FORM 2A
LISTING STATEMENT

BEE VECTORING TECHNOLOGIES INTERNATIONAL INC.
(“BVT” or the “Issuer”)

August 14, 2020

1. TABLE OF CONTENTS

SCHEDULES

A – Audited Financial Statements for the Years Ended September 30, 2019, 2018 & 2017

B – Interim Financial Statements for the Six-Months Period Ended March 31, 2020

C – Management's Discussion and Analysis for the Year Ended September 30, 2019, 2018 & 2017

D – Management's Discussion and Analysis for the Six-Months Period Ended March 31, 2020

E – Audit Committee Charter

GLOSSARY

The following terms used in this Listing Statement have the following meanings. This is not an exhaustive list of defined terms used in this Listing Statement and additional terms are defined throughout the Listing Statement.

"**affiliate**" means a corporation that is affiliated with another corporation as described below.

A corporation is an "affiliate" of another corporation if:

(a) one of them is the subsidiary of the other; or

(b) each of them is controlled by the same person.

A corporation is "controlled" by a person, if:

(a) voting securities of the corporation are held, other than by way of security only, by or for the benefit of that person; and

(b) the voting securities, if voted, entitle the person to elect a majority of the directors of the corporation.

A person beneficially owns securities that are beneficially owned by:

(a) a corporation controlled by that person; or

(b) an affiliate of that person or an affiliate of any corporation controlled by that person.

"**associate**" has the meaning ascribed to such term in the *Securities Act* (Ontario), as amended, including the regulations promulgated thereunder.

"Audit Committee" means the Issuer's audit committee.

"**Audited Financial Statements**" means the audited annual financial statements of the Issuer for the years ended September 30, 2019, 2018 & 2017.

"Bacillus" means a soil-dwelling bacterium commonly used as a biological pesticide.

"Beauveria" means a fungus that grows naturally in soils that can be used as a biological insecticide and is already registered and produced by third parties for use in spraying applications.

"bee vectoring" means the process of using bees as a delivery system to plants.

"**Biobest**" means Biobest Group NV of Belgium.

"**Botrytis**" means a fungal pathogen causing blossom blight and berry rot.

"Board of Directors" means the Issuer's board of directors.

"**BVT-CR7**" means a patent-pending bio-control which is a particular strain of fungus acting as a beneficial endophyte controlling targeted crop diseases and increasing crop yield.

“BVT System” means the Tray System used in conjunction with Vectorite™ and BVT-CR7 (or a third party inoculant such as Bacillus or Beauvaria).

“BVT Technology” means BVT’s technology used in the BVT System, including, without limitation:

i) all patent applications and amendments thereto, including foreign equivalents, and any and all substitutions, extensions, additions, reissues, re-examinations, renewals, divisions, continuations, continuations-in-part or supplementary protection certificates owned by BVT;

ii) all scientific processes, intellectual property, secrets, knowledge, know-how, applications, methods and proprietary operations owned by BVT as a result of the Technology Agreements, and as described elsewhere herein;

iii) all additions, developments, modifications, enhancements, formulations and adaptations, information, methods of use, processes, techniques, manufacturing technology or ideas or inventions owned, possessed or used by BVT, its servants and agents, which is directly related to or used in connection with the Technology, including all trade secrets and any other technical information relating to development, use or commercialization of the Technology, together with any additional developments, modifications, enhancements, improvements and adaptations thereto which are conceived or reduced to practice;

iv) all Technology Agreements; and

v) all trademarks.

“BVT” or the “**Issuer**” means Bee Vectoring Technologies International Inc.

“**CEO**” means an individual who served as chief executive officer of the Issuer or performed functions similar to a chief executive officer, for any part of the most recently completed financial year.

“**CFO**” means an individual who served as chief financial officer of the Issuer or performed functions similar to a chief financial officer, for any part of the most recently completed financial year.

“**Common Shares**” mean common shares without par value in the capital of the Issuer.

“**Compensation Committee**” means the Issuer’s compensation committee.

“**CSE**” means the Canadian Securities Exchange.

“Endophyte” means an organism, often a bacteria or fungus, that lives within a plant for at least part of its life without causing any apparent disease, and which may benefit host plants by preventing pathogenic organisms from colonizing them.

“EPA” means the Environmental Protection Agency in the United States.

“inoculum” means the active material used in an inoculation, also called an inoculant.

“**Interim Financial Statements**” means the interim financial statements of the Issuer for the six-months period ended March 31, 2020.

"**Listing Statement**" means this listing statement of the Issuer, including the Schedules hereto, prepared in support of the listing of the Issuer on the CSE.

"**MD&A**" means the management's discussion and analysis of the Issuer, as it relates to the Issuer's financial statements.

"**NEO**" or named executive officer means each of the following individuals:

(a) a CEO;

(b) a CFO;

(c) in respect of the Issuer and its subsidiaries, the most highly compensated executive officer other than the CEO and CFO at the end of the most recently completed financial year whose total compensation was more than $150,000, as determined in accordance with subsection 1.3(5) of Form 51-102F6V for that financial year; and

(d) each individual who would be an NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Issuer, nor acting in a similar capacity, at the end of that financial year.

"NI 52-110" means the National Instrument 52-110 - *Audit Committees*.

"**OBCA**" means the *Business Corporations Act* (Ontario), as amended, including the regulations promulgated thereunder.

"**Option Plan**" means the 20% fixed stock option plan of the Issuer.

"**person**" means and includes an individual, corporation, partnership, joint venture, society, association, trust, unincorporated organization, the Crown or any agency or instrumentality thereof or any other juridical entity, or any trustee, executor, administrator, or other legal representative thereof.

"PMRA" means the Health Canada's Pest Management Regulatory Agency.

"**RSU Plan**" means the restricted share unit plan of the Issuer.

"**RSUs**" means the restricted share units of the Issuer.

"**Second SW Offering**" means the non-brokered private placement of Special Warrants that closed on November 28, 2019.

"SEDAR" means the System for Electronic Document Analysis and Retrieval, found at www.sedar.com.

"Sclerotinia" means a soil borne pathogen causing white mod diseases of certain crops.

"**Stock Options**" means incentive stock options to purchase common shares of the Issuer issued to directors, officers, employees and consultants of the Issuer.

"**SW Offering**" means the non-brokered private placement of Special Warrants that closed on October 23, 2019.

“Technology Agreements” means those intellectual property assignment agreements pursuant to which BVT acquired its interest in the BVT Technology.

“Thrips” means slender insects that feed on a large variety of plants and animals and can be damaging to commercial crops.

“Tray System” means an integrated dispenser and removable and sealable tray system in which the Vectorite™ containing BVT-CR7 (or a third party inoculant such as Bacillus or Beauveria), is placed through which the bees pass and pick up the BVT-CR7.

“**TSXV**” means the TSX Venture Exchange.

“**Unit**” means the Units issued under the private placements of the Issuer as the context requires.

“U.S.” or “USA” means the United States of America.

“Vectorite™” means a proprietary product to BVT consisting of a mixture of ingredients that facilitate the carrying of the BVT-CR7 inoculant (or a third party inoculant, such as Beauveria or Bacillus) by bees in their outbound flights to farmer’s crops.

“**Warrants**” means the common share purchase warrants of the Issuer.

FORWARD LOOKING STATEMENTS

Certain statements contained in this Listing Statement constitute forward-looking information and forward-looking statements (collectively, "forward-looking statements") pursuant to the applicable securities laws All statements, other than statements of historical fact, contained in this Listing Statement are forward-looking statements, including, without limitation, statements regarding the future financial position, business strategy, proposed acquisitions, budgets, projected costs and plans and objectives of the Issuer. The use of any of the words "anticipate", "intend", "continue", "estimate", "expect", "may", "will", "plan", "project", "should", "believe" and similar expressions are intended to identify forward- looking statements. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. Examples of such statements include: (A) expectations regarding the Issuer's ability to obtain licensing; (B) the Issuer's ability to raise funding; (C) grow the business and operations of the Issuer; and (D) the use of available funds of the Issuer. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this Listing Statement. Such forward-looking statements are based on a number of assumptions which may prove to be incorrect, including, but not limited to: the economy generally; obtaining requisite licenses or governmental approvals to conduct business; the revenues from the Issuer's proposed business in bee vectoring services, if any revenues are obtained; interest in the products of the Issuer; competition; and anticipated and unanticipated costs. These forward-looking statements should not be relied upon as representing the Issuer's views as of any date subsequent to the date of this Listing Statement. Although the Issuer has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements 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 statements. The factors identified above are not intended to represent a complete list of the factors that could affect the Issuer. Additional factors are noted under "Risk Factors" in this Listing Statement. The forward-looking statements contained in this Listing Statement are expressly qualified in their entirety by this cautionary statement. The forward-looking statements included in this Listing Statement are made as of the date of this Listing Statement and the Issuer does not undertake an obligation to publicly update such forward-looking statements to reflect new information, subsequent events or otherwise unless required by applicable securities legislation.

CURRENCY

Unless otherwise indicated all references to dollar amounts and "$" are to Canadian currency.

MARKET INDUSTRY AND DATA

Any market data or industry forecasts used in this Listing Statement, unless otherwise specified, were obtained from publicly available sources. Although the Issuer believes these sources to be generally reliable, the accuracy and completeness of such information are not guaranteed and have not been independently verified.

Statistical information included in this Listing Statement and other data relating to the industry in which the Issuer intends to operate is derived from recognized industry reports published by industry analysts, industry associations and independent consulting and data compilation organizations.

2. CORPORATE STRUCTURE

2.1 Corporate Name; Head and Registered Offices

The full corporate name of the Issuer is Bee Vectoring Technologies International Inc. The head office and registered offices of the Issuer are located at 4160 Sladeview Crescent, #7 Mississauga, ON L5L 0A1.

2.2 Corporate Jurisdiction

The Issuer was incorporated under the name Unique Resources Corp. on May 20, 2011 pursuant to the provisions of the *Business Corporations Act* (British Columbia) and completed its initial public offering of Common Shares on March 30, 2012. The Common Shares were approved for trading on the TSXV on April 3, 2012 under the symbol "UQ.V".

On June 1, 2015, the Issuer executed a share exchange agreement (the "**Exchange Agreement**") with Bee Vectoring Technology Inc. ("**BEE**") whereby the Issuer acquired all of the issued and outstanding securities of BEE by way of a reverse take-over ("**RTO**") transaction. Prior to the closing of the RTO, the Issuer consolidated its Common Shares on the basis of one (1) post-consolidation Common Share for each 2.4 pre-consolidation Common Shares.

Pursuant to the Exchange Agreement, the Issuer issued 22,018,170 million post-consolidation Common Shares to the shareholders of BEE at a deemed issuance price of $0.25 per Common Share, in exchange for all of the issued and outstanding Common Shares of BEE.

On June 30, 2015, the Issuer closed the RTO of BEE and changed its name to Bee Vectoring Technologies International Inc. The Issuer commenced trading on the TSXV on July 7, 2015 under its new symbol "BEE.V".

On August 25, 2016, the Issuer completed its continuation into Ontario under the *Business Corporations Act* (Ontario) from the province of British Columbia.

The Issuer is a reporting issuer in British Columbia and Alberta and its Common Shares were listed for trading on the TSXV until August 20, 2020.

2.3 Intercorporate Relations

The intercorporate relations among the Issuer and its subsidiaries are as follows:

Name of Subsidiary	Jurisdiction of Incorporation	Ownership
Bee Vectoring Technology Inc.	Ontario	100%
Bee Vectoring Technology USA Corp.	Delaware	100%

2.4 Requalification Following a Fundamental Change

This is not applicable to the Issuer.

2.5 Non-Corporate Issuers and Issuers Outside of Canada

This is not applicable to the Issuer.

3. GENERAL DEVELOPMENT OF THE BUSINESS

3.1 General Development of the Business

Three-Year History

The Issuer operates within Canada and the United States. It participates in the Agricultural sector, so the reach for its technology extends to other countries as well. To reach these countries, the Issuer plans to engage with independent business partners who operate in them through negotiated licensing and distribution agreements. These arms-length relationships with partners will be managed through the operations in North America.

The following is a summary of the general development of the Issuer's business over its three most recently completed financial years and its most recent subsequent quarter.

On October 25, 2016, the Issuer received notice of allowance of the following key patent applications for the Tray System from the U.S. and Mexican patent and trademark offices:

- US Patent Application No. 14/763,857; Entitled: Apparatus for Treatment of Plants; and
- Mexico Patent Application No. MX/a/2013/011695; Entitled: Apparatus for Treatment of Plants.

On November 22, 2016, the Issuer announced successful results from sunflower field trials conducted in three countries: USA, Serbia and Canada. The field trials were designed to evaluate the ability of the BVT System to manage Sclerotinia head rot. To assess the efficacy of the BVT System, several plots were inoculated with the disease and plots where the BVT System was deployed were compared against plots that were left untreated. Additional measurements on the yield of the crop and quality attributes were also made where possible in the trials. In replicated trials conducted at North Dakota State University using bumblebees, the BVT System delivered a 36% reduction in incidence and a 22% reduction in the severity of the disease on average across three different observations. These reductions in disease incidence and severity were statistically significant. The BVT System produced a yield increase in the crop of 8%. In replicated trials conducted in Serbia in collaboration with the Arthur Dobbs Institute and the Serbian Institute of Field and Vegetable Crops and its commercial arm "NS seme", the BVT System delivered a

43% increase in disease-free flowers, a 25% yield increase and a 5% higher bulk density which is an important quality attribute of the sunflower seed. In addition, a trial conducted on a sunflower crop in Ontario, Canada resulted in a 46% increase in yield.

On December 7, 2016, the Issuer retained Virtus Advisory Group Inc. ("**Virtus**"), to develop and implement a strategic corporate communications program to increase the Issuer's exposure among industry stakeholders and investors across Canada. In connection with the engagement, Virtus was awarded a consulting contract that includes a monthly fee of $6,500 and a grant of Stock Options, which will vest in equal quarterly instalments over 12 months, to acquire 100,000 Common Shares, exercisable at a price of $0.24 per Common Share for a period of five years from date of grant.

On January 10, 2017, the Issuer entered into formal agreements with several leading U.S. strawberry growers to conduct large-scale commercial demonstrations of the BVT System. The demonstrations began in January 2017 in Florida. The commercial-scale demos were secured based on the strength of the previous trial results and represented an opportunity for the farmers to see how the BVT System can be incorporated into their crop production practices on a commercial scale.

On January 24, 2017, the Issuer completed the preliminary technical screen process with the EPA for registration of the BVT-CR7. The purpose of the technical screen is to determine if the pesticide registration application and accompanying information and data is accurate and complete, consistent with the proposed labeling and eventual use of the product, and that subject to full review by the EPA experts could result in the granting of the application. The technical screen process was completed in the normal expected time.

On March 2, 2017, the Issuer filed a patent application with the U.S. patent office for a system that allows the delivery of plant protection products to crops using commercial honey bees. The newly developed BVT System is compatible with most commercial honeybee hives and is designed to deliver a wide variety of plant protection products, such as the BVT-CR7, that inhibit or eliminate common diseases and pests in crops that are pollinated by honeybees. These include almonds, apples, melons, and sunflowers. In initial trials in sunflowers in Ontario in 2016, the honeybee BVT System uniformly delivered the BVT-CR7 biological control agent to the crop and produced a 31% increase in yield for the grower. Additional work in 2016 treating sunflowers in the U.S. with BVT-CR7 using bumblebees showed effective suppression of Sclerotinia. More trials of the honeybee BVT System were scheduled for 2017 on sunflowers and other crops.

On April 13, 2017, the Issuer announced that the European Patent Office ("**EPO**") has granted Patent Application No. 2693871 for the Tray System entitled: Apparatus for Treatment of Plants. With the grant by the EPO, the Issuer can validate the patent in the 38 countries that are Member States of the European Patent Organisation. The Issuer will validate the patent in countries based on the size of the market opportunity that exists in each country.

On April 21, 2017, the Issuer granted a total of 360,000 Stock Options to a consultant of the Issuer. Each Stock Option is exercisable to purchase one Common Share for five years at a price of $0.25 per Common Share in accordance with the terms of the Issuer's Option Plan.

On May 17, 2017, the Issuer announced successful, verified results from large commercial scale demonstrations of the BVT System, with strawberry growers in Florida. The demonstrations were conducted in the Plant City area of Hillsborough County, Florida, the main winter strawberry growing region in the U.S. which produces around 20 million flats of strawberries on 11,000 acres every year. Three influential growers who combined, control about 30% of the production in the region, expressed interest in gauging how the BVT System could improve the productivity of their farming operations and how it could be incorporated into their crop production practices on a commercial scale. The demonstration fields were assessed for both (a) control of Botrytis gray mold, a costly disease in strawberries which causes the fruit to rot and reduces the shelf life of berries, and (b) the ability to improve marketable yield.

In the first demonstration, conducted on 40 acres at JayMar Farms, the field was divided into three sections: one section was treated with chemical fungicides alone, the second section was treated with the BVT System and the same chemical program used in the first section, while in the third section the BVT System was used with a 50% reduction in the chemical sprays. The results of the first demonstration are as follows:

- The two sections with the BVT System had statistically significant reductions in incidence of botrytis gray mold (3% vs 13%);
- The section where the BVT System was used with a 50% reduction of the chemical fungicides had the best marketable yield, 26% better yield than chemicals alone in direct comparisons; and
- The section where the BVT System was used together with the full chemical program produced a 6% higher yield than where the chemicals were used alone in direct comparisons.

The second grower demonstration was conducted on 20 acres with three sections: one section was treated with chemical fungicides alone, while the other two were treated with the BVT System in addition to the chemical fungicide program. The results of the second demonstration are as follows:

- All sections of the field had low levels of botrytis gray mold;
- The two sections where the BVT System was used produced 6% and 24% more marketable yield respectively than chemical fungicides alone; and
- On average for the season, plants in the sections where the BVT System was used produced 11% more berries per plot compared against the chemical fungicide section.

The third grower demonstration was conducted on 10 acres with two sections: one with a chemical program, and the other with the BVT System plus the same chemical program. The results of the third demonstration are as follows:

- Both sections of the field had low levels of incidence of the botrytis disease; and
- The section with the BVT System had a 29% higher marketable yield across two observations when compared against the chemical only section.

On June 7, 2017, the Issuer completed trials on strawberries and indoor tomatoes in Spain, Italy, and Greece. The trials were conducted using the BVT System and initial data collected confirmed positive results from previous successful North American trials:

- The BVT System contributes to the control of Botrytis (grey mould), a common and costly disease in strawberries;
- The BVT System increases marketable yields;
- The trials indicate improved shelf life of the strawberries; and
- In tomatoes the BVT System visually improved the health of stem wounds in the plant.

Four independent contract research organizations, Eurofins, Promovert, Anadiag and Agri-2000, individually conducted the trials to prove the efficacy of the BVT System for controlling certain plant diseases and improving the productivity of strawberry and indoor tomato crops in Europe. The replicated trials were designed using the European regulatory process in mind, and the data will be used as part of the submission for European regulatory approval of BVT-CR7.

On July 26, 2017, the Issuer received official organic certification in the US, and announced that its proprietary formulation of Vectorite™ with BVT-CR7 was listed by the Organic Materials Review Institute ("**OMRI**"). The listing meant the product meets the U.S. Department of Agriculture's guidelines under the National Organic Program standard and is allowed for use in certified organic crops.

On August 16, 2017, the Issuer announced the successful results from 3 trials on strawberries in Spain and Greece. Results from 2 trials in Spain, and 1 in Greece which were conducted to prove the efficacy of the BVT System showed similar positive outcomes to previous successful North American trials and commercial demonstrations conducted in Florida:

- The BVT System performed as effectively as standard chemical fungicide treatments in the control of Botrytis (grey mould), a common and costly disease in strawberries;
- The BVT System increased marketable yields in all trials: from 3 to 15% compared to standards chemical fungicide treatments, and from 14 to 42% compared to untreated; and
- The BVT System provided control of Botrytis in harvested and stored berries thereby increasing their shelf-life.

On August 23, 2017, the Issuer entered into a sales and distribution agreement (the "**Guardian Agreement**") with Guardian Soil in Florida for the launch of the BVT System. Under the Guardian Agreement, Guardian Soil will acquire sales for the Issuer from its customer base and will be responsible for installing the complete BVT System on a farmer's field. Guardian Soil will maintain the BVT System by replacing the trays periodically to deliver fresh product to the crop throughout the season which runs typically from mid-December to the end of March, and for its disposal at the end of the season. BVT will invoice the growers directly on a monthly basis, per acre where the BVT System is being used in the season.

On August 30, 2017, the Issuer announced that Mr. Mike Walkinshaw would resign as a director of the Issuer effective August 31, 2017. Mr. Walkinshaw decided he needed to commit more time to his other responsibilities and would not be able to continue in his role with the Issuer.

On October 2, 2017, the Issuer received notice of allowance of the following key patent applications for the Tray System in two agricultural markets:

- Chile Patent No. 53.259: Represents the first patent secured by the Issuer in South America; and
- Japan Patent No. 6066496: Represents the first patent secured in Japan, and strengthens the Asian patent portfolio which already includes a previously approved patent in China.

On October 18, 2017, the Issuer announced that it has been selected as one of three finalists for the prestigious global Agrow Awards in the category of Best Application Technology Innovation. The Agrow Awards recognize excellence in the global crop protection and production industries. Entries in 14 categories are evaluated using a wide range of criteria by an independent judging panel consisting of a group of experts from around the world.

On October 24, 2017, the Issuer secured revenue commitments from several notable strawberry growers in Florida for the winter 2017 growing season. Growers will use the BVT System under a special license obtained from the State of Florida as a plant amendment. The growers will be billed multiple times during the growing season for each acre where the BVT System is being used. The BVT System will be setup, maintained, and disposed of at the end of the season by Guardian Soil, BVT's distribution partner.

On December 4, 2017, the Issuer announced its successful trial results in blueberries. The trial was conducted near Parrsborough, Nova Scotia, Canada in low bush blueberries with the Wild Blueberry Research Program at Dalhousie University using the honeybee BVT System. The trial was designed to determine the effectiveness of the BVT Technology in controlling Botrytis blight (gray mold) and Monilinia blight (mummy berry), two common and devastating diseases affecting blueberry crops across North America, compared to untreated control and current chemicals standards used by growers, as well as increases in productivity of the crop measured by marketable yield.

On January 16, 2018, the Issuer announced the successful results from trials in sunflowers conducted during 2017. The trials were designed to evaluate the ability of the BVT System to manage Sclerotinia head rot, an invasive fungal disease that causes high levels of loss in sunflowers and currently has no viable method of prevention. This was the second year of trials in sunflowers in collaboration with North Dakota State University ("**NDSU**"), and the first year in which both BVT's bumble bee hive dispenser and the honeybee hive dispenser were tested. In replicated trials conducted at NDSU using bumblebees, the BVT System delivered a 47% reduction in incidence and a 20% reduction in the severity of Sclerotinia head rot on average across three different observations. Similar level of reductions in disease were seen in the trials conducted in 2016. Yield differences could not be quantified due to collection issues during the harvest. Additionally, a commercial demonstration with the honeybee BVT System was conducted on portions of a 200-acre field that is part of a large farming operation in the Munich, North Dakota area. There was generally low disease pressure in the field, but the crop in areas within the range of the flight of bees showed further disease suppression, and yield increases.

On March 14, 2018, the Issuer appointed, on a contractual basis, Dr. Gerardo Suazo, Ph.D., M.B.A. to the position of Senior Technical Manager. Dr. Suazo will be responsible for overseeing and managing trials in Mexico and plays a key role in driving the BVT Technology adoption within the country.

On April 16, 2018, the Issuer received two new key patent application allowances:

- US Patent Application Ser. No. 15/092,968: This application received a Notice of Allowance and, upon issuance, will provide a second patent in the U.S. for the unique carrier formulation that allows beneficial microbes to be carried by bees. The second patent will expand protection of the formulation to include third party microbes; and
- Israeli Patent No. 228762: This recently granted patent for the Issuer's bumble bee delivery system is the first patent secured in Israel, a key market with a deep tradition for agricultural innovation.

The first U.S. patent on the carrier formulation focused on the Issuer's own unique beneficial microbe clonostachys rosea which has a broad spectrum of control for various plant pathogens. The allowed claims of the second patent include claims that are not specific to any particular microbe to be used within the formulation, and so provide broader protection to the Issuer as it explores the use of other beneficial microbes for delivery through the BVT System for crop protection and/or growth enhancement.

On April 25, 2018, the Issuer appointed Brandon Boddy to its Board of Directors. Mr. Boddy received 200,000 Stock Options for the board position; each Stock Option is exercisable to purchase one Common Share for five years at a price of $0.25 per Common Share. In addition, Mr. Brandon participated in a non-brokered private placement of 500,000 Units at a price of $0.25 per Unit for gross proceeds of $125,000. Each Unit consists of one Common Share and one Warrant. Each Warrant will entitle the holder to purchase one additional Common Share at a price of $0.35 per Common Share for a period of 2 years from the date of issue.

On June 19, 2018, the Issuer submitted registration documents in Switzerland for use of BVT-CR7 against fungal diseases in production agriculture. BVT will initially target crops that require pollination and are susceptible to diseases such as Botrytis, such as strawberries and tomatoes. Application of BVT-CR7 before pathogens infect the plant, not only controls disease, but can improve plant vigor as well as quality and yield at harvest.

On July 25, 2018, the Issuer hired Everett Hendrixon as Territory Manager to drive its sales efforts in Florida and the southeastern U.S. Based in the Tampa area, Mr. Hendrixon will lead BVT's commercialization efforts and help berry growers implement the BVT System into their operations.

On August 13, 2018, the Issuer announced that it has entered a third year of sunflower trials using the BVT System. Top researchers at NDSU Extension will conduct trials at sites near Langdon and Carrington, North Dakota. Trials using the honeybee BVT System will also be conducted in several commercial fields with key growers in Minnesota and North Dakota. Two previous seasons of trial work of the BVT System in sunflowers showed a 47% and 36% reduction (respectively) in disease incidence, and a 20% and 22% reduction in disease severity, of Sclerotinia head rot. Additionally, the use of the BVT System resulted in plants that were healthier, had improved vigor and increased sunflower seed yield 8% per acre in 2016 (yield measurements were not quantified in 2017).

On October 27, 2018, the Issuer and Biobest Group NV of Belgium ("**Biobest**") entered into a global technology sharing agreement (the "**Biobest Agreement**") which provides reciprocal access to certain patents of each company. The Biobest Agreement enables both companies to accelerate efforts to bring bee vectoring solutions to growers worldwide and ensuring leading positions in the market. The Biobest Agreement is in effect until the later of: (i) the date on which the last enforceable claim of the BVT Patents (as defined in the Biobest Agreement) becomes irrevocably unenforceable; or (ii) the date on which the last pending claim of the BVT Patents becomes irrevocably abandoned or otherwise unpatentable (the "**BVT End Date**") or (iii) the date on which the last enforceable claim of the Biobest Patents (as defined in the Biobest Agreement) becomes irrevocably unenforceable; or (iv) the date on which the last pending claim of the Biobest Patents becomes irrevocably abandoned or otherwise unpatentable (the "**Biobest End Date**") unless sooner terminated, the Agreement terminates on the date ("**End Date**") that is the later of the BVT End Date and the Biobest End Date.

On November 15, 2018, the Issuer announced that it has been 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. 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.

On December 12, 2018, the Issuer announced that it is accelerating efforts to bring the BVT System to commercial growers in Mexico. BVT began the registration process of its BVT-CR7, as a biofungicide for control of common fungal diseases including botrytis. For assistance with the registration process in Mexico, BVT 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. BVT has also begun targeted business development activity in Mexico to introduce growers to its product delivery platform that uses both honey and bumble bees to efficiently deliver disease control products to plants.

On January 22, 2019, the Issuer 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 EPO.

On January 28, 2019, the Issuer announced the invoicing of the first commercial sales of its BVT Technology to strawberry growers in Florida.

On March 14, 2019, the Issuer 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.

On March 25, 2019, the Issuer's Board of Directors approved the RSU Plan and Option Plan to grant RSUs and Stock Options to directors, officers, key employees and consultants of the Issuer. Pursuant to the RSU Plan and the Option Plan, the Issuer may reserve up to an aggregate of 15,519,854 Common Shares pursuant to awards granted under the plans. Pursuant to the new plans, the Issuer has granted 728,059 RSU's and Stock Options exercisable for 218,418 Common Shares to certain directors, officers, key employees and consultants who have agreed to forgo an aggregate of $141,972 of their cash compensation, representing a portion or all their cash compensation for a period of four months (March to June 2019), and as an incentive for individuals to drive the growth of the Issuer. The RSU's and 50% of the Stock Options vest only upon EPA's approval of the Issuer's Vectorite™ with CR-7 product. The Stock Options, 50% of which vest immediately, are exercisable at $0.195 per Common Share until March 22, 2024. In addition, the Board of Directors has approved the grant of 1,610,000 Stock Options to certain directors, officers, employees and consultants of the Issuer, which vest in three months and are exercisable at $ 0.195 per Common Share until March 22, 2024.

On April 24, 2019, announced that the first season of the pilot launch into the Florida strawberry market has concluded with expanding commercial sales of its BVT Technology. From November 2018 to March 2019, five growers purchased the BVT System as part of BVT's pilot launch. When comparing fields where the BVT System was added to the standard spray program 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%. Adjustments implemented to the BVT System to minimize weather impact all worked as planned with growers enjoying more robust bee activity throughout the season. These changes included optimizing the hive counts per acre, fine-tuning the timing of hive placements, and improving the design of the hive boxes themselves.

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 Issuer 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.

On October 23, 2019, the Issuer announced Sizemore Farms, a top-tier grower of Florida strawberries, as the first commercial grower deal for the Issuer's Vectorite™ with CR-7 product. Sizemore Farms will be using the Issuer's BVT System and Vectorite™ with CR-7 on 100% of their 62-acre organic strawberry crop and is considering testing the naturally-derived fungicide on a portion of their 600+ conventional acres for possible implementation on their 2020 crop.

On October 30, 2019, the EPA 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.

On November 6, 2019, the Issuer signed deals with two leading commercial blueberry growers in Georgia to use the BVT System and Vectorite™ with CR-7. BVT also announced that it is in discussions with more than 10 additional blueberry growers in Georgia, as well as in other blueberry growing regions, and is expecting additional order commitments. The two signed blueberry growers will be using the BVT System on a combined 250 acres of conventional fields for the 2020 season. The addition of the BVT System is expected to increase yield and protection against disease while using a fraction of the product required with traditional spray applications. Water consumption and use of fossil fuels is also significantly reduced for producers using the BVT System. One of the contracted blueberry growers will adopt the BVT System on 100% of their fields, after trials on progressively larger sections in past seasons. The second grower is a first-time user, adopting the BVT System on 25% of their acreage to start. As is typical with growers, they plan to progressively add the BVT System to their entire operations over two to three seasons.

On November 13, 2019, the Issuer announced that it has been recognized in the 2019 Agrow Award 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.

On November 20, 2019, the Issuer 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, will be using the BVT System on a combined 150 acres of conventional and organic fields. Florida fields are planted in October, and the plants start to bloom in late November. The hives with the BVT System are carefully timed to coincide with that blooming period; they will be in place on growers' fields starting 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.

On November 27, 2019, the Issuer announced it has completed phase one lab trials on six third-party products using the BVT System. Phase two field studies on three of those products will commence shortly. The goal of the project is 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 CR-7, they can be used on their own 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. As part of the Issuer's in-licensing project, the products were initially lab-tested for compatibility with its formulation of Vectorite™ powder and its beneficial microbe CR-7, and to evaluate if commercial bumblebees could carry the spores of the microorganisms directly to plant blooms. Based on favorable results, the Issuer has shortlisted three of the products to be used in the upcoming field studies.

On December 4, 2019, the Issuer announced that it has closed a total of ten deals with blueberry growers in Georgia for the upcoming growing season: this includes eight new growers and two previously announced growers. 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 BVT 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.

On December 11, 2019, the Issuer announced that it has filed an international patent application for the latest version of its honeybee hive dispenser system that the Issuer has tested and is bringing to market. This application strengthens the patent protection for the honeybee system by building on the previously filed application (BVT Press Release March 2, 2017). This system is computer-controlled, enabling metered and uniform delivery of plant protection products to crops using commercial honeybees. This is the latest product addition to BVT's natural precision agriculture system. Patents are one of BVT's key strategies to ensure legal protection as the Issuer continues its post-US EPA approval commercial expansion.

The Issuer continues to pursue an aggressive IP strategy, with 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.

On January 29, 2020, the Issuer announced that it has closed five new deals with blueberry growers in Florida, North Carolina and South Carolina to use BVT's proprietary bee delivery system Vectorite™ with CR-7, on portions of their crops in the upcoming growing season. In the five months since US Environmental Protection Agency approval, the Issuer has secured committed business with growers who collectively represent about 10% of blueberries grown in the Southeastern US and exceeded its sales target for that market. The Issuer's original target for blueberry growers in the US Southeast was 10 growers and 500 acres; however, with these agreements in place BVT has surpassed this goal and will now cover 700 acres with 15 growers across the region. The newly signed blueberry growers are first-time users of the BVT system. Each one will pilot BVT on a percentage of their conventional and organic crops (a total of 280 acres out of a combined 1,400 acres on which they farm), with the expectation that they will add BVT across their entire operations over two to three seasons based on positive results.

On February 12, 2020, the Issuer announced it had completed three official registration trials of the Issuer's proprietary BVT-CR7 biological fungicide on commercial strawberry and tomato crops in Mexico. The Issuer worked with a Mexican government approved researcher to conduct the biological efficacy trials which are a requirement for the registration process in Mexico. Results confirmed the efficacy of CR-7 in controlling key diseases on the crops as expected, and the trial results will be submitted to Mexican regulatory authorities for review in the coming weeks. The remaining registration dossier is being prepared and is planned to be submitted by spring or early summer of this year. The trials also tested the Issuer's biological fungicide CR-7 as a weekly spray with very positive results: the growers saw a 66% or greater efficacy in incidence and severity reduction over untreated control or standard organic commercially treated crops. This paves the way for a future introduction of a foliar spray end use product containing CR-7. BVT received an exemption from tolerance on CR-7 from the EPA which means all crops that are gown using any end use formulation of CR-7, including a foliar spray product, would not have to be tested for residues of CR-7 by Mexican growers before they export their crops into the US. This is seen as a major benefit in an export-oriented market such as Mexico.

The Issuer has completed the official trials that confirmed product efficacy that are required as part of a regulatory submission to the Mexican authorities as noted in the February 12, 2020 press release. The Issuer has submitted the efficacy trials for review by the Mexican agriculture authority and is preparing the remaining registration dossier for full submission to the Mexican health authority.

The Issuer has been in touch with both these authorities who have advised that there have been delays due to the COVID-19 pandemic which have caused unforeseen delays in acceptance and subsequent review of regulatory dossiers. Full regulatory submission can be made only following review of the efficacy results. Based on the COVID-19 related delays at the Mexican authorities it is difficult to estimate when the initial review and full submission will be made, but the Company is hopeful for submission late in 2020, or early 2021.

On February 16, 2020, the Issuer announced the opening of its new European office in Switzerland's Agri & Co Innovation Center. The move is part of BVT's award in the Agri & Co Challenge. The new location is designed to help BVT continue its innovation in biological crop protection delivery systems. It includes a fully-equipped laboratory, growth chambers, greenhouse space for trialing, and 95 hectares of land leased to a local grower who will host trials in his fields, as well as office space. In addition, BVT will receive the full support of Agri & Co staff and the Swiss canton of Fribourg's state government, access to experts in various fields, as well as facilitated research and development collaborations with other ag-tech innovators.

On February 20, 2020, the Issuer announced it has been named a 2020 Venture 50 company, an award that recognizes the 50 top-performing companies out of a total of 1,673 companies on the TSXV. BVT joined an exclusive group of high-performing industry leaders and is ranked third in the Clean Technology and Life Sciences sector.

On March 11, 2020, the Issuer announced that it closed three new grower deals with berry producers in Oregon and Washington states. These new customers will use the BVT System on portions of their blueberry and raspberry crops in the upcoming growing season. The Pacific Northwest growers are first-time users of the BVT System and will pilot BVT on a percentage (60 to 80 acres out of a combined 1,800 acres) of their conventional and organic crops. Based on common practice, there is an expectation that they will add BVT across their entire operations in the coming two to three seasons based on positive results.

On April 7, 2020, the Issuer announced that it will start conducting trials in Morocco and that it is also in discussions with well-established commercial partners in the region who have expressed interest in collaborating with BVT to bring the BVT System to market for growers in Morocco. One potential partner that has been in the Moroccan market for decades will roll out a significant trial program covering four different crops, including strawberry, raspberry, blueberry and tomato crops.

