



BEE VECTORING TECHNOLOGIES INTERNATIONAL INC.

**FORM 51-102F1
MANAGEMENT'S DISCUSSION & ANALYSIS**

DATED JANUARY 24 2020

The following analysis concerns the financial situation, operating results and cash flows of Bee Vectoring Technologies International Inc. (formerly Unique Resources Corp.) ("BVT" or the "Company") for the years ended September 30, 2019, and 2018. The discussion should be read in conjunction with the Company's audited annual consolidated financial statements for the years ended September 30, 2019 and 2018, and the related notes thereto. The Company's financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All monetary amounts are reported in Canadian dollars unless otherwise noted. These documents, as well as additional information on the Company, are filed electronically through the System for Electronic Document Analysis and Retrieval (SEDAR) and are available online at www.sedar.com.

Forward-Looking Statements

This document may contain forward-looking statements relating to the Company's operations or to the environment in which it operates, which are based on the Company's operations, estimates, forecasts and projections. These statements are not guarantees of future performance and involve risks and uncertainties that are difficult to predict or are beyond the Company's control. A number of important factors including those set forth in other public filings could cause actual outcomes and results to differ materially from those expressed in these forward-looking statements. Consequently, readers should not place any undue reliance on such forward-looking statements. In addition, these forward-looking statements relate to the date on which they are made.

Forward-looking information reflects the Company's current beliefs and is based on information currently available to the Company and on assumptions it believes to be not unreasonable in light of all of the circumstances. In some instances, material factors or assumptions are discussed in this MD&A in connection with statements containing forward-looking information. Such material factors and assumptions include, but are not limited to: the forecasted demand for the Company's imaging services; the Company's success in obtaining patents for key technologies; the Company's success in expanding its product offerings; the Company's success in building differentiated applications and products; the ability of the Company to achieve rapid incremental customer growth; the Company's ability to retain key members of its management and development teams; and the Company's ability to access the capital markets. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward-looking information contained herein is made as of the date of this MD&A and, other than as required by law, the Company's disclaims any obligation to update any forward-looking information, whether as a result of new information, future events or results or otherwise. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information.

Business Overview

The common shares of the Company commenced trading on the Exchange under the stock symbol "BEE.V" on July 7, 2015.

BVT is a development stage company which owns the patented and patent pending technology specifically designed to utilize bees as natural delivery mechanisms for a variety of powdered mixtures comprised of organic compounds or currently used products which inhibit or eliminate common crop diseases, while at the same time promoting the growth of the same crops. This application process is without the use of water which is beneficial to areas under strict water management practices. In addition, independent companies can deliver their biocontrol's through the BVT platform allowing a broad spectrum of applications.

The bees walk through the powder mixtures as they exit their hive and the mixture becomes temporarily attached to their legs en-route to the flowers of the crops of interest. The BVT System consists of a dispenser that is incorporated into the lid of commercially reared bumblebee hives or that attaches to the outside of a commercial honeybee hive. The dispensers have a removable tray or refillable cartridge that can contain non-toxic, organic, pesticides and fertilizers in powdered form, including BVT's proprietary carrier Vectorite™. Vectorite™ allows the bees to effectively pick up the inoculums on their way out of the hive. Multiple inoculums for a variety of different pathogens and pests can be mixed in the Vectorite™ in a process called "stacking". BVT has its own bio control organic inoculant fungi, BVT-CR7, used to inhibit and control certain pathogens in high value crops such as strawberries, Blueberries, Tomatoes, Canola, Sunflowers.

The trays or cartridges are changed or refilled approximately every three to nine days in order to replenish the depleted inoculum, ensure the freshness of the inoculant fungi, prevent infections to the bees which may result from bee waste, and avoid packing or clumping of the inoculum in the trays. No special skills are required to replace the trays or refill the cartridges and the process takes a minimal amount of time to complete. Exact and predetermined amounts of inoculum are placed in the tray or in pouches to fill cartridges. BVT has custom designed machinery to precisely fill these sealed trays called Vectorpak™ trays, or in pouches called Vectorpak pouches.

Summary

BVT was established with a view to providing effective protection of crops against disease organisms and insect pests, which is critical for achieving high yield and quality in many pollinated crops. Inadequate protection of crops can lead to major losses in yield and quality of fruit and seed. BVT possesses a patented and patent pending organic crop control and delivery system that has numerous competitive advantages over commercial pesticides and their applications.

The current technology used for protecting the flowers of crops relies heavily on the use of chemical pesticides (fungicides and insecticides) applied as sprays while the crops are in bloom. Problems with current spray technology include:

- Limited effectiveness because many flowers may open and die during spray intervals and therefore remain untreated. Sprays generally protect flowers for only 3-4 days. As many as half of the flowers during the entire bloom period of a crop may remain untreated by spray programs.
- Most of the pesticide is deposited on non-targets, such as soil and leaves.
- Pesticide sprays often kill or inactivate many beneficial organisms present in crops.
- Pesticide use risks contamination of the environment, such as soil and water resources.
- Pesticides can contaminate foods and feeds, such as fruits and seeds.
- With many crops, such as greenhouse tomatoes, workers cannot re-enter the crop for hours or days after pesticides are applied, which is disruptive to crop production practices and labour use.
- Many pesticides lose their effectiveness with repeated use as disease organisms, as pests and plants become resistant and insensitive to the repeated use of certain chemicals.
- Many chemicals require substantial amounts of water to be used as part of the delivery system and result in issues of run-off to the water table.
- Current chemicals are suspected of killing insects and bees and other organisms long after application with possible long-term detrimental effects on the environment.

BVT's patented and patent pending technology uses bumblebees and honey bees as a system to deliver naturally occurring beneficial fungus and other beneficial microbes to flowering plants. BVT offers an organic means to control diseases and pests and provide plant enhancing properties while requiring zero water for delivery. The delivery method allows for delivery of BVT inoculums either individually or together with other bio controls. Multiple bio controls could be mixed together for delivery by bees to solve a range of problems. The platform can deliver many inoculums or pathogen controlling products effectively. The flower is an effective portal to deliver these controls to crops and bees are the ideal natural way to get to the majority of the blooms. Bees will touch almost all flowers that are in bloom thereby delivering inoculum consistently throughout a bloom period.

