Balance – October 1, 2019	943,639	41,778	110,004	1,095,421
Disposals	177,610	-	-	177,610
Cash interest paid	21,441	872	1,946	24,259
Gross payments	(188,218)	(6,805)	(17,160)	(212,183)
<b>Balance – March 31, 2020</b>	<b>954,472</b>	<b>35,845</b>	<b>94,790</b>	<b>1,085,107</b>
Less: Current portion				417,525
Non-current portion				667,582



**BluMetric Environmental Inc.**  
**Notes to Condensed Interim Financial Statements**  
**For the three and six months ended March 31, 2021 and 2020**

(expressed in Canadian dollars)

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

The Company leases buildings for its office spaces across Canada. Lease terms range from less than one to eight years. To provide operational flexibility, the Company seeks to include extension or termination options in its leases.

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

	<b>For the six months ended</b>	
	<b>March 31, 2021</b>	<b>March 31, 2020</b>
	<b>\$</b>	<b>\$</b>
<b>Amounts recognized in selling, general and administrative</b>		
Rent expense – variable lease payments	68,229	76,387
Expense related to short-term leases	99,493	119,331
Expense related to low-value assets	24,023	18,802
Income from subleases	(5,922)	(3,068)
	<u>185,823</u>	<u>211,452</u>

	<b>For the six months ended</b>	
	<b>March 31, 2021</b>	<b>March 31, 2020</b>
	<b>\$</b>	<b>\$</b>
<b>Amounts recognized in the statements of cash flow</b>		
Cash payments for the interest portion of lease liabilities	33,054	24,259
Cash payments for leases not included in the measurement of lease liabilities	<u>185,823</u>	<u>211,452</u>
Cash outflow in operating activities	218,877	235,711
Cash payments for the principal portion of lease liabilities included in financing activities	<u>224,086</u>	<u>187,924</u>
Total cash outflow for leases	<u>442,963</u>	<u>423,635</u>

**BluMetric Environmental Inc.**  
**Notes to Condensed Interim Financial Statements**  
**For the three and six months ended March 31, 2021 and 2020**

(expressed in Canadian dollars)

**7 Goodwill**

Goodwill is tested for impairment annually or more frequently if events or circumstances indicate that the asset might be impaired in accordance with the policy described in note 3 of the Company's annual financial statements dated September 30, 2020.

During the three and six-month periods ended March 31, 2020, the Company identified certain indicators of impairment which resulted in the recognition of an impairment charge of \$1,592,095 for the period then ended. For detail on the indicators noted, determination of the recoverable amount, as well as significant assumptions and sensitivities refer to the Company's annual financial statements for the year ended September 30, 2020.

**8 Credit facilities**

As at March 31, 2021, the Company had drawn \$nil on its operating demand loan and \$nil in letters of credit (2020 – \$ 669,790 and \$nil, respectively).

The Company has certain covenants in accordance with its short-term credit facilities. As at March 31, 2021, the Company was in compliance with all its covenants.

**9 Trade and other payables**

	<b>March 31, 2021 \$</b>	<b>September 30, 2020 \$</b>
Trade payables	2,121,922	3,532,562
Salaries and benefits payable	833,935	827,675
Other accrued liabilities and payables	861,508	933,052
	<u>3,817,365</u>	<u>5,293,289</u>

**10 Long-term debt**

	<b>March 31, 2021 \$</b>	<b>September 30, 2020 \$</b>
Term loan, net of deferred financing costs of \$5,578 (September 30, 2020 – \$11,157), bearing interest at 10%	1,949,422	2,453,843
Restructured trade debt	164,656	164,656
	<u>2,114,078</u>	<u>2,618,499</u>
Less: Current portion	<u>1,949,422</u>	<u>2,453,843</u>
	<u>164,656</u>	<u>164,656</u>

# **BluMetric Environmental Inc.**

## **Notes to Condensed Interim Financial Statements**

### **For the three and six months ended March 31, 2021 and 2020**

---

(expressed in Canadian dollars)

The Company has certain covenants in respect of financial ratio maintenance in accordance with this term loan, as well as cross-default provisions with the Company's short-term credit facility arrangement. As at March 31, 2021, the Company was in compliance with all its covenants.