On April 21, 2020, the Issuer announced that with Georgia's blueberry blooming period now complete, growers in the region using the Issuer's proprietary crop protection system have reported notably-high fruit set and low fruit drop, both typical early indicators of a successful, high-yield harvest. In conventional commercial crops, growers traditionally control disease with chemical pesticide sprays. Now they are adding BVT's natural, 100% organic, precision agriculture system, which uses biological pesticide alternatives delivered directly to blueberry flowers by commercially grown bees. This is improving yields, protecting against disease and reducing the use of water and fossil fuels, all while using a fraction of the product required with traditional spray applications. The Issuer also announced that it has issued an aggregate of 50,000 RSUs of the Issuer to two consultants of the Issuer Under the shareholder approved RSU Plan as an incentive for the consultants to drive the growth of the Issuer. The RSUs vest on the 30th day from grant and entitle the holder to acquire one Common Share of the Issuer underlying each such RSU by delivering a notice of acquisition to the Issuer in accordance with the RSU Plan. In accordance with the RSU Plan, the RSUs were priced at $0.445 based on the closing price of the Common Shares on the TSX Venture Exchange on April 15, 2020. RSUs which do not vest and have not been issued on or before the expiry date of such RSU will be automatically deemed cancelled, without further act or formality and without compensation.

On May 19, 2020, the Issuer announced that had issued 50,000 RSUs of the Issuer under the RSU Plan to a consultant as an incentive for the consultant to drive the growth of the Issuer. The RSUs will vest upon successful completion of pre-determined milestones (as determined by the board of directors and agreed upon by the consultant) being met and shall entitle the holder to acquire one Common Share of the Issuer underlying each such RSU by delivering a notice of acquisition to the Issuer in accordance with the RSU Plan. In accordance with the RSU Plan, the RSUs were priced at $0.38 based on the closing price of the Common Shares on the TSX-V on May 12, 2020.

On May 20, 2020, the Issuer announced that it will conduct trials of BVT's natural precision agriculture system on cranberries in Massachusetts and New Jersey, two major cranberry growing regions. This represents an expansion of BVT into a new crop on the heels of its successful commercialization of their product in the strawberry and blueberry markets. The trials will be conducted in collaboration with leading cranberry researchers at the University of Massachusetts and New Jersey's Rutgers University on fields from growers who are part of a major US farmer-owned cranberry cooperative. The Issuer is also in discussions with US Department of Agriculture (USDA) scientists based in Wisconsin who are interested in following the work in both Massachusetts and New Jersey.

On June 11, 2020, the Issuer announced that it has retained Lytham Partners, LLC ("Lytham Partners") to lead a U.S. investor relations and shareholder communication program. In connection with the engagement, Lytham Partners has been awarded a six-month consulting contract which can be extended on a quarter-by-quarter basis. The contract includes a quarterly fee of US$15,000 and the ability to receive 50,000 restricted stock units.

On June 16, 2020, the Issuer announced three new deals with Michigan blueberry growers to use BVT's natural precision agriculture system in the current growing season. These deals show continuing momentum of BVT's growth, as they represent the first deals in the US Midwest and build on the Issuer's strong momentum in the Southeast and Pacific Northwest. The newly signed blueberry growers are first-time users of the BVT system. Each one will pilot BVT on a percentage of their conventional crops, with the expectation that they will expand it to their entire operations over two to three seasons, based on positive results.

On June 17, 2020, the Issuer announced it was scheduled to participate in a virtual presentation and fireside chat at the June 2020 Lytham Partners Virtual Investor Growth Conference on Wednesday, June 24, 2020 at 11:00am EDT.

On July 2, 2020, the Issuer announced that the European Patent Office (EPO) has granted a patent for BVT's Clonostachys rosea CR-7 microbial strain (CR-7), and there has been no opposition filed in the nine month post-grant window which has now closed. This patent claims the usefulness of CR-7 as a plant treatment, thus protecting a critical component of BVT's proprietary natural precision agriculture system, and has been further validated in 14 European countries (Belgium, Germany, Spain, France, UK, Greece, Italy, Poland, Portugal, Romania, Serbia, Switzerland, the Netherlands and Turkey). The patent has previously been granted in six countries, and is under review by another nine patent authorities around the world.

On July 6, 2020, the Issuer advised that it has re-filed its audited consolidated financial statements for the years ended September 30, 2019 and September 30, 2018 which were issued and approved on January 24, 2020, and have been re-filed on July 6, 2020 to insert language that was unintentionally omitted as a result of a clerical error in the Independent Auditor's Report. The Issuer also announced that it has issued an aggregate of 1,500,000 RSUs of the Issuer to three consultants of the Issuer under the shareholder approved RSU Plan as an incentive for the consultants to drive the growth of the Issuer. The RSUs vest on the 3rd day from grant and entitle the holder to acquire one Common Share of the Issuer underlying each such RSU by delivering a notice of acquisition to the Issuer in accordance with the RSU Plan. In accordance with the RSU Plan, the RSUs were priced at $0.40 based on the closing price of the Common Shares on the TSX Venture Exchange on July 3, 2020.

On July 28, 2020, the Issuer announced that it has announced that it has entered a new trial with North Dakota State University (NDSU) for sunflower crops. The trial will evaluate optimal hive distribution for application of BVT's biological fungicide, CR-7, in sunflower crops in North Dakota. The project is funded by the North Dakota Department of Agriculture, is approved by the United States Department of Agriculture (USDA), and will be run by NDSU in cooperation with BVT. In addition to the trials with NDSU, the Company will be doing demonstration trials in Minnesota and Idaho with key sunflower growers. Setup of the trials is complete, with blooming season expected to start in early August. Sclerotinia head rot is a very serious constraint to sunflower production that has led some growers' to abandon production. Crop rotation and fungicides are ineffective against this disease, and partially resistant hybrids are not available. The study will validate the technology, quantify distribution of hives needed to achieve satisfactory head rot control, and address a significant need in the sunflower industry.

Selected Financings

On March 21, 2017, the Issuer completed the first tranche of a non-brokered private placement which consisted of the sale and issuance of 4,602,000 Units at a price of $0.25 per Unit for gross proceeds of $1,150,500 (a "**Unit Offering**"). Each Unit consists of one Common Share and one-half of one Warrant. Each whole Warrant entitles the holder to purchase one additional Common Share at a price of $0.40 per Common Share for a period of three years from the date of issuance, subject to the Issuer's right to accelerate the expiry date of the Warrants if the closing market price of the Common Shares of the Issuer on the TSXV is equal to or exceeds $0.65 for a period of 30 consecutive trading days commencing 4 months after the date the Warrants are issued. The Issuer paid commissions to eligible finders under the Unit Offering totaling $52,155 and issued to such finders a total of 178,800 Warrants (the "**Finder's Warrants**"). Each Finder's Warrant entitles the holder to acquire one Common Share at $0.40 per Common Share until March 21, 2019, subject to the acceleration terms as noted above.

On April 21, 2017, the Issuer closed the second tranche of its non-brokered private placement for aggregate gross proceeds of C $278,000 (the "**Second Unit Offering**"). In connection with the second tranche closing, the Issuer issued 1,112,000 Units at a price of $0.25 per Unit. Each Unit consists of one Common Share and one-half of one Warrant. Each whole Warrant entitles the holder to purchase one additional Common Share at a price of $0.40 per Common Share until April 21, 2019, subject to the Issuer's right to accelerate the expiry date of the Warrants if the closing market price of the Common Shares of the Issuer on the TSXV is equal to or exceeds $0.65 for a period of 30 consecutive trading days commencing 4 months after the date the Warrants are issued. The Issuer paid an aggregate of $ 28,097 and issued 60,720 Finders Warrants in connection with the Second Unit Offering. Each Finder's Warrant entitles the holder to acquire one Common Share at $0.40 per Common Share for 2 years from the issuance date of the Finder's Warrant, subject to the acceleration terms as noted above.

On September 19, 2017, the Issuer completed a non-brokered private placement of 3,922,000 Units at a price of $0.20 per Unit for gross proceeds of $784,400. Each Unit consists of one Common Share and one half of one Warrant. Each whole Warrant entitled the holder to purchase one additional Common Share at a price of $0.35 per Common Share until September 19, 2019, subject to the Issuer's right to accelerate the expiry date of the Warrants if the closing market price of the Common Shares of the Issuer on the TSXV is equal to or exceeds $0.50 for a period of 20 consecutive trading days any time after January 20, 2018. The Issuer paid commissions to finders consisting of cash fees of $18,840 and the issuance of 89,700 Finder's Warrants. Each Finder's Warrant entitles the holder to purchase one Common Share at a price of $0.35 per Common Share until September 19, 2019, subject to the acceleration terms as noted above. The Issuer subsequently extended the term of the Warrants for one additional year on August 12, 2019, and the Warrants now expire on September 19, 2020.

On February 16, 2018, the Issuer closed a non-brokered private placement for gross proceeds of $1,575,000 and issued a total of 6,300,000 Units at a price of $0.25 per Unit. Each Unit consists of one Common Share and one half of one Warrant. Each whole Warrant entitles the holder to purchase one additional Common Share at a price of $0.30 per Common Share until February 16, 2019. The Issuer paid commissions to finders consisting of cash fees of $105,600 and the issuance of 422,400 Finder's Warrants. Each Finder's Warrant entitles the holder to purchase one Common Share at a price of $0.30 per Common Share until February 16, 2019.

On March 28, 2018, the Issuer closed a non-brokered private placement of 12,000,000 Units of the Issuer at a price of $0.25 per Unit for gross proceeds of $3,000,000. Each Unit consists of one Common Share and one Warrant. Each Warrant entitles the holder to purchase one additional Common Share at a price of $0.35 per Common Share until March 28, 2020.

On May 4, 2018, the Issuer closed a non-brokered private placement of 500,000 Units at a price of $0.25 per Unit for gross proceeds of $125,000. Each Unit consists of one Common Share and one Warrant. Each Warrant entitles the holder to purchase one additional Common Share at a price of $0.35 per Common Share until May 2, 2020.

On October 23, 2019, the Issuer 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 "**SW 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 four months and one day after closing. Each Unit will consist of one Common Share and one transferable Warrant. Each Warrant will entitle the holder, on exercise, to purchase one additional Common Share for a period of 18 months following the closing, at an exercise price of $0.40 per Common Share. The Issuer has the right to accelerate the expiry date of the Warrants if the closing market price of the Common Shares of the Issuer on the TSXV is equal to or exceeds $0.55 for a period of 15 consecutive trading days commencing with the date the Warrants are issued. A director of the Issuer participated in the SW Offering and will acquire, directly or indirectly, an aggregate of 60,000 Special Warrants. New investors that are friends and family of the directors and who are not insiders also purchased 580,000 Special Warrants in the SW Offering. The Issuer paid a finder's fees of $700 cash and issued 2,800 Finder's Warrants on the same terms noted above to qualified parties in connection with the SW Offering.

On November 28, 2019, the Issuer closed a supplementary non-brokered private placement of 3,047,647 Special Warrants at a price of $0.35 per Special Warrant for gross aggregate proceeds of C $1,066,677 (the "**Second SW 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 four months and one day after closing. Each Unit consists of one Common Share and one transferable Warrant. Each Warrant will entitle the holder, on exercise, to purchase one additional Common Share for a period of 18 months following the closing, at an exercise price of $0.45 per Common Share. The Issuer has the right to accelerate the expiry date of the Warrants if the closing market price of the Common Shares of the Issuer on the TSXV is equal to or exceeds $0.60 for a period of 15 consecutive trading days commencing with the date the Warrants are issued. In connection with the Second SW Offering, the Issuer paid finders fees to qualified parties in the amount of $57,805 cash and issued 115,177 Finder's Warrants on the same terms noted above and 49,980 Units ("**Finder's Units**") exercisable at $0.35 per Finder's Unit for a period of 18 months following the closing of the Second SW Offering. Each Finder's Unit exercised converts into one Common Share and one Finder's Warrant exercisable at $0.45 per Common Share for a period of 18 months from the date in which the Finder's Unit is exercised.

On February 24, 2020, the Issuer announced that current market conditions had triggered the acceleration of the expiry of the 1,251,000 unexercised Warrants issued on September 19, 2017, that were subsequently extended on August 14, 2019 to expire on September 19, 2020, with an exercise price of $0.35 per Common Share. Under the terms of the Warrants, if for any 20 consecutive trading days, the closing price of the Common Shares on the TSXV closes at or exceeds $0.50, then the term of the Warrants would expire on the fifteenth (15th) business date after the date of notice to Warrant holders by way of a news release. Accordingly, the expiry date for the Warrants was accelerated to March 16, 2020. From and after 5:00 p.m. (Vancouver time) on March 16, 2020, the unexercised Warrants were void and of no effect. The proceeds received from the exercise of the Warrants was primarily used for general corporate and working capital purposes.

On April 23, 2020, the Issuer announced that it has entered into a definitive agreement with Alumina Partners (Ontario) Ltd. ("**Alumina**") that secures a commitment of up to $6,000,000 in an at-will financing facility (the "**Facility**"). Pursuant to the terms of the agreement, the Issuer has the right to draw down from the Facility for a period of thirty-six months in equity private placement tranches of up to $ 500,000 (each a "**Tranche**"). Each Tranche will be at the sole discretion of the Issuer and can occur at any time upon the Issuer giving notice to Alumina. Each Tranche will be comprised of Units, with each Unit consisting of one Common Share and one Warrant. Each Unit shall be priced at a discount of between 15-25% from the closing price of the Common Shares on the day prior to BVT's draw down notice to Alumina. Each Warrant will be exercisable for a period of twenty four (24) months from the closing date at an exercise price that is a 25% premium to the market price of the Common Shares. The Warrants will also contain an accelerated expiry provision, should BVT's Shares trade for a period of 10 consecutive trading days at a premium of at least 100% above the Warrant exercise price. All securities issued will be subject to a statutory hold period that expires four (4) months and one (1) day from issuance. The Issuer drew down on the first and second Tranche of the Facility and a total of $600,000 of the gross aggregate proceeds from the private placements that closed on May 19, 2020 and July 2, 2020 were raised as a result.

On May 19, 2020, the Issuer closed a non-brokered private placement of 1,999,576 Units at a price of $0.33 per Unit for gross aggregate proceeds of $659,860. Each Unit consisted of one Common Share and one transferable Warrant. Each Warrant will entitle the holder, on exercise, to purchase one additional Common Share for a period of 24 months following the closing, at an exercise price of $0.5375 per Common Share. Should the 10-day volume weight average price of the Common Shares, as traded on an applicable stock exchange, be equal to or greater than a 100% premium to the Warrant exercise price prior to the expiry date of the applicable Warrants, the Issuer may accelerate the expiry date (the "**Accelerated Expiry Date**") of the Warrants by providing the Warrant holders with notice (the "**Acceleration Notice**") of its election to do so. The Accelerated Expiry Date referenced in an Acceleration Notice may be no earlier than the 30th day from the date on which such Accelerated Notice is delivered to the warrant holders by the Issuer. For greater certainty, the Acceleration Notice may not be delivered to the warrant holder by the Issuer during the statutory four (4) month and one (1) day hold period. All securities issued are subject to a statutory hold period that will expire on September 20, 2020, in accordance with applicable securities laws. The Issuer also paid a finder's fees of $9,817.50 cash and issued 29,750 Warrants on the same terms noted above to qualified parties in connection with the non-brokered private placement.

On June 30, 2020, the Issuer closed a non-brokered private placement of 1,111,111 Units at a price of $0.315 per Unit for gross aggregate proceeds of $350,000. Each Unit consisted of one Common Share and one transferable Warrant. Each Warrant will entitle the holder, on exercise, to purchase one additional Common Share for a period of 24 months following the closing, at an exercise price of $0.525 per Common Share. Should the 10-day volume weight average price of the Common Shares, as traded on the an applicable stock exchange, be equal to or greater than a 100% premium to the Warrant exercise price prior to the expiry date of the applicable Warrants, the Issuer may trigger the Accelerated Expiry Date of the Warrants by providing the Warrant holders with an Acceleration Notice of its election to do so. The Accelerated Expiry Date referenced in an Acceleration Notice may be no earlier than the 30th day from the date on which such Accelerated Notice is delivered to the warrant holders by the Issuer. For greater certainty, the Acceleration Notice may not be delivered to the warrant holder by the Issuer during the statutory four (4) month and one (1) day hold period. All securities issued are subject to a statutory hold period that will expire on October 31, 2020, in accordance with applicable securities laws.

The Issuer filed a preliminary short form base shelf prospectus on February 20, 2020. The document became stale dated and was withdrawn on May 28, 2020. The Issuer re-filed a preliminary short form base shelf prospectus on July 3, 2020 to qualify the distribution of up to $30,000,000 through the sale of a mixture of securities.

3.2 Significant Acquisitions or Dispositions

This is not applicable to the Issuer.

3.3 Trends, Commitments, Events or Uncertainties

As a development stage agricultural company with limited revenues, the Issuer typically needs to raise more capital to meet ongoing operational, and administrative financial requirements. In the past, the Issuer has had to raise, by way of equity financing, considerable funds to meet such needs. There is no guarantee that the Issuer will be able to continue to raise funds needed for its business. Failure to raise the necessary funds in a timely fashion, or at all, will limit the Issuer's growth and impact its success and survival.

In December 2019, a novel strain of coronavirus known as COVID-19 surfaced in Wuhan, China, and has spread around the world, with resulting business and social disruption. COVID-19 was declared a worldwide pandemic by the World Health Organization on March 11, 2020. The speed and extent of the spread of COVID-19, and the duration and intensity of resulting business disruption and related financial and social impact, are uncertain, and such adverse effects may be material. Efforts to slow the spread of COVID-19 could severely impact the operation and development of the Issuer's projects. To date, a number of governments have declared states of emergency and have implemented restrictive measures such as travel bans, quarantine and self-isolation. If the operation or development of one or more of the Issuer's projects is disrupted or suspended as a result of these or other measures, it may have a material adverse impact on the Issuer's profitability, results of operations, financial condition and stock price.

The actual and threatened spread of COVID-19 globally could adversely affect global economies and financial markets resulting in a prolonged economic downturn and a decline in the value of the Issuer's stock price. The extent to which COVID-19 (or any other disease, epidemic or pandemic) impacts business activity or financial results, and the duration of any such negative impact, will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning COVID-19 and the actions required to contain or treat its impact, among others.

Except as disclosed elsewhere in this Listing Statement, the Issuer is not aware of any trend, commitment, event or uncertainty presently known to management and reasonably expected to have a material effect on the Issuer' s business, financial condition, or results of operations. Risks are more fully set out below in Section 17 under the heading "Risk Factors".

4.

4. NARRATIVE DESCRIPTION OF THE BUSINESS

4.1 Description of the Business

<u>Business Objectives / Milestones</u>

Within 12 months following the date of this Listing Statement, the Issuer plans to achieve the following objectives:

ACTIVITY AREA	STRATEGY	OBJECTIVE	CASH REQUIRED IN NEXT 12 MOS ($ K)
Commercialization/ Marketing	Build commercial team	Maintain team required to service current customer base	$ 372
	Create market awareness for BVT system and brand	Communications and awareness campaign to support current customer base	$ 142
Product Development and Innovation	Build technical capabilities	Maintain team to conduct technical work in-line with current market environment and customer base	$ 311
	Build support tools to support sales growth	Maintain current tools	$ -
	Field trials to validate fit in various crops	Trials to gain key influencer support in current crop portfolio	$ 20
	Product line extensions	Lab tests of early in-licensing candidates	$ -
Regulatory and Approvals	Complete and maintain US approvals (incl California)	Secure California registration and maintain approvals across the US	$ 27
	New regulatory submissions	Build plan and regulatory strategy for expansion	$ 18
Admin, Corporate Development and Partnerships	Legal, admin and corporate development incl partnerships	Keep minimum activities in line with current market environment	$ 1,259

Available Funds

The Issuer has secured an agreement for up to $6,000,000 pursuant to an at-will financing facility with Alumina (See “*Three Year History Selected Financings*”). Pursuant to the terms of the Agreement, the Issuer has the right to draw down from the facility for a period of thirty-six months in equity private placement tranches of up to $500,000. Each tranche will be at the sole discretion of the Issuer and can occur at any time upon the Issuer giving notice to Alumina. The Issuer drew down from the first Tranche of the Facility on May 19, 2020 and the second Tranche of the Facility on June 30, 2020.

The Issuer filed a preliminary short form base shelf prospectus on February 20, 2020. The document became stale dated and was withdrawn on May 28, 2020. The Issuer re-filed a preliminary short form base shelf prospectus on July 3, 2020 to qualify the distribution of up to $30,000,000 through the sale of a mixture of securities. The preliminary short form base shelf prospectus has not yet been receipted by the OSC and there is no guarantee that it will be.

The Board of Directors anticipate using the available funds in the following manner over the next 12 months.

The following table sets forth the estimated working capital and amounts and sources of other funds available to the Issuer.

Source of Funds	Amount ($)
Working capital at July 31, 2020	657,000
At-will financing facility with Alumina Partners till April 2023	5,400,000
TOTAL AVAILABLE FUNDS	$6,057,000

The principal use of the available funds, as listed above, is intended to be as follows.

Use of Available Funds	Amount ($)
General & Administrative(1)	1,259,000
Sales & Marketing	514,000
R&D (incl. field trials and regulatory)	376,000
TOTAL USES	2,149,000
Unallocated Working Capital	$3,908,000

(1) Management would be able to defer cash payments in the event that financing is not readily obtainable reducing this expected cash requirement by an additional $400,000.

The Issuer intends to spend the funds available to it to further the Issuer's stated business objectives. However, there may be circumstances where, for sound business reasons, a reallocation of funds may be necessary for the Issuer to achieve its stated business objectives.

In the event that it wishes to complete any capital expenditures in addition to the amounts set forth above, the Issuer will utilize its unallocated working capital and, if required, raise additional capital through equity or debt financing. There is no assurance that the Issuer will be successful in raising additional capital or that if additional capital is required, that it will be available on terms acceptable to the Issuer.

General

BVT is commercial enterprise that is commercializing a unique and proprietary crop production tool it has developed for farmers that can be used on a worldwide basis. The Issuer's system involves 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-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 Issuer 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.

Patents

BVT has 6 families of patents granted and/or pending covering different aspects of the following areas:

1. 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™ (see Patent Families 1 and 4 in table below).
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 (see Patent Family 2 in table below); and
3. Biological control agent called "BVT-CR7": a particular strain of fungus acting as a beneficial endophyte controlling targeted crop diseases and increasing crop yield (see Patent Family 3 in table below);
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 (see Patent Families 5 and 6 in table below).

The tables below show the current status of the patents by country, including filing and grant dates (where relevant) for the 6 families:

FAMILY 1 - PLANT TREATMENT APPARATUS

The patents in this family generally describe a tray used in a bee vectoring system and a method for dusting bees using the tray. The tray holds an amount of a treatment formulation and is positionable in an exit path of a bee hive; specific features include posts that act as obstacles around which the bees must walk and a top that can be removed from a pre-filled tray.

Country	Status	Comments	Earliest Priority Date	Filing Date	Issue Date
Brazil	Pending		7-Apr-11	4-Apr-12	-
Canada (#1)	Granted (CA Pat. No. 2832518)		7-Apr-11	4-Apr-12	27-Sep-16
Canada (#2)	Granted (CA Pat. No. 2934312)	This is a divisional filed to pursue additional subject matter.	7-Apr-11	4-Apr-12	13-Aug-19
Canada (#3)	Pending	This is a divisional filed to pursue additional subject matter.	7-Apr-11	4-Apr-12	-
Chile	Granted (CL Pat. No. 53.259)		7-Apr-11	4-Apr-12	28-Sep-16
China (#1)	Granted (CN Pat. No. 201280028052.9)		7-Apr-11	4-Apr-12	27-Sep-16
China (#2)	Pending	This is a divisional filed to pursue additional subject matter.	7-Apr-11	4-Apr-12	-
European Patent Application	Granted (EP Pat. No. 2693871)		7-Apr-11	4-Apr-12	22-Feb-17
Belgium	Granted (EP Pat. No. 2693871)		7-Apr-11	4-Apr-12	22-Feb-17
Switzerland	Granted (EP Pat. No. 2693871)		7-Apr-11	4-Apr-12	22-Feb-17
Germany	Granted (EP Pat. No. 2693871)		7-Apr-11	4-Apr-12	22-Feb-17
Spain	Granted (EP Pat. No. 2693871)		7-Apr-11	4-Apr-12	22-Feb-17
France	Granted (EP Pat. No. 2693871)		7-Apr-11	4-Apr-12	22-Feb-17
United Kingdom	Granted (EP Pat. No. 2693871)		7-Apr-11	4-Apr-12	22-Feb-17
Greece	Granted (EP Pat. No. 2693871)		7-Apr-11	4-Apr-12	22-Feb-17
Hungary	Granted (EP Pat. No. 2693871)		7-Apr-11	4-Apr-12	22-Feb-17
Italy	Granted (EP Pat. No. 2693871)		7-Apr-11	4-Apr-12	22-Feb-17
Netherlands	Granted (EP Pat. No. 2693871)		7-Apr-11	4-Apr-12	22-Feb-17
Poland	Granted (EP Pat. No. 2693871)		7-Apr-11	4-Apr-12	22-Feb-17
Portugal	Granted (EP Pat. No. 2693871)		7-Apr-11	4-Apr-12	22-Feb-17
Romania	Granted (EP Pat. No. 2693871)		7-Apr-11	4-Apr-12	22-Feb-17
Serbia	Granted (EP Pat. No. 2693871)		7-Apr-11	4-Apr-12	22-Feb-17
Turkey	Granted (EP Pat. No. 2693871)		7-Apr-11	4-Apr-12	22-Feb-17
European Patent Application	Pending	This is a divisional filed to pursue additional subject matter.	7-Apr-11	4-Apr-12	-
Israel	Granted (IL Pat. No. 228762)		7-Apr-11	4-Apr-12	1-Mar-18
India (#1)	Pending		7-Apr-11	4-Apr-12	-
India (#2)	Pending	This is a divisional filed to pursue additional subject matter.	7-Apr-11	4-Apr-12	-
Japan (#1)	Granted (JP Pat. No. 6066496)		7-Apr-11	4-Apr-12	6-Jan-17
Japan (#2)	Granted (JP Pat. No. 6396950)	This is a divisional filed to pursue additional subject matter.	7-Apr-11	4-Apr-12	7-Sep-18
South Korea (#1)	Granted (KR Pat. No. 10-1968483)		7-Apr-11	4-Apr-12	8-Apr-19
South Korea (#2)	Pending	This is a divisional filed to pursue additional subject matter.	7-Apr-11	4-Apr-12	-
Mexico (#1)	Granted (MX Pat. No. 342194)		7-Apr-11	4-Apr-12	20-Sep-16
Mexico (#2)	Pending	This is a divisional filed to pursue additional subject matter.	7-Apr-11	4-Apr-12	-
Peru	Granted (PE Pat. No. 8954)		7-Apr-11	4-Apr-12	27-Jun-18
Philippines (#1)	Granted (PH Pat. No. 1-2013-502275)		7-Apr-11	4-Apr-12	29-Jan-18
Philippines (#2)	Granted (PH Pat. No. 1-2015-502049)	This is a divisional filed to pursue additional subject matter.	7-Apr-11	4-Apr-12	22-Nov-18
Russian Federation	Granted (RU Pat. No. 2591722)		7-Apr-11	4-Apr-12	20-Jul-16
Ukraine	Granted (UA Pat. No. 116760)		7-Apr-11	4-Apr-12	10-May-18
United States of America (#1)	Granted (US Pat. No. 9357752)		7-Apr-11	4-Apr-12	27-Jun-16
United States of America (#2)	Pending (Allowed, Awaiting Issuance)	This is a continuation filed to pursue additional subject matter.	7-Apr-11	4-Apr-12	-

FAMILY 2 - PLANT TREATMENT FORMULATION

The patents in this family generally describe a powdered plant treatment formulation for application to plants by insect vectoring. The formulation includes, among other ingredients, a particulate calcium silicate and a plant treatment agent, such as a microbial agent and is combined with the particulate calcium silicate.

Country	Status	Comments	Earliest Priority Date	Filing Date	Issue Date
Australia	Granted (AU Pat. No. 2013232699)		12-Mar-12	11-Mar-13	16-Jun-16
Brazil	Pending		12-Mar-12	11-Mar-13	-
Canada	Granted (CA Pat. No. 2867076)		12-Mar-12	11-Mar-13	27-Sep-16
Chile	Pending		12-Mar-12	11-Mar-13	-
Israel	Granted (IL Pat No. 234490)		12-Mar-12	11-Mar-13	30-Sep-17
India	Pending		12-Mar-12	11-Mar-13	-
Mexico	Granted (MX Patent No. 360682)		12-Mar-12	11-Mar-13	13-Nov-18
Russian Federation	Granted (RU Pat. No. 2653885)		12-Mar-12	11-Mar-13	15-May-18
United States of America (#1)	Granted (US Pat. No. 9380777)		12-Mar-12	11-Mar-13	5-Jul-16
United States of America (#2)	Granted (US Pat. No. 9968099)	This is a continuation filed to pursue additional subject matter.	12-Mar-12	11-Mar-13	15-May-18

FAMILY 3 - FUNGUS STRAIN

The patents in this family generally describe an isolated culture comprising the *Clonostachys rosea* strain IDAC 040913-01 (termed BVT Cr-7) useful as a biological control agent for the treatment of plants, including compositions, formluation, and/or methods including the culture and/or spores obtained from the culture.

Country	Status	Comments	Earliest Priority Date	Filing Date	Date Issued
Australia	Pending (Allowed)		11-Sep-13	11-Sep-14	-
Brazil	Pending		11-Sep-13	11-Sep-14	-
Canada	Pending		11-Sep-13	11-Sep-14	-
Chile	Pending (Allowed)		11-Sep-13	11-Sep-14	-
China	Pending		11-Sep-13	11-Sep-14	-
European Patent Application	Granted (EP Pat. No. 3044307)		11-Sep-13	11-Sep-14	19-Dec-18
Belgium	Granted (EP Pat. No. 3044307)		11-Sep-13	11-Sep-14	19-Dec-18
Switzerland	Granted (EP Pat. No. 3044307)		11-Sep-13	11-Sep-14	19-Dec-18
Germany	Granted (EP Pat. No. 3044307)		11-Sep-13	11-Sep-14	19-Dec-18
Spain	Granted (EP Pat. No. 3044307)		11-Sep-13	11-Sep-14	19-Dec-18
France	Granted (EP Pat. No. 3044307)		11-Sep-13	11-Sep-14	19-Dec-18
United Kingdom	Granted (EP Pat. No. 3044307)		11-Sep-13	11-Sep-14	19-Dec-18
Greece	Granted (EP Pat. No. 3044307)		11-Sep-13	11-Sep-14	19-Dec-18
Italy	Granted (EP Pat. No. 3044307)		11-Sep-13	11-Sep-14	19-Dec-18
Netherlands	Granted (EP Pat. No. 3044307)		11-Sep-13	11-Sep-14	19-Dec-18
Poland	Granted (EP Pat. No. 3044307)		11-Sep-13	11-Sep-14	19-Dec-18
Portugal	Granted (EP Pat. No. 3044307)		11-Sep-13	11-Sep-14	19-Dec-18
Romania	Granted (EP Pat. No. 3044307)		11-Sep-13	11-Sep-14	19-Dec-18
Serbia	Granted (EP Pat. No. 3044307)		11-Sep-13	11-Sep-14	19-Dec-18
Turkey	Granted (EP Pat. No. 3044307)		11-Sep-13	11-Sep-14	19-Dec-18
Israel	Pending		11-Sep-13	11-Sep-14	-
India	Pending		11-Sep-13	11-Sep-14	-
Japan	Granted (JP Pat. No. 6526011)		11-Sep-13	11-Sep-14	7-May-19
South Korea	Pending		11-Sep-13	11-Sep-14	-
Mexico	Granted (MX Pat. No. 365159)		11-Sep-13	11-Sep-14	24-May-19
Peru	Pending		11-Sep-13	11-Sep-14	-
Philippines	Pending		11-Sep-13	11-Sep-14	-
Russian Federation	Granted (RU Pat. No. 2689608)		11-Sep-13	11-Sep-14	28-May-19
Ukraine	Granted (UA Pat. No. 118856)		11-Sep-13	11-Sep-14	25-Mar-19
United States of America (#1)	Granted (US Pat. No. 9758758)		11-Sep-13	11-Sep-14	12-Sep-17
United States of America (#2)	Granted (US Pat. No. 10273445)	This is a continuation filed to pursue additional subject matter.	11-Sep-13	11-Sep-14	30-Apr-19

FAMILY 4 - PLANT TREATMENT APPARATUS (Gen 2)					
The patents in this family generally describe a bee vectoring apparatus with a tray in an exit path of a bee hive, the tray received in a compartment having an openable lid for covering the tray when the lid is closed, the lid including a door element attached to the lid so that opening the tray lid closes the door to block the path and prevent access to the tray compartment by bees from the hive, and closing the lid opens the door to permit bee access to the tray compartment.					
Country	**Status**	**Comments**	**Earliest Priority Date**	**Filing Date**	**Issue Date**
Canada	Granted (CA Pat. No. 2899257)		1-Feb-13	3-Feb-14	9-May-17
European Patent Application	Granted (EP Pat. No. 2950640)		1-Feb-13	3-Feb-14	12-Sep-18
Belgium	Granted (EP Pat. No. 2950640)		1-Feb-13	3-Feb-14	12-Sep-18
Spain	Granted (EP Pat. No. 2950640)		1-Feb-13	3-Feb-14	12-Sep-18
France	Granted (EP Pat. No. 2950640)		1-Feb-13	3-Feb-14	12-Sep-18
Greece	Granted (EP Pat. No. 2950640)		1-Feb-13	3-Feb-14	12-Sep-18
Italy	Granted (EP Pat. No. 2950640)		1-Feb-13	3-Feb-14	12-Sep-18
Netherlands	Granted (EP Pat. No. 2950640)		1-Feb-13	3-Feb-14	12-Sep-18
Turkey	Granted (EP Pat. No. 2950640)		1-Feb-13	3-Feb-14	12-Sep-18
Japan	Granted (JP Pat. No. 6396926)		1-Feb-13	3-Feb-14	7-Sep-18
South Korea	Pending		1-Feb-13	3-Feb-14	-
United States of America	Granted (US Pat. No. 9526233)		1-Feb-13	3-Feb-14	27-Dec-16

FAMILY 5 - AUTOMATED DISPENSER FOR HONEY BEE HIVE (GEN 1 DISPENSER)					
The patents in this family generally describe an automated inoculation system for a bee hive, including a controller for controlling operation of an inoculum dispenser depositing inoculum in a bee pathway.					
Country	**Status**	**Comments**	**Earliest Priority Date**	**Filing Date**	**Issue Date**
Brazil	Pending		2-Dec-16	1-Dec-17	-
Canada	Pending		2-Dec-16	1-Dec-17	-
China	Pending		2-Dec-16	1-Dec-17	-
Europe	Pending		2-Dec-16	1-Dec-17	-
India	Pending		2-Dec-16	1-Dec-17	-
Mexico	Pending		2-Dec-16	1-Dec-17	-
Ukraine	Pending		2-Dec-16	1-Dec-17	-
United States of America	Pending		2-Dec-16	1-Dec-17	-

Development of Business Activities

The business opportunity for the Issuer is global given that crops are grown across all countries and farmers need tools to manage various pest pressures and increase the crop yields in an environmentally responsible manner everywhere. To bring the Issuer's system to market in a given jurisdiction requires a series of business activities that include (1) conducting local trials in select crops to validate the system's efficacy and performance under the local environmental conditions, (2) pursuing regulatory approval from the local governmental agency in order to make crop protection claims, and (3) developing a go to market strategy to reach the local growers.

The Issuer is currently pursuing the following activities in different jurisdictions around the world. Other jurisdictions are under evaluation to assess their attractiveness and the size of the opportunity.