Prior to 1990 virtually no bees were used for pollination in greenhouses, however today greenhouses worldwide use bees to pollinate vegetable crops and fruits. Bees are also used in many outdoor crops and orchards for pollination, such as apples, blueberries and almonds. The process of using bees as a delivery system is called "bee vectoring". BVT will employ these same bees to deliver inoculants on outbound trips to assist in crop pest control and to deliver a fertilizer or plant enhancer products in greenhouse crops and outdoor crops.

BVT targets diseases and pests that can negatively affect a crop through and around the flower. Initial diseases targeted with its own bio control BVT-CR7, are Botrytis and Sclerotinia. Additional diseases and pests will be targeted as well, including through the use of third party bio control products.

Botrytis

Strawberries, blueberries or raspberries often grow grey fuzz, which appears over time as the berries are stored or refrigerated resulting in waste. This is Botrytis and it becomes more active as the produce ripens in shipment or storage. The fungal pathogen, *Botrytis cinerea*, causes blossom blight and berry rot. It overwinters as mycelium in dead leaves and mummified berries of affected crops and as minute black bodies (sclerotia) such as on raspberry canes. Under humid conditions throughout the growing season, spores (conidia) are produced on minute tree-like structures (conidiophores) that grow on the dead foliage, old berries and on sclerotia. In mass they appear greyish hence the name "grey mold". The spores are dispersed in their millions by wind, rain, and overhead irrigation, many to new leaves, flowers and berries. Under favorable conditions of moisture and temperature the spores can germinate and infect these aerial parts of the crop.

The fungus can infect leaves of almost any age, but it remains quiescent and latent inside the leaves until they senesce and turn yellow. Young canes (primocanes) of raspberries can be infected via the leaf petioles and may wilt, die and be covered with grey mold. Flowers of all berry crops are highly susceptible to Botrytis infection. Germinating spores of the fungus can readily infect and colonize all flower parts throughout the bloom period, often turning the blossoms brown. It is from this important entry point that the fungus is able to grow and establish latent infections within the young fruit. Fruit infections generally remain quiescent and without symptoms until the berries are nearly ripe or have been harvested. In strawberries and raspberries, spores produced on unpicked, leaky, or overripe fruit may lead to further flower and fruit infections in the crop.

Sclerotinia

The soil borne pathogen *Sclerotinia* causes white mold diseases can seriously damage and in some cases quickly and completely destroy a crop. Numerous kinds of crops can be attacked, including canola, sunflowers, blueberries and strawberries.

Sclerotinia white mold is a significant risk in all fields of canola and sunflowers in Canada and in many other regions of the world. No viable solution exists for sunflowers as spraying is impractical due to height of the flowers and the frequency of applications needed for adequate control. In many areas, fungicides are no longer effective against *Sclerotinia* on account of pathogen resistance.

These two diseases, Botrytis and Sclerotinia, are very closely related and part of the reason BVT's patent pending biological control agent (bio-control) works on both pathogens. BVT's bio-control controls diseases by spatial occupation of plant tissues and preempting tissue invasion by pathogens. As soon as bees deliver BVT's patent pending bio to flowers, the fungus germinates and colonizes the flower tissues without causing any harm or symptoms. It colonizes earlier and faster than disease organisms and thereby occupies space the disease organisms would normally use while attacking the plant.

Principal Products

BVT has patents granted and/or pending for the following technologies:

1. bio-control called “BVT-CR7”: a particular strain of fungus acting as a beneficial endophyte controlling targeted crop diseases and increasing crop yield;
2. Vectorite™: a recipe of ingredients that allows bees to carry BVT-CR7 and other beneficial fungi or bacteria in their outbound flights to the crops; and
3. An integrated dispenser and removable and sealable tray system for bumble bee hives in which the Vectorite™ containing BVT-CR7 or other third party microbial products is placed through which the bees pass and pick up the Vectorite™.
4. A computer-controlled dispenser system for use with honeybee hives which can dispense in a controlled manner a determinate amount of the Vectorite™ containing BVT-CR7 or other third-party microbial products for delivery to crops using honeybees.

BVT-CR7, is an organic strain of a natural occurring endophytic fungus. It has not been genetically modified or altered in any way. Bees and plants are well accustomed to this kind of fungus and it is harmless to humans. After delivery by the bees to the crops it dies out naturally within 24-48 hours if it is unable to find suitable host plants. BVT-CR7 is a selected strain of a fungus that is commonly found in a large diversity of plants and soils all around the world. It grows harmlessly in the inside of plant tissue. BVT-CR7 is able to control numerous diseases but is especially effective for controlling those caused by the fungal pathogens, such as Botrytis and Sclerotinia discussed above. BVT-CR7 is endophytic in flowers, fruits, leaves, stems, and roots of plant hosts. It does not cause disease or substances toxic to plant tissue. Other microbial agents are not endophytic or have very limited endophytic ability.

As an endophyte, BVT-CR7 also enhances plant growth by organically increasing nutritional uptake, improving root size and structure, improving vegetative growth and size of plants, increasing the number of flowers and flower size, increasing resistance to diseases and environmental stresses, and preventing Botrytis and Sclerotinia development. BVT-CR7 has no re-entry issues (i.e. the time workers have to be excluded from the greenhouse to allow conventional pesticides to dissipate), it can be used up to the day of harvest, it's organic, and its beneficial effects last longer than traditional chemical fungicides.

Berries developing from BVT-CR7 treated flowers have natural built-in protection against diseases and consequently last longer and have a longer shelf life. This gives growers additional valuable time to get the fruit to market and consumers more time to enjoy the fruit. Blueberries, for example, sometimes require 14 days just to get to market.