Subsequent to March 31, 2021, the Company entered into a letter of agreement with its bank for a new \$2.0 million term loan. The proceeds from the new term loan were used to extinguish the existing term loan that was due to expire August 15, 2021. The new term loan has a closed four-year term and carries an interest rate of 3.28% per annum with monthly blended payments of \$44,517 commencing May 31, 2021. The new term loan matures April 30, 2025, will be carried at amortized cost and is subject to the same covenants as the Company's short term credit facilities.

## **11 Shareholders' equity**

### **Share capital**

Authorized

- Common shares

The Company is authorized to issue an unlimited number of 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.

- Special shares

The Company is authorized to issue an unlimited number of special shares, issuable in series. No special shares are currently outstanding.

### **Share-based compensation**

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

During the six months ended March 31, 2021, the Company recognized \$14,407 (2020 – \$7,786) in share-based compensation expense and had 80,000 options exercised with a weighted average exercise price of \$0.21 and a weighted average market price of \$0.45. The shares were exercised for total proceeds of \$16,400.

During the six months ended March 31, 2021, the Company granted options for 80,000 common shares to certain Board members in connection with the Company's Board compensation policy. These options vest over one to three years and expire after five years.

**BluMetric Environmental Inc.**  
**Notes to Condensed Interim Financial Statements**  
**For the three and six months ended March 31, 2021 and 2020**

(expressed in Canadian dollars)

**12 Other expense items**

	<u>For the three months ended</u>		<u>For the six months ended</u>	
	<b>March 31, 2021 \$</b>	<b>March 31, 2020 \$</b>	<b>March 31, 2021 \$</b>	<b>March 31, 2020 \$</b>
Personnel	3,723,948	3,449,830	7,103,096	6,374,994
Materials	3,142,610	1,415,522	6,088,351	3,710,693
Consulting	23,532	18,895	29,890	56,035
Sub-contractors	45,406	5,870	70,072	29,422
Depreciation and amortization	152,694	118,075	305,276	226,541
Other operating expense	585,739	837,971	1,160,965	1,487,757
	<b>7,673,929</b>	<b>5,846,163</b>	<b>14,757,650</b>	<b>11,885,442</b>
<b>Reported as:</b>				
Cost of sales	6,475,204	4,538,515	12,407,825	9,422,921
Selling, general and administrative	1,198,725	1,307,648	2,349,825	2,462,521
	<b>7,673,929</b>	<b>5,846,163</b>	<b>14,757,650</b>	<b>11,885,442</b>
Finance costs				
Interest on restructured debt	4,140	4,310	7,815	8,357
Interest on term and bank loans	92,527	82,765	184,442	206,101
Interest on leases	16,398	15,036	33,136	30,103
Bank charges	3,494	8,778	7,169	17,229
Other finance charges	4,962	4,107	8,499	7,191
	<b>121,521</b>	<b>114,996</b>	<b>241,061</b>	<b>268,981</b>

**13 Earnings per share**

	<u>For the three months ended</u>		<u>For the six months ended</u>	
	<b>March 31, 2021 \$</b>	<b>March 31, 2020 \$</b>	<b>March 31, 2021 \$</b>	<b>March 31, 2020 \$</b>
Issued common shares	28,755,695	28,675,695	28,755,695	28,675,695
Weighted average number of basic common shares	28,683,473	28,675,695	28,679,541	28,675,695
Effect of share options on issuance	265,869	16,170	104,726	16,497
Weighted average number of diluted common shares	<b>28,949,342</b>	<b>28,691,865</b>	<b>28,784,267</b>	<b>28,692,192</b>

**BluMetric Environmental Inc.**  
**Notes to Condensed Interim Financial Statements**  
**For the three and six months ended March 31, 2021 and 2020**

(expressed in Canadian dollars)

Options that were anti-dilutive are not included in the computation of diluted common shares. For the six months ended March 31, 2021, 14,945 were excluded from the calculation because they were anti-dilutive (2020 – 993,503).