Region	Jurisdiction	Trials	Regulatory approval	Route to market
North America	USA	Complete for initial set of crops using contract and university researchers Being planned for expansion into additional crops.	• Gained approval from US EPA (Environmental Protection Agency) as a biological fungicide • Approved for organic production under the USDA National Organic Program • Review under process with California's Dept. of Pesticide Regulation	• Selling to farmers directly (not yet in California) • Talking to potential partners for distribution in select crops or markets
	Mexico	Ongoing for regulatory submission and	• Completed official trials with government approved researchers as required for the regulatory approval	• Evaluating potential partners

Region	Jurisdiction	Trials	Regulatory approval	Route to market
		marketing demonstrations with select growers	process • Planned submission for regulatory approval in 2020 with COFEPRIS, the Mexican government regulatory agency	
	Canada	Ongoing through local permitting requirements to build data that is required for regulatory submission	• Planned submission to Health Canada's PMRA once the efficacy trials have been completed	• Evaluating potential partners
Europe	Switzerland	Ongoing	• Submission to Swiss Federal Office for Agriculture under review	• Talking to key growers • Evaluating potential partners
	European Union	Ongoing using contract research organizations to build data that is required for regulatory submission and to generate interest with partners	• Planned submission to the EU's European Food Safety Authority (EFSA) within the next 24 months	• Evaluating potential partners

Significant Projects

The Issuer is undertaking several projects with an objective to expand the addressable market for its technology. These projects include regulatory approval processes to gain license to operate in additional countries beyond the US, and product line extensions. These projects require a lot of coordinated planning and execution across multiple functions of the Issuer and can take several years to complete. Timelines are also affected by factors outside the Issuer's control such as environmental conditions affecting the outcome of field trials, or response time from governmental approval agencies.

These projects require cash expenditures which can be significant in some cases. The start of these projects is dependent on the Issuer having enough cash to fund them, and so the larger projects (for example pursuing regulatory approval in the European Union) are contingent upon securing the required financing.

The table below summarizes some of these significant projects, complete with the planned timelines assuming adequate financing is secured.

Significant BVT Projects

		Description	Current status		Plan & timeline				
						2020	2021	2022	2023
Regulatory approvals	California	Gain regulatory approval and license to sell in California (through California Department of Pesticide Regulation -- CA-DPR)	**In progress (subject to backlog at CA-DPR)**		Submit ✓	Approval	Approval		
	Mexico	Gain regulatory approval and license to sell in Mexico	**In preparation stages**			Submit	Approval	Approval	
	Switzerland	Gain regulatory approval and license to sell in Switzerland	**In progress (file in review by authorities)**		Submit ✓	Approval			
	EU	Gain regulatory approval and license to sell in the European Union member countries.	**Regulatory strategy to be formulated end-2020**	Active substance		Strategy	Submit	Approval	
				End use product				Submit	Approval
	Canada	Gain regulatory approval and license to sell in Canada	**Start planning end-2020**				Submit		Approval
Product extensions	In-licensing	Develop bee-delivered applications for additional biological products to control additional pests on a crop	**Lab evaluations to select lead candidates for field trials**	Development		Field test	Field test	Field test	
				Business development			Negotiate	Negotiate	
				Regulatory			Submit	Submit	Approval
	Foliar	Develop a foliar spray and/or seed treatment formulation for BVT's Cr-7 strain	**Started discussions with third party collboratin partners**	Development			Field test	Field test	
				Regulatory				Submit	Approval

Information concerning production and sales:

a) the actual or proposed method of production of products and if the Issuer provides services, the actual or proposed method of providing services;

The Issuer grows its beneficial microbe Clonostachys rosea strain BVT CR-7 on growth media using a fermentation process, formulates it with different inert ingredients into a powder form, and packages pre-measured amounts of the formulated product into trays and pouches. These trays and pouches are shipped to a distribution site, or directly to a farm location, where the tray is placed inside a bumble bee hive, or the contents of the pouch are emptied into a dispenser cartridge that is attached to the outside of a commercial honeybee hive.

b) the payment terms, expiration dates and terms of any renewal options of any material leases or mortgages, whether they are in good standing and, if applicable, that the landlord or mortgagee is a Related Person of the Issuer;

The Issuer leases about 6900 sq feet of office and lab space in Mississauga, Ontario. The current rent is in good standing at $8.50 per square foot. The term expires in October 2020, and the Issuer is in discussion with the landlord on extension and/or renewal options.

c) specialized skill and knowledge requirements and the extent that the skill and knowledge are available to the Issuer;

The Issuer has extensive knowledge in the development, registration, and marketing of agricultural input products on a global scale through its team of employees and consultants. In addition, the Issuer has technical people who are well versed in process development, microbiology, agronomy and field biology, and is connected to a network of leading bee experts in North America and Europe.

d) the sources, pricing and availability of raw materials, component parts or finished products;

The Issuer sources raw materials for production and lab needs through various common chemical and raw material suppliers across Canada and the US.

e) the importance, duration and effect on the segment of identifiable intangible properties such as brand names, circulation lists, copyrights, franchises, licences, patents, software, subscription lists and trademarks;

The Issuer has built a strong intellectual property portfolio which includes over 65 granted patents. These patents are described in greater detail under Section 4.1 – Description of the Business – Patents.

f) the extent to which the business of the segment is cyclical or seasonal;

The Issuer operates in the agriculture sector, and its business is thus subject to the seasonal nature of crop cycles. For many outdoor crops, the growing season occurs once a year and the business opportunity for BVT is during the blooming period of the crop which is a few weeks, whereas for some crops grown in greenhouses, the season can be longer.

g) a description of any aspect of the Issuer's business that may be affected in the 12 months following the date of the Listing Statement by renegotiation or termination of contracts or sub-contracts and the likely effect;

None

h) the financial and operational effects of environmental protection requirements on the capital expenditures, earnings and competitive position of the Issuer in the current financial year and the expected effect, on future years;

None

i) the number of employees, as at the most recent financial year end or as an average over that year, whichever is more relevant;

The Issuer has 4 employees (3 employed in Canada, and 1 through its wholly owned US subsidiary). In addition, the Issuer has contracts with 5 independent contractors who supply technical and commercial services for the Issuer.

j) any risks associated with foreign operations of the Issuer and any dependence of the segments upon the foreign operations;

The Issuer is conducting trials in Morocco and Mexico and it is also in discussions with well-established commercial partners in each region that have expressed interest in collaborating with BVT to bring the BVT System to market for growers in Mexico and Morocco. The Issuer does not have operations in other foreign jurisdictions outside of Canada or the United States, therefore there are no material risks associated with foreign operations.

k) a description of any contract upon which your company's business is substantially dependent, such as a contract to sell the major part of your company's products or services or to purchase the major part of your company's requirements for goods, services or raw materials, or any franchise or licence or other agreement to use a patent, formula, trade secret, process or trade name upon which your company's business depends;

None

l) a description of any aspect of your company's business that you reasonably expect to be affected in the current financial year by renegotiation or termination of contracts or sub-contracts, and the likely effect.

None

Competitive Conditions

With respect to the BVT-CR7 bio-control, BVT will be competing against current technology, i.e. the spraying of chemical pesticides. The concept of bee-vectoring as a means of delivering inoculant bio pesticides is not new and it is possible that other competitors are working on similar systems and inoculants. Biobest is a company that specializes in the commercial supply of bumblebees and biological solutions using pollination. Biobest has developed a dispenser system used in Europe that could compete with BVT’s Tray System. However, Biobest’s dispenser system differs materially from the BVT System in both size and efficacy, and BVT believes its Tray System has a competitive advantage in these regards. Biobest provides growers with products in almost 70 countries from its headquarters in Belgium, it has 22 subsidiaries and more than 120 distributors in almost 70 countries, including Canada and the United States.

Lending Operations

Not applicable.

Bankruptcy or Receivership Proceedings

Not applicable.

Material Restructuring Transactions

Not applicable.

Social or Environmental Policies

Not applicable.

4.2 Companies with Asset-Backed Securities Outstanding

This is not applicable to the Issuer.

4.3 Mineral Projects

This is not applicable to the Issuer.

4.4 Oil and Gas Operations

This is not applicable to the Issuer.

5. SELECTED CONSOLIDATED FINANCIAL INFORMATION

5.1 Annual Information

The following table is a summary of selected audited financial information of the Issuer for the fiscal years ended September 30, 2019, 2018 & 2017 and for the six month period ended March 31, 2020. The information should be read in conjunction with the Audited Financial Statements and related notes thereto, which are attached.

	Six month period ended March 31, 2020 $	*Year ended September 30, 2019 (audited) $*	*Year ended September 30, 2018 (audited) $*	*Year ended September 30, 2017 (audited) $*
Statement of Operation				
Sales	273,195	58,176	-	-
Cost of Sales	(164,991)	(44,865)	-	-
Expenses	(3,468,033)	(2,942108)	(2,959,973)	(3,046,846)
Other Items	(13,380)	(30,972)	(32,887)	(55,068)
Net Income / Losses	(3,454,653)	**(2,897,825)**	**(2,992,860)**	**(3,101,915)**
Financial Position				
Current Assets	961,277	519,949	2,840,570	1,804,204
Total Assets	3,042,428	2,335,237	4,152,625	2,117,819
Total Liabilities	777,962	735,230	281,359	298,735
Common Shareholder's Equity	3,042,428	**1,600,007**	**3,871,266**	**1,819,084**

5.2 Quarterly Information

The following information is in respect of the Issuer for the eight quarters preceding the date of this Listing Statement:

	March 31, 2020 $	**December 31, 2019 $**	**September 30, 2019 $**	**June 30, 2019 $**
Total Assets	3,042,428	2,843,714	2,335,237	2,199,144
Working Capital (Deficiency)	183,315	552,414	(215,281)	399,415
Revenue	216,963	56,232	-	-
Loss and comprehensive loss	(738,210)	(2,716,443)	(748,515)	(657,516)
Loss per Common Share	(0.01)	(0.03)	(0.01)	(0.01)

	March 31, 2019 $	December 31, 2018 $	September 30, 2018 $	June 30, 2018 $
Total Assets	2,546,279	3,487,759	4,152,625	4,603,121
Working Capital (Deficiency)	1,008,605	1,900,911	2,559,211	3,294,814
Revenue	58,176	-	-	-
Loss and comprehensive loss	(846,958)	(644,836)	(703,669)	(710,775)
Loss per Common Share	(0.01)	(0.01)	(0.01)	(0.01)

5.3 Dividends

The Issuer has never declared, nor paid, any dividend since its incorporation and does not foresee paying any dividend in the near future since all available funds will be used to develop the business. Any future payment of dividends will depend on the financing requirements and financial condition of the Issuer and other factors which the board, in its sole discretion, may consider appropriate and in the best interests of the Issuer. Under the OBCA, the Issuer is prohibited from declaring or paying dividends if there are reasonable grounds for believing that the Issuer is insolvent, or the payment of dividends would render the Issuer insolvent.

5.4 Foreign GAAP

This is not applicable to the Issuer.

6. MANAGEMENT'S DISCUSSION AND ANALYSIS

Copies of the MD&As related to the Audited Financial Statements and Interim Financial Statements previously filed with applicable securities commissions are available on the Issuer's SEDAR profile at www.sedar.com. and are attached as Schedule "C" and Schedule "D" to this Listing Statement.

7. MARKET FOR SECURITIES

The Common Shares were listed on the TSXV on April 3, 2012 and voluntarily delisted on August 20, 2020. The Common Shares are also listed and posted for trading on the following stock exchanges:

- OTC QB under the symbol "BEVVF";
- Stuttgart Stock Exchange under the symbol "1UR1.SG";
- Munich Stock Exchange under the symbol "1UR1.MU"
- Frankfurt Stock Exchange under the symbol "1UR1.F"; and
- Berlin Stock Exchange under the symbol "1UR1.BE".

8. CONSOLIDATED CAPITALIZATION

There are no material changes to the share and loan capital of the Issuer since the date of the Annual Financial Statements, other than the issuance of the following securities:

Date	Number of Securities	Type of Securities	Reason for Issuance
July 16, 2020	25,000	Common Shares	RSU Conversion
July 10, 2020	1,500,000	Common Shares	RSU Conversion
July 6, 2020	1,500,000	RSU	Issuance of RSU
June 30, 2020	1,111,111	Units comprised of Common Shares and Warrants	Private Placement of Units
June 18, 2020	14,105	Common Shares	Exercise of Options
May 29, 2020	150,000	Common Shares	Warrant Exercise
May 19, 2020	25,000	Common Shares	RSU Conversion
May 19, 2020	29,750	Warrants	Issuance of Finders Warrants
May 19, 2020	1,999,576	Units comprised of Common Shares and Warrants	Private Placement of Units
May 14, 2020	350,000	Common Shares	Warrant Exercise
May 12, 2020	50,000	RSU	Issuance of RSU
May 1, 2020	375,000	Common Shares	Warrant Exercise
April 28, 2020	116,000	Common Shares	Warrant Exercise
April 24, 2020	125,000	Common Shares	Warrant Exercise
April 15, 2020	50,000	RSU	Issuance of RSU

The following table sets forth the capitalization of the Issuer, as at the date of the Annual Financial Statements for the year ended September 30, 2019, the Interim Financial Statements for the 2nd quarter ended March 31, 2020 and the date of this listing statement:

Designation of Security	Amount Authorized	Amount Outstanding as of September 30, 2019	Amount Outstanding as of March 31, 2020	Amount Outstanding as of the dates of this Listing Statement
Common Shares	Unlimited	78,327,329	88,054,811	93,604,603
Warrants	N/A	14,461,000	19,557,708	21,582,145
Special Warrants	N/A	Nil	Nil	Nil
Stock Options	15,519,854(1)	6,960,018	12,460,787	12,296,682
RSUs	15,519,854(1)	Nil	Nil	50,000

(1) The Issuer's fixed stock option plan allows for a total combined amount of 15,519,854 Stock Options and RSUs to be granted to eligible persons.

9. OPTIONS TO PURCHASE SECURITIES

The following information is in respect of the issued and outstanding Stock Options as of the date of this Listing Statement:

Position of Optionee	Number of Stock Options	Date of Grant	Exercise Price	Closing Price on Date of Grant	Expiry Date
2 Executive Officers and 2 Past Executive Officers of the Issuer	75,000 200,000 1,000,000 362,577 1,075,000	16-Nov 2015 23-Jun-2016 30-Aug-2016 22-Mar-2019 30-Oct-2019	\$0.43 \$0.50 \$0.32 \$0.195 \$0.31	\$0.43 \$0.485 \$0.42 \$0.195 \$0.38	16-Nov-2020 23-Jun-2021 30-Aug-2026 22-Mar-2024 30-Oct-2024
4 Directors of the Issuer	1,240,000 200,000 600,000 200,000 1,063,800 2,250,000	06-Jul-2015 16-Nov-2015 28-Mar-2018 25-Apr-2018 22-Mar-2019 30-Oct-2019	\$0.285 \$0.43 \$0.25 \$0.25 \$0.195 \$0.31	\$0.31 \$0.43 \$0.27 \$0.28 \$0.195 \$0.38	06-Jul-2025 16-Nov-2020 28-Mar-2023 25-Apr-2023 22-Mar-2024 30-Oct-2024
Employees and Past Employees of the Issuer	175,000 25,000 96,923 225,000	01-Mar-2018 07-Feb-2019 22-Mar-2019 30-Oct-2019	\$0.25 \$0.16 \$0.195 \$0.31	\$0.255 \$0.16 \$0.195 \$0.38	01-Mar-2023 07-Feb-2021 22-Mar-2024 30-Oct-2024
Consultants of the Issuer	50,000 340,000 1,600 125,000 100,000 200,000 190,000 251,782 50,000 2,200,000 50,000	30-Jun-2015 06-Jul-2015 08-Aug-2015 23-Jun-2016 01-Oct-2016 21-Apr-2017 01-Mar-2018 22-Mar-2019 16-Sep-2019 30-Oct-2019 12-May-2020	\$0.285 \$0.285 \$0.30 \$0.50 \$0.32 \$0.25 \$0.25 \$0.195 \$0.24 \$0.31 N/A (RSU)	\$0.11 \$0.31 \$0.30 \$0.485 \$0.34 \$0.295 \$0.255 \$0.195 \$0.26 \$0.38 \$0.38	30-Jun-2025 06-Jul-2025 08-Aug-2020 23-Jun-2021 01-Oct-2021 21-Apr-2022 01-Mar-2023 22-Mar-2024 16-Sep-2024 30-Oct-2024 12-May-2025
TOTAL	12,296,682 50,000	Stock Options RSUs			

10. DESCRIPTION OF THE SECURITIES

10.1 Description of the Securities

Common Shares

The Issuer is authorized to issue an unlimited number of Common Shares without par value.

Each Common Share ranks equally with all other Common Shares with respect to distribution of assets upon dissolution, liquidation or winding-up of the Issuer and payment of dividends. The holders of the Common Shares will be entitled to one vote for each Common Share on all matters to be voted on by such holders and are entitled to receive pro rata such dividends as may be declared by the directors of the Issuer. The holders of Common Shares have no pre-emptive or conversion rights. The rights attaching to the Common Shares can only be modified by the affirmative vote of at least two-thirds of the votes cast at a meeting of shareholders called for that purpose.

As of the date hereof, 93,604,603 Common Shares are outstanding.

Warrants

As at the date hereof, there are Warrants issued and outstanding in the capital of the Issuer as follows:

Date of Issuance	Number of Warrants Issued	Exercise Price	Expiry Date
March 28, 2018	10,984,000	$0.35	March 28, 2021
October 23, 2019	2,800(1)	$0.40	April 23, 2021
November 28, 2019	115,177(1)	$0.45	May 28, 2021
November 28, 2019	49,980(2)	$0.35	May 28, 2021
February 24, 2020	4,242,104	$0.40	April 23, 2021
March 29, 2020	3,047,647	$0.45	May 28, 2021
May 19, 2020	1,999,576	$0.5375	May 19, 2022
May 19, 2020	29,750(1)	$0.5375	May 19, 2022
June 30, 2020	1,111,111	$0.525	June 30, 2022
TOTAL	21,384,438 Warrants 147,727 Finder's Warrants 49,980 Finder's Units		

(1) Finders Warrants.
(2) Finders Units; each Unit is exercisable to purchase one Common Share and one additional Warrant exercisable to purchase one Common Share at a price $0.45 until May 28, 2021.

Special Warrants

As at the date hereof, there are Nil Special Warrants issued and outstanding in the capital of the Issuer.

10.2 Debt Securities

This is not applicable to the Issuer.

10.3 Other Securities

This is not applicable to the Issuer.

10.4 Modification of Terms

This is not applicable to the Issuer.

10.5 Other Attributes

This is not applicable to the Issuer.

10.6 Prior Sales

The following table summarizes details of the Common Shares issued by the Issuer during the twelve (12) month period before the date of this Listing Statement and delisting from the TSX-V on August 20, 2020:

Date of Issuance	Number of Common Shares	Issue Price Per Common Share	Reason for Issuance
July 16, 2020	25,000	$0.445	RSU Conversion
July 10, 2020	1,500,000	$0.40	RSU Conversion

Date of Issuance	Number of Common Shares	Issue Price Per Common Share	Reason for Issuance
June 30, 2020	1,111,111	$0.315	Private Placement of Units(1)
June 18, 2020	14,105	$0.195	Exercise of Stock Options
May 29, 2020	150,000	$0.35	Exercise of Warrants
May 19, 2020	25,000	$0.445	RSU Conversion
May 19, 2020	1,999,576	$0.33	Private Placement of Units(2)
May 14, 2020	350,000	$0.35	Exercise of Warrants
May 1, 2020	375,000	$0.35	Exercise of Warrants
April 28, 2020	116,000	$0.35	Exercise of Warrants
April 24, 2020	125,000	$0.35	Exercise of Warrants
March 31, 2020	400,000	$0.35	Exercise of Warrants
March 30, 2020	3,047,647	N/A	Conversion of Special Warrants from SW Offering
March 23, 2020	109,231	$0.195	Exercise of Stock Options
March 10, 2020	75,000	$0.35	Exercise of Warrants
March 9, 2020	100,000	$0.35	Exercise of Warrants
March 6, 2020	75,000	$0.35	Exercise of Warrants
March 5, 2020	150,000	$0.31	Exercise of Stock Options
March 5, 2020	125,000	$0.35	Exercise of Warrants
March 3, 2020	62,500	$0.35	Exercise of Warrants
February 28, 2020	100,000	$0.35	Exercise of Warrants
February 24, 2020	4,242,104	N/A	Conversion of Special Warrants from Second SW Offering
February 21, 2020	35,000	$0.35	Exercise of Warrants
January 31, 2020	37,500	$0.35	Exercise of Warrants
January 24, 2020	100,000	$0.35	Exercise of Warrants
January 15, 2020	30,000	$0.195	Exercise of Stock Options
January 15, 2020	50,000	$0.35	Exercise of Warrants
January 13, 2020	125,000	$0.35	Exercise of Warrants
January 6, 2020	50,000	$0.35	Exercise of Warrants
November 7, 2019	100,000	$0.24	Exercise of Stock Options
November 7, 2019	160,000	$0.25	Exercise of Stock Options
November 6, 2019	100,000	$0.35	Exercise of Warrants
November 5, 2019	25,000	$0.35	Exercise of Warrants
October 31, 2019	187,500	$0.35	Exercise of Warrants
September 4, 2019	728,059	$0.235	RSU Conversion

(1) The Units are subject to a hold period that expires on October 31, 2020.
(2) The Units are subject to a hold period that expires September 20, 2020.

The following table summarized details of the Warrants issued by the Issuer during the twelve (12) month period before the date of this Listing Statement:

Date of Issuance	Number of Warrants	Exercise Price	Reason for Issuance
October 23, 2019	2,800	$0.40	Finder's fee payable on SW Offering
November 28, 2019	115,177	$0.45	Finder's fee payable on Second SW Offering
November 28, 2019	49,980	$0.35	Finder's fee payable on Second SW Offering(1)
February 24, 2020	4,242,104	$0.40	Conversion of SW Offering
March 29, 2020	3,047,647	$0.45	Conversion of Second SW Offering

Date of Issuance	Number of Warrants	Exercise Price	Reason for Issuance
May 19, 2020	1,999,576	$0.5375	Private Placement of Units(2)
May 19, 2020	29,750	$0.5375	Finder's fee payable on Private Placement of Units(2)
June 30, 2020	1,111,111	$0.525	Private Placement of Units(3)

(1) Exercisable for one common share and one common share purchase warrant with an exercise price of $0.35 until May 28, 2021.
(2) Any Common Shares acquired pursuant to the exercise of these Warrants will have a hold period that expires September 20, 2020.
(3) Any Common Shares acquired pursuant to the exercise of these Warrants will have a hold period that expires October 31, 2020.

The following table summarized details of the Special Warrants issued by the Issuer during the twelve (12) month period before the date of this Listing Statement:

Date of Issuance	Number of Special Warrants	Issue Price per Special Warrant	Reason for Issuance
October 23, 2019	4,242,104	$0.25	Private placement of Special Warrants
November 28, 2019	3,047,647	$0.35	Private placement of Special Warrants

10.7 Stock Exchange Price

The Common Shares were listed on the TSXV under the symbol "BEE.V" until August 20, 2020. The following table sets out the high and low trading price and volume of trading of the Common Shares on the TSXV during the preceding eight quarters:

Period Type	Period End Date	High ($)	Low ($)	Volume
Month	August 1 – August 14, 2020	0.40	0.36	796,641
Month	July 31, 2020	0.42	0.36	8,348,823
Month	June 30, 2020	0.44	0.35	1,695,154
Month	May 31, 2020	0.435	0.38	1,974,946
Month	April 30, 2020	0.48	0.34	3,411,681
Month	March 31, 2020	0.53	0.28	7,095,770
Quarter	February 29, 2020	0.68	0.35	22,521,782
Quarter	November 31, 2019	0.54	0.17	19,098,526
Quarter	August 31, 2019	0.26	0.14	3,227,689
Quarter	May 31, 2019	0.215	0.16	2,453,430
Quarter	February 28, 2019	0.195	0.13	2,807,580
Quarter	November 31, 2018	0.25	0.16	3,184,492
Quarter	August 31, 2018	0.30	0.17	3,951,105

11. ESCROWED SECURITIES

As of the date hereof, the Issuer does not have any securities held in escrow.

12. PRINCIPAL SHAREHOLDERS

As at the date of this Listing Statement, 93,604,603 Common Shares are issued and outstanding. To the knowledge of the Issuer, the following person owns, directly or indirectly, 10% or more of the issued and outstanding Common Shares:

Name of Common Shareholder	Number of Common Shares Owned	Percentage of Outstanding Common Shares[(1)]
CDS & Co[(1)]	88,403,208	94.44%

(1) CDS & Co is a share depository, the beneficial ownership of which is unknown to the Issuer.

13. DIRECTORS AND OFFICERS

13.1 Directors and Executive Officers of the Issuer

The Board of Directors is composed of three members, as set out below.

The name, municipality of residence, position or office held with the Issuer and principal occupation of each director and executive officer of the Issuer, as well as the number of voting securities beneficially owned, directly or indirectly, or over which each exercises control or direction, excluding Common Shares issued on the exercise of convertible securities, are as follows:

Name, Position, Province or State and Country of Residence	Principal Occupation or Employment for the Past Five Years	Date Elected or Appointed	Number of Common Shares Owned, Controlled or Directed, Directly or Indirectly
Ashish Malik Davis, California, USA *CEO & President*	President and CEO of the Issuer.	September 1, 2016	786,325[(4)]
Kyle Appleby Toronto, Ontario, Canada *CFO & Corporate Secretary*	Chartered Professional Accountant.	June 30, 2015	Nil[(5)]
Michael Collinson[(1)] Ontario, Canada *Chairman & Director*	Chairman and Director of the Issuer. Director of Chelsian Sales & Marketing Inc.	June 30, 2015	3,020,923[(6)]
James Molyneux[(1)(2)(3)] Etobicoke, Ontario, Canada *Director*	Chartered Accountant and Regional Managing Partner for GTA West of MNP LLP (Toronto).	June 30, 2015	1,676,159[(7)]

Name, Position, Province or State and Country of Residence	Principal Occupation or Employment for the Past Five Years	Date Elected or Appointed	Number of Common Shares Owned, Controlled or Directed, Directly or Indirectly
Claude Flueckiger(1)(3) Basel, Switzerland *Director*	Consultant at Flueckiger Consulting.	June 30, 2015	Nil(8)
Brandon Boddy Vancouver, British Columbia, Canada *Director*	Principal at Boddy and Co. Investments.	April 25, 2018	521,000(9)

Notes:

(1) Member of the Audit Committee.
(2) Chair of the Audit Committee.
(3) Member of the Compensation Committee.
(4) Mr. Malik also owns 2,332,577 Stock Options and 240,000 Warrants.
(5) Mr. Appleby owns 180,000 Stock Options.
(6) Of these Common Shares, 1,326,794 are held through Chelsian Sales & Marketing Inc., a company controlled by Mr. Collinson. He also owns 2,130,769 Stock Options and 1,356,006 Warrants
(7) Of these Common Shares, 112,500 are held through Pengally Bay Investments Inc., a company controlled by Mr. Molyneux. He also owns 1,170,000 Stock Options.
(8) Mr. Flueckiger owns 1,403,031 Stock Options.
(9) Mr. Boddy also owns 850,000 Stock Options.

13.2 Period of Service of Directors

The term of each director expires on the date of the next annual general meeting, unless his or her office is earlier vacated or he or she is removed in accordance with the Issuer's articles and the OBCA.

13.3 Directors and Executive Officers Common Share Ownership

The directors and executive officers of the Issuer as a group, directly or indirectly, will beneficially own or exercise control or direction over 6,004,407 Common Shares, representing approximately 6.41% of the issued and outstanding Common Shares.

13.4 Committees

Audit Committee

The Audit Committee has a charter. A copy of the Audit Committee charter is attached hereto as Appendix "E".

The Audit Committee consists of Michael Collinson, James Molyneux and Claude Flueckiger, each of whom is a director and financially literate in accordance with NI 52-110. James Molyneux and Claude Flueckiger are independent, as defined under NI 52-110, and Michael Collinson is not independent as he is an officer of the Issuer.

Each member of the Audit Committee has adequate education and experience that would provide the member with:

(a) an understanding of the accounting principles used by the Issuer to prepare its financial statements;

(b) the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and provisions;

(c) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the issuer's financial statements, or experience actively supervising one or more individuals engaged in such activities; and

(d) an understanding of internal controls and procedures for financial reporting.

Compensation Committee

The Compensation Committee is comprised of two directors: James Molyneux and Claude Flueckiger. Both members of the Compensation Committee are independent, as such term is defined in NI 52-110 and in the OBCA. Both members of the Compensation Committee have direct experience that is relevant to their responsibilities as Compensation Committee members. All members are or have held senior executive roles within companies, and therefore have a good understanding of compensation programmes. They also have good financial understanding that allows them to assess the costs versus benefits of compensation plans. The members combined experience provides them with the understanding of the Issuer's success factors and risks, which is very important when determining metrics for measuring success.

13.5 Principal Occupation of Directors and Executive Officers

Information on directors and executive officers’ principal occupation is set out in section 13.1 – Directors and Executive Officers of the Issuer.

13.6 Corporate Cease Trade Orders or Bankruptcies

No director or officer of the Issuer or a shareholder holding a sufficient number of securities of the Issuer to affect materially the control of the Issuer, is, or within 10 years before the date of the Listing Statement has been, a director or officer of any other Issuer that, while that person was acting in that capacity:

(a) was the subject of a cease trade or similar order, or an order that denied the other Issuer access to any exemptions under Ontario securities law, for a period of more than 30 consecutive days;

(b) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days;

(c) 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; or

(d) within a year of that person ceasing to act in that capacity, 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.

13.7 Penalties or Sanctions

No director or officer of the Issuer or a shareholder holding a sufficient number of securities of the Issuer to affect materially the control of the Issuer, is, or has been subject to:

(a) any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority; or

(b) any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision.

13.8 Settlement Agreements

This is not applicable to the Issuer.

13.9 Personal Bankruptcies

No director, officer or Promoter of the Issuer, or a shareholder holding a sufficient amount of securities of the Issuer to affect materially the control of the Issuer, or a personal holding company of any such persons, has, within the 10 years preceding the date of this Listing Statement, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of the individual.

13.10 Conflicts of Interest

To the best knowledge of the Issuer and other than as disclosed herein, there are no known existing or potential material conflicts of interest between the Issuer or a subsidiary of the Issuer and a director, officer or promoter of the Issuer or a subsidiary of the Issuer except that certain directors, officers and promoters of the Issuer serve as directors, officers and promoters of other companies and therefore it is possible that a conflict may arise between their duties as a director, officer or promoter of the Issuer and their duties as a director, officer and promoter of such other companies. See "17 – RISK FACTORS".

The directors, officers and promoters of the Issuer are aware of the existence of laws governing accountability of directors and officers for corporate opportunity and requiring disclosure by directors of conflicts of interest and the Issuer will rely upon such laws in respect of any directors' and officers' conflict of interest or in respect of any breaches of duty by any of its directors or officers. All such conflicts will be disclosed by such directors or officers in accordance with applicable law and they will govern themselves in respect thereof to the best of their ability in accordance with the obligation imposed upon them by law.

13.11 Management Details

The following sets out details of the directors and management of the Issuer**:**

Ashish Malik (Age: 56)

Mr. Ashish Malik is the CEO and President of the Issuer. He was previously the VP of Global Marketing for Biologics at Bayer CropScience. He was responsible for managing the portfolio of biological assets for the Issuer and advancing the strategy to develop integrated crop solutions that include biological products together with traditional chemical products, seeds, traits, seed treatments and services. Mr. Malik joined Bayer CropScience through the Issuer's acquisition of AgraQuest in 2012. At AgraQuest, he was Senior Vice President of Global Marketing and a member of the Issuer's Executive Team. Other previous roles have included Head of Commercial Operations for the Home Care Division at Syngenta, Business Unit Director at Imerys and Marketing Manager at BFGoodrich. Mr. Malik serves on the Board of Directors of the Biopesticides Industry Alliance, holds an MBA with concentrations in Finance and Marketing from Carnegie Mellon University – Tepper School of Business and a bachelor's degree in Engineering from Swarthmore College.

Mr. Malik devotes 100% of his time, as a full time employee, to the affairs of the Issuer. He has an employment contract complete with non-competition and non-disclosure terms with the Issuer.

Kyle Appleby (Age: 45)

Mr. Kyle Appleby has been the CFO and Corporate Secretary of the Issuer since June 30, 2015. Since 2007, Mr. Appleby has been providing CFO services to a number of public and private companies both domestic and international. He has focused on assisting companies with financial reporting and controls, governance, operations, regulatory compliance and taxation. Prior to 2007, Mr. Appleby worked for several public accounting firms in Canada. He is a member in good standing of the Chartered Professional Accountants of Canada and the Chartered Professional Accountants of Ontario.

Mr. Appleby devotes 20% of his time, as an independent contractor, to the affairs of the Issuer. He has not entered into a non-competition or non-disclosure agreement with the Issuer.

Michael Collinson (Age: 67)

Mr. Collinson served as the President and CEO of the Issuer from 2012 to August 2016 and continues as Chairman and a director. He was responsible for encouraging the Issuer's growth from an research and development initiative to a commercial opportunity. He has over five years of experience working with the advisory board of the Issuer and agricultural experts to realize grower demand and the Issuer's potential. Mr. Collinson is the Principal of Chelsian Sales & Marketing Inc., which is a sales and marketing company. Mr. Collinson provides services to the Issuer though Chelsain in the areas of capital market, product development and general management. Mr. Collinson has more than 35 years of international manufacturing, marketing and sales management experience in North America, Asia and Europe. He was previously an executive at Teknion in business development during an intense period of revenue growth from $40 million to $1 billion, and ultimately through to their becoming a public company. Mr. Collinson is the previous owner-operator of a 320-person manufacturing company that sold internationally.

Mr. Collinson devotes 20% of his time, as an independent contractor, to the affairs of the Issuer. He has not entered into a non-competition or non-disclosure agreement with the Issuer.

Claude Flueckiger (Age: 67)

Mr. Claude Flueckiger is a director of the Issuer. Mr. Flueckiger has over 30 years of experience in the global agriculture industry, particularly in crop protection, as both a commercial and technical leader. Currently, he is the Principal at Flueckiger Consulting a consulting business that offers strategic advising in the global agriculture and crop protection industries. Previously, he was the Global R&D Leader for Lawn & Garden Controls at Syngenta AG. Previous roles in the USA included Senior New Solutions Marketing Manager and Director of Agribusiness leading the development of Syngenta's first global strategic direction in fruits and vegetables. He also served as Director of Crop Management at Novartis and as a Global Product Management Leader for Insecticides at Ciba. Mr. Flueckiger also led the global development and initial commercialization of Syngenta's largest blockbuster insecticide and implemented innovative go-to-market strategies. Claude earned his PhD in Entomology from the Swiss Federal Institute of Technology (ETH) and has completed various Executive Education Programs at the Harvard Business School.

Mr. Flueckiger devotes 15% of his time, as an independent contractor, to the affairs of the Issuer. He has not entered into a non-competition or non-disclosure agreement with the Issuer.

James Molyneux (Age: 63

Mr. James Molyneux is a director of the Issuer. For more than 30 years, Mr. Molyneux has worked with clients in a variety of industries in both the public and private sectors, delivering the assurance services needed to make informed decisions. He has experience with Canadian and U.S. reporting issuers as well as with large private concerns. As a Partner with MNP's Assurance group, Mr. Molyneux provides expert knowledge on tax planning, effective corporate structuring, and all aspects of institutional financing. He completed his Bachelor of Commerce (Hons.) and Master of Business Administration degrees at the University of Windsor, and received his Chartered Professional Accountant (CPA) and Chartered Accountant (CA) designation in 1984. He is also a Licensed Public Accountant (LPA).

Mr. Moyneaux devotes 5% of his time, as an independent director, to the affairs of the Issuer. He has not entered into a non-competition or non-disclosure agreement with the Issuer.

Brandon Boddy (Age: 37)

Mr. Brandon Boddy is a director of the Issuer. Mr. Boddy contributes 14 years of capital markets experience and directly as a principal of Boddy and Co. Investments, a boutique investment advisory services firm. Mr. Boddy is a founding director of both Cannabis Wheaton Income Corp. and Global Blockchain Technologies Corp. From 2006 to 2014, Mr. Boddy acted in the capacity of Vice President at Canaccord Financial Inc., as well as Principal and Senior Vice President at Jordan Capital Markets. Mr. Boddy received an undergraduate degree from the British Columbia Institute of Technology.

Mr. Boddy devotes 5% of his time, as an independent director, to the affairs of the Issuer. He has not entered into a non-competition or non-disclosure agreement with the Issuer.