Vectorite™ is a formulation of different ingredients including the BVT-CR7 bio-control, as well as other future biocontrols, specially formulated to allow the powder to attach to the legs and bodies of the bees and thus be carried by the bees towards the flowering crops as they leave the hives. One of the significant benefits to this system is the fact that several bio controls can be used together to cover more diseases and pests than just those targeted by BVT-CR7, thereby reducing costs and making this system more effective. For example, Thrips are present in almost all greenhouses in the world and a significant issue to the grower. Several bio-controls are already registered and produced by third parties for use in spraying applications to control Thrips. BVT will evaluate these bio-controls for suitability in its system and compatibility with BVT-CR7. One such bio-control is *Beauveria*, a fungus already registered and produced by third parties. *Beauveria* is used to control Thrips which either spread a virus that kills crops or lays their eggs in fruit like strawberries rendering them useless. Most if not all greenhouses, including flowering or ornamental greenhouses, in the world, suffer from Thrips.

BVT has developed an inoculum dispenser system that is incorporated into the lid of the commercial bumble bee hive. In the dispenser is a removable tray that contains, in powder form, the inoculant fungi and a mixture of products (being, Vectorite™) that allows the bees to effectively pick up the product on their way out of the hive. Vectorite™ allows the inoculant to get attached to the bee's hairy legs and bodies as they walk through the tray on their way out of the hive.

Bumblebees are used because of their efficiency and effectiveness in distributing BVT-CR7. Bumble bee hives are produced commercially and are approximately 14 x14 x10 inches in dimension. Each hive holds up to 300 bumble bees and the bees live for live for approximately 5-6 weeks then die out naturally. At the end of this cycle, the hives are destroyed. Bumble bees are natural pollinators making thousands of trips a day each and visiting approximately 10 flowers per minute.

The Company has developed a similar system to work with honeybee hives. This system opens up additional opportunities in crops such as almonds and sunflowers where honeybees are used to pollinate crops more commonly.

Factors Concerning the Company's Financial Performance and Results of Operations

The key performance indicators for the Company are revenue growth, EBITDA and net income.

The success of the Company to expand will be measured by revenue growth. Revenue growth will be dependent on the Company being able to penetrate new markets, acquire new customers, and continued development of its technologies.

Management believes that net income is a measure of how efficiently and effectively the business is running. The Company is in a period of expansion and growth. Therefore, selling and general administration costs will increase over the next twelve months. To achieve an acceptable net income, management will need to balance the increase in selling and general administration costs and revenue growth. Net income is also viewed as an important measure for determining the value created for shareholders.

Management believes that in addition to revenue and net income, earnings from continuing operations before interest and finance costs, taxes, depreciation and amortization, other non-cash items and one-time gains and losses (for the purposes of the Company's MD&A, EBITDA) as derived from information reported in the statements of operations and comprehensive income is a useful supplemental measure as it provides an indication of the results generated by the Company's principal operating segments but also factors in the administrative expenses incurred during the period. It is believed that EBITDA will become a more meaningful metric in the future when it has had a chance to benefit from the planned marketing and development activities and the building of the required infrastructure to support recurring sales.

Strategic Positioning

The Company is focusing on two key strategic priorities:

1. **Commercialization:** continue to gain grower acceptance through trials and demos, and secure regulatory approvals which will drive revenue in the prioritized crops. The focus is initially in berry crops in the Southeastern US;
2. **Selective Market Expansion:** expand its accessible market by developing additional crops in the US (e.g. indoor tomatoes, sunflowers), and by submitting for regulatory approval in additional countries.

To drive these priorities and build a sustainable business, the company is working on initiatives covering 4 areas of activity:

1. **Commercialization/Marketing** – the Company has proven the fit of its technology as a value-creating tool for growers in multiple crops and is aggressively pursuing commercialization. Activities in this area include market development and expansion, refining the product offer, establishing value proposition and positioning in prioritized crops, generating demand with growers, marketing and generating revenue.
2. **Product Development & Innovation** – the Company is creating a new category in the crop protection area, and excellence in product development and innovation are critical for sustainable long-term success. Activities include field trials in prioritized crops from proof of concept through commercial demonstrations, portfolio expansion projects and building a competitive advantage through intellectual property.

3. **Regulatory & Approvals** – regulatory approvals will give the Company complete license to operate and allow it to capture full value for its technology. Secured approvals and licenses represent competitive barriers and enable discussions with third party partners to accelerate commercialization and market expansion. Activities include completing studies to prove the technology’s efficacy and safety, submitting and pursuing regulatory approvals in select markets by using a network of regulatory subject experts who understand and are connected to the relevant authorities.
4. **Corporate Development including Partnerships** – the Company has unique technology that it believes will create a new category in crop protection and enhancement. The Company intends to build a strong internal foundational asset base and exploit partnerships to accelerate and expand its business. These partnerships will bring various strategic benefits, such as preferred supply arrangements (eg for bees), in-licensing of additional bio-control agents, go-to-market partnerships or strategic technology collaborations. Activities include building a high profile as an industry leader, a network of potential partners, and negotiating agreements that fill strategic needs and accelerate the business.

Milestones achieved in during the year ended September 30, 2019 and to the date of this MD&A:

Commercialization / Marketing activities:

- Commercialization– 2019/20 season: The Company announced Sizemore Farms, a top-tier grower of Florida strawberries, as the first commercial grower for the Company’s newly registered Vectorite™ with CR-7 product. Sizemore Farms will be using the Company’s BVT System and Vectorite™ with CR-7 on 100% of their 62-acre organic strawberry crop and will test the naturally-derived fungicide on a portion of their 600+ conventional acres for possible implementation on their 2020 crop.

The Company sold out its planned Florida allocation of commercial bumblebee hives with the BVT System and Vectorite™ with CR-7. Multiple Florida strawberry growers, including a second top-tier producer to adopt the BVT Technology, are using the BVT System on a combined 150 acres of conventional and organic fields. Florida fields were planted in October, and the plants started to bloom in late November. The hives with the BVT System were carefully timed to coincide with that blooming period; they were placed on growers’ fields in late November. While the Florida production window is traditionally from December through March, an increase in strawberry imports from Mexico in recent years during March is further shortening this window and putting both pricing and profit pressure on the strawberry producers. The BVT System is allowing growers to maximize disease protection while increasing yields and quality during this tightening window, which increases their market competitiveness.

The Company gained commitments for ten deals with blueberry growers in Georgia for the upcoming growing season (for Feb/Mar 2020). These producers will be using BVT’s proprietary bee delivery system and US EPA-registered product, Vectorite™ with CR-7, on their blueberry crops.