**14 Segmented disclosure**

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

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

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

**Geographical information**

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

	<u>For the three months ended</u>		<u>For the six months ended</u>	
	<u>March 31,</u> <u>2021</u>	<u>March 31,</u> <u>2020</u>	<u>March 31,</u> <u>2021</u>	<u>March 31,</u> <u>2020</u>
	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
Canada	9,119,143	4,957,778	17,227,742	11,273,352
Other countries	19,584	70,468	63,174	70,468
	<u>9,138,727</u>	<u>5,028,246</u>	<u>17,290,916</u>	<u>11,343,820</u>

For the six months ended March 31, 2021, approximately 57% of revenue (2020 – 38%) was derived from four customers, all of which account for over 10% of total revenue (2020 – two of which account for over 10% of total revenue).

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

**BluMetric Environmental Inc.**  
**Notes to Condensed Interim Financial Statements**  
**For the three and six months ended March 31, 2021 and 2020**

(expressed in Canadian dollars)

**15 Revenue**

**Disaggregation of revenue**

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

Revenue from contracts with customers is disaggregated as follows:

	<b>For the three months ended March 31, 2021</b>		
	<b>Fixed price</b>	<b>Time and materials</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Commercial and industrial	452,637	2,703,434	3,156,071
Government	1,092,883	976,494	2,069,377
Military	370,985	2,137,432	2,508,417
Mining	111,133	1,293,729	1,404,862
	<b>2,027,638</b>	<b>7,111,089</b>	<b>9,138,727</b>
	<b>For the three months ended March 31, 2020</b>		
	<b>Fixed price</b>	<b>Time and materials</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Commercial and industrial	680,558	1,175,969	1,856,527
Government	435,511	569,475	1,004,986
Military	228,427	993,826	1,222,253
Mining	215,283	729,197	944,480
	<b>1,559,779</b>	<b>3,468,467</b>	<b>5,028,246</b>
	<b>For the six months ended March 31, 2021</b>		
	<b>Fixed price</b>	<b>Time and materials</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Commercial and industrial	1,060,807	5,123,237	6,184,044
Government	2,343,165	1,821,355	4,164,520
Military	527,920	3,152,730	3,680,650
Mining	519,088	2,742,614	3,261,702
	<b>4,450,980</b>	<b>12,839,936</b>	<b>17,290,916</b>

**BluMetric Environmental Inc.**  
**Notes to Condensed Interim Financial Statements**  
**For the three and six months ended March 31, 2021 and 2020**

(expressed in Canadian dollars)

	<u>For the six months ended March 31, 2020</u>		
	Fixed price \$	Time and materials \$	Total \$
Commercial and industrial	1,424,551	2,937,145	4,361,696
Government	841,617	1,349,004	2,190,621
Military	504,836	1,917,431	2,422,267
Mining	398,582	1,970,654	2,369,236
	<u>3,169,586</u>	<u>8,174,234</u>	<u>11,343,820</u>

Revenue from the vast majority of the Company's contracts is recognized over time because of the continuous transfer of control to the customer.

**16 Related party transactions**

**Compensation of key management personnel**

The remuneration of key management personnel, including directors, during the period was as follows:

	<u>For the three months ended</u>		<u>For the six months ended</u>	
	March 31, 2021 \$	March 31, 2020 \$	March 31, 2021 \$	March 31, 2020 \$
Salaries	257,181	237,728	457,613	437,883
Short-term benefits	25,373	25,421	50,747	52,510
Share-based compensation	10,422	2,925	14,407	7,786
	<u>292,976</u>	<u>266,074</u>	<u>522,767</u>	<u>498,179</u>

For the period ended March 31, 2021, amounts owing to related parties recorded in the statements of financial position were \$nil (2020– \$nil).