14. CAPITALIZATION

14.1 Issued Capital

	Number of Securities (non-diluted)	Number of Securities (fully-diluted)	% of Issued (non- diluted)	% of Issued (fully- diluted)
<u>Public Float</u>				
Total outstanding (A)	93,604,603	127,583,410	100%	100%
Held by Related Persons or employees of the Issuer or Related Person of the Issuer, or by persons or companies who beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer (or who would beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer upon exercise or conversion of other securities held) (B)	13,179,518	22,286,346	14.08	17.47%
Total Public Float (A-B)	80,425,085	105,297,064	85.92%	82.53%
<u>Freely-Tradeable Float</u>				
Number of outstanding securities subject to resale restrictions, including restrictions imposed by pooling or other arrangements or in a shareholder agreement and securities held by control block holders (C)	3,110,687	5,110,263	3.32%	4.00%
Total Tradeable Float (A-C)	90,493,916	122,473,147	96.68%	96.00%

<u>Public Securityholders (Registered)</u>

CLASS OF SECURITY

<u>Size of Holding</u>	**<u>Number of holders</u>**	**<u>Total number of securities</u>**
1 – 99 securities	0	0
100 – 499 securities	0	0
500 – 999 securities	0	0
1,000 – 1,999 securities	0	0
2,000 – 2,999 securities	0	0
3,000 – 3,999 securities	0	0
4,000 – 4,999 securities	0	0
5,000 or more securities	42	80,425,085
TOTAL	**42**	80,425,085

Public Securityholders (Beneficial)

CLASS OF SECURITY

Size of Holding	**Number of holders**	**Total number of securities**
1 – 99 securities	88	3,431
100 – 499 securities	199	48,945
500 – 999 securities	161	99,683
1,000 – 1,999 securities	301	366,949
2,000 – 2,999 securities	210	458,477
3,000 – 3,999 securities	122	386,828
4,000 – 4,999 securities	62	257,689
5,000 or more securities	743	81,046,854
Unable to confirm	-	5,431,354
TOTAL	1,886	86,478,208

Non-Public Securityholders (Registered)

CLASS OF SECURITY

Size of Holding	**Number of holders**	**Total number of securities**
1 – 99 securities	0	0
100 – 499 securities	0	0
500 – 999 securities	0	0
1,000 – 1,999 securities	0	0
2,000 – 2,999 securities	0	0
3,000 – 3,999 securities	0	0
4,000 – 4,999 securities	0	0
5,000 or more securities	7	13,179,518
TOTAL	7	13,179,518

14.2 Convertible Securities

The following are details for any securities convertible or exchangeable into Common Shares.

Description of Security (include conversion / exercise terms, including conversion / exercise price)	Number of convertible / exchangeable securities outstanding	Number of listed securities issuable upon conversion / exercise
Stock Options exercisable at $0.285 until June 30, 2025	50,000	50,000
Stock Options exercisable at $0.285 until July 6, 2025	1,580,000	1,580,000
Stock Options exercisable at $0.30 until August 8, 2020	1,600	1,600

Description of Security (include conversion / exercise terms, including conversion / exercise price)	Number of convertible / exchangeable securities outstanding	Number of listed securities issuable upon conversion / exercise
Stock Options exercisable at $0.43 until November 16, 2020	275,000	275,000
Stock Options exercisable at $0.50 until June 23, 2021	325,000	325,000
Stock Options exercisable at $0.32 until August 30, 2026	1,000,000	1,000,000
Stock Options exercisable at $0.32 until October 1, 2021	100,000	100,000
Stock Options exercisable at $0.25 until April 21, 2022	200,000	200,000
Stock Options exercisable at $0.25 until March 1, 2023	365,000	365,000
Stock Options exercisable at $0.25 until March 28, 2023	600,000	600,000
Stock Options exercisable at $0.25 until April 25, 2023	200,000	200,000
Stock Options exercisable at $0.16 until February 7, 2024	25,000	25,000
Stock Options exercisable at $0.195 until March 22, 2024	1,775,082	1,775,082
Stock Options exercisable at $0.24 until September 16, 2024	50,000	50,000
Stock Options exercisable at $0.31 until October 30, 2024	5,750,000	5,750,000
RSUs convertible into Common shares until May 12, 2025	50,000	50,000
Warrants exercisable at $0.35 until March 28, 2021	10,984,000	10,984,000
Warrants exercisable at $0.40 until April 23, 2021	4,242,104	4,242,104
Warrants exercisable at $0.45 until May 28, 2021	3,047,647	3,047,647
Warrants exercisable at $0.5375 until May 19, 2022	1,999,576	1,999,576
Warrants exercisable at $0.525 until June 30, 2022	1,111,111	1,111,111
Finders Warrants exercisable at $0.40 until April 23, 2021	2,800	2,800
Finders Warrants exercisable at $0.45 until May 29, 2021	115,177	115,177

Description of Security (include conversion / exercise terms, including conversion / exercise price)	Number of convertible / exchangeable securities outstanding	Number of listed securities issuable upon conversion / exercise
Finders Units exercisable at $0.35 until May 28, 2021(1)	49,980	99,960
Finders Warrants exercisable at $0.5375 until May 19, 2022	29,750	29,750
TOTAL	12,296,682 Stock Options 50,000 RSUs 21,384,438 Warrants 147,727 Finder's Warrants 49,980 Finder's Units	33,978,807 Common Shares

(1) Exercisable for one common share and one common share purchase warrant with an exercise price of $0.45 until May 28, 2021.

14.3 Other Securities

There are currently no listed securities reserved for issuance that are not included in section 14.2.

15. EXECUTIVE COMPENSATION

Director and NEO Compensation Excluding Compensation Securities –

The following table sets forth information concerning the total compensation, excluding compensation securities, paid to the NEOs and directors of the Issuer for the financial years ended September 30, 2019 and 2018.

Table of compensation excluding compensation securities							
Name and position	**Year**	**Salary, consulting fee, retainer or commission ($)**	**Bonus ($)**	**Committee or meeting fees ($)**	**Value of perquisites ($)**	**Value of all other compensation ($)**	**Total compensation ($)**
Ashish Malik California, USA *CEO & President*	2019 2018	371,197 352,990	Nil Nil	Nil Nil	Nil Nil	59,531 Nil	430,728 352,990
Kyle Appleby(1) Ontario, Canada *CFO & Corporate Secretary*	2019 2018	30,000 30,000	Nil Nil	Nil Nil	Nil Nil	5,370 Nil	33,5370 30,000
Michael Collinson(2) Ontario, Canada *Chairman & Director*	2019 2018	60,000 56,000	Nil Nil	Nil Nil	Nil Nil	50,258 38,000	110,258 94,000

Table of compensation excluding compensation securities							
Name and position	**Year**	**Salary, consulting fee, retainer or commission ($)**	**Bonus ($)**	**Committee or meeting fees ($)**	**Value of perquisites ($)**	**Value of all other compensation ($)**	**Total compensation ($)**
James Molyneux Ontario, Canada *Director*	2019 2018	Nil Nil	Nil Nil	Nil Nil	Nil Nil	44,750 38,000	44,750 38,000
Claude Flueckiger(3) Basel, Switzerland *Director*	2019 2018	93,595 97,068	Nil Nil	Nil Nil	Nil Nil	50,663 38,000	144,258 135,068
Brandon Boddy British Columbia, Canada *Director*	2019 2018	Nil Nil	Nil Nil	Nil Nil	Nil Nil	44,750 40,000	44,750 40,000

Notes:

(1) Fees for Mr. Appleby's services as CFO and Corporate Secretary are paid to him through CFO Advantage Inc., a company he controls.
(2) Mr. Collinson receives consulting fees through Chelsian Sales & Service, a company he controls.
(3) Mr. Flueckiger receives consulting fees through Flueckiger Consulting, a company he controls.

External Management Companies

Not applicable.

Stock Options and Other Compensation Securities

The following table sets forth information concerning all compensation securities of the Issuer granted or issued during the financial year ended September 30, 2019, to each of the NEOs and directors of the Issuer.

Compensation Securities							
Name and position	**Type of compensation security**	**Number of compensation securities, number of underlying securities, and percentage of class**	**Date of issue or grant**	**Issue, conversion or exercise price ($)**	**Closing price of security or underlying security on date of grant ($)**	**Closing price of security or underlying security at year end ($)**	**Expiry date**
Ashish Malik *CEO & President*	RSUs Stock Options	275,255 332,577	22-Mar-19 22-Mar-19	N/A 0.195	0.195 0.195	0.23 0.23	Note (1) 22-Mar-24

Compensation Securities							
Name and position	**Type of compensation security**	**Number of compensation securities, number of underlying securities, and percentage of class**	**Date of issue or grant**	**Issue, conversion or exercise price ($)**	**Closing price of security or underlying security on date of grant ($)**	**Closing price of security or underlying security at year end ($)**	**Expiry date**
Kyle Appleby *CFO & Corporate Secretary*	Stock Options	30,000	22-Mar-19	0.195	0.195	0.23	22-Mar-24
Michael Collinson *Chairman & Director*	RSUs Stock Options	102,564 280,769	22-Mar-19 22-Mar-19	N/A 0.195	0.195 0.195	0.23 0.23	Note (1) 22-Mar-24
James Molyneux *Director*	Stock Options	250,000	22-Mar-19	0.195	0.195	0.23	22-Mar-24
Claude Flueckiger *Director*	RSUs Stock Options	110,102 283,031	22-Mar-19 22-Mar-19	N/A 0.195	0.195 0.195	0.23 0.23	Note (1) 22-Mar-24
Brandon Boddy *Director*	Stock Options	250,000	22-Mar-19	0.195	0.195	0.23	22-Mar-24

Notes:

(1) The RSUs expire of the earlier of (i) March 22, 2029, and (ii) five years from the date the EPA approves the Issuer's Vectorite™ with CR-7 product.

Exercise of Compensation Securities by Directors and NEOs							
Name and position	**Type of compensation security**	**Number of underlying securities exercised**	**Exercise price per security ($)**	**Date of exercise**	**Closing price per security on date of exercise ($)**	**Difference between exercise price and closing price on date of exercise ($)**	**Total value on exercise date ($)**
Ashish Malik CEO & President	RSU	275,255 Common Shares	$0.195	04-Sept-19	$0.24	N/A	$66,061.20
Michael Collinson *Chairman & Director*	RSU	102,564 Common Shares	$0.195	04-Sept-19	$0.24	N/A	$24,615.36
Claude Flueckiger *Director*	RSU	110,102 Common Shares	$0.195	04-Sept-19	$0.24	$0.195	$26,424.48

Option Plans and Other Incentive Plans

Stock Option-based awards provide incentive compensation that rewards long term performance by allowing option holders to participate in the long term market appreciation of the Common Shares.

The allocation of Stock Options has been, and continues to be, a key component of the compensation for the Issuer's NEOs, other executive team members and employees. The Issuer believes that the Stock Option grants motivate achievement of the Issuer's long term strategic objectives while aligning the interests of management with those of Common Shareholders.

Participation is granted at levels which the Board of Directors believes are reasonable in light of performance of the Issuer under the leadership of the executive officers. The Issuer does not have a program or regular annual grant of Stock Options. When determining Stock Options to be allocated, a number of factors are considered, including the number of outstanding Stock Options held by an individual, the value of such Stock Options, and the total number of Stock Options available for granting. The Issuer also uses the grant of Stock Options in recruiting new employees.

The Compensation Committee with consultation of the Board of Directors has the responsibility to administer the compensation policies related to the executive management of the Issuer, including option-based awards.

Stock Option Plan

The Board of Directors implemented and adopted a 20% fixed stock option plan effective March 22, 2019, which was approved by shareholders on May 10, 2019. The number of Common Shares which may be issued pursuant to Stock Options previously granted and those granted under the Option Plan is a maximum of 20% of the issued and outstanding Common Shares at the time of the grant.

The purpose of the Option Plan is to attract and motivate directors, senior officers, employees, management company employees and consultants and to give such persons, as additional compensation, the opportunity to participate in the success of the Issuer. Under the Option Plan, Stock Options are exercisable over periods of up to 10 years as determined by the Board of Directors and are required to have an exercise price that is not lower than the greater of the closing market prices of the underlying securities on (a) the trading day prior to the date of grant of the stock options and (b) the date of grant of the stock options. The number of Common Shares which may be reserved for issuance to any one individual may not exceed 5% of the issued Common Shares on a yearly basis (without shareholder approval) or 2% if the optionee is engaged in investor relations activities or is a consultant. The Option Plan contains no vesting requirements, but permits the Board of Directors to specify a vesting schedule in its discretion, subject to the minimum vesting requirements of the applicable stock exchange, if any.

The Option Plan provides that, on the death or disability of an option holder, all vested Stock Options will expire at the earlier of 365 days after the date of death or disability and the expiry date of such Stock Options. Where an optionee is terminated for cause, any outstanding Stock Options (whether vested or unvested) are cancelled as of the date of termination. If an optionee retires or voluntarily resigns or is otherwise terminated by the Issuer other than for cause, then all vested Stock Options held by such optionee will expire at the earlier of: (i) the expiry date of such Stock Options, and (ii) the date which is 90 days (30 days if the optionee was engaged in investor relations activities) after the optionee ceases its office, employment or engagement with the Issuer.

The Option Plan has been used to provide Stock Options which are granted in consideration of the level of responsibility of the executive as well as his or her impact or contribution to the longer-term operating performance of the Issuer. In determining the number of Stock Options to be granted to the executive officers, the Compensation Committee with consultation of the Board of Directors takes into account the number of Stock Options, if any, previously granted to each executive officer, and the exercise price of any outstanding Stock Options to ensure that such grants are in accordance with the policies of the applicable stock exchange and closely align the interests of the executive officers with the interests of shareholders.

Restricted Share Unit Plan

The Issuer has adopted a restricted share unit plan effective March 22, 2019, which was approved by shareholders on May 10, 2019, which provides that the Board of Directors may from time to time, in its discretion, grant to directors, officers, employees and consultants to the Issuer non-transferable RSUs.

The RSU Plan's purpose is to attract and motivate directors, officers, employees or consultants, and thereby advance the Issuer's interests, by affording such persons with an opportunity to acquire an equity interest in the Issuer, through the issuance of RSUs.

The RSU Plan contains the following principal provisions:

1. the maximum number of Common Shares reserved for issuance under the RSU Plan will be 15,519,854 provided that Common Shares reserved for issuance under the RSU Plan in combination with the aggregate number of Common Shares issuable under all of the Issuer's other equity incentive plans in existence from time to time, including the Option Plan, shall not exceed 20% of the issued and outstanding Common Shares;

2. the maximum number of Common Shares which may be reserved for issuance to insiders of the Issuer under the RSU Plan, together with any other share compensation arrangement, may not exceed 20% of the issued Common Shares on a non-diluted basis;

3. the RSUs are required to have an issuance price that is not lower than the greater of the closing market prices of the underlying securities on (a) the trading day prior to the date of grant of the RSU and (b) the date of grant of the RSU;

4. the aggregate number of RSUs which may be granted to insiders of the Issuer in a 12-month period must not exceed 10% of the issued Common Shares, calculated on the grant date, on a non-diluted basis;

5. at the time a grant of a RSU is made, the Board of Directors may, in its sole discretion, establish performance conditions for the vesting of RSUs (the "Performance Conditions"). The Board may use such business criteria and other measures of performance as it may deem appropriate in establishing any Performance Conditions and may exercise its discretion to reduce the amounts payable under any award subject to Performance Conditions. The Board may determine that an award shall vest in whole or in part upon achievement of any one performance condition or that two or more Performance Conditions must be achieved prior to the vesting of an award. Performance Conditions may differ for awards granted to any one recipient or to different recipients;

6. in the event of any dividend paid in shares, share subdivision, combination or exchange of shares, merger, consolidation, spin-off or other distribution of Issuer assets to shareholders, or any other change in the capital of the Issuer affecting Common Shares, the Board, in its sole and absolute discretion, will make, with respect to the number of RSUs outstanding under the RSU Plan, any proportionate adjustments as it considers appropriate to reflect that change; and

7. the Issuer, in its discretion and as may be determined by the Board, will pay out vested RSUs issued under the RSU Plan and credited to the account of a recipient by paying or issuing (net of any applicable withholding tax) to such recipient, on or subsequent to the trigger date but no later than the expiry date of such vested RSU, an award payout of:

   (a) subject to receipt of the required approvals, one Common Share for such whole vested RSU, and

   (b) where a recipient would be entitled to receive a fractional Common Share in respect of any factional vested RSU, the Issuer will pay to such recipient, in lieu of such factional Common Share, cash amount equal to the vesting date value as at the trigger date of such vested RSU.

<u>Employment, Consulting and Management Agreements</u>

Except as disclosed herein, as at the end of the Issuer's most recently completed financial year, the Issuer had not entered into any contract, agreement, plan or arrangement that provides for payments to an NEO or director at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of the Issuer or a change in an NEO's or director’s responsibilities.

Effective September 1, 2016, the Issuer entered into an executive employment agreement with Ashish Malik for his services as President and CEO of the Issuer (the "**Executive Agreement**"). Pursuant to the

Executive Agreement, Mr. Malik is entitled to a base salary of US$250,000 per year which shall increase to US$275,000 on the first anniversary of the Executive Agreement (the "**Base Salary**"). For each complete fiscal year of employment, Mr. Malik shall be eligible to receive an annual bonus (the "**Annual Bonus**"). As of the date of the Executive Agreement, Mr. Malik's annual target bonus opportunity shall be equal to 40% of his Base Salary (the "**Target Bonus**"), which shall be payable in Common Shares issued at the market price (based on the volume weighted average price of the Common Shares on the applicable stock exchange for the 20 days immediately prior to the grant). The Target Bonus shall be based on the achievement of both Mr. Malik and the Issuer with the actual amount of the Annual Bonus paid to Mr. Malik to be based on the percentage of the performance goals met for the year as determined by the Board of Directors. Mr. Malik is also entitled to receive one-time bonuses based on net revenues of the Issuer. Mr. Malik shall receive a bonus equal to $100,000 paid through the issuance of Common Shares at market price should the Issuer obtain net revenues of $1,000,000 within a 6-month period from the date of the Executive Agreement. Mr. Malik shall receive a bonus equal to $600,000 paid through the issuance of Common Shares at market price should the Issuer obtain net revenues equal to or greater than $8,000,000 in a full year from the date of the Executive Agreement. Mr. Malik shall receive a bonus equal to $1,500,000 paid through the issuance of Common Shares at market price should the Issuer receive a formal valuation from a recognized merchant bank or valuator at or above $250 million and for each business variation with an incremental increase of $50 million or more an additional bonus of $500,000 shall be paid through the issuance of Common Shares at the market price up to a maximum valuation of $400 million. The Executive Agreement also entitles Mr. Malik to receive a payment equal to 18 months of his Base Salary upon termination of his position due to: a change of control of the Issuer and all accrued but unpaid Annual Bonuses or milestone bonuses.

Subsequent to the year ended September 30, 2019, the Issuer entered into a corporate management agreement dated October 1, 2019 (the "**Partum Agreement**") with Partum Advisory Services Corp. ("**Partum**") of Suite 810 – 789 West Pender Street, Vancouver, British Columbia, V6C 1H2 to provide management and administrative services to the Issuer in accordance with the terms of the Partum Agreement for a monthly fee of $2,500 plus applicable taxes and reimbursement of all out-of-pocket expenses incurred on behalf of the Issuer. The Partum Agreement is for an initial term of 12 months, to be automatically renewed for further 12 month periods, unless either party gives 90 days' notice of non-renewal, in which case the Partum Agreement will terminate. The Partum Agreement can be terminated by either party on 90 days' written notice. It can also be terminated by the Issuer for cause without prior notice or upon the mutual consent in writing of both parties. If there is a take-over or change of control of the Issuer resulting in the termination of the Partum Agreement, Partum is entitled to receive an amount equal to six (6) months of fees payable as a lump sum payment due on the day after the termination date.

Oversight and Description of Director and NEO Compensation

The objective of the Issuer's compensation program is to compensate the directors and NEOs for their services to the Issuer at a level that is both in line with the Issuer's fiscal resources and competitive with companies at a similar stage of development, although no formal benchmark group of companies or peer group has been established.

Pursuant to the Issuer's Compensation Committee Charter, the Compensation Committee determines the director and NEO compensation and reviews such compensation annually. The primary objectives of the Issuer's executive compensation program are to attract, motivate and retain highly qualified management and employees and align the compensation of executive office and other employees with the interests of the Issuer's Common Shareholders.

When determining executive compensation, the Compensation Committee will review the compensation policies of companies engaged in the industry and of a similar size and development stage. Although the

Issuer has not obtained any industry reports regarding compensation, at the appropriate time the Board of Directors will review publicly available information with respect to compensation paid to the executives of similar size and stage companies.

Compensation for the NEOs is comprised of three components: base salary, long-term incentives in the form of option based awards and cash bonuses. In setting the base compensation levels for NEOs, consideration is given to objective factors such as the level of responsibility, experience and expertise, as well as subjective factors such as leadership and contribution to corporate performance. Compensation is reviewed annually and adjustments may be made based upon corporate and personal performance, market conditions and the level of responsibility attributed to specific executives.

Base Salary

Salaries provide a fixed level of regularly paid cash compensation for performing day-to-day responsibilities. Base salaries are reviewed annually and take into account the market value of the role and the NEOs demonstration of capability. In reviewing base salaries factors such as the individual's experience and contribution, general market conditions and competition for qualified personnel are taken into account.

Bonuses

From time to time the Issuer may award cash bonuses to reward exceptional service. Except for bonuses payable under the Executive Agreement, bonuses are paid at the discretion of the Compensation Committee based upon the achievement of individual and corporate performance, with those two criteria being weighted equally for the purpose of the assessment.

Perquisites and Personal Benefits

While the Issuer reimburses its NEOs for expenses incurred in the course of performing their duties as executive officers of the Issuer, the Issuer did not provide any compensation that would be considered a perquisite or personal benefit to its NEOs.

Group Benefits

The Issuer does not offer a group benefits plan of any kind.

Director and Officer Insurance

The Issuer maintains an executive and organization liability insurance policy that covers directors and officers for costs incurred to defend and settle claims against directors and officers of the Issuer to an annual limit of $2,000,000 with retention of $15,000 on securities and oppressive conduct claims and $15,000 on all other claims. The cost of coverage for 2019 was approximately $9,100. Directors and officers do not pay any portion of the premiums and no indemnity claims were made or became payable during 2019.

Pension Disclosure

The Issuer does not have a pension plan that provides for payments or benefits to the NEOs or directors at, following, or in connection with retirement.

Companies Reporting in the United States

Not applicable.

16. INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As at the date hereof, there was no indebtedness outstanding of any current or former director, executive officer or employee of the Issuer or its subsidiaries which is owing to the Issuer or its subsidiaries, or which is owing to another entity and is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Issuer or its subsidiaries, whether entered into in connection with a purchase of securities or otherwise.

No individual who is, or at any time during the most recently completed financial year was, a director or executive officer of the Issuer, no proposed nominee for election as a director of the Issuer and no associate of such persons (i) is or at any time since the beginning of the most recently completed financial year has been, indebted to the Issuer or any of its subsidiaries, or (ii) is or was indebted to another entity, whose indebtedness is, or at any time since the beginning of the most recently completed financial year has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Issuer or its subsidiaries.

17. RISK FACTORS

While this Listing Statement has described the risks and uncertainties that management of the Issuer believe to be material to the Issuer’s business, it is possible that other risks and uncertainties affecting the Issuer’s business will arise or become material in the future.

If the Issuer is unable to address these and other potential risks and uncertainties, its business, financial condition or results of operations could be materially and adversely affected. In this event, the value of the Common Shares could decline and an investor could lose all or part of their investment.

The following is a description of the principal risk factors that will affect the Issuer:

Revenue Generation and Liquidity

Liquidity risk is the risk that the Issuer will not have sufficient cash resources to meet its financial obligations as they come due. The Issuer's liquidity and operating results may be adversely affected if its access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or matters specific to the Issuer. The Issuer generates cash flow primarily from its financing activities and the continued development of the Issuer will require additional financing. There is no assurance that such financing will be available on terms and conditions acceptable to the Issuer. The Issuer regularly evaluates its cash position to ensure preservation and security of capital as well as liquidity.

The ability to generate sufficient revenue to sustain the operations of the Issuer depends upon the ability to successfully commercialize its intellectual property or other product candidates that the Issuer develops or acquires in the future. The Issuer has incurred operating losses and negative cash flows from operations since inception. To the extent the Issuer has negative cash flows in future periods, the Issuer may use a portion of its general working capital to fund such negative cash flow. As of the date of this Listing Statement, there is no expectation to generate substantial revenue from the Issuer's intellectual property in the next 12 months. Revenue growth will come gradually of the next few years.

Intellectual Property

The future success of the Issuer's business is dependent upon the intellectual property rights surrounding the BVT Technology, including trade secrets, know-how and continuing technological innovation. There can be no assurance that the steps taken or to be taken by the Issuer to protect its intellectual property rights will be adequate to prevent misappropriation or that others will not develop competitive technologies or processes. There can be no assurance that other companies are not investigating or developing other technologies that are similar to the BVT Technology. There is no certainty that patents will be issued to the Issuer from any application filed by BVT or that, if patents do issue, the claims allowed will be sufficiently broad to deter or prohibit others from adopting similar manufacturing methods. In addition, there can be no assurance that any patent issued to the Issuer will not be challenged, invalidated or circumvented, or that the rights thereunder will provide a competitive advantage to the Issuer. There can be no assurances that other parties may be "first to file" patents over products or processes that the Issuer may seek to protect or that are critical to its technology and manufacturing processes.

Patents and Proprietary Rights

The Issuer's success depends, in part, on its ability to obtain patent protection for its products, technologies and their uses, on its ability to maintain trade secret protection and to operate without infringing the proprietary rights of others and without third parties circumventing the rights that BVT currently owns or licenses. BVT has filed and is actively pursuing patent applications related to the BVT Technology including the Vectorite™ formulation in the United States, Canada and other jurisdictions. BVT cannot ensure that all of its patent applications will result in the issuance of patents, that the coverage claimed in a patent application will not be significantly reduced before a patent is issued or that the Issuer will develop other proprietary products that are patentable. Failure of the Issuer to obtain adequate patent protection for any of the current or projected patent applications could have a material adverse effect on the Issuer's ability to gain a competitive advantage and may have a material adverse effect on operations. In particular, failure to obtain patent protection could permit competitors of the Issuer to produce products that could be directly competitive with the Issuer's product candidates or to develop technologies directly competitive with the Issuer's technologies.

BVT has filed patent applications on the basis that the inventors have assigned their interest in the inventions to BVT and that such assignments have been confirmed in assignments as of the date of the patent applications. There is no assurance that the inventors did not deal with their interest in the inventions named in the patent applications prior to the date of the confirmatory assignments. The confirmatory assignments have been obtained from employees that BVT identified as being the inventors of the inventions named in the patent applications. No assurance can be given that any other person who may be an inventor has assigned to BVT their, or waived any, interest in the inventions for which BVT has filed patent applications.

Patent applications in the U.S. are maintained in secrecy until the patents issue, or if they have foreign patent application counterparts, for 18 months after they have been filed. Patent applications in Canada and many other jurisdictions also remain confidential for 18 months from the priority filing date. Publication of discoveries in the scientific or patent literature often lag behind actual discoveries. As a consequence, BVT cannot be certain that it was, or any licensor was, the first creator of inventions covered by issued patents or pending patent applications for such inventions.

There can be no assurance that patents the Issuer may be able to obtain in the future would be held valid or enforceable by a court. A holding of invalidity or unenforceability may reduce or eliminate the value of the BVT Technology covered by the patent. Competitor companies and research and academic institutions have developed technologies, filed patent applications or received patents on various technologies that may be related to BVT's business and BVT Technology. Some of these technologies, applications or patents may conflict with the BVT Technology or intellectual property rights. BVT is aware of other parties with intellectual property rights that may represent prior art or other potentially conflicting intellectual property. Such conflicts could limit the scope of the patents, if any, that the Issuer may be able to obtain or result in the denial of its patent applications.

BVT also relies on trade secrets and proprietary know-how that may not be protected by patent and there is no assurance that the Issuer will be able to protect its trade secrets. BVT seeks to protect its rights in part by confidentiality agreements with its collaborators, employees, advisors and consultants. No assurance can be made that the obligation to maintain the confidentiality of BVT's secrets and proprietary know-how will not wrongfully be breached by the Issuer's employees, consultants, advisors or others, or that BVT's trade secrets or proprietary know-how will not otherwise become known, or be independently developed by competitors in a manner providing the Issuer with no practical recourse against the other parties involved.

Coronavirus Disease (COVID-19)

The outbreak of the corona virus pandemic has impacted the Issuer's plans and activities. The Issuer may face disruption to operations, supply chain delays, travel and trade restrictions and impact on economic activity in affected countries or regions can be expected and can be difficult to quantify. Such pandemics or diseases represent a serious threat to maintaining a skilled workforce industry and could be a major health-care challenge for the Issuer. There can be no assurance that the Issuer's personnel will not be impacted by these pandemic diseases and ultimately that the Issuer would see its workforce productivity reduced or incur increased medical costs/insurance premiums as a result of these health risks. In addition, the COVID-19 pandemic has created a dramatic slowdown in the global economy. The duration of the COVID-19 outbreak and the resultant travel restrictions, physical distancing, government response actions, business closures and business disruptions, can all have an impact on the Issuer's operations and access to capital. There can be no assurance that the Issuer will not be impacted by adverse consequences that may be brought about by the COVID-19 pandemic on global financial markets. The COVID-19 outbreak may reduce share prices and financial liquidity, thereby that may severely limit the financing capital available.

The actual and threatened spread of COVID-19 globally could adversely affect global economies and financial markets resulting in a prolonged economic downturn and a decline in the value of the BVT's stock price. The extent to which COVID-19 (or any other disease, epidemic or pandemic) impacts business activity or financial results, and the duration of any such negative impact, will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning COVID-19 and the actions required to contain or treat its impact, among others.

The agriculture industry is considered essential (for food supply), and while the Issuer is still able to service its customers, to date, the Issuer has been impacted as follows:

1) New sales impacted as travel restrictions have made it difficult to conduct demonstrations to growers – the most effective way for the Issuer to discuss and demonstrate its solution with new customers is through in-person interactions. The Issuer has a small field organization, so relies on its sales and marketing personnel being able to travel across the US from Canada and within the US for its commercial efforts. Due to the travel restrictions through much of the spring and early summer this was not possible, and so the Issuer had to use a less effective "virtual" sales process to reach new growers. Despite these constraints the company was still able to penetrate new markets in the midwestern US and the Pacific Northwest, although with fewer growers than

it was targeting. As travel restrictions ease, and word-of-mouth from the growers who did use the system spreads, the Issuer expects being able to reach a wider group of growers for the next season.

2) Product registration process has slowed – most government agencies around the world have been running with reduced staff and limited office space during 2020. Regulatory review times have thus been affected in many countries across the industry. As an example, this has affected the timing on the regulatory approval project for the Issuer in Mexico: the agriculture and health authorities in Mexico have noted that there are delays in the dossier submission and review processes (they have not indicated how long the delays are). It may also have a lingering effect on other registration related activities for the company in the future.
3) R&D activities impacted by travel restriction and access to researchers and labs – many of the Issuer's R&D activities involve doing studies with university researchers and third-party contract research organizations. These studies use lab space, and university researchers use student researchers to help conduct trials. Labs have had to curtail the amount of studies they can do while respecting social distancing requirements, and with the shortage of students, university researchers have less available labor for them to conduct studies. As a result, the Issuer has had to reduce the amount of trials it was planning on conducting and delay certain projects to a future date.

The Issuer will continue to assess the impact on its operations and make adjustments to navigate through the effects of the COVID-19 pandemic on the market and economy.

Third-Party Intellectual Property Infringement Claims

Patent applications that may relate to or affect BVT's business may have been filed by other competitor companies and universities. Such patent applications or patents may conflict with BVT's technologies or patent applications and such conflict could reduce the scope of patent protection that BVT could otherwise obtain or even lead to refusal of Issuer patent applications. The Issuer could also become involved in interference proceedings in connection with one or more of BVT's patents or patent applications to determine priority of invention. In the event that a court was to find that the Issuer infringes a valid patent of a third party, it may have to pay license fees and/or damages and might be enjoined from conducting certain activities. There is no assurance that the Issuer could enter into licensing arrangements at a reasonable cost, or develop or obtain alternative technology in respect of patents issued to third parties that incidentally cover its product candidates. Any inability to secure licenses or alternative technology could result in delays in the introduction of some of the Issuer's products or even lead to prohibition of the development, manufacture or sale of certain products by the Issuer.

Testing and Trials

Testing and trials of the BVT Technology and BVT-CR7 are ongoing and play a role in acquiring regulatory approval in the countries in which the Issuer intends to do business. Should these tests and trials not be undertaken in compliance with good laboratory practices and with proper vigilance and competence, such deficiencies can result in regulatory authorities rejecting the trial data. A rejection of trial data can pose a serious setback in the path to regulatory approval for the Issuer. If the results of the tests and trials are not favourable, or do not warrant additional testing and submission to regulatory authorities such failure could have a significant impact on the Issuer's ability to bring the BVT Technology to market, or it may limit the scope and number of crops to which the Issuer's products are applicable. Unforeseen circumstances, such as inclement weather events, can have a negative impact on trials and affect the quality of results and completion of tests.

Registration and Regulatory Approval of Technology

The Issuer has started efforts to expand its markets outside of the U.S. It has started the process towards regulatory submissions to the Canadian, Mexican and European markets. The approval processes by the regulatory bodies in Canada, Mexico and the European Union are lengthy, time consuming and inherently unpredictable. There may be unforeseen delays in the process of registration such as errors with testing and trials, contaminated samples, human error and follow up with the regulatory bodies which may delay approval and have a negative impact on the Issuer’s operations and ability to produce in those jurisdictions. Failure to receive registration from Canada, Mexico and the European Union may have a negative impact on the operations of the Issuer.

Regulated Industry

Pesticides are highly regulated products around the world. Changes to the approval process that could be imposed by the regulatory bodies around the world, such as Canada’s PMRA or the U.S. EPA, may materially impact the Issuer’s ability to access desirable markets or to do so in a profitable manner. The Issuer’s intended markets could be highly susceptible to changes in regulation. Moreover, these regulations may be different across each jurisdiction in which the Issuer operates, for example, each U.S. State may have additional regulations regarding pesticide use in addition to the EPA regulations. Regulatory changes and timing are a matter over which the Issuer has no control, and there can be no assurance that regulatory changes applicable to the Issuer and/or its customers will not negatively impact the business, financial condition, and operating results of the Issuer.

Research and Development Activities

It is important for the Issuer to continue to invest steadily in research and development. However, because the Issuer will compete in a constantly evolving market, it may pursue research and development projects that do not result in viable commercial products. Any failure to translate research and development expenditures into successful new product introductions could have an adverse effect on the Issuer’s business.

Limited Business History

The Issuer has generated minimal revenue therefore it is subject to many of the risks common to early-stage enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial, and other resources and lack of revenues. There is no assurance that the Issuer will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of the early stage of operations.

The continued operation of the Issuer will be dependent upon its ability to generate operating revenues and to procure additional financing. There can be no assurance that any such revenues can be generated or that other financing can be obtained. If the Issuer is unable to generate such revenues or obtain such additional financing, any investment in the Issuer may be lost. In such event, the probability of a profitable resale of the Common Shares would be diminished.

Additional Financing

The Issuer will require additional financing in order to make further investments or take advantage of future opportunities and to grow its business. The ability of the Issuer to arrange such financing in the future will depend in part upon prevailing capital market conditions, as well as upon the business success of the Issuer. There can be no assurance that the Issuer will be successful in its efforts to arrange additional financing on terms satisfactory to the Issuer. If additional financing is raised by the issuance of

Common Shares or other forms of convertible securities from treasury, control of the Issuer may change and shareholders may suffer additional dilution. If adequate funds are not available, or are not available on acceptable terms, the Issuer may not be able to take advantage of opportunities, or otherwise respond to competitive pressures and remain in business.

Profitability

There is no assurance that the Issuer will earn profits in the future, or that profitability will be sustained. There is no assurance that future revenues will be sufficient to generate the funds required to continue the Issuer's business development and marketing activities. If the Issuer does not have sufficient capital to fund its operations, it may be required to reduce its sales and marketing efforts or forego certain business opportunities.

Dependence on Management and Key Personnel

The Issuer strongly depends on the business and technical expertise of its management team and there is little possibility that this dependence will decrease in the near term. The Issuer's success will depend in large measure on certain key personnel. The loss of the services of such key personnel may have a material adverse effect on the Issuer's business, financial condition, results of operations and prospects. The contributions of the existing management team to the immediate and near term operations of the Issuer are likely to be of central importance. In addition, the competition for qualified personnel in the biological /agricultural industry is competitive and there can be no assurance that the Issuer will be able to continue to attract and retain all personnel necessary for the development and operation of its business. Investors must rely upon the ability, expertise, judgment, discretion, integrity and good faith of the management of the Issuer.

Significant Competition

Although the BVT Technology is different from traditional pesticide systems, there are traditional pesticide companies which are larger and have a longer operating history than the Issuer. Many of these companies are better financed, with larger sales forces and marketing budgets than the Issuer. There can be no guarantee that the Issuer will be able to effectively compete in the marketplace with such competition.