The blueberry growers will be using the BVT system on an estimated 500 combined acres of conventional and organic fields for the 2020 blueberry season in Georgia, where blooming starts in February. Blooming marks the beginning of the blueberry season, when the BVT system is used, but crop season continues until harvest which occurs in the spring and summer. All but one grower are first-time users who will be piloting BVT on a small percentage of their total acreage with the expectation that they will progressively add BVT across their entire operations over two to three seasons. The growers farm on a combined total of about 1,500 acres.

- Commercialization– 2018/19 season: The Company completed a successful pilot launch in strawberries and blueberries in Southeastern USA. While the focus of the pilot launch was in the Florida strawberry market, blueberry growers in Georgia contacted BVT to conduct evaluations of the BVT system on their own farms after hearing about the innovative approach taken by BVT to increase yield. Five strawberry and one blueberry grower were invoiced during the 2018/19 growing season representing the first commercial revenue for the company.

Revenue of \$58k under the pilot launch came from growers who have been participating in field trials and, until now, have used the system for free. As growers adopt the BVT system and can quantify their own crop

improvements, the Company anticipates more treated acreage and converting additional growers into paying customers.

When comparing fields where the BVT system was added to the standard spray program in strawberries versus those using the spray program alone, growers this season saw yield increases ranging from 28% to 146%. In addition, BVT completed a second year of replicated research and development trials with Dr. Natalia Peres, Professor, Strawberry Pathology at the University of Florida Institute of Food and Agricultural Sciences, and a leading strawberry expert and key opinion leader for the Florida strawberry grower community. As with the previous year, the BVT system delivered a higher yield when added to a standard spray program as compared to the spray program alone. The average yield increase over the two years of Dr. Peres' trial work is 20%.

In March, 2019, the Company expanded the pilot launch of the BVT Technology into the Georgia blueberry market, following its successful launch in the Florida strawberry market. BVT conducted grower demonstrations in the Georgia blueberry market with growers seeing positive results. Additionally, after hearing about the innovative approach taken by BVT to increase yields, some growers, such as Major League Blueberries located near Nicholls, Georgia, contacted BVT to conduct blueberry trials with the BVT System on their own farms.

- **Market expansions:** The Company has started the registration process and market development activities in Mexico. For assistance with the registration process in Mexico, BVT has contracted with a regulatory consultant, and started building relationships with large honey beekeepers as well as the two largest suppliers of bumble bees for pollination, which BVT intends to leverage for the Mexican market. Official trials, which are a requirement to support the registration process, are underway in Mexico.

The Company has started development activities to introduce growers to its product delivery platform that uses both honey and bumble bees to efficiently deliver disease control products to plants. The Company is planning to conduct trials and demonstrations in high-value crops where growers are familiar with using bees as part of a sustainable growing process, as well as proof of concept trials in crops such as greenhouse-grown peppers, avocados, and mangoes.

The Company has also started market development activities in Europe and submitted for regulatory approval in Switzerland during 2018. The dossier is under review by the Swiss authorities. Increasing restrictions on use of chemicals in Europe positions BVT favourably in this significant market. Industry partners, as well as farmers, need crop disease management alternatives that appeal to the environment conscious consumer. BVT is in active discussions with potential partners and is working on multiple testing and go-to-market agreements.

Product Development / Innovation activities

- **Field trials:** The Company continued its program of validating the fit and developing additional opportunities in targeted crops through its field trial program. It completed a second year of replicated research and development trials in strawberries as discussed in the commercialization section above. The Company also completed three years of replicated trials in sunflowers with North Dakota State University (NDSU).

It is common practice to have multiple seasons of trials before a solution is commercialized in the agricultural inputs industry to fully refine its value proposition given the inherent fluctuations in external conditions. Several factors, including weather, can affect the severity of fungal diseases that attack a crop in any given year and so repeating the crop studies allows to best characterize a product's effectiveness, in a variety of conditions, to ensure the grower optimizes their crop treatment plan.

For the 2019 spring and summer growing season further trials in blueberries and the Company's largest program in sunflowers were conducted. The trials in sunflowers include work with sunflower processors (customers of growers) using the Company's new honeybee dispensing system in large acre fields in two different growing regions in North Dakota and Minnesota.

- **Product expansion:** The Company completed Phase One lab trials on six third-party products to assess their potential for application to crops using BVT's proprietary bee delivery systems. Phase Two field studies on three

of those products will commence in 2020. This in-licensing effort resulted from the Company building a network of potential partners who have products that are suited for control of pests on crops during the flowering period.

This will be an ongoing effort to expand the portfolio of products used in bee vectoring with a goal to open new market opportunities and fast-track additional revenue for BVT. Because these microbial candidate products control a different spectrum of crop pests than BVT's proprietary *Clonostachys rosea* strain CR-7 (CR-7), they can be in crops where pests controlled by CR-7 are not present, or along with CR-7 on crops that have multiple pests affecting the flower area. Adding third-party products to existing CR-7 applications is achieved by "stacking" two or more microbes together, a practice already common in seed treatment applications. Using the new products on new crops creates additional revenue streams and will increase revenue from crops that already use CR-7.

Some of the largest crops worldwide such as corn and soybean do not require bees for pollination. In addition, there are several diseases that affect crops during periods other than bloom which would be difficult to manage through bee vectoring application. BVT has started evaluating spray formulations of its proprietary beneficial microbe – *Clonostachys rosea* strain CR-7 – which could potentially benefit hundreds of millions of acres of additional crops.

- Intellectual property: The Company received patent allowance for its microbial strain BVT-CR7, granted in the United States. This patent allowance protects a critical component of the BVT Technology. This is the first patent granted to BVT for its BVT-CR7 microbial strain, representing the start of a fourth family of granted patents in BVT's expanding patent portfolio. This patent application is under review by 15 other patent authorities around the world, including the European Patent Office.

The Company has filed an international patent application for the latest version of its honeybee hive dispenser system that the Company has tested and is bringing to market. This application strengthens the patent protection for the honeybee system. This system is computer-controlled, enabling metered and uniform delivery of plant protection products to crops using commercial honeybees.