In addition the concept of bee-vectoring as a means of delivering inoculant bio pesticides is not new and it is possible that other competitors are working on similar systems and inoculants. Biobest is a company that specializes in the commercial supply of bumblebees and biological solutions using pollination. Biobest has developed a dispenser system used in Europe that could compete with BVT's Tray System.

Management of Growth

The Issuer may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of the Issuer to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of the Issuer to deal with this growth may have a material adverse effect on the Issuer's business, financial condition, results of operations and prospects.

Issuance of Debt

From time to time, the Issuer may enter into transactions to acquire assets or the shares of other organizations or seek to obtain additional working capital. These transactions may be financed in whole or in part with debt, which may increase the Issuer's debt levels above industry standards for companies of similar size. Depending on future plans, the Issuer may require additional equity and/or debt financing that may not be available or, if available, may not be available on favourable terms to the Issuer. The Issuer's constating documents does not limit the amount of indebtedness that may be incurred and it is not expected that the Issuer's constating documents will contain such restrictions. As a result, the level of the Issuer's indebtedness from time to time could impair its ability to operate or otherwise take advantage of business opportunities that may arise.

Dilution

The Issuer may make future acquisitions or enter into financings or other transactions involving the issuance of securities of the Issuer which may be dilutive to the holdings of existing shareholders.

Price Volatility of Publicly Traded Securities

In recent years, the securities markets in the United States and Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price. There can be no assurance that continuing fluctuations in price will not occur. It may be anticipated that any quoted market for the Issuer's Common Shares will be subject to market trends generally, notwithstanding any potential success of the Issuer in creating revenues, cash flows or earnings. The value of the Issuer's Common Shares will be affected by such volatility. A public trading market in the Common Shares having the desired characteristics of depth, liquidity and orderliness depends on the presence in the marketplace of willing buyers and sellers of Common Shares at any given time, which, in turn is dependent on the individual decisions of investors over which the Issuer has no control. There can be no assurance that an active trading market in securities of the Issuer will be established and sustained. The market price for the Issuer's securities could be subject to wide fluctuations, which could have an adverse effect on the market price of the Issuer. The stock market has, from time to time, experienced extreme price and volume fluctuations, which have often been unrelated to the operating performance, net asset values or prospects of particular companies. If an active public market for the Common Shares does not develop, the liquidity of a shareholder's investment may be limited and the Common Share price may decline.

Conflicts of Interest

Certain directors of Issuer are also directors of other companies and as such may, in certain circumstances, have a conflict of interest.

Dividends

The Issuer has not paid any dividends on its outstanding Common Shares. Any payments of dividends on the Common Shares will be dependent upon the financial requirements of the Issuer to finance future growth, the financial condition of the Issuer and other factors which the Issuer's Board of Directors may consider appropriate in the circumstance. It is unlikely that the Issuer will pay dividends in the immediate or foreseeable future.

Costs Stemming from Defence Against Third-Party Intellectual Property Infringement Claims

Third parties may assert that the Issuer is using their proprietary information without authorization. Third parties may also have or obtain patents and may claim that technologies licensed to or used by the Issuer infringe their patents. If the Issuer is required to defend patent infringement actions brought by third parties, or if it sues to protect its own patent rights or otherwise to protect its proprietary information and to prevent its disclosure, the Issuer may be required to pay substantial litigation costs and managerial attention may be diverted from business operations even if the outcome is in the Issuer's favour. In addition, any legal action that seeks damages or an injunction to stop the Issuer from carrying on our commercial activities relating to the affected technologies could subject the Issuer to monetary liability and require it or any third party licensors to obtain a license to continue to use the affected technologies. The Issuer cannot predict whether it would prevail in any of these types of actions or that any required license would be available on commercially acceptable terms, or at all. Some of the Issuer's competitors may be able to sustain the costs of complex patent litigation more effectively than the Issuer because they have substantially greater resources.

Slow Acceptance of BVT's Products

The marketplace may be slow to accept or understand the significance of the Issuer's BVT Technology due to its unique nature and the competitive landscape. If the Issuer is unable to promote, market and sell its products and secure relationships with manufacturers and purchasers, the Issuer's business and financial condition will be adversely affected.

Markets for Securities

There can be no assurance that an active trading market in the Issuer's Common Shares will be established and sustained. The market price for the Common Shares could be subject to wide fluctuations. Factors such as commodity prices, government regulation, interest rates, share price movements of the Issuer's peer companies and competitors, as well as overall market movements, may have a significant impact on the market price of the securities of the Issuer.

General Economic Conditions May Adversely Affect the Issuer's Growth

The unprecedented events in global financial markets in the past several years have had a profound impact on the global economy. Many industries continue to be negatively impacted by these market conditions. Some of the key impacts of the current financial market turmoil include contraction in credit markets resulting in a widening of credit risk, devaluations, high volatility in global equity, commodity, foreign exchange markets combined with a lack of market liquidity. A continued or worsened slowdown in the financial markets or other economic conditions, including but not limited to, consumer spending, employment rates, business conditions, inflation, fuel and energy costs, consumer debt levels, lack of available credit, the state of the financial markets, interest rates, tax rates may adversely affect the Issuer's growth and profitability.

18. PROMOTERS

Mr. Ashish Malik, CEO and President and Mr. Michael Collinson, Chairman and a director of the Issuer may be considered to be the promoters the Issuer, as that term is defined in the Securities Act (British Columbia). Information about Mr. Malik and Mr. Collinson is disclosed elsewhere in this Listing Statement. See Part 13, "Directors and Officers" and Part 15, "Executive Compensation" for details.

Mr. Malik holds directly and/or indirectly an aggregate of 786,325 Common Shares (representing 0.84% of the Issuer's current issued and outstanding Common Shares) and received NEO compensation of

$430,728 in fiscal 2019. See Part 15 "Executive Compensation" for details.

Mr. Collinson holds directly and/or indirectly an aggregate of 3,020,923 Common Shares (representing 3.23% of the Issuer's current issued and outstanding Common Shares) and received NEO compensation of $110,258 in fiscal 2019. See Part 15 "Executive Compensation" for details.

Mr. Malik and Mr. Collinson are entitled to receive stock options under the Option Plan. See Part 9, "Options to Purchase Securities".

No asset has been acquired within two years before the date of this Listing Statement or thereafter or will be acquired by the Issuer or by a subsidiary of the Issuer from a promoter:

19. LEGAL PROCEEDINGS

There are no legal proceedings material to the Issuer, or any subsidiary of the Issuer to which it, or a subsidiary of the Issuer, is a party or of which any of their respective property is the subject matter, and no such proceedings are known by the Issuer to be contemplated.

There are no:

(a) penalties or sanctions imposed against the Issuer by a court relating to provincial and territorial securities legislation or by a securities regulatory authority within the three years immediately preceding the date hereof;

(b) other penalties or sanctions imposed by a court or regulatory body against the Issuer necessary to contain full, true and plain disclosure of all material facts relating to the securities being listed; and

(c) settlement agreements the Issuer entered into before a court relating to provincial and territorial securities legislation or with a securities regulatory authority within the three years immediately preceding the date hereof.

20. INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

No director or executive officer of the Issuer or any person or company that is the direct or indirect beneficial owner of, or who exercises control or direction over, more than 10 percent of any class of the Issuer's outstanding voting securities, or an associate or affiliate of any such persons or companies, has any material interest, direct or indirect, in any transaction within the three years preceding the date of this document, or any proposed transaction, that has materially affected or will materially affect the Issuer or a subsidiary of the Issuer.

21. AUDITORS, TRANSFER AGENTS AND REGISTRARS

21.1 Auditor

The auditor of the Issuer is RSM Canada LLP, located at 11 King Street West, Suite 700, Toronto, Ontario M5H 4C7.

21.2 Registrar and Transfer Agent

The registrar and transfer agent of the Issuer is Endeavour Trust Corporation, located at 777 Hornby Street, Unit 702, Vancouver, British Columbia V6Z 1S4.

22. MATERIAL CONTRACTS

Except for contracts made in the ordinary course of business, the following are the only material contracts entered into by the Issuer within two years prior to the date hereof which are currently in effect and considered to be currently material:

1. Transfer Agent and Registrar Agreement between the Issuer and Endeavour Trust Corporation dated April 1, 2020. See Part 21.2 "Registrar and Transfer Agent" for details.

2. Corporate management agreement dated October 1, 2019, with Partum Advisory Services Corp. to provide management and administrative services to the Issuer. See Part 15 "Executive Compensation - Employment, Consulting and Management Agreements" for details.

3. Biobest Agreement between the Issuer and Biobest dated October 27, 2018. See Part 3.1 "General Development of the Business - Three-Year History" for details.

4. Investment Agreement between the Issuer and Alumina Partners (Ontario) Ltd. dated April 23, 2020. See Part 3.1 "General Development of the Business – Selected Financings" for details.

Copies of the material contracts referred to in this Listing Statement may be inspected at the administrative office of the Issuer located at Suite 810 – 789 Pender Street, Vancouver, British Columbia V6C 1H2 during normal business hours, as well as under the Issuer's SEDAR profile at www.sedar.com.

23. INTEREST OF EXPERTS

RSM Canada LLP is independent within the meaning of the Chartered Professional Accountants Code of Professional Conduct of Ontario. RSM Canada LLP has not received nor will receive any direct or indirect interests in the properties or securities of the Issuer. RSM Canada LLP nor any of the directors, officers, employees and partners thereof, beneficially own, directly or indirectly, any securities of the Issuer or its associates and affiliates.

24. OTHER MATERIAL FACTS

There are no other material facts about the Issuer and its securities that are disclosed in the preceding items which are necessary in order for this Listing Statement to contain full, true and plain disclosure of all material facts relating to the Issuer and its securities.

25. FINANCIAL STATEMENTS

Copies of the Audited Financial Statements and Interim Financial Statements previously filed with applicable securities commissions are available on the Issuer's SEDAR profile at www.sedar.com, and are attached as Schedule "A" and Schedule "B", respectively, to this Listing Statement.

SCHEDULE "A"

Audited Annual Financial Statements for the Years Ended September 30, 2019, 2018 & 2017.

[Please see attached.]

BEE VECTORING TECHNOLOGIES INTERNATIONAL INC.

CONSOLIDATED FINANCIAL STATEMENTS

For the years ended September 30, 2019 and September 30, 2018

(expressed in Canadian Dollars)

RSM

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Bee Vectoring Technologies International Inc.

Opinion

We have audited the consolidated financial statements of Bee Vectoring Technologies International Inc., (the "Group"), which comprise the consolidated statement of financial position as at September 30, 2019 and September 30, 2018 and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the years ended September 30, 2019 and September 30, 2018, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at September 30, 2019 and September 30, 2018, and its consolidated financial performance and its consolidated cash flows for the years ended September 30, 2019 and September 30, 2018 in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Group incurred a net loss of $2,897,825 during the year ended September 30, 2019 and, as of that date, the Group's current liabilities exceeded its total assets by $215,281. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Mark Jakovcic.

RSM Canada LLP

Chartered Professional Accountants
Licensed Public Accountants
January 24, 2020
Toronto, Ontario

Bee Vectoring Technologies International Inc.
Consolidated Statements of Financial Position
(expressed in Canadian Dollars)

	September 30, 2019	September 30, 2018
ASSETS		
Current assets		
Cash	**$ 312,864**	$ 2,701,982
Sales tax and other receivable	**119,780**	87,338
Inventory *(note 4)*	**18,067**	-
Prepaid expense and deposits	**69,238**	51,250
	519,949	2,840,570
Intangible assets *(note 6)*	**1,612,645**	1,041,973
Moulds and dies	**-**	4,858
Property, plant and equipment *(note 5)*	**202,643**	265,224
	$ 2,335,237	$ 4,152,625
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	**$ 685,230**	$ 281,359
Loan payable *(note 8)*	**50,000**	-
	735,230	281,359
Shareholders' equity (deficit)		
Share capital *(note 9)*	**12,850,546**	12,753,114
Shares to be issued *(note 19)*	**250,000**	-
Warrants *(note 9, 10)*	**980,756**	1,382,817
Contributed surplus *(note 11)*	**2,730,277**	1,986,353
Accumulated other comprehensive income	**(4,057)**	58,672
Accumulated deficit	**(15,207,515)**	(12,309,690)
	1,600,007	3,871,266
	$ 2,335,237	$ 4,152,625

NATURE OF OPERATIONS AND GOING CONCERN (Note 1)
COMMITMENTS (Note 17)
SUBSEQUENT EVENTS (Note 19)

Approved by the Board of Directors

"Michael Collinson" — Director

"Jim Molyneux" — Director

The accompanying notes are an integral part of these consolidated financial statements

Bee Vectoring Technologies International Inc.
Consolidated Statements of Loss and Comprehensive Loss
For the years ended September 30, 2019 and 2018
(expressed in Canadian Dollars)

	2019	2018
Sales *(note 15)*	**$ 58,176**	$ -
Cost of sales	**44,865**	-
Gross profit	**13,311**	-
Expenses		
Office and general (*note 16*)	**$ 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 (*note 11*)	**355,499**	374,052
Trials, research and development	**372,983**	391,451
Loss before other items	**(2,928,797)**	(2,959,973)
Gain (loss) on foreign exchange	**56,341**	(29,067)
Loss on write-off of abandoned patents	**(32,164)**	(3,820)
Interest and other income	**6,795**	**-**
Net loss	**$ (2,897,825)**	$ (2,992,860)
Weighted average number of common shares outstanding - basic and diluted	**77,651,133**	68,993,209
Basic and diluted loss per common share (note 12)	**$ (0.04)**	$ (0.04)

	2019	2018
Net loss	**$ (2,897,825)**	$ (2,992,860)
Other comprehensive income		
Items that may be subsequently reclassified to earnings:		
Exchange differences on translating foreign operations	**(62,729)**	28,801
Comprehensive loss	**$ (2,960,554)**	$ (2,964,059)

The accompanying notes are an integral part of these consolidated financial statements

Bee Vectoring Technologies International Inc.
Consolidated Statements of Cash Flows
For the years ended September 30, 2019 and 2018
(expressed in Canadian Dollars)

	2019	2018
Cash used in operating activities		
Net loss	**$ (2,897,825)**	$ (2,992,860)
Items not affecting cash		
Share based payments (*note 11*)	**355,499**	374,052
Shares issued for services (*note 11*)	**83,796**	-
Loss on write-off of abandoned patents	**32,164**	3,820
Unrealized foreign exchange differences on translation of foreign operations	**(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 used in investing activities		
Additions to intangible assets	**(645,323)**	(294,100)
Additions to property, plant and equipment	**-**	(85,084)
	(645,323)	(379,184)
Cash flow from financing activities		
Proceeds from the issue of shares and units	**-**	4,700,000
Unit subscription funds received in advance	**250,000**	-
Proceeds from loans	**50,000**	-
Share issue costs	**-**	(132,186)
Proceeds from exercise of options and warrants	**-**	74,375
	300,000	4,642,189
Increase (decrease) in cash	**(2,389,118)**	1,877,670
Cash, beginning of year	**2,701,982**	824,312
Cash, end of year	**$ 312,864**	$ 2,701,982

The accompanying notes are an integral part of these consolidated financial statements

Bee Vectoring Technologies International Inc.
Statements of Changes in Shareholders' Equity
For the years ended September 30, 2019 and September 30, 2018
(expressed in Canadian Dollars)

	Share Capital							
	Number of shares	Amount	Shares to be issued	Warrants	Contributed Surplus	Accumulated other Comprehensive Income	Deficit	Total
Balance, October 1, 2017	58,501,771	$ 9,090,738	$ -	$ 690,241	$ 1,325,064	$ 29,871	$ (9,316,830)	$ 1,819,084
Shares and units issued in connection with the private placement	18,800,000	4,700,000	-	-	-	-	-	4,700,000
Share issue costs related to the private placement - cash	-	(117,873)	-	(14,313)	-	-	-	(132,186)
Fair value of warrants issued in connection with the private placement	-	(1,026,038)	-	1,026,038	-	-	-	-
Fair value of finders warrants issued in connection with the private placement	-	(25,613)	-	25,613	-	-	-	-
Share based compensation	-	-	-	-	374,052	-	-	374,052
Shares issued on exercise of options	297,500	131,900	-	-	(57,525)	-	-	74,375
Expired warrants	-	-	-	(344,762)	344,762	-	-	-
Net loss and comprehensive loss	-	-	-	-	-	28,801	(2,992,860)	(2,964,059)
Balance, September 30, 2018	**77,599,271**	**$ 12,753,114**	**$ -**	**$ 1,382,817**	**$ 1,986,353**	**$ 58,672**	**$ (12,309,690)**	**$ 3,871,266**
Balance, October 1, 2018	77,599,271	$ 12,753,114	$ -	$ 1,382,817	$ 1,986,353	$ 58,672	$ (12,309,690)	$ 3,871,266
Share based compensation (note 11)	-	-	-	-	304,604	-	-	304,604
Subscription funds received in advance	-	-	250,000	-	-	-	-	250,000
Shares issued on vesting of RSUs (note 11)	728,058	134,691	-	-	-	-	-	134,691
Extension of warrants	-	(37,259)	-	37,259	-	-	-	-
Expired warrants	-	-	-	(439,320)	439,320	-	-	-
Net loss and comprehensive loss	-	-	-	-	-	(62,729)	(2,897,825)	(2,960,554)
Balance, September 30, 2019	**78,327,329**	**$ 12,850,546**	**$ 250,000**	**$ 980,756**	**$ 2,730,277**	**$ (4,057)**	**$ (15,207,515)**	**$ 1,600,007**

The accompanying notes are an integral part of these consolidated financial statements

1. Nature of operations and going concern

Bee Vectoring Technologies International Inc. (the "Company") was incorporated under the laws of the province of British Columbia, Canada on May 20, 2011. The Company is focused on the control of pests and enhancement of crops and ornamentals through the use of biological controls in a variety of application processes.

The Company commenced trading on the TSX Venture Exchange under the symbol BEE on July 7, 2015. The address of the Company's registered office is 4160 Sladeview Cres. #7, Mississauga, Ontario.

These consolidated financial statements were approved for issuance by the Board of Directors on January 24, 2020.

Going concern assumption

These consolidated financial statements are prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future.

The Company's ability to continue as a going concern is dependent upon, but not limited to, its ability to raise financing necessary to discharge its liabilities as they become due and generate positive cash flows from operations. On August 28, 2019 the Company received approval from the Environmental Protection Agency to sell its BioControl in the United States. To date the Company has not yet obtained regulatory approval to sell its BioControl from other regulatory bodies outside the US, and has not generated material revenue from operations. During the year ended September 30, 2019, the Company incurred a net loss of $2,897,825 (2018 – $2,992,860), and as of that date, the Company's deficit was $15,207,515 (September 30, 2018 – $12,309,690). 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).

These conditions have resulted in material uncertainties that may cast significant doubt about the Company's ability continue as a going concern in the foreseeable future. The consolidated financial statements do not give effect to adjustments that may be necessary, should the Company be unable to continue as a going concern. If the going concern assumption is not used then the adjustments required to report the Company's assets and liabilities at liquidation values could be material to these consolidated financial statements.

2. Basis of presentation

a) Statement of compliance

These consolidated financial statements have been prepared in compliance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC").

b) Basis of measurement

The consolidated financial statements have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected financial assets and financial liabilities. The consolidated financial statements are presented in Canadian dollars, which is also the Company's functional currency.

c) Significant accounting estimates and judgments

The preparation of these consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions 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.

2. Basis of presentation (continued)

c) Significant accounting estimates and judgments (continued)

The estimates and underlying assumptions are reviewed on an ongoing basis. 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:

Estimates

Intangible assets valuation for impairment purposes
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. 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.

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

Useful life of intangible assets
Significant estimates are made as to the useful lives of the capitalization of patents, regulatory and development costs.

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

Judgments

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.

2. Basis of presentation (continued)

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

d) Basis of consolidation

These consolidated financial statements include the accounts of the Company and those of its wholly-owned subsidiaries Bee Vectoring Technology Inc. (Canadian), and Bee Vectoring Technology USA Corp (United States) ("BVT USA").

The functional currency of the Company is the Canadian Dollar, which is the presentation currency of the consolidated financial statements. The functional currency of BVT USA is the United States dollar.

All intercompany transactions and balances have been eliminated in preparing the consolidated financial statements.

3. Significant accounting policies

Intangible Assets
The Company has intangible assets consisting of legal costs related to the application of patents, costs associated with Regulatory (including EPA) applications and costs of developing the Company's technology. Intangible assets acquired separately are measured on initial recognition at cost, when they have the following attributes: are identifiable, controlled by the Company, and from which future benefits are expected. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. Subsequent expenditures are capitalized only when they increase the future economic benefits embodied in the specific asset to which they relate. All other expenditures are recognized in profit or loss as incurred.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there are indications that the intangible asset may be impaired. Intangible assets which are not yet available for use are tested annually for impairment regardless of whether impairment indicators exist. The amortization method and amortization period of an intangible asset with a finite life is reviewed at least annually. Changes in the expected useful life (based on expiry of patents) or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. Amortization is recognized in the statement of comprehensive loss on a straight-line basis over the estimated useful lives of intangible assets from the date the patent is granted and is available for use. Amortization of regulatory costs are amortized once approvals are received, and are amortized over there estimated useful life, being the term of the approval.

Property, Plant and Equipment
Equipment and furniture are recorded initially at cost and subsequently at cost less accumulated amortization and accumulated impairment losses (if any). Amortization is provided over an asset's expected useful life using the following methods and annual rates:

Equipment	20 years	straight line
Computer	3 years	straight line
Office furniture	20 %	declining balance
Site equipment	20 %	declining balance
Telephone equipment	20 %	declining balance
Leasehold improvements		straight-line over life of lease

3. Significant accounting policies (continued)

Residual values, useful lives and methods of amortization are reviewed at each financial year end and adjusted prospectively (if needed).

Income Taxes
Income tax comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or other comprehensive income, in which case the income tax is also recognized directly in equity or other comprehensive income. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted, or substantively enacted, at the end of the reporting period, and any adjustment to tax payable in respect of previous years. Current tax assets and current tax liabilities are only offset if a legally enforceable right exists to set off the amounts, and the Company intends to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax is recognized in respect of all qualifying temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the end of the reporting period and are expected to apply when the deferred tax asset or liability is settled. Deferred tax assets are recognized to the extent that it is probable that the assets can be recovered. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Share Capital
Common shares are classified as equity. Incremental costs directly attributable to the issuance of shares are recognized as a deduction from equity. For unit offerings, the Company has adopted the relative fair value method with respect to the measurement of shares and warrants issued as equity units. The relative fair value method requires an allocation of the net proceeds received based on the pro rata relative fair values of the components. If and when the warrants are ultimately exercised, the applicable amounts are transferred from warrants to share capital. If the warrants expire unexercised, the applicable amount is transferred to contributed surplus. The fair value adjustment resulting from a modification to the terms of a warrant is recognized in share capital.

Financial Instruments
The Company adopted IFRS 9 retrospectively without restating comparatives and therefore the comparative information in respect of financial instruments for the year ended September 30, 2018 was accounted for in accordance with the Company's previous accounting policy under IAS 39.

Accounting policy under IFRS 9 applicable from October 1, 2018

Financial assets
Initial recognition and measurement
Non-derivative financial assets within the scope of IFRS 9 are classified and measured as "financial assets at fair value", as either fair value through profit and loss ("FVPL") or fair value through other comprehensive income ("FVOCI"), and "financial assets at amortized costs", as appropriate. The Company determines the classification of financial assets at the time of initial recognition based on the Company's business model and the contractual terms of the cash flows.

All financial assets are recognized initially at fair value plus, in the case of financial assets not at FVPL, directly attributable transaction costs on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

Financial assets with embedded derivatives are considered in their entirety when determining their classification at FVPL or at amortized cost. Amounts receivable held for collection of contractual cash flows are measured at amortized cost.

3. Significant accounting policies (continued)

Subsequent measurement – Financial assets at FVPL
Financial assets measured at FVPL include financial assets management intends to sell in the short term and any derivative financial instrument that is not designated as a hedging instrument in a hedge relationship. Financial assets measured at FVPL are carried at fair value in the statements of financial position with changes in fair value recognized in other income or expense in the statements of income. The Company does not measure any financial assets at FVPL.

Subsequent measurement – Financial assets at amortized cost
Financial assets are measured at amortized cost if both the following criteria are met and the financial assets are not designated as at FVTPL: 1) the object of the Company's business model for these financial assets is to collect their contractual cash flows; and 2) the asset's contractual cash flows represent "solely payments of principal and interest".

Subsequent measurement – Financial assets at FVOCI
Financial assets measured at FVOCI are non-derivative financial assets that are not held for trading and the Company has made an irrevocable election at the time of initial recognition to measure the assets at FVOCI. The Company does not measure any financial assets at FVOCI.

After initial measurement, investments measured at FVOCI are subsequently measured at fair value with unrealized gains or losses recognized in other comprehensive income or loss in the statements of comprehensive income. When the investment is sold, the cumulative gain or loss remains in accumulated other comprehensive income or loss and is not reclassified to profit or loss.

Dividends from such investments are recognized in other income in the statements of income when the right to receive payments is established.

Derecognition
A financial asset is derecognized when the contractual rights to the cash flows from the asset expire, or the Company no longer retains substantially all the risks and rewards of ownership.

Impairment of financial assets
The Company's only financial assets subject to impairment are other amounts receivable, which are measured at amortized cost. The Company has elected to apply the simplified approach to impairment as permitted by IFRS 9, which requires the expected lifetime loss to be recognized at the time of initial recognition of the receivable. To measure estimated credit losses, amounts receivable have been grouped based on shared credit risk characteristics, including the number of days past due. An impairment loss is reversed in subsequent periods if the amount of the expected loss decreases and the decrease can be objectively related to an event occurring after the initial impairment was recognized.

Financial liabilities
Initial recognition and measurement
Financial liabilities are measured at amortized cost, unless they are required to be measured at FVPL as is the case for held for trading or derivative instruments, or the Company has opted to measure the financial liability at FVPL. The Company's financial liabilities include accounts payable and accrued liabilities, which are each measured at amortized cost. All financial liabilities are recognized initially at fair value and in the case of debt, net of directly attributable transaction costs.

Subsequent measurement – financial liabilities at amortized cost
After initial recognition, financial liabilities measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the Effective Interest Rate ("EIR") method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR. The EIR amortization is included in finance cost in the statements of loss.

3. Significant accounting policies (continued)

Derecognition
A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires with any associated gain or loss recognized in other income or expense in the statements of loss.

There was no material impact on the adoption of IFRS 9 in the Company's financial statements.

Financial assets:	**Classification IAS 39**	**Classification IFRS 9**
Cash	FVPL	FVTPL
Accounts receivable	Loans and receivables	Amortized cost
Financial liabilities:	**Classification IAS 39**	**Classification IFRS 9**
Accounts payable and accrued liabilities	Other financial liabilities	Amortized cost
Loans payable	Other financial liabilities	Amortized cost

Impairment of non-financial assets
Any intangible asset with an indefinite useful life is tested for impairment annually and whenever there is an indication that the asset may be impaired. Finite life intangible assets not yet available for use are tested annually for impairment. Other non-financial assets are reviewed for impairment if there is any indication that the carrying amount may not be recoverable. If any such indication is present, the recoverable amount of the asset is estimated in order to determine whether impairment exists. Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit (the Company's technology, inoculum dispensing system) to which the asset belongs.

An asset's recoverable amount is the higher of fair value less costs to sell and value in use.

If the recoverable amount of an asset or cash generating unit is estimated to be less than its carrying amount, the carrying amount is reduced to the recoverable amount. An impairment loss is recognized immediately in profit or loss. Where an impairment subsequently reverses, the carrying amount is increased to the revised estimate of recoverable amount, but only to the extent that this does not exceed the carrying value that would have been determined if no impairment had previously been recognized. A reversal is recognized in profit or loss for the period, although such reversals are not applicable to goodwill.

Share based payment transactions
The Company has a stock option plan and a restricted share unit plan which are discussed in note 11. Employees (including directors and senior executives) of the Company receive a portion of their remuneration in the form of share-based payment transactions, whereby they render services as consideration for equity instruments ("equity-settled transactions").

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity cannot be specifically measured, the equity instruments are measured at fair value of the equity instrument. The fair value of the equity instruments is recognized together with a corresponding increase in equity over the period that services are provided or goods are received.

The costs of equity settled transactions with employees are measured by reference to the fair value at the date on which they are granted. The costs of equity settled transactions are recognized, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ("the vesting date"). The cumulative cost is recognized for equity-settled transactions at each reporting date until the vesting date reflects the Company's best estimate of the number of equity instruments that will ultimately vest. The profit or loss charge or credit for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and the corresponding amount is represented in contributed surplus. Upon exercise of the stock options, the consideration paid, together with the amount previously recognized in contributed surplus, is recorded as an increase in share capital. No expense is recognized for awards that do not ultimately vest. The dilutive effect of outstanding options is reflected as additional dilution in the computation of earnings per share.

3. Significant accounting policies (continued)

The Company determines the fair value of restricted stock units issued with market-based performance conditions by using the market price of the Company's stock at the date of grant adjusted downward for the probability of units not vesting; the Company multiplies this by the number of restricted stock units granted. The Company then recognizes the associated stock-based compensation with an increase in share capital over the vesting period related to the market-based performance condition. Upon vesting, the Company will reconcile the share-based compensation and share capital to account for the number of units that ultimately vested.

The Company determines the fair value of restricted stock units issued with non-market based performance conditions by using the market price of the Company's stock at the date of grant; the Company multiplies this by the number of restricted stock units it expects to ultimately vest. The Company then recognizes the associated stock-based compensation with an increase in share capital over the estimated vesting period related to the non-market based performance condition. Upon vesting, the Company will reconcile the share-based compensation and share capital to account for the number of units that ultimately vested.

Foreign operations and currency translation
Within each entity, transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on dates of transactions. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at that date. Foreign exchange differences arising on translation are recognized in the consolidated statements of loss. Non-monetary assets and liabilities that are measured at historical cost are translated using the exchange rate at the date of the transaction.

The accounts of the Company are presented in Canadian dollars. The financial statements of foreign subsidiaries for which the functional currency is not the Canadian dollar are translated into Canadian dollars using the exchange rate in effect at the end of the reporting period for assets and liabilities and the average exchange rates for the period for revenue, expenses and cash flows. Foreign exchange differences arising on translation are recognized in other comprehensive income and in accumulated other comprehensive income in shareholders' equity.

Loss per share
The calculation of loss per common share is based on the reported net loss divided by the weighted average number of shares.

Diluted loss per share is calculated in a similar manner, except that the weighted average number of common shares outstanding is increased to include potentially issuable common shares from the assumed exercise of common share purchase options, warrants and vesting of restricted share units, if dilutive. As the potentially dilutive equity instruments are anti-dilutive, basic and diluted earnings per share are the same.

Provisions
A provision is recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract.

The Company had no material provisions at September 30, 2019 and September 30, 2018.

Leases
Leases are classified as either operating or finance, based on the substance of the transaction at inception of the lease. Classification is re-assessed if the terms of the lease are changed.

3. Significant accounting policies (continued)

• Finance lease - Leases in which substantially all the risks and rewards of ownership are transferred to the Company are classified as finance leases. Assets meeting finance lease criteria are capitalized at the lower of the present value of the related lease payments of the fair value of the leased asset at the inception of the lease. Minimum lease payments are apportioned between the finance charge and the liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

• Operational lease - Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments under an operating lease are recognized in the income statement on a straight –line basis over the period of the lease.

Revenue recognition
The Company has adopted IFRS 15 (Revenue from Contracts with Customers) from October 1, 2018. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognize revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. It establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring good or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with customers. The standard also specifies the accounting for incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

Revenue is recognized at an amount that reflects the consideration to which the consolidated entity is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Company: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognizes revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognized to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are initially recognized as deferred revenue in the form of a separate refund liability.

Rendering of services - Revenue from a contract to provide services is recognized over time as the services are rendered based on a per acre basis. This revenue is generated (and performance obligation met) by providing a service to growers (installing and maintaining the Company’s inoculum dispenser system) over the growers farming season. 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. The Company has developed an inoculum dispenser system that is incorporated into the lid of the commercial bumble bee hive (“Hives”). In the dispenser is a removable tray that contains, in powder form, the inoculant fungi and a mixture of products that allows the bees to effectively pick up the product on their way out of the hive, get attached to the bee’s legs and bodies as they walk through the tray on their way out of the hive. This offers an organic means to control diseases and pests and provide plant enhancing properties while requiring zero water for delivery.

3. Significant accounting policies (continued)

Sale of goods - Revenue from the sale of goods is recognized at the point in time when the customer obtains control of the goods, which is generally at the time of delivery (ie performance obligation is met upon the shipment of the Hives).

The Company recognizes revenue based on the following criteria: when a contract exists with a customer, the contract identifies the performance obligation, performance obligation has been met, the transaction price is determinable and collectability is reasonably assured. Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for services provided in the normal course of business.

Cash-generating unit
A cash-generating unit ("CGU") is the smallest identifiable group of assets that generate cash flows that are independent of the cash inflows from other assets or groups of assets. Impairment of CGUs is performed at the CGU level. The recoverable amount of each CGU is determined based on the higher of the CGU's fair value less costs to sell ("FVLCS") and its value in use ("VIU"). Where the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods. CGUs shall be identified consistently from period to period for the same asset or types of asset, unless a change is justified. Management evaluates and identifies CGUs at each financial statement date. Management has identified there to be one CGU, being the Company's technology, inoculum dispensing system.

Inventory
Inventory is stated at the lower of cost and net realizable value. Cost is determined using the first-in, first-out method using the standard costing method which is updated regularly to reflect current conditions and approximate cost. The cost of finished goods inventory comprises raw materials, direct labour, other direct costs and related production overhead expenditure. Net realizable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Inventory is reviewed monthly to determine if the carrying value exceeds net realizable value. If so, impairment is recognized. The impairment may be reversed if the circumstances which caused it no longer exist.

Accounting Standards Issued But Not Yet Applied
The Company has reviewed changes to accounting standards that become effective in future periods. Standards issued but not yet effective up to the date of issuance of the Company's consolidated financial statements are listed below:

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.

(expressed in Canadian dollars)

3. Significant accounting policies (continued)

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.

4. Inventory

	2019	**2018**
Raw materials	$ 18,067	$ -
Total	$ 18,067	$ -

During the year ended September 30, 2019, $44,865 (2018 - $nil (as there were no sales in 2018)) of inventory was recognized as cost of sales. There were no inventory write downs in 2019 and 2018. No inventory was pledged as collateral.

5. Property, plant and equipment

	Equipment	**Computer**	**Office furniture**	**Site equipment**	**Leasehold improvements**	**Telephone Equipment**	**Total**
Cost							
As at September 30, 2017	$ 6,299	$ 4,674	$ 12,467	$ 343,260	$ 38,617	$ 16,280	$ 421,597
Additions	-	10,812	-	65,637	-	8,651	85,100
As at September 30, 2018	6,299	15,486	12,467	408,897	38,617	24,931	506,697
Additions	-	-	-	-	-	-	-
As at September 30, 2019	$ 6,299	$ 15,486	$ 12,467	$ 408,897	$ 38,617	$ 24,931	$ 506,697
Accumulated depreciation							
As at September 30, 2017	$ 1,510	$ 3,464	$ 4,484	$ 134,566	$ 26,080	$ 7,597	$ 177,701
Additions	315	3,000	1,597	48,319	7,723	2,818	63,772
As at September 30, 2018	1,825	6,464	6,081	182,885	33,803	10,415	241,473
Additions	314	5,162	1,277	45,202	7,723	2,903	62,581
As at September 30, 2019	$ 2,139	$ 11,626	$ 7,358	$ 228,087	$ 41,526	$ 13,318	$ 304,054
Net book value							
As at September 30, 2018	$ 4,474	$ 9,022	$ 6,386	$ 226,012	$ 4,814	$ 14,516	$ 265,224
As at September 30, 2019	$ 4,160	$ 3,860	$ 5,109	$ 180,810	$ -	$ 11,613	$ 202,643

(expressed in Canadian dollars)

6. Intangible assets

Intangible assets consist of legal fees incurred towards the registration of various patents, regulatory and development costs as follows: (amortization commences once the asset is available for use)

	Available-for-use			Work-in-process			Total
	Patents	**Regulatory**	**Development**	**Patents**	**Regulatory cost**	**Development**	
Cost							
As at September 31, 2017	$222,733	$ -	$ -	$556,523	$ -	$ -	$ 779,256
Additions	59,694	-	-	110,353	114,851	9,202	294,100
Write-off of abandoned patents	-	-	-	(3,820)	-	-	(3,820)
As at September 31, 2018	282,427	-	-	663,056	114,851	9,202	1,069,536
Additions	146,635	233,719	134,573	109,303	21,094	-	645,324
Re-class to available for use	97,336	114,851	9,202	(97,336)	(114,851)	(9,202)	-
Write-off of abandoned patents	-	-	-	(32,164)			(32,164)
As at September 31, 2019	$526,398	$ 348,570	$ 143,775	$642,859	$ 21,094	$ -	$1,682,696
Accumulated amortization							
As at September 31, 2017	$ 10,655	$ -	$ -	$ -	$ -	$ -	$ 10,655
Additions	16,908	-	-	-	-	-	16,908
As at September 31, 2018	27,563	-	-	-	-	-	27,563
Additions	33,846	1,452	7,190	-	-	-	42,488
As at September 31, 2019	$ 61,409	$ 1,452	$ 7,190	$ -	$ -	$ -	$ 70,051
Net book value							
As at September 31, 2018	$254,864	$ -	$ -	$663,056	$ 114,851	$ 9,202	$1,041,973
As at September 31, 2019	$464,989	$ 347,118	$ 136,585	$642,859	$ 21,094	$ -	$1,612,645

7. Related party balances and 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 (vii)	**207,505**	291,880
	$ 762,297	$ 827,938

(i) Salary and/or consulting fees paid to the CEO for services rendered.

(ii) Consulting fees charged by CFO Advantage Inc, a corporation owed 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.

(expressed in Canadian dollars)

7. Related party balances and transactions (continued)

(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.

8. Loan payable

On August 28, 2019, the Company entered into a loan agreement for gross proceeds of $50,000 (2018 - $nil) of which $50,000 has been drawn at September 30, 2019. The loan is unsecured, bears interest at 12.5% per annum and becomes due 90 days from the date of issuance. There are no specified covenants on this loan. Total interest expense accrued on the loan during 2019 was $512 (2018 - $nil) which has been included in accounts payable and accrued liabilities.

9. Share capital

Authorized - Unlimited number of common shares without par value
Issued and outstanding

	Share capital	Value
Common shares		
Balance September 30, 2017	58,501,771	$9,090,738
Shares issued in connection with the private placement (i)(ii)(iii)	18,800,000	4,700,000
Fair value of warrants issued in connection of the private placement (i)(ii)(iii)	-	(1,026,038)
Share issued costs related to the private placement – cash (i)(ii)	-	(117,873)
Fair value of finder's warrants issued in connection with the private placement (i)(ii)	-	(25,613)
Common shares issued on the exercise of options (iv)	297,500	131,900
Balance September 30, 2018	**77,599,271**	**$12,753,114**
Shares issued on vesting of RSU's (note 11)	728,058	134,691
Extension of warrants	-	(37,259)
Balance September 30, 2019	**78,327,329**	**$12,850,546**

(i) On February 16, 2018, the Company closed a non-brokered private placement of 6,300,000 Units ("Units") of the Company at a price of $0.25 per Unit for gross proceeds of $1,575,000, of which $1,404,458 was allocated to share capital and $170,541 was allocated to warrants using the relative fair value.

Each Unit consists of one common share and one-half of one common share purchase warrant. Each whole common share purchase warrant ("Warrant") entitles the holder to purchase one additional common share at a price of C$0.30 per common share until February 16, 2019. The Warrants were valued using the Black-Scholes option pricing model using the following assumptions: Term – 1 years; Volatility – 66%; Interest rate – 1.78%.

The Company paid commissions to finders under the private placement consisting of cash fees of $132,187 and the issue of 422,400 finder's warrants. Each finder's warrant entitles the holder to purchase one share of the Company at a price of $0.30 per share until February 16, 2019. The finder's warrants were valued at $29,990 using the Black-Scholes option pricing model using the following assumptions: Term – 1 years; Volatility – 66%; Interest rate – 1.78%.

(ii) On March 28, 2018, the Company closed a non-brokered private placement of 12,000,000 Units ("Units") of the Company at a price of $0.25 per Unit for gross proceeds of $3,000,000, of which $2,179,177 was allocated to share capital and $820,823 was allocated to warrants using the relative fair value.

(expressed in Canadian dollars)

9. Share capital (continued)

Each Unit consists of one common share and one whole common share purchase warrant. Each whole common share purchase warrant ("Warrant") entitles the holder to purchase one additional common share at a price of C$0.35 per common share until March 28, 2020. The Warrants were valued using the Black-Scholes option pricing model using the following assumptions: Term – 2 years; Volatility – 76%; Interest rate – 1.80%.

No finders fees were payable on this private placement.

(iii) On May 2, 2018, the Company closed a non-brokered private placement of 500,000 Units ("Units") of the Company at a price of $0.25 per Unit for gross proceeds of $125,000, of which $90,326 was allocated to share capital and $34,674 was allocated to warrants using the relative fair value.

Each Unit consists of one common share and one whole one common share purchase warrant. Each whole common share purchase warrant ("Warrant") entitles the holder to purchase one additional common share at a price of C$0.35 per common share until May 2, 2020. The Warrants were valued using the Black-Scholes option pricing model using the following assumptions: Term – 2 years; Volatility – 76%; Interest rate – 1.94%.

No finder's fees were payable on this private placement.

(iv) No options were exercised during the year ended September 30, 2019. The following summarizes the options exercised during the year ended September 30, 2018:

Date	Price	Fair value on date of exercise of common shares	Shares issued	Cash proceeds	Fair value
10/31/2017	$0.25	$0.31	100,000	$ 25,000	$ 19,336
11/07/2017	$0.25	$0.28	150,000	37,500	29,004
11/24/2017	$0.25	$0.28	47,500	11,875	9,185
			297,500	$ 74,375	$ 57,525

10. Warrants

The warrants issued and outstanding as at September 30, 2019 are as follows:

	Number of warrants	Weighted average	
Balance, September 30, 2017	7,274,220	$	0.46
Warrants granted	16,072,400	$	0.34
Warrants expired	(2,127,000)	$	0.65
Balance, September 30, 2018	21,219,620	$	0.35
Warrants expired	(6,758,620)	$	0.35
Balance, September 30, 2019	14,461,000	$	0.35

All warrants issued during the year ended September 30, 2018 vested on the grant date. The warrants entitle the holders to purchase the stated number of common shares at the exercise price on or before the expiry date.

(expressed in Canadian dollars)

10. Warrants (continued)

At September 30, 2019, the following warrants were outstanding:

Strike price	Number	Weighted average remaining contractual life (in years)	Expiry date
$ 0.35	1,961,000	0.97	9/19/2020
$ 0.35	12,000,000	0.49	3/28/2020
$ 0.35	500,000	0.59	5/2/2020
	14,461,000	0.56	

On August 8, 2019, the Company extended the term of 1,961,000 common share purchase warrants set to expire on September 19, 2019 (the "Warrants") to September 19, 2020. The Warrants were originally issued pursuant to a private placement of units completed by the Company on September 19, 2017. The exercise price of the Warrants remained the same at $0.35. This modification resulted in a fair value adjustment of $37,259 valued using the Black-Scholes option pricing model using the following assumptions: Term – 1 years; Volatility – 83%; Interest rate – 1.42%. The incremental value is the difference between the fair value of the share purchase warrants using the modified and the original terms. Since this has occurred after the vesting date, the incremental fair value is recognized immediately.

11. Stock options and restricted share units

On March 22, 2019 the Board of Directors has approved a restricted share unit plan (the "RSU Plan") and a 20% fixed stock option plan (the "Option Plan") to grant restricted share units ("RSU's") and incentive stock options ("Options") to directors, officers, key employees and consultants of the Company. Pursuant to the RSU Plan and the Option Plan, the Company may reserve up to an aggregate of 15,519,854 common shares pursuant to awards granted under the plans. The plans were approved by the shareholders on May 10, 2019. Previously, the Company had a rolling stock option plan in 2011, which authorized the Board of Directors to grant stock options to directors, officers, employees and consultants to acquire up to 10% of the issued and outstanding common shares of the Company.

Options

Below is a summary of transactions for the years ended September 30, 2019 and 2018:

Transaction	**Date**	**# Options**
Balance September 30, 2017		4,529,100
Granted (i)	03/01/2018	365,000
Granted (ii)	03/28/2018	600,000
Granted (iii)	04/25/2018	200,000
Granted (iv)	06/01/2018	100,000
Expired		(440,000)
Exercised		(297,500)
Balance September 30, 2018		5,056,600
Granted (v)	02/07/2019	25,000
Granted (vi)	03/22/2019	1,828,418
Granted (vii)	09/16/2019	50,000
Balance, September 30, 2019		6,960,018

(expressed in Canadian dollars)

11. Stock options and restricted share units (continued)

As at September 30, 2019 the Company had the following stock options outstanding:

Date Issued	# Options	# Exercisable	Value	Exercise Price	Expiry date
6/30/2015	50,000	50,000	$ 6,534	$ 0.25	6/30/2020
7/6/2015	1,580,000	1,580,000	$ 300,200	$ 0.25	7/6/2020
8/8/2015	1,600	1,600	$ 371	$ 0.30	8/8/2020
9/07/2015	100,000	100,000	$ 24,862	$ 0.31	9/07/2020
11/16/2015	275,000	275,000	$ 91,575	$ 0.43	11/16/2020
6/23/2016	225,000	225,000	$ 115,050	$ 0.50	6/23/2021
8/30/2016	1,000,000	749,992	$ 310,000	$ 0.32	8/30/2026
10/21/2016	100,000	100,000	$ 23,400	$ 0.32	10/21/2021
12/5/2016	100,000	100,000	$ 16,500	$ 0.24	12/5/2021
4/21/2017	360,000	360,000	$ 76,680	$ 0.25	4/21/2022
3/1/2018	365,000	365,000	$ 77,015	$ 0.25	3/1/2023
3/28/2018	600,000	600,000	$ 149,400	$ 0.25	3/28/2023
4/25/2018	200,000	200,000	$ 52,600	$ 0.25	4/25/2023
6/1/2018	100,000	100,000	$ 16,500	$ 0.28	6/1/2021
02/27/2019	25,000	12,500	$ 3,125	$ 0.16	02/07/2024
03/22/2019	1,828,418	1,828,418	$ 259,635	$ 0.195	03/22/2024
09/16/2019	50,000	25,000	$ 9,800	$ 0.24	09/16/2024
	6,960,018	6,672,510			

The weighted average expiry date of the options is 3.33 years. The weighted average exercise price of the options is $0.27.

(i) On March 1, 2018, the Company issued 365,000 options to consultants of the Company. 75,000 of these options were issued to a related party. These options were valued at $77,015 using the Black-Scholes option pricing model using the following assumptions: Expected life – 5 years; Volatility – 116.06%; Interest rate – 1.99%; Dividend yield – nil; Forfeiture rate – nil, stock price – $0.26.

(ii) On March 28, 2018, the Company issued 600,000 options to directors of the Company. These options were valued at $149,400 using the Black-Scholes option pricing model using the following assumptions: Expected life – 5 years; Volatility – 115.34%; Interest rate – 2.00%; Dividend yield – nil; Forfeiture rate – nil, stock price - $0.30.

(iii) On April 25, 2018, the Company issued 200,000 options to a director of the Company. These options were valued at $52,600 using the Black-Scholes option pricing model using the following assumptions: Expected life – 5 years; Volatility – 115.31%; Interest rate – 2.18%; Dividend yield – nil; Forfeiture rate – nil, stock price - $0.32.

(iv) On June 1, 2018, the Company issued 100,000 options to a consultant of the Company. These options were valued at $16,500 using the Black-Scholes option pricing model using the following assumptions: Expected life – 3 years; Volatility – 104.05%; Interest rate – 2.00%; Dividend yield – nil; Forfeiture rate – nil, stock price - $0.28.

(v) On February 7, 2019, the Company issued 25,000 options to an employee of the Company. These options were valued at $3,125 using the Black-Scholes option pricing model using the following assumptions: Expected life – 5 years; Volatility – 107.84%; Interest rate – 1.78%; Dividend yield – nil; Forfeiture rate – nil, stock price - $0.16. Volatility was based on the historical volatility of BVT and other comparable listed companies. 50% of the options vested on August 7, 2019, and the remaining 50% to vest on February 7, 2020.

(expressed in Canadian dollars)

11. Stock options and restricted share units (continued)

(vi) On March 22, 2019, the Company issued 1,828,418 options to directors, officers, consultants and employees of the Company. 1,426,377 of these options were issued to directors and officers. These options were valued at $259,635 using the Black-Scholes option pricing model using the following assumptions: Expected life – 4.87 years; Volatility – 107%; Interest rate – 1.61%; Dividend yield – nil; Forfeiture rate – nil, stock price - $0.19. Volatility was based on the historical volatility of BVT and other comparable listed companies. 50% of the options vested on the date of grant, and 50% vested only upon US Environmental Protection Agency's approval of the Company's VECTORITE with CR-7TM (delivered by bees) product (for which approval was obtained on August 28, 2019).

(vii) On September 16, 2019, the Company issued 50,000 options to a consultant of the Company. These options were valued at $9,800 using the Black-Scholes option pricing model using the following assumptions: Expected life – 5 years; Volatility – 107%; Interest rate – 1.49%; Dividend yield – nil; Forfeiture rate – nil, stock price - $0.25. Volatility was based on the historical volatility of BVT and other comparable listed companies. 50% of the options vested on September 16, 2019 and the remaining 50% to vest on December 16, 2019.

Restricted share units (“RSU’s”)

On March 22, 2019, the Company granted 728,058 RSU’s to certain directors, officers, key employees and consultants (487,922 to directors and officers). Each RSU is exercisable into one common share. The RSU's vested only upon US Environmental Protection Agency's approval of the Company's VECTORITE with CR-7TM (delivered by bees) product (for which approval was obtained on August 28, 2019). The RSUs had an expiry date of the earlier of (i) March 22, 2029, and (ii) five years from the date of vesting. All the RSUs were exercised upon the vesting condition being met and the 728,058 shares were issued on September 4, 2019. On the date of grant management estimated all 728,058 RSUs would be vested during 2019. This estimate did not need to be adjusted as the vesting condition was met.

The grant date fair value of the RSU equals the fair market value of the corresponding shares at the grant date. The fair value of these equity-settled awards is recognized as compensation expense with a corresponding increase in equity. The total amount expensed is recognized over the vesting period, which is the period over which all the specified vesting conditions should be satisfied.

The weighted average fair value of the RSUs granted during the year ended September 30, 2019 was $0.142 per common share.

Per cash flow:	
Share based payments	$355,499
Shares issued for services	83,796
	$439,295
Per statement of equity:	
Share based payments	$304,604
Shares issued for services	134,691
	$439,295

12. Loss per share

The warrants and options outstanding were excluded from the computation of diluted loss per share for the years ended September 30, 2019 and September 30, 2018 because their impact was anti-dilutive.

13. Financial instruments

Fair Value
Financial instruments of the Company as at September 30, 2019 and September 30, 2018 consist of cash, accounts receivable, 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 currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of a change in foreign exchange rates. The Company is exposed to foreign currency risk on cash, accounts receivable and accounts payable denominated in U.S. dollars. The Company does not use derivative instruments to reduce its exposure to foreign currency risk.

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).

14. Capital management

The Company's objectives when managing capital are: to safeguard the Company's ability to continue as a going concern; to maintain an optimal capital structure, while ensuring the Company's strategic objectives are met and to provide an appropriate return to shareholders relative to the risk of the Company's underlying assets. The capital structure of the Company consists of equity attributable to common shareholders, comprised of issued capital, stock options, warrants, contributed surplus and deficit. The Company maintains and adjusts its capital structure based on changes in economic conditions and the Company's planned requirements. The Company may adjust its capital structure by issuing new equity, selling and/or acquiring assets, and controlling its capital expenditures program.

(expressed in Canadian dollars)

14. Capital management

The Company is operating at a loss. As such, the Company is dependent on external financing to fund its activities. In order to pay for its operating expenses, the Company will spend its existing working capital and raise additional amounts as needed and if available.

As at September 30, 2019, managed capital was $1,600,007 (2018 - $3,871,266). Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

15. Sales

Revenue from contracts with customers	**2019**	2018
Rendering of services	**$ 38,270**	$ -
Sale of goods	**19,906**	-
	$ 58,176	$ -

Timing of revenue recognition	**2019**	2018
Services rendered over time	**$ 38,270**	$ -
Goods transferred at a point in time	**19,906**	-
	$ 58,176	$ -

All revenue was earned in the United States.

16. 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

(expressed in Canadian dollars)

17. Commitments

Effective November 1, 2015, the Company has a lease commitment for premises, which expires October 31, 2020, requiring the following approximate annual payments:

Year	Minimum lease payment	
2020	$	58,515
thereafter		4,888
Total	$	63,403

18. Income Taxes

Provision for income taxes

No deferred tax asset has been recognized because of the uncertainty as to the utilization of the losses for income tax purposes. The Company has accumulated losses for Canadian income tax purposes expiring as follows:

	BVTI & BVT	BVTUSA
2032	321,638	-
2033	382,002	-
2034	460,174	-
2035	328,573	-
2036	2,474,533	-
2037	2,283,127	598,901
2038	2,046,726	672,833
2039	1,868,251	663,327
Total	10,165,024	1,935,001

The Company has share issue costs of $373,847 available for deduction against future Canadian taxable income over the next four years.

The Company’s subsidiary, BVT USA, incurred a net operating loss of $663,463 in a foreign jurisdiction, Due to changes in tax legislation, this net operating loss has an indefinite life and can only be used to offset 80% of taxable income. In the prior year, the Company incurred a net operating loss of $598,901 which can be carried forward until 2037 and can be used to offset 100% of taxable income.

		2019		2018
Loss before income taxes	**$**	**2,897,825**	$	2,992,860
Tax rate		**26.5%**		26.5%
Calculated income tax recovery		**(767,924)**		(793,108)
Share based compensation		**116,294**		99,124
Non-deductible expense and other		**(23,460)**		56,119
Difference in tax rates in foreign jurisdictions		**36,483**		70,596
Change in deferred taxes not recognized		**638,607**		567,269
Income tax expense	**$**	**-**	$	-

(expressed in Canadian dollars)

18. Income Taxes (continued)

The tax effects of temporary differences that give rise to future income tax assets and liabilities are as follows:

	2019	2018
Deferred income tax assets		
Non-capital loss carry forwards	**$ 3,100,094**	$ 2,467,178
Property and equipment	**95,834**	77,945
Patents	**(157)**	(43,013)
Share issue costs	**(249,785)**	(192,384)
Other intangible assets	**2,290**	-
Legal fees included in CEC pool	**62,741**	62,741
	3,011,017	2,372,467
Less: Deferred taxes not recognized	**(3,011,017)**	(2,372,467)
	$ -	$ -

19. Subsequent events

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.

19. Reclassification

The Company has reclassified $98,976 from sales and marketing to office and general (consulting) ($50,936) and trials, research and development ($48,040) in the comparative 2018 consolidated statement of loss and comprehensive loss to be consistent with the 2019 presentation.

BEE VECTORING TECHNOLOGIES INTERNATIONAL INC.

CONSOLIDATED FINANCIAL STATEMENTS

For the years ended September 30, 2018 and September 30, 2017

(expressed in Canadian Dollars)

RSM

INDEPENDENT AUDITORS' REPORT

To the Shareholders of Bee Vectoring Technologies International Inc.

RSM Canada LLP

We have audited the accompanying consolidated financial statements of Bee Vectoring Technologies International Inc. and its subsidiary, which comprise the consolidated statements of financial position as at September 30, 2018 and September 30, 2017 and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the years then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Bee Vectoring Technologies International Inc. and its subsidiary as at September 30, 2018 and September 30, 2017, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the consolidated financial statements which describes the material uncertainties that cast significant doubt about Bee Vectoring Technologies International Inc.'s ability to continue as a going concern.

RSM Canada LLP

Chartered Professional Accountants
Licensed Public Accountants
January 28, 2019
Toronto, Ontario

Bee Vectoring Technologies International Inc.
Consolidated Statements of Financial Position
(expressed in Canadian Dollars)

	September 30, 2018	September 30, 2017
ASSETS		
Current assets		
Cash	**$ 2,701,982**	$ 824,312
Sales tax and other receivable	**87,338**	116,760
Prepaid expense and deposits	**51,250**	143,132
	2,840,570	1,084,204
Intangible assets *(note 5)*	**1,041,973**	768,601
Moulds and dies *(note 6)*	**4,858**	21,118
Property, plant and equipment *(note 4)*	**265,224**	243,896
	$ 4,152,625	$ 2,117,819
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	**$ 281,359**	$ 298,735
	281,359	298,735
Shareholders' equity (deficit)		
Share capital *(note 8)*	**12,753,114**	9,090,738
Warrants *(note 8, 9)*	**1,382,817**	690,241
Contributed surplus *(note 10)*	**1,986,353**	1,325,064
Accumulated other comprehensive income	**58,672**	29,871
Accumulated deficit	**(12,309,690)**	(9,316,830)
	3,871,266	1,819,084
	$ 4,152,625	$ 2,117,819

NATURE OF OPERATIONS AND GOING CONCERN (Note 1)
COMMITMENTS (Note 15)

Approved by the Board of Directors

"Michael Collinson" — Director

"Jim Molyneux" — Director

The accompanying notes are an integral part of these consolidated financial statements

Bee Vectoring Technologies International Inc.
Consolidated Statements of Loss and Comprehensive Loss
For the years ended September 30, 2018 and 2017
(expressed in Canadian Dollars)

	2018	2017
Expenses		
Office and general (*note 14*)	**$ 1,646,260**	$ 1,536,602
Investor and public relations	**292,432**	437,191
Sales, advertising and marketing *(note 17)*	**303,818**	271,840
Share based payments (*note 10*)	**374,052**	288,843
Trials, research and development *(note 17)*	**343,411**	512,371
Loss before other items	**(2,959,973)**	(3,046,847)
Loss on foreign exchange	**(29,067)**	(26,501)
Loss on write-off of abandoned patents	**(3,820)**	(33,389)
Interest and other income	**-**	4,822
Net loss	**$ (2,992,860)**	$ (3,101,915)
Weighted average number of common shares outstanding - basic and diluted	**68,993,209**	51,556,150
Basic and diluted loss per common share (note 11)	**$ (0.04)**	$ (0.06)

	2018	2017
Net loss	**$ (2,992,860)**	$ (3,101,915)
Other comprehensive income		
Items that may be subsequently reclassified to earnings:		
Exchange differences on translating foreign operations	**28,801**	29,871
Comprehensive loss	**$ (2,964,059)**	$ (3,072,044)

The accompanying notes are an integral part of these consolidated financial statements

Bee Vectoring Technologies International Inc.
Consolidated Statements of Cash Flows
For the years ended September 30, 2018 and 2017
(expressed in Canadian Dollars)

	2018	2017
Cash used in operating activities		
Net loss	**$ (2,992,860)**	$(3,101,915)
Items not affecting cash		
Share based payments	**374,052**	288,843
Loss on write-off of abandoned patents	**3,820**	33,389
Foreign exchange differences	**29,067**	29,871
Depreciation and amortization	**96,924**	92,899
	(2,488,997)	(2,656,913)
Net changes in non-cash working capital items		
Sales tax and other receivables	**29,422**	(70,479)
Prepaid expenses and deposits	**91,882**	(28,640)
Accounts payable and accrued liabilities	**(17,642)**	56,131
	(2,385,335)	(2,699,901)
Cash used in investing activities		
Additions to intangibles	**(294,100)**	(206,355)
Additions to property, plant and equipment	**(85,084)**	(8,500)
	(379,184)	(214,855)
Cash flow from financing activities		
Proceeds from the issue of shares and units	**4,700,000**	2,212,900
Share issue costs	**(132,186)**	(103,764)
Proceeds from exercise of options and warrants	**74,375**	146,426
	4,642,189	2,255,562
Increase (Decrease) in cash	**1,877,670**	(659,194)
Cash, beginning of year	**824,312**	1,483,506
Cash, end of year	**$ 2,701,982**	$ 824,312

The accompanying notes are an integral part of these consolidated financial statements

Bee Vectoring Technologies International Inc.
Consolidated Statements of Changes in Shareholders' Equity
For the year ended September 30, 2018 and 2017
(expressed in Canadian Dollars)

	Share Capital						
	Number of shares	Amount	Warrants	Contributed Surplus	Accumulated other Comprehensive Income	Deficit	Total
Balance, October 1, 2016	48,291,811	$ 7,078,827	$ 666,010	$ 816,801	$ -	$ (6,214,915)	$ 2,346,723
Shares and units issued in connection with the private placement	9,636,000	1,898,759	314,141	-	-	-	2,212,900
Share issue costs related to the private placement - cash	-	(103,764)	-	-	-	-	(103,764)
Fair value of finders warrants issued in connection with the private placement	-	(31,338)	31,338	-	-	-	-
Share based compensation	-	-	-	288,843	-	-	288,843
Shares issued on exercise of warrants	151,460	60,935	(20,134)	-	-	-	40,801
Shares issued on exercise of options	422,500	187,319	-	(81,694)	-	-	105,625
Expired warrants	-	-	(301,114)	301,114	-	-	-
Net loss and comprehensive loss	-	-	-	-	29,871	(3,101,915)	(3,072,044)
Balance, September 30, 2017	**58,501,771**	**$ 9,090,738**	**$ 690,241**	**$ 1,325,064**	**$ 29,871**	**$ (9,316,830)**	**$ 1,819,084**
Balance, October 1, 2017	58,501,771	$ 9,090,738	$ 690,241	$ 1,325,064	$ 29,871	$ (9,316,830)	$ 1,819,084
Shares and units issued in connection with the private placement	18,800,000	4,700,000	-	-	-	-	4,700,000
Share issue costs related to the private placement - cash	-	(117,873)	(14,313)	-	-	-	(132,186)
Fair value of warrants issued in connection with the private placement	-	(1,026,038)	1,026,038	-	-	-	-
Fair value of finders warrants issued in connection with the private placement	-	(25,613)	25,613	-	-	-	-
Share based compensation	-	-	-	374,052	-	-	374,052
Shares issued on exercise of options	297,500	131,901	-	(57,525)	-	-	74,375
Expired warrants	-	-	(344,762)	344,762	-	-	-
Net loss and comprehensive loss	-	-	-	-	28,801	(2,992,860)	(2,964,059)
Balance, September 30, 2018	**77,599,271**	**$ 12,753,114**	**$ 1,382,817**	**$ 1,986,353**	**$ 58,672**	**$ (12,309,690)**	**$ 3,871,266**

The accompanying notes are an integral part of these consolidated financial statements

1. Nature of operations and going concern

Bee Vectoring Technologies International Inc. (the "Company") was incorporated under the laws of the province of British Columbia, Canada on May 20, 2011. The Company is focused on the control of pests and enhancement of crops and ornamentals through the use of biological controls in a variety of application processes.

The Company commenced trading on the TSX Venture Exchange under the symbol BEE on July 7, 2015. The address of the Company's registered office is 4160 Sladeview Cres. #7, Mississauga, Ontario.

These consolidated financial statements were approved for issuance by the Board of Directors on January 28, 2019.

Going concern assumption

These consolidated financial statements are prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future.

The Company's ability to continue as a going concern is dependent upon, but not limited to, its ability to raise financing necessary to discharge its liabilities as they become due and generate positive cash flows from operations. To date the Company has not obtained its license under the Pest Management Regulatory Agency and the Environmental Protection Agency to sell its BioControl in Canada and the United States, and has not generated revenue from operations. During the year ended September 30, 2018, the Company incurred a net loss of $2,992,860 (2017 – $3,101,915), and as of that date, the Company's deficit was $12,309,690 (September 30, 2017 – $9,316,830). At September 30, 2018, the Company has current assets of $2,840,570 (September 30, 2017 - $1,084,204) and current liabilities of $281,359 (September 30, 2017 – $298,735) resulting in working capital of $2,559,211 (September 30, 2017 – $785,469).

These conditions have resulted in material uncertainties that may cast significant doubt about the Company's ability continue as a going concern in the foreseeable future. The consolidated financial statements do not give effect to adjustments that may be necessary, should the Company be unable to continue as a going concern. If the going concern assumption is not used then the adjustments required to report the Company's assets and liabilities at liquidation values could be material to these consolidated financial statements.

2. Basis of presentation

a) Statement of compliance

These consolidated financial statements have been prepared in compliance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC").

b) Basis of measurement

The consolidated financial statements have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected financial assets and financial liabilities. The consolidated financial statements are presented in Canadian dollars, which is also the Company's functional currency.

c) Significant accounting estimates and judgments

The preparation of these consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions 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.

2. Basis of presentation (continued)

The estimates and underlying assumptions are reviewed on an ongoing basis. The impacts of such judgments and estimates are pervasive throughout the consolidated financial statements, and may require accounting adjustments based on future occurrences.

c) Significant accounting estimates and judgments (continued)

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:

Estimates

Intangible assets valuation for impairment purposes
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. 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.

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 of stock options and of common share purchase warrants issued. The model requires the input of subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate.

Judgments

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.

2. Basis of presentation (continued)

d) Basis of consolidation

These consolidated financial statements include the accounts of the Company and those of its wholly-owned legal subsidiaries Bee Vectoring Technology Inc. (Canadian), and Bee Vectoring Technology USA Corp (United States) ("BVT USA").

The functional currency of the Company is the Canadian Dollar, which is the presentation currency of the consolidated financial statements. The functional currency of BVT USA is the United States dollar.

All intercompany transactions and balances have been eliminated in preparing the consolidated financial statements.

3. Significant accounting policies

Intangible Assets
The Company has intangible assets consisting of legal costs related to the application of patents and costs associated with the EPA application. Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. Subsequent expenditures are capitalized only when they increase the future economic benefits embodied in the specific asset to which they relate. All other expenditures are recognized in profit or loss as incurred.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there are indications that the intangible asset may be impaired. Intangible assets which are not yet available for use are tested annually for impairment regardless of whether impairment indicators exist. The amortization method and amortization period of an intangible asset with a finite life is reviewed at least annually. Changes in the expected useful life (based on expiry of patents) or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. Amortization is recognized in the statement of comprehensive loss on a straight-line basis over the estimated useful lives of intangible assets from the date the patent is granted and is available for use.

Moulds and Dies
Moulds and dies are recorded initially at cost and subsequently at cost less accumulated amortization and accumulated impairment losses (if any). Amortization is provided over the expected useful lives of the moulds and dies using the straight-line depreciation method. The moulds and dies have an expected useful life of 5 years.

Property, Plant and Equipment
Equipment and furniture are recorded initially at cost and subsequently at cost less accumulated amortization and accumulated impairment losses (if any). Amortization is provided over an asset's expected useful life using the following methods and annual rates:

Equipment	20 years	straight line
Computer	3 years	straight line
Office furniture	20 %	declining balance
Site equipment	20 %	declining balance
Telephone equipment	20 %	declining balance
Leasehold improvements		straight-line over life of lease

Residual values, useful lives and methods of amortization are reviewed at each financial year end and adjusted prospectively (if needed).

3. Significant accounting policies (continued)

Income Taxes
Income tax comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or other comprehensive income, in which case the income tax is also recognized directly in equity or other comprehensive income. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted, or substantively enacted, at the end of the reporting period, and any adjustment to tax payable in respect of previous years. Current tax assets and current tax liabilities are only offset if a legally enforceable right exists to set off the amounts, and the Company intends to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax is recognized in respect of all qualifying temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the end of the reporting period and are expected to apply when the deferred tax asset or liability is settled. Deferred tax assets are recognized to the extent that it is probable that the assets can be recovered. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Share Capital
Common shares are classified as equity. Incremental costs directly attributable to the issuance of shares are recognized as a deduction from equity. For unit offerings, the Company has adopted the relative fair value method with respect to the measurement of shares and warrants issued as equity units. The relative fair value method requires an allocation of the net proceeds received based on the pro rata relative fair values of the components. If and when the warrants are ultimately exercised, the applicable amounts are transferred from warrants to share capital. If the warrants expire unexercised, the applicable amount is transferred to contributed surplus.

Financial Instruments
Financial assets
The Company classifies its financial assets into one of the following categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss - This category comprises derivatives, or assets acquired principally for the purpose of being resold in the near term. They are carried on the statement of financial position at fair value with changes in fair value recognized in the statement of comprehensive loss.

Loans and receivables - These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at amortized cost less any provision for impairment. Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default.

Held-to-maturity investments - These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized in the statement of comprehensive loss.

Available-for-sale - Non-derivative financial assets not included in the above categories are classified as available-for-sale. They are carried at fair value with changes in fair value recognized directly in other comprehensive income. Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss is removed from equity and recognized in the statement of comprehensive loss.

3. Significant accounting policies (continued)

All financial assets except for those at fair value through profit or loss are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets described above.

The Company has classified its cash and cash equivalents as loans and receivables.

Financial liabilities
The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss - This category comprises derivatives, or liabilities acquired or incurred principally for the purpose of selling or repurchasing in the near term. They are carried on the statement of financial position at fair value with changes in fair value recognized in the statement of comprehensive loss.

Other financial liabilities - This category includes accounts payables and accrued liabilities which are carried at amortized cost.

Impairment of non-financial assets
Any intangible asset with an indefinite useful life is tested for impairment annually and whenever there is an indication that the asset may be impaired. Finite life intangible assets not yet available for use are tested annually for impairment. Other non-financial assets are reviewed for impairment if there is any indication that the carrying amount may not be recoverable. If any such indication is present, the recoverable amount of the asset is estimated in order to determine whether impairment exists. Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

An asset's recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value, using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or cash generating unit is estimated to be less than its carrying amount, the carrying amount is reduced to the recoverable amount. An impairment loss is recognized immediately in profit or loss. Where an impairment subsequently reverses, the carrying amount is increased to the revised estimate of recoverable amount, but only to the extent that this does not exceed the carrying value that would have been determined if no impairment had previously been recognized. A reversal is recognized in profit or loss for the period.

Stock option plan
The Company has a stock option plan (the "Plan") which is discussed in note 10. The Company uses the fair value-based method of accounting for share-based compensation arrangements.

Share based payment transactions
Employees (including directors and senior executives) of the Company receive a portion of their remuneration in the form of share-based payment transactions, whereby they render services as consideration for equity instruments ("equity-settled transactions").

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity cannot be specifically measured, the equity instruments are measured at fair value of the equity instrument. The fair value of the equity instruments is recognized together with a corresponding increase in equity over the period that services are provided or goods are received.

3. Significant accounting policies (continued)

The costs of equity settled transactions with employees are measured by reference to the fair value at the date on which they are granted. The costs of equity settled transactions are recognized, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ("the vesting date"). The cumulative cost is recognized for equity-settled transactions at each reporting date until the vesting date reflects the Company's best estimate of the number of equity instruments that will ultimately vest. The profit or loss charge or credit for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and the corresponding amount is represented in contributed surplus. Upon exercise of the stock options, the consideration paid, together with the amount previously recognized in contributed surplus, is recorded as an increase in share capital. No expense is recognized for awards that do not ultimately vest. The dilutive effect of outstanding options is reflected as additional dilution in the computation of earnings per share.

Foreign operations and currency translation
Within each entity, transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on dates of transactions. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at that date. Foreign exchange differences arising on translation are recognized in the consolidated statements of loss. Non-monetary assets and liabilities that are measured at historical cost are translated using the exchange rate at the date of the transaction.

The accounts of the Company are presented in Canadian dollars. The financial statements of foreign subsidiaries for which the functional currency is not the Canadian dollar are translated into Canadian dollars using the exchange rate in effect at the end of the reporting period for assets and liabilities and the average exchange rates for the period for revenue, expenses and cash flows. Foreign exchange differences arising on translation are recognized in other comprehensive income and in accumulated other comprehensive income in shareholders' equity.

Loss per share
The calculation of loss per common share is based on the reported net loss divided by the weighted average number of shares.

Diluted loss per share is calculated in a similar manner, except that the weighted average number of common shares outstanding is increased to include potentially issuable common shares from the assumed exercise of common share purchase options and warrants, if dilutive. As the potentially dilutive equity instruments are anti-dilutive, basic and diluted earnings per share are the same.

Provisions

A provision is recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract.

The Company had no material provisions at September 30, 2018 and September 30, 2017.

Leases

Leases are classified as either operating or finance, based on the substance of the transaction at inception of the lease. Classification is re-assessed if the terms of the lease are changed.

3. Significant accounting policies (continued)

• Finance lease - Leases in which substantially all the risks and rewards of ownership are transferred to the Company are classified as finance leases. Assets meeting finance lease criteria are capitalized at the lower of the present value of the related lease payments of the fair value of the leased asset at the inception of the lease. Minimum lease payments are apportioned between the finance charge and the liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

• Operational lease - Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments under an operating lease are recognized in the income statement on a straight –line basis over the period of the lease.