BVT continues to pursue an aggressive IP strategy which gives it a competitive advantage as it continues to pursue third party partnerships and market expansion opportunities. It now has over 65 patents granted worldwide and over 35 pending, including the new honeybee system. Consisting of six patent families, the patents cover North America, South America, Europe, Asia and Australia.

Regulatory / Approvals activities

- US EPA approval - On August 28, 2019, the EPA approved BVT-CR7 for use as a fungicide on commercial crops. BVT-CR7 is the first registered active ingredient for the Company and the first active ingredient approved by the EPA for application via bees. Sold under the brand name Vectorite™ with CR-7, the product is labeled for numerous high-value crops, including strawberries, blueberries, sunflowers and almonds. With this approval, the BVT is positioned to officially launch and begin to generate revenue with Vectorite™ with CR-7, starting with the 2019 fall and winter blueberry and strawberry season in the U.S. The registration permits BVT to make positive crop protection claims when selling Vectorite™ with CR-7. The EPA's registration makes Vectorite™ with CR-7, EPA Registration. No. 90641-2, available immediately for sale as a registered fungicide for use on the labelled crops.

The Company had completed and submitted results from the EPA's requested honey bee larval safety study along with a weight of evidence document in support of its regulatory approval process with the EPA in December 2018. The regulatory approval review process included performing a risk assessment of the technology by the EPA. This included looking at the exposure risk to workers and the environment (including bees), along with any potential toxicity. Since this is the first time a product that is being applied by bees is being evaluated by the EPA, BVT provided additional information in the form of a "weight of evidence" document discussing in particular the exposure risk to honey bee brood to help in EPA's review of the regulatory submission.

- The EPA additionally established an exemption from the requirement of a tolerance under the *Federal Food, Drug and Cosmetic Act* for BVT-CR7, the active ingredient in, Vectorite™ with CR-7. The tolerance exemption decision applies to all registered end-use products based on BVT-CR7. This includes Vectorite™ with CR-7 for delivery using bees, and future products currently in development by BVT for delivery via traditional foliar spray, soil drench or seed coating methods. The exemption applies to crops treated with BVT-CR7 that are grown and consumed in the U.S., as well as crops that are grown outside of the U.S. and subsequently imported into the country. This tolerance exemption complements the EPA approval and OMRI organic certification for Vectorite™ with CR-7.
- Organic certification obtained - BVT has official organic certification in the US, and its proprietary formulation of VECTORITE™ with CR-7 is listed by the Organic Materials Review Institute (OMRI). The listing means the product meets the US Department of Agriculture's (USDA) guidelines under the National Organic Program standard and is allowed for use in certified organic crops.
- Plant amendment licenses gained - BVT has received plant amendment licenses from five states in the US, including Florida, which allows BVT to sell its system on a limited basis. The Company will not renew these licenses since it has full regulatory approval from the EPA now.
- California regulatory submission - BVT had submitted application for pesticidal use in California in 2017. California which is the largest market opportunity in the US, requires its own approval over and above that of the EPA. This is under review by the authorities in California, although there is a significant backlog in the California Department of Pesticide Regulation.
- Submission in Switzerland - BVT has submitted its Swiss pesticidal registration application which is now under review.
- Mexico – The Company has started trials, conducted in Mexico by government approved researchers, in support of registration. The Company has started evaluating distribution partners for the Mexican market. Mexico is the second largest producer of berries in the world and there are more than 12,000 hectares of fresh market tomatoes being grown in greenhouses.

Corporate Development / Partnering activities:

- Partnerships and product range extensions: BVT has entered into several third-party testing agreements of its proprietary beneficial microbe *Clonostachys rosea* strain CR-7 for use as a foliar spray and/or as a seed treatment. These product range extensions would open significant new markets. As noted earlier, BVT has also entered into multiple agreements to evaluate third-party microbial products for delivery through its bumble bee and honey bee delivery systems.

BVT entered into a global technology sharing agreement with Biobest Group NV of Belgium, a leading player in pollination and biological control with presence in 60 countries on 5 continents. The agreement provides reciprocal access to certain patents of each company and represents BVT's first partnership with a significant industry player. The agreement enables both companies to accelerate efforts to bring best in class bee vectoring solutions to growers worldwide and ensuring leading positions in the market.

Industry exposure: The Company continues to generate high levels of interest within the Agricultural industry and with the media. BVT is pursuing discussion with 15 companies covering 4 different areas: Commercial (distribution arrangements in markets where a partner company has a strong sales presence); Product expansion (partnerships with companies that have biological control agents that could be vectored by bees to manage pests on crops that are not addressed by BVT's CR-7); Market extension (foliar and seed treatment uses for CR-7 in areas where bees are not used); R&D (partnerships to strengthen knowledge of bees and delivery by bees thus optimizing the system and capturing greater value).

Industry awards and recognition: The Company was one of the winners of the Agri & Co Challenge by the Swiss State of Fribourg and was recognized as the COREB Award winner. BVT and 15 other companies beat out more

than 150 other ag-tech companies from 53 different countries for the award. In addition to being one of the ten relocation program winners, BVT was singled out as the COREB Award winner, with an additional cash prize of CHF 5,000. COREB is an association of communities within the Broye region of Switzerland that supports technology companies and encourages them to establish a presence in the region. The COREB Award is voted on by the public and is based on the perceived viability of technology, likelihood of success, and mission of the organization.

The Company was recognized in the 2019 Agrow Awards for Best Application Technology Innovation for the BVT System and Vectorite™ with CR-7. The Best Application Technology Innovation Award recognizes developments that improve the precision or safety of pesticide applications. The Agrow Awards are the premier global competition that honors top advancements in agriculture and best-in-class scientific, technological and leadership initiatives and showcase the future of the industry. It is organized by Agrow, the news and analysis service division of Informa Agribusiness Intelligence. The awards recognize industry successes and innovative, boundary-pushing ideas, with winners chosen from around the world by a distinguished judging panel from within the industry.