Accounting Standards Issued But Not Yet Applied
The Company has reviewed changes to accounting standards that become effective in future periods. Standards issued but not yet effective up to the date of issuance of the Company's consolidated financial statements are listed below:

IFRS 9, Financial Instruments ("IFRS 9") was updated and re-issued by the IASB on July 24, 2014 and will replace IAS 39, "Financial Instruments: Recognition and Measurement" ("IAS 39"). IFRS 9 replaces the multiple rules in IAS 39 with a single approach to determine whether a financial asset is measured at amortized cost or fair value and a new mixed measurement model for debt instruments having only two categories: amortized cost and fair value. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018.

IFRS 15 Revenue from Contracts with Customers specifies how and when an IFRS reporter will recognize revenue as well as requiring such entities to provide users of consolidated financial statements with more informative, relevant disclosures. The standard provides a single, principles based five-step model to be applied to all contracts with customers. The standard is effective for period's beginning on or after January 1, 2018. There was no impact from this policy as there was no revenue in the current year.

IFRS 2 Share based payments, the amendments, which were developed through the IFRS Interpretations Committee, provide requirements on the accounting for the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments; share-based payment transactions with a net settlement feature for withholding tax obligations; and a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled. The effective date is for annual periods beginning on or after January 1, 2018. Earlier application is permitted.

IFRS 16 –Leases sets out a new model for lease accounting, replacing IAS 17. "Leases" and related interpretations. Under this new standard which provides a single model for leases abolishing the current distinction between finance leases and operating leases, most leases will be recognized in the consolidated statement of financial position. Certain exemptions will apply for short-term leases and leases of low-value assets. IFRS 16 will be effective for accounting years beginning on or after January 1, 2019. Early adoption will be permitted, provided the Company has adopted IFRS 15. Based on the leases in the current year, the impact of IFRS 16 is not expected to be material.

The Company is in the process of evaluating the impact that these new policies may have on the financial statements.

(expressed in Canadian dollars)

4. Property, plant and equipment

	Equipment	Computer	Office furniture	Site equipment	Leasehold improvements	Telephone Equipment	Total
Cost							
As at September 30, 2016	$ 6,299	$ 4,674	$ 12,467	$ 340,060	$ 33,317	$ 16,280	$ 413,097
Additions	-	-	-	3,200	5,300	-	8,500
As at September 30, 2017	6,299	4,674	12,467	343,260	38,617	16,280	421,597
Additions	-	10,861	-	65,637	-	8,651	85,100
As at September 30, 2018	$ 6,299	$ 15,486	$ 12,467	$ 408,897	$ 38,617	$ 24,931	$ 506,697
Accumulated depreciation							
As at September 30, 2016	$ 1,195	$ 1,906	$ 2,488	$ 82,392	$ 18,309	$ 5,426	$ 111,716
Additions	315	1,558	1,996	52,174	7,771	2,171	65,985
As at September 30, 2017	1,510	3,464	4,484	134,566	26,080	7,597	177,701
Additions	315	3,000	1,597	48,319	7,723	2,818	63,772
As at September 30, 2018	$ 1,825	$ 6,464	$ 6,081	$ 182,885	$ 33,803	$ 10,415	$ 241,473
Net book value							
As at September 30, 2017	$ 4,789	$ 1,210	$ 7,983	$ 208,694	$ 12,537	$ 8,683	$ 243,896
As at September 30, 2018	$ 4,474	$ 9,019	$ 6,386	$ 226,012	$ 4,814	$ 14,516	$ 265,224

5. Intangible assets

Intangible assets consist of legal fees incurred towards the registration of various patents, regulatory and development costs as follows:
(amortization commences once the asset is available for use)

Cost	**Available-for-use**	**Work-in-progress**	**Total**
As at September 30, 2016	$ -	$ 589,912	$ 589,912
Additions	222,733	-	222,733
Write-off of abandoned patents	-	(33,389)	(33,389)
As at September 30, 2017	222,733	556,523	779,256
Additions	59,694	234,406	294,100
Write-off of abandoned patents	-	(3,820)	(3,820)
As at September 30, 2018	$ 282,427	$ 787,109	$ 1,069,536
Accumulated Amortization			
As at September 30, 2016	$ -	$ -	$ -
Additions	10,655	-	10,655
As at September 30, 2017	10,655	-	10,655
Additions	16,908	-	16,908
As at September 30, 2018	27,563	-	27,563
Net book value			
As at September 30, 2017	$ 212,078	$ 556,523	$ 768,601
As at September 30, 2018	$ 254,864	$ 787,109	$ 1,041,973

(expressed in Canadian dollars)

6. Moulds and dies

Cost		
As at September 30, 2016	$	81,296
Additions		-
As at September 30, 2017		81,296
Additions		-
As at September 30, 2018	$	81,296
Accumulated depreciation		
As at September 30, 2016	$	43,918
Additions		16,260
As at September 30, 2017		60,178
Additions		16,260
As at September 30, 2018	$	76,438
Net book value		
As at September 30, 2017	$	21,118
As at September 30, 2018	$	4,858

7. Related party balances and 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, 2018 and September 30, 2017:

	2018	2017
CEO fees (i)	**$ 352,990**	$ 362,136
CFO fees (ii)	**30,000**	30,000
Consulting fees charged by a Chelsian Sales & Service (iii)	**56,000**	83,875
Consulting fees charged Flueckiger Consulting (iv)	**97,068**	48,398
Share based payments (ix)	**291,880**	176,646
	$ 827,938	$ 701,055

(i) Salary and/or consulting fees paid to the CEO for services rendered.
(ii) Consulting fees charged by CFO Advantage Inc, a corporation owed by the CFO of the Company, for services of the Chief Financial Officer.
(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, 2018 $nil (2017 –$25,593) 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, 2018 $6,826 was owed to Flueckiger consulting.
(v) $18,000 (2017 - $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, 2018, the employee earned a salary and benefits of $82,200 (2017 - $67,200).
(vii) The Company was charged $9,555 (2017 – $nil) in tax preparation fees by a company in which a director of the Company is partner. As at September 30, 2018, $5,339 (2017 -$nil) was owed to the aforementioned company.
(viii) For shares issued to related parties, please see Note 10 point (iv), (v) and (vi).
(ix) Of the total, $275,380 was issued to officers and directors of the Company.

(expressed in Canadian dollars)

8. Share capital

Authorized - Unlimited number of common shares without par value
Issued and outstanding

	Share capital	Value
Common shares		
Balance September 30, 2016	48,291,811	$7,078,827
Shares issued in connection with the private placement (i)(ii)(iii)	9,636,000	1,898,759
Share issue costs related to the private placement - cash (i)(ii)(iii)	-	(103,764)
Fair value of finders warrants issued in connection with the private placement (i)(ii)(iii)	-	(31,338)
Common shares issued on exercise of options (vi)	422,500	187,319
Common shares issued on the exercise of warrants (vi)	151,460	60,935
Balance September 30, 2017	58,501,771	$9,090,738
Shares issued in connection with the private placement (iv)(v)(vi)	18,800,000	4,700,000
Fair value of warrants issued in connection of the private placement (iv)(v)(vi)	-	(1,026,038)
Share issued costs related to the private placement – cash (iv)(v)	-	(117,873)
Fair value of finder's warrants issued in connection with the private placement (iv)(v)	-	(25,613)
Common shares issued on the exercise of options (vi)	297,500	131,901
Balance September 30, 2018	**77,599,271**	**$12,753,114**

(i) On March 21, 2017, the Company completed the first tranche of a non-brokered private placement (the "Private Placement"). The first tranche closing consisted of the sale and issuance of 4,602,000 Units ("Units") of the Company at a price of $0.25 per Unit for gross proceeds of C$1,150,500, of which $1,216,127 was allocated to share capital and $212,373 was allocated to warrants relative fair value.

Each Unit consists of one common share and one-half of one common share purchase warrant. Each whole common share purchase warrant ("Warrant") entitles the holder to purchase one additional common share at a price of C$0.40 per common share until March 21, 2019, subject to the Company's right to accelerate the expiry date of the Warrants if the closing market price of the common shares of the Company on the TSX Venture Exchange is equal to or exceeds C$0.65 for a period of 30 consecutive trading days commencing 4 months after the date the Warrants are issued. The Company will be entitled to accelerate the expiry of the Warrants upon notice given by press release and the Warrants will then expire on the fifteenth (15th) business day after the date of the press release unless exercised by the holder prior to such date. The Warrants were valued using the Black-Scholes option pricing model using the following assumptions: Term – 2 years; Volatility – 79%; Interest rate – 0.79%.

The Company paid commissions to finders under the private placement consisting of cash fees of $52,155 and the issue of 178,800 finder's warrants. Each finder's warrant entitles the holder to purchase one Share of the Company at a price of $0.40 per Share until March 21, 2019. The Finder's Warrants were valued at $20,688 using the Black-Scholes option pricing model using the following assumptions: Term – 2 years; Volatility – 79%; Interest rate – 0.79%.

8. Share capital (continued)

(ii) On April 21, 2017, the Company closed the second tranche of the private placement note in (i) (above). In connection with this tranche, the Company issued 1,112,000 Units for gross proceeds of $278,000, of which $235,862 was allocated to share capital and $42,138 was allocated to warrants using the relative fair value method. The Warrants were valued using the Black-Scholes option pricing model using the following assumptions: Term – 2 years; Volatility – 82%; Interest rate – 0.71%. The Company paid an aggregate of $28,097 and issued 60,720 finders warrants in connection with this tranche. The Finder's Warrants were valued at $4,999 using the Black-Scholes option pricing model using the following assumptions: Term – 2 years; Volatility – 82%; Interest rate – 0.71%.

(iii) On September 19, 2017, the Company closed a non-brokered private placement of 3,922,000 units of the Company at a price of $0.20 per unit for gross proceeds of C$784,400, of which $682,087 was allocated to share capital and $102,313 was allocated to warrants using the relative fair value method.

Each unit consists of one common share and one half of one common share purchase warrant ("Unit"). Each whole common share purchase warrant ("Warrant") entitles the holder to purchase one additional common share at a price of C$0.35 per common share until September 19, 2019, subject to the Company's right to accelerate the expiry date of the Warrants if the closing market price of the common shares of the Company on the TSX Venture Exchange is equal to or exceeds C$0.50 for a period of 20 consecutive trading days any time after January 20, 2018. The Company will be entitled to accelerate the expiry of the Warrants upon notice given by press release (disseminated through a newswire service in Canada) and the Warrants will then expire on the fifteenth (15th) business day after the date of the press release unless exercised by the holder prior to such date. The Warrants were valued using the Black-Scholes option pricing model using the following assumptions: Term – 2 years; Volatility – 81%; Interest rate – 1.57%.

The Company paid commissions to finders under the private placement consisting of cash fees (and other issue costs) of C$23,512 and the issue of 89,700 finder's warrants. Each finder's warrant entitles the holder to purchase one common share of the Company at a price of C$0.35 per common share until September 19, 2019, subject to the acceleration terms as mentioned above. The Finder's Warrants were valued at $5,651 using the Black-Scholes option pricing model using the following assumptions: Term – 2 years; Volatility – 81%; Interest rate – 1.57%.

(iv) On February 16, 2018, the Company closed a non-brokered private placement of 6,300,000 Units ("Units") of the Company at a price of $0.25 per Unit for gross proceeds of $1,575,000, of which $1,404,458 was allocated to share capital and $170,541 was allocated to warrants using the relative fair value.

Each Unit consists of one common share and one-half of one common share purchase warrant. Each whole common share purchase warrant ("Warrant") entitles the holder to purchase one additional common share at a price of C$0.30 per common share until February 16, 2019. The Warrants were valued using the Black-Scholes option pricing model using the following assumptions: Term – 1 years; Volatility – 66%; Interest rate – 1.78%.

The Company paid commissions to finders under the private placement consisting of cash fees of $132,187 and the issue of 422,400 finder's warrants. Each finder's warrant entitles the holder to purchase one share of the Company at a price of $0.30 per share until February 16, 2019. The finder's warrants were valued at $29,990 using the Black-Scholes option pricing model using the following assumptions: Term – 1 years; Volatility – 66%; Interest rate – 1.78%.

(v) On March 28, 2018, the Company closed a non-brokered private placement of 12,000,000 Units ("Units") of the Company at a price of $0.25 per Unit for gross proceeds of $3,000,000, of which $2,179,177 was allocated to share capital and $820,823 was allocated to warrants using the relative fair value.

Each Unit consists of one common share and one whole one common share purchase warrant. Each whole common share purchase warrant ("Warrant") entitles the holder to purchase one additional common share at a price of C$0.35 per common share until March 28, 2020. The Warrants were valued using the Black-Scholes option pricing model using the following assumptions: Term – 2 years; Volatility – 76%; Interest rate – 1.80%.

(expressed in Canadian dollars)

8. Share capital (continued)

No finders fees were payable on this private placement.

(vi) On May 2, 2018, the Company closed a non-brokered private placement of 500,000 Units ("Units") of the Company at a price of $0.25 per Unit for gross proceeds of $125,000, of which $90,326 was allocated to share capital and $34,674 was allocated to warrants using the relative fair value.

Each Unit consists of one common share and one whole one common share purchase warrant. Each whole common share purchase warrant ("Warrant") entitles the holder to purchase one additional common share at a price of C$0.35 per common share until May 2, 2020. The Warrants were valued using the Black-Scholes option pricing model using the following assumptions: Term – 2 years; Volatility – 76%; Interest rate – 1.94%.

No finder's fees were payable on this private placement.

(vii) The following summarizes the options exercised during the year ended September 30, 2018:

Date	Price	Fair value on date of exercise of common shares	Shares issued	Cash proceeds	Fair value
10/31/2017	$0.25	$0.31	100,000	$ 25,000	$ 19,336
11/07/2017	$0.25	$0.28	150,000	37,500	29,004
11/24/2017	$0.25	$0.28	47,500	11,875	9,185
			297,500	$ 74,375	$ 57,525

The following summarizes the options exercised during the year ended September 30, 2017.

Date	Price	Fair value on date of exercise of common shares	Shares issued	Cash proceeds	Fair value
06/14/2017	$0.25	$0.33	20,000	$ 5,000	$ 3,867
06/15/2017	$0.25	$0.31	200,000	50,000	38,672
06/19/2017	$0.25	$0.31	2,500	625	483
07/05/2017	$0.25	$0.29	200,000	50,000	38,672
			422,500	$105,625	$81,694

(viii) No warrants were exercised in 2018. The following summarizes the warrants exercised during the year ended September 30, 2017.

Date	Price	Fair value on date of exercise of common shares	Shares issued	Cash proceeds	Fair value
10/24/2016	$0.270	$0.29	80,000	$21,600	$10,560
1/21/2017	$0.250	$0.31	2,260	565	367
4/24/2017	$0.270	$0.31	66,800	18,036	8,818
6/6/2017	$0.250	$0.32	2,400	600	390
			151,460	$40,801	$20,135

Volatility used in (i), (ii), (iii), (iv) was based on the historical volatility of other comparable listed companies.

(expressed in Canadian dollars)

9. Warrants

The warrants issued and outstanding as at September 30, 2018 are as follows:

	Number of warrants		Weighted average strike price
Balance September 30, 2016	5,030,138	$	0.48
Warrants expired	(2,751,678)	$	0.36
Warrants granted (note 8(i)(ii)(iii))	5,147,220	$	0.38
Warrants exercised (note 8(viii))	(151,460)	$	0.27
Balance, September 30, 2017	7,274,220	$	0.46
Warrants granted (note 8(iv)(v)(vi))	16,072,400	$	0.34
Warrants expired	(2,127,000)	$	0.65
Balance, September 30, 2018	21,219,620	$	0.35

All warrants issued during the year ended September 30, 2018 and year ended September 30, 2017 vested on the grant date. The warrants entitle the holders to purchase the stated number of common shares at the exercise price on or before the expiry date. At September 30, 2018, the following warrants were outstanding:

Strike price		Number	Weighted average remaining contractual life (in years)	Expiry date
$	0.40	2,479,800	0.06	3/21/2019
$	0.40	616,720	0.02	4/21/2019
$	0.35	2,050,700	0.09	9/19/2019
$	0.30	3,572,400	0.06	2/16/2019
$	0.35	12,000,000	0.84	3/28/2020
$	0.35	500,000	0.04	5/2/2020
		22,219,620	1.11	

10. Stock options

The Company adopted a rolling stock option plan in 2011, which authorizes the Board of Directors to grant stock options to directors, officers, employees and consultants to acquire up to 10% of the issued and outstanding common shares of the Company. Under the plan, the exercise price of each stock option may not be less than market price of the Company's stock calculated on the date of the grant less the applicable discount. The options can be granted for a maximum term of 10 years. The Company's stock option plan contains no vesting requirements, but permits the Board of Directors to specify a vesting schedule in its discretion.

(expressed in Canadian dollars)

10. Stock options (continued)

Below is a summary of transactions for the year ended September 30, 2018 and the year ended September 30, 2017:

Transaction	Date	# Options
Balance September 30, 2016		4,591,600
Granted	10/21/2016	100,000
Granted	12/5/2016	100,000
Granted	4/21/2017	360,000
Expired		(200,000)
Exercised		(422,500)
Balance September 30, 2017		4,529,100
Granted	03/01/2018	365,000
Granted	03/28/2018	600,000
Granted	04/25/2018	200,000
Granted	06/01/2018	100,000
Expired		(440,000)
Exercised		(297,500)
Balance September 30, 2018		5,056,600

As at September 30, 2018 the Company had the following stock options outstanding:

Date Issued	# Options	# Exercisable	Value	Exercise Price	Expiry date
6/30/2015	50,000	50,000	$ 6,534	$ 0.25	6/30/2020
7/6/2015	1,580,000	1,580,000	$ 300,200	$ 0.25	7/6/2020
8/8/2015	1,600	1,600	$ 371	$ 0.30	8/8/2020
9/07/2015	100,000	100,000	$ 24,862	$ 0.31	9/07/2020
11/16/2015	275,000	275,000	$ 91,575	$ 0.43	11/16/2020
6/23/2016	225,000	225,000	$ 115,050	$ 0.50	6/23/2021
8/30/2016	1,000,000	520,829	$ 310,000	$ 0.32	8/30/2026
10/21/2016	100,000	100,000	$ 23,400	$ 0.32	10/21/2021
12/5/2016	100,000	100,000	$ 16,500	$ 0.24	12/5/2021
4/21/2017	360,000	360,000	$ 76,680	$ 0.25	4/21/2022
3/1/2018	365,000	365,000	$ 77,015	$ 0.25	3/1/2023
3/28/2018	600,000	600,000	$ 149,400	$ 0.25	3/28/2023
4/25/2018	200,000	200,000	$ 52,600	$ 0.25	4/25/2023
6/1/2018	100,000	75,000	$ 16,500	$ 0.28	6/1/2021
	5,056,600	4,552,429			

The weighted average expiry date of the options is 3.84 years. The weighted average exercise price of the options is $0.29.

(i) On October 21, 2016, the Company issued 100,000 options to a consultant of the Company. These options were valued at $23,400 using the Black-Scholes option pricing model using the following assumptions: Expected life – 4.85 years; Volatility – 89.31%; Interest rate – 0.62%; Dividend yield – nil; Forfeiture rate – nil, stock price - $0.28.

10. Stock options (continued)

(ii) On December 5, 2016, the Company issued 100,000 options to a consultant of the Company. These options were valued at $16,500 using the Black-Scholes option pricing model using the following assumptions: Expected life – 5 years; Volatility – 89.05%; Interest rate – 1.03%; Dividend yield – nil; Forfeiture rate – nil, stock price - $0.24.

(iii) On April 21, 2017, the Company issued 360,000 options to a consultant of the Company. These options were valued at $76,680 using the Black-Scholes option pricing model using the following assumptions: Expected life – 5 years; Volatility – 87.97%; Interest rate – 1.00%; Dividend yield – nil; Forfeiture rate – nil, stock price - $0.30.

(iv) On March 1, 2018, the Company issued 365,000 options to consultants of the Company. 75,000 of these options were issued to a related party. These options were valued at $77,015 using the Black-Scholes option pricing model using the following assumptions: Expected life – 5 years; Volatility – 116.06%; Interest rate – 1.99%; Dividend yield – nil; Forfeiture rate – nil, stock price – $0.26.

(v) On March 28, 2018, the Company issued 600,000 options to directors of the Company. These options were valued at $149,400 using the Black-Scholes option pricing model using the following assumptions: Expected life – 5 years; Volatility – 115.34%; Interest rate – 2.00%; Dividend yield – nil; Forfeiture rate – nil, stock price - $0.30.

(vi) On April 25, 2018, the Company issued 200,000 options to a director of the Company. These options were valued at $52,600 using the Black-Scholes option pricing model using the following assumptions: Expected life – 5 years; Volatility – 115.31%; Interest rate – 2.18%; Dividend yield – nil; Forfeiture rate – nil, stock price - $0.32.

(vii) On June 1, 2018, the Company issued 100,000 options to a consultant of the Company. These options were valued at $18,000 using the Black-Scholes option pricing model using the following assumptions: Expected life – 3 years; Volatility – 104.05%; Interest rate – 2.00%; Dividend yield – nil; Forfeiture rate – nil, stock price - $0.28.

Volatility was based on the historical volatility of BVT and other comparable listed companies.

11. Loss per share

The warrants and options outstanding were excluded from the computation of diluted loss per share for the years ended September 30, 2018 and September 30, 2017 because their impact was anti-dilutive.

12. Financial instruments

Fair Value
Financial instruments of the Company as at September 30, 2018 and September 30, 2017 consist of cash and cash equivalents and accounts payable and accrued liabilities. 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.

12. Financial instruments

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 2018 and 2017. At September 30, 2018, the Company has current assets of $2,840,570 (September 30, 2017 - $1,084,204) and current liabilities of $281,360 (September 30, 2017 – $298,735) resulting in working capital of $2,559,211 (September 30, 2017 – $785,469).

13. Capital management

The Company's objectives when managing capital are: to safeguard the Company's ability to continue as a going concern; to maintain an optimal capital structure, while ensuring the Company's strategic objectives are met and to provide an appropriate return to shareholders relative to the risk of the Company's underlying assets. The capital structure of the Company consists of equity attributable to common shareholders, comprised of issued capital, stock options, warrants, contributed surplus and deficit. The Company maintains and adjusts its capital structure based on changes in economic conditions and the Company's planned requirements. The Company may adjust its capital structure by issuing new equity, selling and/or acquiring assets, and controlling its capital expenditures program.

The Company is operating at a loss. As such, the Company is dependent on external financing to fund its activities. In order to pay for its operating expenses, the Company will spend its existing working capital and raise additional amounts as needed and if available.

As at September 30, 2018, managed capital was $3,871,266 (2017 - $1,887,305). Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

(expressed in Canadian dollars)

14. Office and general

		2018		2017
Accounting and audit	$	**67,575**	$	72,526
Amortization and depreciation		**96,924**		92,899
Consulting		**238,806**		393,483
Insurance		**20,377**		28,224
Legal		**134,366**		141,542
Occupancy costs		**130,991**		128,410
Office and general		**111,277**		94,150
Salaries and benefits		**675,843**		425,670
Warehouse supplies		**8,355**		9,451
Transfer agent		**45,366**		49,096
Travel		**116,380**		101,151
	$	**1,646,260**	$	1,536,602

15. Commitments

Effective November 1, 2015, the Company has a lease commitment for premises, which expires October 31, 2020, requiring the following approximate annual payments:

Year		Minimum lease payment
2019		56,789
2020		58,515
thereafter		4,888
Total	$	120,192

16. Income Taxes

Provision for income taxes

No deferred tax asset has been recognized because of the uncertainty as to the utilization of the losses for income tax purposes. The Company has accumulated losses for Canadian income tax purposes expiring as follows:

2032	321,638
2033	382,002
2034	460,174
2035	328,573
2036	2,474,467
2037	2,283,127
2038	2,308,189
Total	8,558,170

The Company has share issue costs of $373,847 available for deduction against future Canadian taxable income over the next four years.

(expressed in Canadian dollars)

16. Income Taxes (continued)

The Company's subsidiary, BVT USA, incurred a net operating loss of $684,671 in a foreign jurisdiction, Due to changes in tax legislation, this net operating loss has an indefinite life and can only be used to offset 80% of taxable income. In the prior year, the Company incurred a net operating loss of $598,901 which can be carried forward until 2037 and can be used to offset 100% of taxable income.

		2018		2017
Loss before income taxes	**$**	**2,992,862**	$	3,101,915
Tax rate		**26.5%**		26.5%
Calculated income tax recovery		**(793,108)**		(822,007)
Share based compensation		**99,124**		76,543
Non-deductible expense and other		**56,119**		30,840
Difference in tax rates in foreign jurisdictions		**70,596**		-
Change in deferred taxes not recognized		**567,268**		714,625
Income tax expense	**$**	**-**	$	-

The tax effects of temporary differences that give rise to future income tax assets and liabilities are as follows:

		2018		**2017**
Deferred income tax assets				
Non-capital loss carry forwards	**$**	**2,467,178**	$	1,809,669
Property and equipment		**77,945**		63,038
Patents		**(43,013)**		(8,018)
Share issue costs		**(192,384)**		(127,035)
Legal fees included in CEC pool		**62,741**		67,544
		2,372,467		1,805,198
Less: Deferred taxes not recognized		**(2,372,467)**		(1,805,198)
	$	**-**	$	-

17. Reclassification

The Company has reclassified $172,383 from trials, research and development to sales, advertising and marketing in the comparative 2017 consolidated statement of loss and comprehensive loss to be consistent with the 2018 presentation.

BEE VECTORING TECHNOLOGIES INTERNATIONAL INC.

CONSOLIDATED FINANCIAL STATEMENTS

For the years ended September 30, 2017 and September 30, 2016

(expressed in Canadian Dollars)

INDEPENDENT AUDITORS' REPORT

RSM

RSM Canada LLP

To the Shareholders of Bee Vectoring Technologies International Inc.

We have audited the accompanying consolidated financial statements of Bee Vectoring Technologies International Inc. and its subsidiary, which comprise the consolidated statements of financial position as at September 30, 2017 and September 30, 2016 and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the years then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position Bee Vectoring Technologies International Inc. and its subsidiary as at September 30, 2017 and September 30, 2016, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the consolidated financial statements which describes the material uncertainties that cast significant doubt about Bee Vectoring Technologies International Inc.'s ability to continue as a going concern.

RSM Canada LLP

Chartered Professional Accountants
Licensed Public Accountants
January 22, 2018
Toronto, Ontario

Bee Vectoring Technologies International Inc.
Consolidated Statements of Financial Position
(expressed in Canadian Dollars)

		September 30, 2017		September 30, 2016
ASSETS				
Current assets				
Cash	**$**	**824,312**	$	1,483,506
Sales tax and other receivable		**116,760**		46,281
Prepaid expense and deposits		**143,132**		114,492
		1,084,204		1,644,279
Intangible assets *(note 5)*		**768,601**		606,290
Moulds and dies *(note 6)*		**21,118**		37,378
Property, plant and equipment *(note 4)*		**243,896**		301,381
	$	**2,117,819**	$	2,589,328
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities	**$**	**298,735**	$	242,605
		298,735		242,605
Shareholders' equity (deficit)				
Share capital *(note 8)*		**9,090,738**		7,078,827
Warrants *(note 8, 9)*		**690,241**		666,010
Contributed surplus *(note 10)*		**1,325,064**		816,801
Accumulated other comprehensive income		**29,871**		-
Accumulated deficit		**(9,316,830)**		(6,214,915)
		1,819,084		2,346,723
	$	**2,117,819**	$	2,589,328

NATURE OF OPERATIONS AND GOING CONCERN (Note 1)
COMMITMENTS (Note 15)
SUBSEQUENT EVENTS (Note 17)

Approved by the Board of Directors

"Michael Collinson" — Director

"Jim Molyneux" — Director

The accompanying notes are an integral part of these consolidated financial statements

Bee Vectoring Technologies International Inc.
Consolidated Statements of Loss and Comprehensive Loss
For the years ended September 30, 2017 and September 30, 2016
(expressed in Canadian Dollars)

		2017		2016
Expenses				
Office and general (*note 14*)	**$**	**1,536,602**	$	1,392,499
Investor and public relations		**437,191**		230,831
Sales, advertising and marketing		**99,457**		199,286
Share based payments (*note 10*)		**288,843**		227,484
Research and development		**684,754**		563,948
Loss before other items		**(3,046,846)**		(2,614,048)
Loss on foreign exchange		**(26,501)**		-
Loss on write-off of abandoned patents		**(33,389)**		-
Interest and other income		**4,822**		2,544
Net loss	**$**	**(3,101,915)**	$	(2,611,504)
Weighted average number of common shares outstanding - basic and diluted		**51,556,150**		45,655,134
Basic and diluted loss per common share (note 11)	**$**	**(0.06)**	$	(0.06)

		2017		2016
Net loss	**$**	**(3,101,915)**	$	(2,611,504)
Other comprehensive income				
Items that may be subsequently reclassified to earnings:				
Exchange differences on translating foreign operations		**29,871**		-
Comprehensive loss	**$**	**(3,072,044)**	$	(2,611,504)

The accompanying notes are an integral part of these consolidated financial statements

Bee Vectoring Technologies International Inc.
Consolidated Statements of Cash Flows
For the years ended September 30, 2017 and September 30, 2016
(expressed in Canadian Dollars)
(unaudited)

	2017	2016
Cash used in operating activities		
Net loss	**$ (3,101,915)**	$ (2,611,504)
Items not affecting cash		
Share based payments	**288,843**	227,484
Loss on write-off of abandoned patents	**33,389**	-
Foreign exchange differences	**29,871**	-
Depreciation and amortization	**92,899**	82,654
	(2,656,913)	(2,301,366)
Net changes in non-cash working capital items		
Sales tax and other receivables	**(70,479)**	52,449
Prepaid expenses and deposits	**(28,640)**	49,330
Accounts payable and accrued liabilities	**56,131**	139,407
	(2,699,901)	(2,060,180)
Cash used in investing activities		
Additions to moulds and dies	**-**	(9,720)
Additions to intangibles	**(206,355)**	(250,173)
Landlord rebate received on leasehold improvements	**-**	35,000
Additions to property, plant and equipment	**(8,500)**	(95,635)
	(214,855)	(320,528)
Cash flow from financing activities		
Proceeds from the issue of shares and units	**2,212,900**	2,251,407
Share issue costs	**(103,764)**	(182,112)
Proceeds from exercise of options and warrants	**146,426**	219,436
Repayment of advances from related parties	**-**	(15,144)
	2,255,562	2,273,587
Decrease in cash	**(659,194)**	(107,121)
Cash and cash equivalents, beginning of year	**1,483,506**	1,590,627
Cash and cash equivalents, end of year	**$ 824,312**	$ 1,483,506

The accompanying notes are an integral part of these consolidated financial statements

Supplemental cash flow information		
Stock based compensation	288,843	227,484
Interest received	4,822	2,544

Bee Vectoring Technologies International Inc.

Consolidated Statements of Changes in Shareholders' Equity

For the years ended September 30, 2017 and September 30, 2016

(expressed in Canadian Dollars)

	Share Capital							
	Number of shares	Amount	Advance share subscriptions	Warrants	Contributed Surplus	Accumulated other Comprehensive Income	Deficit	Total
Balance, October 1, 2015	40,800,350	$ 4,622,284	$ 351,000	$ 447,124	$ 625,015	$ -	$ (3,603,411)	$ 2,442,012
Shares and units issued in connection with the private placement	6,754,560	2,381,932	(351,000)	220,475	-	-	-	2,251,407
Share issue costs related to the private placement - cash	-	(182,112)	-	-	-	-	-	(182,112)
Fair value of finders warrants issued in connection with the private placement	-	(69,401)	-	69,401	-	-	-	-
Stock based compensation	-	-	-	-	227,484	-	-	227,484
Shares issued on exercise of warrants	461,069	191,127	-	(70,990)	-	-	-	120,137
Shares issued on exercise of options	275,832	134,997	-	-	(35,698)	-	-	99,299
Net loss and comprehensive loss	-	-	-	-	-	-	(2,611,504)	(2,611,504)
Balance, September 30, 2016	**48,291,811**	**$ 7,078,827**	**$ -**	**$ 666,010**	**$ 816,801**	**$ -**	**$ (6,214,915)**	**$ 2,346,723**
Balance, October 1, 2016	48,291,811	$ 7,078,827	$ -	$ 666,010	$ 816,801	$ -	$ (6,214,915)	$ 2,346,723
Stock based compensation	-	-	-	-	288,843	-	-	288,843
Shares issued on exercise of warrants	151,460	60,935	-	(20,134)	-	-	-	40,801
Shares issued on exercise of options	422,500	187,319	-	-	(81,694)	-	-	105,625
Shares and units issued in connection with the private placement	9,636,000	1,898,759	-	314,141	-	-	-	2,212,900
Share issue costs related to the private placement - cash	-	(103,764)	-	-	-	-	-	(103,764)
Fair value of finders warrants issued in connection with the private placement	-	(31,338)	-	31,338	-	-	-	-
Expired warrants	-	-	-	(301,114)	301,114	-	-	-
Net loss and comprehensive loss	-	-	-	-	-	29,871	(3,101,915)	(3,072,044)
Balance, September 30, 2017	**58,501,771**	**$ 9,090,738**	**$ -**	**$ 690,241**	**$ 1,325,064**	**$ 29,871**	**$ (9,316,830)**	**$ 1,819,084**

The accompanying notes are an integral part of these consolidated financial statements

1. Nature of operations and going concern

Bee Vectoring Technologies International Inc. (the "Company") was incorporated under the laws of the province of British Columbia, Canada on May 20, 2011. The Company is focused on the control of pests and enhancement of crops and ornamentals through the use of biological controls in a variety of application processes.

The Company commenced trading on the TSX Venture Exchange under the symbol BEE on July 7, 2015. The address of the Company's registered office is 4160 Sladeview Cres. #7, Mississauga, Ontario.

These consolidated financial statements were approved for issuance by the Board of Directors on January, 22, 2018.

Going concern assumption

These consolidated financial statements are prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future.

The Company's ability to continue as a going concern is dependent upon, but not limited to, its ability to raise financing necessary to discharge its liabilities as they become due and generate positive cash flows from operations. To date the Company has not obtained its license under the Pest Management Regulatory Agency to sell its BioControl in Canada, and has not generated revenue from operations. During the year ended September 30, 2017, the Company incurred a net loss of $3,101,915 (2016 – $2,611,504), and as of that date, the Company's deficit was $9,316,830 (September 30, 2016 – $6,214,915). At September 30, 2017, the Company has current assets of $1,084,204 (September 30, 2016 - $1,644,279) and current liabilities of $298,735 (September 30, 2016 – $242,605) resulting in working capital of $785,469 (September 30, 2016 – ($1,401,674)).

These conditions have resulted in material uncertainties that may cast significant doubt about the Company's ability continue as a going concern in the foreseeable future. The consolidated financial statements do not give effect to adjustments that may be necessary, should the Company be unable to continue as a going concern. If the going concern assumption is not used then the adjustments required to report the Company's assets and liabilities at liquidation values could be material to these consolidated financial statements.

2. Basis of presentation

a) Statement of compliance

These consolidated financial statements have been prepared in compliance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC"), effective September 30, 2017.

b) Basis of measurement

The consolidated financial statements have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected financial assets and financial liabilities. The consolidated financial statements are presented in Canadian dollars, which is also the Company's functional currency.

2. Basis of presentation (continued)

c) Significant accounting estimates and judgments

The preparation of these consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions 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 estimates and underlying assumptions are reviewed on an ongoing basis. 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:

Estimates

Intangible assets valuation for impairment purposes
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. The values associated with intangible assets involve significant estimates and assumptions, including those with respect to future cash inflows and outflows, discount rates and asset lives. 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.

Useful life of moulds and dies
Significant estimates are made as to the useful lives of moulds and dies, which have been estimated to be five years.

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

Share-based payments
The Company uses the Black-Scholes Option Pricing Model to calculate the fair value of stock options and of common share purchase warrants issued. The model requires the input of subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore the existing models do not necessarily provide a reliable single measure of the fair value of the Company’s stock options and common share purchase warrants.

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.

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.

2. Basis of presentation (continued)

d) Basis of consolidation

These consolidated financial statements include the accounts of the Company and those of its wholly-owned legal subsidiaries Bee Vectoring Technology Inc. (Canadian), and Bee Vectoring Technology USA Corp (United States) ("BVT USA").

The functional currency of the Company and BEE is the Canadian Dollar, which is the presentation currency of the consolidated financial statements. The functional currency of BVT USA is the United States dollar.

All intercompany transactions and balances have been eliminated in preparing the consolidated financial statements.