Financing events that occurred subsequent to September 30, 2019

On October 23, 2019, the Company closed a non-brokered private placement of 4,242,104 special warrants (“Special Warrants”) at a price of \$0.25 per Special Warrant for gross aggregate proceeds of \$1,060,526 (the “Offering”). Each Special Warrant represents the right of the holder to receive, without payment of any additional consideration or need for further action, subject to customary anti-dilution provisions, one unit (“Unit”) four months and one day after closing. Each Unit will consist of one common share (a “Share”) and one transferable common Share purchase warrant (a “Warrant”). Each Warrant will entitle the holder, on exercise, to purchase one additional Share for a period of 18 months following the closing, at an exercise price of CAD\$0.40 per Share. The Company has the right to accelerate the expiry date of the Warrants if the closing market price of the Shares of the Company on the TSX Venture Exchange is equal to or exceeds C\$0.55 for a period of 15 consecutive trading days commencing with the date the Warrants are issued.

On October 30, 2019, BVT granted options to purchase 5,650,000 common shares of the Company with an exercise price of \$0.31 vesting on the date of grant, options to purchase 150,000 shares with an exercise price of \$0.31 vesting 50% on the date of grant and 50% on April 1, 2020, and options to purchase 100,000 shares with an exercise price of \$0.31, vesting 50% upon entering into a new formal relationship with an investment bank, and 50% upon raising of the first \$1 million through the relationship with the investment bank.

On November 28, 2019, the Company closed a non-brokered private placement of 3,047,647 special warrants (“Special Warrants”) at a price of \$0.35 per Special Warrant for gross aggregate proceeds of \$1,066,677 (the “Offering”). Each Special Warrant represents the right of the holder to receive, without payment of any additional consideration or need for further action, subject to customary anti-dilution provisions, one unit (“Unit”) four months and one day after closing. Each Unit will consist of one common share (a “Share”) and one transferable common Share purchase warrant (a “Warrant”). Each Warrant will entitle the holder, on exercise, to purchase one additional Share for a period of 18 months following the closing, at an exercise price of CAD\$0.45 per Share. The Company has the right to accelerate the expiry date of the Warrants if the closing market price of the Shares of the Company on the TSX Venture Exchange is equal to or exceeds C\$0.60 for a period of 15 consecutive trading days commencing with the date the Warrants are issued.

Subsequent to the year end 587,500 warrants and 260,000 options were exercised for gross proceeds of \$269,625.

As the Company has no material revenue, its ability to fund its operations is dependent upon its securing financing through the sale of equity or assets. See “Risk Factors” below.

Results of Operations

	Year ended September 30, 2019	Year ended September 30, 2018	Year ended September 30, 2017
Total revenues	\$58,176	nil	nil
Total loss ⁽¹⁾⁽²⁾	\$(2,897,825)	\$(2,992,860)	\$(3,101,915)
Net loss per share – basic ⁽³⁾⁽⁴⁾	\$(0.04)	\$(0.04)	\$(0.06)
Net loss per share – diluted ⁽³⁾⁽⁴⁾	\$(0.04)	\$(0.04)	\$(0.06)
	As at September 30, 2019	As at September 30, 2018	As at September 30, 2017
Total assets	\$2,335,237	\$4,152,625	\$2,117,819
Total non-current financial liabilities	Nil	Nil	Nil
Distribution or cash dividends ⁽⁵⁾	Nil	Nil	Nil

- (1) Loss from continuing operations, in total;
- (2) Net loss from operations, in total;
- (3) Loss from continuing operations, on a per-share and diluted per share basis;
- (4) Net loss from operations, on a per-share and diluted per-share basis; and
- (5) Declared per-share for each class of share.

Results of Operations

The following discussion of the Company's financial performance is based on the financial statements for the years ended September 30, 2019 and 2018.

As at September 30, 2019 the Company had a cash and cash equivalents balance of \$312,864 (September 30, 2018 - \$2,701,982) and total current assets of \$519,949 (September 30, 2018 - \$2,840,570) (consisting of cash, sales tax receivable, inventory and prepaid expenses and deposits). During the period, long term assets increased to \$1,815,288 from \$1,312,055 due to costs related to the EPA approval, technology development costs, the registration of patents and other regulatory costs (included in intangible assets). Liabilities at September 30, 2019 totalled \$735,230 (September 30, 2018 - \$281,359) and comprised of \$685,230 (September 30, 2018 - \$281,359) of trade payables and accruals and a short term loan of \$50,000 (September 30, 2018 - \$nil).

Working capital, which is comprised of current assets less current liabilities, was a working capital deficiency of \$215,281 at September 30, 2019 compared to working capital of \$2,559,211 at September 30, 2018.

For the year ended September 30, 2019, the Company had a net loss of \$2,897,825 compared to a net loss of \$2,992,860 in 2018. During the year the Company commenced commercial sales with a pilot launch, continued to conduct trials and research to prove the benefits of the Company's technology, brought awareness of the Company and technology to growers and the public through various marketing initiatives, and continued general corporate activities.

Revenue and gross profit:

During the year ended September 30, 2019, the Company launched its pilot project for commercial sales of its proprietary bee-based crop enhancement technology used for increased plant health and marketable yield into the Florida strawberry and Georgia blueberry markets. Cost of sales were high due to the small-scale of the pilot launch.

	2019	2018
Sales	\$ 58,176	\$ -
Cost of sales	44,865	-
Gross profit	\$ 13,311	\$ -

Expenses:

A summary of the expenses for the years ended September 30, 2019 and 2018 is as follows:

Expenses		
Office and general	\$ 1,647,738	\$ 1,697,196
Investor and public relations	175,650	292,432
Sales, advertising and marketing	390,238	204,842
Share based payments	355,499	374,052
Trials, research and development	372,983	391,451
Total	\$ 2,942,108	\$ 2,959,973

Office and general:

Below is a breakdown of what comprised office and general:

	2019	2018
Accounting and audit	\$ 75,583	\$ 67,575
Amortization and depreciation	106,830	96,924
Consulting	258,467	289,742
Insurance	29,897	20,377
Legal	104,004	134,366
Occupancy costs	134,222	130,991
Office and general	79,991	111,277
Salaries and benefits	649,262	675,843
Warehouse supplies	6,630	8,355
Transfer agent	53,030	45,366
Travel	149,822	116,380
	\$ 1,647,738	\$ 1,697,196

Investor and public relations: The Company undertakes various initiatives in order to market and communicate with investors and to educate the public on the Company and its products. Less funds were allocated to this expense during 2019.

Sales advertising and marketing: There was increase in this expense category compared to 2018, as in the current year the company worked towards, and reached, commercialization of the Company's delivery system. As such, the Company targeted various business development opportunities through these marketing initiatives including demonstrations of the technology.

Share based payments:

This expense relates to the value of stock options that vested during the period. This is a non-cash expense.

Trials, research and development:

This expense relates to lab research and trials of BVT's crop inoculation products and bee delivery platform.

Other items

During 2019 the Company had a gain on foreign exchange in the amount of \$56,341 (2018 – loss \$29,067) as a result of the positive change exchange rates.

In November 2018, the Company was named by the Swiss State of Fribourg as one of its Agri & Co Challenge winners, as well as being recognized as the COREB Award winner. BVT and 15 other companies beat out more than 150 other ag-tech companies from 53 different countries for the award. As part of the cash prize awarded during 2019, the Company received \$6,795 (which has been reported as other income).

Summary of quarterly results

Three Months Ended	Net Revenues (\$)	Net Loss	
		Net loss (\$)	Basic and Diluted (Loss) Per Share (\$)
30-Sept-19	-	(748,515)	(0.01)
30-June-19	-	(657,516)	(0.01)
31-Mar-19	58,176	(846,958)	(0.01)
31-Dec-18	-	(644,836)	(0.01)
30-Sept-18	-	(703,669)	(0.01)
30-June-18	-	(710,775)	(0.01)
31-Mar-18	-	(882,814)	(0.01)
31-Dec-17	-	(695,602)	(0.01)
30-Sep-17	-	(904,476)	(0.02)

Liquidity and Capital Resources

	September 30, 2019	September 30, 2018
	\$	\$
Cash	312,864	2,701,982
Working capital (deficiency)	(215,281)	2,559,211

For years ended September 30:	2019	2018
	\$	\$
Cash used in operating activities	(2,043,795)	(2,385,335)
Cash used in investing activities	(645,323)	(379,184)
Cash from in financing activities	300,000	4,642,189

Cash used in operating activities

Cash used in operating activities for 2019 and 2018 were as follows:

	2019	2018
Cash used in operating activities		
Net loss	\$ (2,897,825)	\$ (2,992,860)
Items not affecting cash		
Share based payments	355,499	374,052
Shares issued for services	83,796	-
Loss on write-off of abandoned patents	32,164	3,820
Foreign exchange differences	(62,729)	29,067
Depreciation and amortization	109,926	96,924
	(2,379,169)	(2,488,997)
Net changes in non-cash working capital items		
Sales tax and other receivables	(32,442)	29,422
Prepaid expenses and deposits	(17,988)	91,882
Inventory	(18,067)	-
Accounts payable and accrued liabilities	403,871	(17,642)
	(2,043,795)	(2,385,335)

Cash flows used in investing activities

Major components of this period were costs related to EPA approval and patent registrations.

Cash flows from financing activities

The Company received \$250,000 in proceeds as part of a private placement financing that closed subsequent to the year end. The Company also received proceeds of \$50,000 from a short-term loan. During 2018, the Company received \$4,567,814 of net proceeds from the issue of common shares, and \$74,375 from the exercise of options and warrants.

Future Financing

The Company will need additional financing for costs related to operations, conducting trials and its growth strategy. Management recognizes the need for improved cash flow and liquidity for future operations and growth. Management closely monitors the Company's current cash position and the short-term and long-term cash requirements. The Company may be required to obtain additional funding to take advantage of the market opportunities. If additional funding is required, an issuance of common shares or a commitment to issue common shares will most likely be a component of the funding.

The Company's operations currently generate negative cash flow and may depend on future equity issuances or other means of financing to assist in financing its operations, cover administrative costs, conduct research and finance growth.

The ability of the Company to continue operations will be dependent upon obtaining additional financing as required. The timing and ability to do so will depend on the liquidity of the financial markets as well as the acceptance of investors to small cap companies, in addition to the results of the Company's operation. There can be no guarantee that the Company will be able to secure any required financing.

Commitments

The Company leases office space for their headquarters in Mississauga Ontario. The lease is for five years with annual minimum lease payments as follows:

Year	Minimum lease payment
2020	58,515
thereafter	<u>4,888</u>
Total	<u>\$ 63,403</u>

Off Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of BVT including, without limitation, such considerations as liquidity and capital resources that have not previously been discussed.

Related Party Transactions

Key management includes members of the board, the Chief Executive Officer and the Chief Financial Officer. The aggregate value of transactions relating to key management personnel and entities over which they have control or significant influence were as follows for the years ended September 30, 2019 and September 30, 2018:

	2019	2018
CEO fees (i)	\$ 371,197	\$ 352,990
CFO fees (ii)	30,000	30,000
Consulting fees charged by a Chelsian Sales & Service (iii)	60,000	56,000
Consulting fees charged Flueckiger Consulting (iv)	93,595	97,068
Share based payments	207,505	291,880
	<u>\$ 762,297</u>	<u>\$ 827,938</u>

- (i) Salary and/or consulting fees paid to the CEO for services rendered.
- (ii) Consulting fees charged by CFO Advantage Inc, a corporation owned by the CFO of the Company, for services of the Chief Financial Officer. As at September 30, 2019 \$8,475 (2018 –\$nil) was owed to CFO Advantage Inc.
- (iii) Consulting fees charged by Chelsian Sales & Service Inc, a corporation owned by a director, for assisting with day-to-day operations. As at September 30, 2019 \$12,600 (2018 –\$nil) was owed to Chelsian Sales and Service Inc.
- (iv) Consulting fees charged by Flueckiger Consulting, a corporation owned by a director of the Company, for reviewing product development and marketing plans, reviewing data from trials, and other services as required. As at September 30, 2019 \$32,517 (2018 - \$6,826) was owed to Flueckiger consulting.
- (v) \$18,000 (2018 - \$18,000) was charged by a relative of a director of the Company for marketing services.
- (vi) The Company employs a relative of a director of the Company as project manager. During the year ended September 30, 2019, the employee earned a salary and benefits of \$94,000 (2018 - \$82,200).
- (vii) For options and RSU's issued to related parties, please see Note 11 to the audit financial statements for the year ended September 30, 2019.

Proposed Transactions

As at the date of this MD&A there are no proposed transactions.

Accounting Estimates and judgements

The preparation of these consolidated financial statements requires management to make judgments and estimates that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these judgments and estimates. The consolidated financial statements include judgments and estimates which, by their nature, are uncertain. The impacts of such judgments and estimates are pervasive throughout the consolidated financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and also in future periods when the revision affects both current and future periods.

Significant assumptions about the future and other sources of judgments and estimates that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

Intangible assets valuation

These estimates and assumptions could affect the Company's future results if the current estimates of future performance and fair values change. These determinations will affect the amount of amortization expense on definite life intangible assets recognized in future periods. The Company assesses impairment by comparing the recoverable amount of an intangible asset with its carrying value. The recoverable amount is defined as the higher of value in use, or fair value less cost to sell. The determination of the recoverable amount involves management estimates.

Useful life of property plant and equipment

Significant estimates are made as to the useful lives of property, plant and equipment.

Valuation of Share-based payments

The Company uses the Black-Scholes Option Pricing Model to calculate the fair value stock options and of common share purchase warrants issued. The model requires the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate.

Judgements

Capitalization of development costs

Initial capitalization of development costs is based on management's judgment that technological and economic feasibility is confirmed, usually when the product development project has reached a defined milestone according to an established project management model.

Capitalization of regulatory costs

Initial capitalization of regulatory costs is based on management's judgment that future economic benefits attributable to the Companies assets will flow to the Company.

Functional currency

In concluding on the functional currency of the parent and its subsidiary companies, management considered the currency that mainly influences sales and the cost of providing goods and services in each jurisdiction in which the Company operates. The Company also considered secondary indicators including the currency in which funds from financing activities are denominated, the currency in which funds are retained and whether the activities of the subsidiaries are carried out as an extension of the Company or if they are carried out with a degree of autonomy.

Going concern

The company applies judgement in assessing whether material uncertainties exist that would cause doubt as to whether the company could continue as a going concern.

Recent accounting pronouncements

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods on or after October 1, 2019 or later periods. Many are not applicable or do not have a significant impact to the Company and have been excluded. The following have not yet been adopted and are being evaluated to determine their impact on the Company.

In January 2016, the IASB issued IFRS 16 Leases, which will replace IAS 17 Leases. This standard introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term greater than twelve months, unless the underlying asset's value is insignificant. A lessee is required to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. Lessors will continue to classify leases as operating or finance, with lessor accounting remaining substantially unchanged from the preceding guidance under IAS 17, Leases.

Management is currently executing its implementation plan and has completed the initial scoping phase to identify material lease contracts. However, the analysis of such contracts to quantify the transitional impact is still in progress. The most significant impact of IFRS 16 will be our initial recognition of the present value of unavoidable future lease payments as right-of-use assets under property and equipment and the concurrent recognition of a lease liability on the consolidated statement of financial position. The majority of our property leases, which are currently treated as operating leases, are expected to be impacted by the new standard which will result in lower rent expense, higher depreciation expense and higher finance costs related to accretion and interest expense of the lease liability. IFRS 16 will also impact the presentation of the consolidated statement of cash flows by decreasing operating cash flows and increasing financing cash flows.

The standard will be effective for the Company for the fiscal year commencing October 1, 2019. For leases where the Company is the lessee, it has the option of adopting a fully retrospective approach or a modified retrospective approach on transition to IFRS 16. The Company will be adopting the modified retrospective approach. The modified retrospective approach applies the requirements of the standard retrospectively with the cumulative effects of initial application recorded in opening deficit (i.e. the difference between the right-of-use asset and the lease liability) as at October 1, 2019 and no restatement of the comparative period. Under the modified retrospective approach, the Company will measure all right-of-use assets retrospectively as if the standard had been applied since the lease commencement dates.

Consistent with the guidance, the Company will not apply this standard to short-term leases and leases for which the underlying asset is of low value.

Financial Instruments

Fair Value

Financial instruments of the Company as at September 30, 2019 and September 30, 2018 consist of cash and cash equivalents, sales tax receivable, prepaid expenses and accounts payable and accrued liabilities, and loans payable. There are no significant differences between the carrying amounts of the items reported on the consolidated statements of financial position and their estimated fair values because of the short-term maturities of these items.

The Company's risk exposures and their impact on the Company's financial instruments are summarized below.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise four types of risk: interest rate risk, foreign exchange risk, commodity price risk and other price risk, such as equity risk. Financial instruments affected by market risk include cash deposits.

Foreign currency risk

Foreign exchange risk arises from the changes in foreign exchange rates that may affect the fair value or future cash flows of the Company's financial assets or liabilities. The Company's exposure to this risk is insignificant.

Interest rate risk

The Company is exposed to insignificant interest rate risk. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. Fluctuations in market interest rates do not have a significant impact on the Company's results of operations due to the short-term nature of interest-bearing cash.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its obligations. The Company's maximum exposure to credit risk at the end of the reporting period is the carrying value of its financial assets (i.e. cash). Cash is held with both financial institutions in Canada and the United States, and management believes that exposure to credit risk is not significant.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations out of cash. The ability to do this relies on the Company raising financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs. See note 1 for further disclosure on the going concern assumption.

The Company's accounts payable and accrued liabilities are subject to normal trade terms and have contractual maturities payable within 30 days for 2019 and 2018. At September 30, 2019, the Company has current assets of \$519,949 (September 30, 2018 - \$2,840,570) and current liabilities of \$735,230 (September 30, 2018 - \$281,359) resulting in working capital (deficiency) of \$(215,281) (September 30, 2018 - \$2,559,211).

Disclosure of Share Capital

As at the date of this report the Company had 79,074,829 common shares issued and outstanding.

As at the date of this report the Company had 14,141,457 share purchase warrants outstanding.

As at the date of this report the Company had 3,047,647 special share purchase warrants outstanding.

As at the date of this report the Company 13,328,076 stock options outstanding.

Risks

See risk section detailed in the Company's filing statement as filed on SEDAR on June 1st, 2015.