3. Significant accounting policies

Intangible Assets
The Company has intangible assets consisting of legal costs related to the application of patents. Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. Subsequent expenditures are capitalized only when they increase the future economic benefits embodied in the specific asset to which they relate. All other expenditures are recognized in profit or loss as incurred.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there are indications that the intangible asset may be impaired. Intangible assets which are not yet available for use are tested annually for impairment regardless of whether impairment indicators exist. The amortization method and amortization period of an intangible asset with a finite life is reviewed at least annually. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. Amortization is recognized in statement of comprehensive loss on a straight-line basis over the estimated useful lives of intangible assets from the date the patent is granted and is available for use.

Moulds and Dies
Moulds and dies are recorded initially at cost and subsequently at cost less accumulated amortization and accumulated impairment losses (if any). Amortization is provided over the expected useful lives of the moulds and dies using the straight-line depreciation method. The moulds and dies have an expected useful life of 5 years.

Property, Plant and Equipment
Equipment and furniture are recorded initially at cost and subsequently at cost less accumulated amortization and accumulated impairment losses (if any). Amortization is provided over an asset's expected useful life using the following methods and annual rates:

Equipment	20 years	straight line
Computer	3 years	straight line
Office furniture	20 %	declining balance
Site equipment	20 %	declining balance
Telephone equipment	20 %	declining balance
Leasehold improvements		straight-line over life of lease

Residual values, useful lives and methods of amortization are reviewed at each financial year end and adjusted prospectively (if needed).

3. Significant accounting policies (continued)

Leasehold improvement allowance
Amounts received are recorded as a reduction of prior costs incurred.

Income Taxes
Income tax comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or other comprehensive income, in which case the income tax is also recognized directly in equity or other comprehensive income. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted, or substantively enacted, at the end of the reporting period, and any adjustment to tax payable in respect of previous years. Current tax assets and current tax liabilities are only offset if a legally enforceable right exists to set off the amounts, and the Company intends to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax is recognized in respect of all qualifying temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the end of the reporting period and are expected to apply when the deferred tax asset or liability is settled. Deferred tax assets are recognized to the extent that it is probable that the assets can be recovered. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Share Capital
Common shares are classified as equity. Incremental costs directly attributable to the issuance of shares are recognized as a deduction from equity. For unit offerings, the Company has adopted the relative fair value method with respect to the measurement of shares and warrants issued as equity units. The relative fair value method requires an allocation of the net proceeds received based on the pro rata relative fair values of the components. If and when the warrants are ultimately exercised, the applicable amounts are transferred from warrants to share capital. If the warrants expire unexercised, the applicable amount is transferred to contributed surplus.

Financial Instruments
Financial assets
The Company classifies its financial assets into one of the following categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss - This category comprises derivatives, or assets acquired principally for the purpose of being resold in the near term. They are carried on the statement of financial position at fair value with changes in fair value recognized in the statement of comprehensive loss.

Loans and receivables - These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at amortized cost less any provision for impairment. Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default.

Held-to-maturity investments - These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized in the statement of comprehensive loss.

Available-for-sale - Non-derivative financial assets not included in the above categories are classified as available-for-sale. They are carried at fair value with changes in fair value recognized directly in other comprehensive income. Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss is removed from equity and recognized in the statement of comprehensive loss.

3. Significant accounting policies (continued)

All financial assets except for those at fair value through profit or loss are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets described above.

The Company has classified its cash and cash equivalents as loans and receivables.

Financial liabilities
The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss - This category comprises derivatives, or liabilities acquired or incurred principally for the purpose of selling or repurchasing in the near term. They are carried on the statement of financial position at fair value with changes in fair value recognized in the statement of comprehensive loss.

Other financial liabilities - This category includes accounts payables and accrued liabilities which are carried at amortized cost.

Impairment of non-financial assets
Any intangible asset with an indefinite useful life is tested for impairment annually and whenever there is an indication that the asset may be impaired. Finite life intangible assets not yet available for use are tested annually for impairment. Other non-financial assets are reviewed for impairment if there is any indication that the carrying amount may not be recoverable. If any such indication is present, the recoverable amount of the asset is estimated in order to determine whether impairment exists. Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

An asset's recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value, using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or cash generating unit is estimated to be less than its carrying amount, the carrying amount is reduced to the recoverable amount. An impairment loss is recognized immediately in profit or loss. Where an impairment subsequently reverses, the carrying amount is increased to the revised estimate of recoverable amount, but only to the extent that this does not exceed the carrying value that would have been determined if no impairment had previously been recognized. A reversal is recognized in profit or loss for the period.

Stock option plan
The Company has a stock option plan (the "Plan") which is discussed in note 10. The Company uses the fair value-based method of accounting for stock-based compensation arrangements.

Share based payment transactions
Employees (including directors and senior executives) of the Company receive a portion of their remuneration in the form of share-based payment transactions, whereby they render services as consideration for equity instruments ("equity-settled transactions").

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity cannot be specifically measured, the equity instruments are measured at fair value of the equity instrument. The fair value of the equity instruments is recognized together with a corresponding increase in equity over the period that services are provided or goods are received.

3. Significant accounting policies (continued)

The costs of equity settled transactions with employees are measured by reference to the fair value at the date on which they are granted. The costs of equity settled transactions are recognized, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ("the vesting date"). The cumulative cost is recognized for equity-settled transactions at each reporting date until the vesting date reflects the Company's best estimate of the number of equity instruments that will ultimately vest. The profit or loss charge or credit for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and the corresponding amount is represented in contributed surplus. Upon exercise of the stock options, the consideration paid, together with the amount previously recognized in contributed surplus, is recorded as an increase in share capital. No expense is recognized for awards that do not ultimately vest. The dilutive effect of outstanding options is reflected as additional dilution in the computation of earnings per share.

Foreign operations and currency translation
Within each entity, transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on dates of transactions. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at that date. Foreign exchange differences arising on translation are recognized in the consolidated statements of loss. Non-monetary assets and liabilities that are measured at historical cost are translated using the exchange rate at the date of the transaction.

The accounts of the Company are presented in Canadian dollars. The financial statements of foreign subsidiaries for which the functional currency is not the Canadian dollar are translated into Canadian dollars using the exchange rate in effect at the end of the reporting period for assets and liabilities and the average exchange rates for the period for revenue, expenses and cash flows. Foreign exchange differences arising on translation are recognized in other comprehensive income and in accumulated other comprehensive income in shareholders' equity.

Loss per share
The calculation of loss per common share is based on the reported net loss divided by the weighted average number of shares.

Diluted loss per share is calculated in a similar manner, except that the weighted average number of common shares outstanding is increased to include potentially issuable common shares from the assumed exercise of common share purchase options and warrants, if dilutive. As the potentially dilutive equity instruments are anti-dilutive, basic and diluted earnings per share are the same.

Provisions

A provision is recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract.

The Company had no material provisions at September 30, 2017 and September 30, 2016.

Leases

Leases are classified as either operating or finance, based on the substance of the transaction at inception of the lease. Classification is re-assessed if the terms of the lease are changed.

3. Significant accounting policies (continued)

• Finance lease Leases in which substantially all the risks and rewards of ownership are transferred to the Company are classified as finance leases. Assets meeting finance lease criteria are capitalized at the lower of the present value of the related lease payment s of the fair value of the leased asset at the inception of the lease. Minimum lease payments are apportioned between the finance charge and the liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

• Operational lease Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments under an operating lease are recognized in the income statement on a straight –line basis over the period of the lease.

Accounting Standards Issued But Not Yet Applied
The Company has reviewed changes to accounting standards that become effective in future periods. Standards issued but not yet effective up to the date of issuance of the Company's consolidated financial statements are listed below:

IFRS 9, Financial Instruments ("IFRS 9") was updated and re-issued by the IASB on July 24, 2014 and will replace IAS 39, "Financial Instruments: Recognition and Measurement" ("IAS 39"). IFRS 9 replaces the multiple rules in IAS 39 with a single approach to determine whether a financial asset is measured at amortized cost or fair value and a new mixed measurement model for debt instruments having only two categories: amortized cost and fair value. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018.

IFRS 15 Revenue from Contracts with Customers specifies how and when an IFRS reporter will recognize revenue as well as requiring such entities to provide users of consolidated financial statements with more informative, relevant disclosures. The standard provides a single, principles based five-step model to be applied to all contracts with customers. The standard is effective for period's beginning on or after January 1, 2018.

IFRS 2 Share based payments, the amendments, which were developed through the IFRS Interpretations Committee, provide requirements on the accounting for the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments; share-based payment transactions with a net settlement feature for withholding tax obligations; and a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled. The effective date is for annual periods beginning on or after January 1, 2018. Earlier application is permitted.

IFRS 16 – Leases, effective for annual periods beginning on or after January 1, 2019. The most significant change introduced by IFRS 16 is a single lessee accounting model, bringing leases on-balance sheet for lessees.

The Company is in the process of evaluating the impact that these new policies may have on the financial statements.

(expressed in Canadian dollars)

4. Property, plant and equipment

	Equipment	Computer	Office furniture	Site equipment	Leasehold improvements	Telephone Equipment	Total
Cost							
As at September 30, 2015	$ 6,299	$ 1,352	$ 5,163	$ 260,238	$ 63,130	$ 16,280	$ 352,462
Additions	-	3,322	7,304	79,822	5,187	-	95,635
Allowances					(35,000)	-	(35,000)
As at September 30, 2016	6,299	4,674	12,467	340,060	33,317	16,280	413,097
Additions	-	-	-	3,200	5,300	-	8,500
As at September 30, 2017	$ 6,299	$ 4,674	$ 12,467	$ 343,260	$ 38,617	$ 16,280	$ 421,597
Accumulated depreciation							
As at September 30, 2015	$ 880	$ 902	$ 516	$ 27,952	$ 11,386	$ 2,713	$ 44,349
Additions	315	1,004	1,972	54,440	6,923	2,713	67,367
As at September 30, 2016	1,195	1,906	2,488	82,392	18,309	5,426	111,716
Additions	315	1,558	1,996	52,174	7,771	2,171	65,985
As at September 30, 2017	$ 1,510	$ 3,464	$ 4,484	$ 134,566	$ 26,080	$ 7,597	$ 177,701
Net book value							
As at September 30, 2016	$ 5,104	$ 2,768	$ 9,979	$ 257,668	$ 15,008	$ 10,854	$ 301,381
As at September 30, 2017	$ 4,789	$ 1,210	$ 7,983	$ 208,694	$ 12,537	$ 8,683	$ 243,896

5. Intangible assets

Intangible assets consist of legal fees incurred towards the registration of various patents as follows:

	Patents
Cost	
As at September 30, 2015	$ 356,117
Additions	250,173
As at September 30, 2016	606,290
Additions	206,355
Write-off of abandoned patents	(33,389)
As at September 30, 2017	$ 779,256
Accumulated amortization	
As at September 30, 2015	$ -
Additions	-
As at September 30, 2016	-
Additions	10,655
As at September 30, 2017	$ 10,655
Net book value	
As at September 30, 2016	$ 606,290
As at September 30, 2017	$ 768,601

(expressed in Canadian dollars)

6. Moulds and dies

Cost		
As at September 30, 2015	$	71,576
Additions		9,720
As at September 30, 2016		81,296
Additions		-
As at September 30, 2017	$	81,296
Accumulated depreciation		
As at September 30, 2015	$	28,631
Additions		15,287
As at September 30, 2016		43,918
Additions		16,260
As at September 30, 2017	$	60,178
Net book value		
As at September 30, 2016	$	37,378
As at September 30, 2017	$	21,118

7. Related party balances and 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, 2017 and September 30, 2016:

	2017	2016
CEO fees (i)	**$ 362,136**	$ 135,000
CFO fees (ii)	**30,000**	30,000
Consulting fees charged by a Chelsian Sales & Service (iii)	**83,875**	-
Consulting fees charged Flueckiger Consulting (iv)	**48,398**	85,655
Share based payments	**176,646**	106,588
	$ 701,055	$ 357,243

(i) Salary and/or consulting fees paid to the CEO for services rendered.
(ii) Consulting fees charged by CFO Advantage Inc, a corporation owed by the CFO of the Company, for services of the Chief Financial Officer.
(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, 2017 $25,593 (2016 –$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.
(v) $18,000 (2016 - $3,000) was charged by the daughter of a director of the Company for marketing services.
(vi) The Company employs the son of a director of the Company as project manager. During the year ended September 30, 2017, the employee earned a salary and benefits of $67,200 (2016 - $54,660).

(expressed in Canadian dollars)

8. Share capital

Authorized - Unlimited number of common shares without par value
Issued and outstanding

	Share capital	Value
Common shares		
Balance September 30, 2015	40,800,350	$4,622,284
Shares issued in connection with the private placement (i)(ii)	6,754,560	2,602,407
Share issue costs related to the private placement - cash (i)(ii)	-	(182,112)
Fair value of finders warrants issued in connection with the private placement (i)(ii)	-	(69,401)
Fair value of warrants issued in connection with the private placement (ii)	-	(220,475)
Common shares issued on the exercise of warrants (iii)	461,069	191,127
Common shares issued on the exercise of options (iv)	275,832	134,997
Balance September 30, 2016	48,291,811	$7,078,827
Shares issued in connection with the private placement (v)(vi)(vii)	9,636,000	1,898,759
Share issue costs related to the private placement - cash (v)(vi)(vii)	-	(103,764)
Fair value of finders warrants issued in connection with the private placement (v)(vi)(vii)	-	(31,338)
Common shares issued on exercise of options (viii)	422,500	187,319
Common shares issued on the exercise of warrants (ix)	151,460	60,935
Balance September 30, 2017	58,501,771	$9,090,738

(i) The Company completed a non-brokered private placement in two tranches (October 22, 2015 and November 5, 2015) through the sale and issuance of 3,973,575 common shares of the Company at a price of $0.27 per Share for gross proceeds of $1,072,865 (the "Offering"). $351,000 of proceeds were received prior to September 30, 2015, and recorded as subscriptions received in advance. The Company paid commissions to finders under the

Offering consisting of cash fees of $85,344 and the issue of 293,000 finder's warrants. Each finder's warrant entitles the holder to purchase one Share of the Company at a price of $0.27 per Share until April 22, 2017. The Finder's Warrants were valued at $38,676 using the Black-Scholes option pricing model using the following assumptions: Term – 1.5 years; Volatility – 107%; Interest rate – 0.52%.

(ii) On June 16, 2016, the Company completed a non-brokered private placement of 2,780,985 units of the Company at a price of $0.55 per unit for gross proceeds of $1,529,543. Each unit consisted of one common share and one half of one common share purchase warrant ("Unit"). Each whole common share purchase warrant ("Warrant") entitles the holder to purchase one additional common share at a price of $0.80 per common share until June 16, 2018, subject to the Company's right to accelerate the expiry date of the Warrants if the closing market price of the common shares of the Company on the TSX Venture Exchange is equal to or exceeds $1.20 for a period of 10 consecutive trading days any time after June 16, 2017. The Company will be entitled to accelerate the expiry of the Warrants upon notice given by press release (disseminated through a newswire service in Canada) and the Warrants will then expire on the fifteenth (15th) business day after the date of the press release unless exercised by the holder prior to such date. The Warrants were valued at $220,475 using the Black-Scholes option pricing model using the following assumptions: Term – 2 years; Volatility – 80%; Interest rate – 0.71%.

The Company paid commissions to finders under the Offering consisting of cash fees of $96,768 and the issue of 160,028 finder's warrants. Each finder's warrant entitles the holder to purchase one Share of the Company at a price of $0.80 per Share until June 16, 2018. The Finder's Warrants were valued at $30,725 using the Black-Scholes option pricing model using the following assumptions: Term – 2 years; Volatility – 80%; Interest rate – 0.71%.

(expressed in Canadian dollars)

8. Share capital (continued)

(iii) The following summarizes the warrants exercised during the year ended September 30, 2016.

Date	Price	Shares issued	Cash proceeds	Fair value
11/4/2015	$ 0.250	18,600	$ 4,650	$ 3,019
11/12/2015	$ 0.250	25,000	6,250	4,057
1/18/2016	$ 0.250	19,500	4,875	3,165
1/25/2016	$ 0.250	125,580	31,395	20,382
1/29/2016	$ 0.250	19,700	4,925	3,197
2/10/2016	$ 0.250	4,200	1,050	682
2/10/2016	$ 0.270	8,000	2,160	1,056
3/21/2016	$ 0.250	4,200	1,050	682
3/24/2016	$ 0.270	8,000	2,160	1,056
4/21/2016	$ 0.250	9,355	2,339	1,518
5/3/2016	$ 0.270	37,600	10,152	4,963
5/3/2016	$ 0.360	20,833	7,500	2,267
5/6/2016	$ 0.250	5,700	1,425	925
5/6/2016	$ 0.270	8,000	2,160	1,056
5/11/2016	$ 0.250	1,800	450	292
5/18/2016	$ 0.250	33,920	8,480	5,505
6/6/2016	$ 0.250	20,000	5,000	3,246
6/20/2016	$ 0.270	8,000	2,160	1,056
6/20/2016	$ 0.250	37,665	9,416	6,113
7/5/2016	$ 0.250	10,000	2,500	1,623
7/5/2016	$ 0.250	5,000	1,250	811
7/20/2016	$ 0.250	18,000	4,500	2,921
7/20/2016	$ 0.270	2,000	540	264
9/8/2016	$ 0.360	10,416	3,750	1,133
		461,069	$ 120,137	$ 70,990

(iv) On June 30, 2016, the Company issued 275,832 common shares as a result of the exercise of 275,832 stock options. The cash proceeds from the option exercises were $99,299 and the grant date fair value of $35,698 recorded a contributed surplus was transferred to common hare upon exercise.

(v) On March 21, 2017, the Company completed the first tranche of a non-brokered private placement (the "Private Placement"). The first tranche closing consisted of the sale and issuance of 4,602,000 Units ("Units") of the Company at a price of $0.25 per Unit for gross proceeds of C$1,150,500, of which $1,216,127 was allocated to share capital and $212,373 was allocated to warrants relative fair value.

Each Unit consists of one common share and one-half of one common share purchase warrant. Each whole common share purchase warrant ("Warrant") entitles the holder to purchase one additional common share at a price of C$0.40 per common share until March 21, 2019, subject to the Company's right to accelerate the expiry date of the Warrants if the closing market price of the common shares of the Company on the TSX Venture Exchange is equal to or exceeds C$0.65 for a period of 30 consecutive trading days commencing 4 months after the date the Warrants are issued. The Company will be entitled to accelerate the expiry of the Warrants upon notice given by press release and the Warrants will then expire on the fifteenth (15th) business day after the date of the press release unless exercised by the holder prior to such date. The Warrants were valued using the Black-Scholes option pricing model using the following assumptions: Term – 2 years; Volatility – 79%; Interest rate – 0.79%.

(expressed in Canadian dollars)

8. Share capital (continued)

The Company paid commissions to finders under the private placement consisting of cash fees of $52,155 and the issue of 178,800 finder's warrants. Each finder's warrant entitles the holder to purchase one Share of the Company at a price of $0.40 per Share until March 21, 2019. The Finder's Warrants were valued at $20,688 using the Black-Scholes option pricing model using the following assumptions: Term – 2 years; Volatility – 79%; Interest rate – 0.79%.

(vi) On April 21, 2017, the Company closed the second tranche of the private placement note in (v) (above). In connection with this tranche, the Company issued 1,112,000 Units for gross proceeds of $278,000, of which $235,862 was allocated to share capital and $42,138 was allocated to warrants using the relative fair value method. The Warrants were valued using the Black-Scholes option pricing model using the following assumptions: Term – 2 years; Volatility – 82%; Interest rate – 0.71%. The Company paid an aggregate of $28,097 and issued 60,720 finders warrants in connection with this tranche. The Finder's Warrants were valued at $4,999 using the Black-Scholes option pricing model using the following assumptions: Term – 2 years; Volatility – 82%; Interest rate – 0.71%.

(vii) On September 19, 2017, the Company closed a non-brokered private placement of 3,922,000 units of the Company at a price of $0.20 per unit for gross proceeds of C$784,400, of which $682,087 was allocated to share capital and $102,313 was allocated to warrants using the relative fair value method.

Each unit consists of one common share and one half of one common share purchase warrant ("Unit"). Each whole common share purchase warrant ("Warrant") entitles the holder to purchase one additional common share at a price of C$0.35 per common share until September 19, 2019, subject to the Company's right to accelerate the expiry date of the Warrants if the closing market price of the common shares of the Company on the TSX Venture Exchange is equal to or exceeds C$0.50 for a period of 20 consecutive trading days any time after January 20, 2018. The Company will be entitled to accelerate the expiry of the Warrants upon notice given by press release (disseminated through a newswire service in Canada) and the Warrants will then expire on the fifteenth (15th) business day after the date of the press release unless exercised by the holder prior to such date. The Warrants were valued using the Black-Scholes option pricing model using the following assumptions: Term – 2 years; Volatility – 81%; Interest rate – 1.57%.

The Company paid commissions to finders under the private placement consisting of cash fees (and other issue costs) of C$23,512 and the issue of 89,700 finder's warrants. Each finder's warrant entitles the holder to purchase one common share of the Company at a price of C$0.35 per common share until September 19, 2019, subject to the acceleration terms as mentioned above. The Finder's Warrants were valued at $5,651 using the Black-Scholes option pricing model using the following assumptions: Term – 2 years; Volatility – 81%; Interest rate – 1.57%.

(viii) The following summarizes the options exercised during the year ended September 30, 2017.

Date	Price	Fair value on date of exercise	Shares issued	Cash proceeds	Fair value
06/14/2017	$0.25	$0.33	20,000	$ 5,000	$ 3,867
06/15/2017	$0.25	$0.31	200,000	50,000	38,672
06/19/2017	$0.25	$0.31	2,500	625	483
07/05/2017	$0.25	$0.29	200,000	50,000	38,672
			422,500	$105,625	$81,694

No options were exercised during the year ended September 30, 2016.

(expressed in Canadian dollars)

8. Share capital (continued)

(ix) The following summarizes the warrants exercised during the year ended September 30,

Date	Price	Shares issued	Cash proceeds	Fair value
10/24/2016	$0.270	80,000	$21,600	$10,560
1/21/2017	$0.250	2,260	565	367
4/24/2017	$0.270	66,800	18,036	8,818
6/6/2017	$0.250	2,400	600	390
		151,460	$40,801	$20,134

Volatility used in (i), (ii), (iii), (iv), (v), (vi), (vii) and (viii), was based on the historical volatility of other comparable listed companies.

9. Warrants

The warrants issued and outstanding as at September 30, 2017 are as follows:

	Number of warrants	Weighted average strike price
Balance September 30, 2015	3,647,687	$0.33
Warrants exercised (note 8(iii))	(461,069)	$0.26
Finders warrants issued in connection with the private placement (note 8(i))	293,000	$0.27
Warrants issued in connection with the private placement (note 8 (ii))	1,390,492	$0.80
Finders warrants issued in connection with the private placement (note 8(ii))	160,028	$0.80
Balance, September 30, 2016	5,030,138	$0.48
Warrants expired	(2,751,678)	$0.36
Warrants granted (note 8(v)(vi)(vii)	5,147,220	$0.38
Warrants exercised (note 8(ix))	(151,460)	$0.27
Balance, September 30, 2017	7,274,220	$0.46

All warrants issued during the year ended September 30, 2017 and year ended September 30, 2016 vested on the grant date. The warrants entitle the holders to purchase the stated number of common shares at the exercise price on or before the expiry date. At September 30, 2017, the following warrants were outstanding:

Strike price	Number	Weighted average remaining contractual life (in years)	Expiry date
$0.25	576,480	0.75	6/30/2018
$0.80	1,390,492	0.71	6/16/2018
$0.80	160,028	0.71	6/16/2018
$0.40	2,479,800	1.47	3/21/2019
$0.40	616,720	1.56	4/21/2019
$0.35	2,050,700	1.97	9/19/2019
	7,274,220	1.40	

(expressed in Canadian dollars)

10. Stock options

The Company adopted a rolling stock option plan, which authorizes the Board of Directors to grant stock options to directors, officers, employees and consultants to acquire up to 10% of the issued and outstanding common shares of the Company. Under the plan, the exercise price of each stock option may not be less than market price of the Company's stock calculated on the date of the grant less the applicable discount. The options can be granted for a maximum term of 10 years. The Company's stock option plan contains no vesting requirements, but permits the Board of Directors to specify a vesting schedule in its discretion.

Below is a summary of transactions for the year ended September 30, 2017 and the year ended September 30, 2016:

Transaction	Date	# Options
Balance September 30, 2015		3,267,433
Granted to an officer and a director	11/16/2015	275,000
Granted to consultants (note 10(ii))	6/23/2016	325,000
Exercised	6/30/2016	(275,833)
Granted to an officer (note 10(iii))	8/30/2026	1,000,000
Balance September 30, 2016		4,591,600
Granted to a consultant (note 10(iv))	10/21/2016	100,000
Granted to a consultant (note 10(v))	12/5/2016	100,000
Granted to a consultant (note 10(vi))	4/21/2017	360,000
Expired		(200,000)
Exercised		(422,500)
Balance September 30, 2017		4,529,100

As at September 30, 2017 the Company had the following stock options outstanding:

Date Issued	# Options	# Exercisable	Value	Exercise Price		Expiry date
6/30/2015	50,000	50,000	6,534	$	0.25	6/30/2018
7/6/2015	2,217,500	2,195,000	549,142	$	0.25	7/6/2020
8/8/2015	1,600	1,600	371	$	0.30	8/8/2020
9/7/2015	100,000	100,000	24,862	$	0.31	9/7/2020
11/16/2015	275,000	275,000	91,575	$	0.43	11/16/2020
6/23/2016	325,000	325,000	115,050	$	0.50	6/23/2021
8/30/2016	1,000,000	270,833	310,000	$	0.32	8/30/2026
10/21/2016	100,000	91,663	23,400	$	0.32	10/21/2021
12/5/2016	100,000	50,000	16,500	$	0.24	12/5/2021
4/21/2017	360,000	270,000	76,680	$	0.25	4/21/2022
	4,529,100	3,629,096				

The total number of options exercisable at period end is 3,629,096. The weighted average expiry date of the options is 4.4 years. The weighted average exercise price of the options is $0.30.

10. Stock options (continued)

(i) On November 16, 2015, the Company issued 75,000 options to an officer of the Company, and 200,000 options to a director of the Company. These options were valued at $91,025 using the Black-Scholes option pricing model using the following assumptions: Expected life – 5 years; Volatility – 106.06%; Interest rate – 0.94%; Dividend yield – nil; Forfeiture rate – nil, stock price - $0.43.

(ii) On June 23, 2016, the Company issued 325,000 options to consultants of the Company. These options were valued at $115,050 using the Black-Scholes option pricing model using the following assumptions: Expected life – 5 years; Volatility– 96.93%; Interest rate – 0.71%; Dividend yield – nil; Forfeiture rate – nil, stock price - $0.49.

(iii) On August 30, 2016, the Company issued 1,000,000 options to consultants of the Company. These options were valued at $310,000 using the Black-Scholes option pricing model using the following assumptions: Expected life – 5 years; Volatility – 96.53%; Interest rate – 1.02%; Dividend yield – nil; Forfeiture rate – nil, stock price - $0.35.

(iv) On October 21, 2016, the Company issued 100,000 options to a consultant of the Company. These options were valued at $23,400 using the Black-Scholes option pricing model using the following assumptions: Expected life – 4.85 years; Volatility – 89.31%; Interest rate – 0.62%; Dividend yield – nil; Forfeiture rate – nil, stock price - $0.28.

(v) On December 5, 2016, the Company issued 100,000 options to a consultant of the Company. These options were valued at $16,500 using the Black-Scholes option pricing model using the following assumptions: Expected life – 5 years; Volatility – 89.05%; Interest rate – 1.03%; Dividend yield – nil; Forfeiture rate – nil, stock price - $0.24.

(vi) On April 21, 2017, the Company issued 360,000 options to a consultant of the Company. These options were valued at $76,680 using the Black-Scholes option pricing model using the following assumptions: Expected life – 5 years; Volatility – 87.97%; Interest rate – 1.00%; Dividend yield – nil; Forfeiture rate – nil, stock price - $0.30.

Volatility was based on the historical volatility of other comparable listed companies.

11. Loss per share

The warrants and options outstanding were excluded from the computation of diluted loss per share for the years ended September 30, 2017 and September 30, 2016 because their impact was anti-dilutive.

12. Financial instruments

Fair Value
Financial instruments of the Company as at September 30, 2017 and September 30, 2016 consist of cash and cash equivalents and accounts payable and accrued liabilities. 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.

12. Financial instruments (continued)

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 a large financial institution in Canada, 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 2017 and 2016. At September 30, 2017, the Company has current assets of $1,084,204 (September 30, 2016 - $1,644,279) and current liabilities of $298,735 (September 30, 2016 – $242,605) resulting in working capital of $785,469 (September 30, 2016 – $1,401,674).

13. Capital management

The Company's objectives when managing capital are: to safeguard the Company's ability to continue as a going concern; to maintain an optimal capital structure, while ensuring the Company's strategic objectives are met and to provide an appropriate return to shareholders relative to the risk of the Company's underlying assets. The capital structure of the Company consists of equity attributable to common shareholders, comprised of issued capital, stock options, warrants, contributed surplus and deficit. The Company maintains and adjusts its capital structure based on changes in economic conditions and the Company's planned requirements. The Company may adjust its capital structure by issuing new equity, selling and/or acquiring assets, and controlling its capital expenditures program.

The Company is operating at a loss. As such, the Company is dependent on external financing to fund its activities. In order to pay for its operating expenses, the Company will spend its existing working capital and raise additional amounts as needed and if available.

As at September 30, 2017, managed capital was $1,887,305 (2016 - $2,346,723). Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

(expressed in Canadian dollars)

14. Office and general

		2017		2016
Accounting and audit	**$**	**72,526**	$	47,392
Amortization and depreciation		**92,899**		82,657
Consulting		**393,483**		362,229
Insurance		**28,224**		14,633
Legal		**141,542**		165,082
Occupancy costs		**128,410**		86,844
Office and general		**94,150**		133,480
Salaries and benefits		**425,670**		283,139
Warehouse supplies		**9,451**		12,669
Transfer agent		**49,096**		41,540
Travel		**101,151**		162,834
	$	**1,536,602**	$	1,392,499

15. Commitments

Effective November 1, 2015, the Company has a lease commitment for premises, which expires October 31, 2020, requiring the following approximate annual payments:

Year	**Minimum lease payment**	
2018	$	55,064
2019		56,789
2020		58,515
thereafter		4,888
Total	$	175,256

16. Income Taxes

Provision for income taxes

No deferred tax asset has been recognized because of the uncertainty as to the utilization of the losses for income tax purposes. The Company has accumulated losses for Canadian income tax purposes expiring as follows:

2032	321,638
2033	382,002
2034	460,174
2035	328,573
2036	2,474,467
2037	2,862,084
Total	6,828,938

The Company has share issue costs of $950,852 available for deduction against future Canadian taxable income over the next four years.

(expressed in Canadian dollars)

16. Income Taxes (continued)

		2017		2016
Loss before income taxes	**$**	**3,101,915**	$	2,611,504
Tax rate		**26.5%**		26.5%
Calculated income tax recovery		**822,007**		692,049
Stock based compensation		**76,543**		60,283
Non-deductible expense and other		**30,840**		41,926
Non-deductible listing expense		**-**		-
Change in deferred taxes not recognized		**714,625**		589,840
Income tax expense	**$**	**-**	$	-

The tax effects of temporary differences that give rise to future income tax assets and liabilities are as follows:

		2017		2016
Deferred income tax assets				
Non-capital loss carry forwards	**$**	**1,809,669**	$	925,604
Property and equipment		**63,038**		(19,291)
Intangible assets		**(8,018)**		(26,660)
Share issue costs		**(127,035**		144,339
Legal fees included in CEC pool		**67,544**		66,581
		1,805,198		1,090,573
Less: Deferred taxes not recognized		**(1,805,198)**		**(500,733)**
	$	**-**	$	-

17. Subsequent events

Subsequent to the year-end, 247,500 options were exercised for proceeds of $61,875.

SCHEDULE "B"

Interim Financial Statements for the Six-Months Ended March 31, 2020

[Please see attached.]

BEE VECTORING TECHNOLOGIES INTERNATIONAL INC.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(UNAUDITED)

For the three and six month periods ended March 31, 2020 and March 31, 2019

(expressed in Canadian Dollars)

Bee Vectoring Technologies International Inc.
Condensed Interim Consolidated Statements of Financial Position
(expressed in Canadian Dollars)

	March 31, 2020 (Unaudited)	September 30, 2019
ASSETS		
Current assets		
Cash	$ **519,421**	$ 312,864
Sales tax and other receivable	**169,297**	119,780
Inventory *(note 4)*	**22,649**	18,067
Prepaid expense and deposits	**249,910**	69,238
	961,277	519,949
Intangible assets *(note 6)*	**1,898,089**	1,612,645
Property, plant and equipment *(note 5)*	**183,062**	202,643
	$ **3,042,428**	$ 2,335,237
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	$ **777,962**	$ 685,230
Loan payable *(note 8)*	**-**	50,000
	777,962	735,230
Shareholders' equity (deficit)		
Share capital *(note 9)*	**15,243,005**	12,850,546
Shares to be issued *(note 10)*	**-**	250,000
Warrants *(note 9, 11)*	**1,478,856**	980,756
Contributed surplus *(note 12)*	**4,209,644**	2,730,277
Accumulated other comprehensive income	**(4,871)**	(4,057)
Accumulated deficit	**(18,662,168)**	(15,207,515)
	2,264,466	1,600,007
	$ **3,042,428**	$ 2,335,237

NATURE OF OPERATIONS AND GOING CONCERN (Note 1)
COMMITMENTS (Note 18)
SUBSEQUENT EVENTS (Note 19)

Approved by the Board of Directors

"Michael Collinson" — Director

"Jim Molyneux" — Director

The accompanying notes are an integral part of these condensed interim consolidated financial statements

Bee Vectoring Technologies International Inc.
Condensed Interim Consolidated Statements of Loss and Comprehensive Loss (unaudited)
For the three and six month periods ended March 31, 2020 and March 31, 2019
(expressed in Canadian Dollars)

	Three months ended March 31,		Six months ended March 31,	
	2020	2019	**2020**	2019
Sales *(note 16)*	**$ 216,963**	$ 58,084	**$ 273,195**	$ 58,084
Cost of sales *(note 4)*	**142,250**	45,149	**164,991**	45,149
Gross profit	**74,713**	12,935	**108,204**	12,935
Expenses				
Office and general (*note 17*)	**$ 367,349**	$ 508,986	**$ 829,598**	$ 876,091
Investor and public relations	**331,816**	22,735	**787,939**	51,265
Sales, advertising and marketing	**44,490**	153,937	**208,872**	293,575
Share based payments (*note 12*)	**15,380**	41,442	**1,590,410**	54,112
Trials, research and development	**71,362**	132,793	**159,418**	236,483
Loss before other items	**(755,684)**	(846,958)	**(3,468,033)**	(1,498,591)
Loss on foreign exchange	**(3,546)**	-	**(7,640)**	-
Interest and other income	**21,020**	-	**21,020**	6,795
Net loss	**$ (738,210)**	$ (846,958)	**$ (3,454,653)**	$ (1,491,796)
Weighted average number of common shares outstanding - basic and diluted	**81,175,272**	77,301,771	**80,126,435**	77,599,271
Basic and diluted loss per common share (note 13)	**$ (0.01)**	$ (0.01)	**$ (0.04)**	$ (0.02)

	Three months ended March 31,		Six months ended March 31,	
	2020	2019	**2020**	2019
Net loss	**$ (738,210)**	$ (846,958)	**$ (3,454,653)**	$ (1,491,796)
Other comprehensive income				
Items that may be subsequently reclassified to earnings:				
Exchange differences on translating foreign operations	**-**	(36,243)	**(814)**	(35,778)
Comprehensive loss	**$ (738,210)**	$ (883,201)	**$ (3,455,467)**	$ (1,527,574)

The accompanying notes are an integral part of these condensed interim consolidated financial statements

Bee Vectoring Technologies International Inc.

Condensed Interim Consolidated Statements of Cash Flows (unaudited)

For the six month period ended March 31, 2020 and March 31, 2019

(expressed in Canadian Dollars)

		March 31, 2020	March 31, 2019
Cash used in operating activities			
Net loss	**$**	**(3,454,653)**	$(1,491,796)
Items not affecting cash			
Share based payments (*note 12*)		**1,590,410**	54,112
Unrealized foreign exchange differences on translation of foreign operations		**(814)**	(35,778)
Depreciation and amortization		**53,777**	44,156
Net changes in non-cash working capital items			
Sales tax and other receivables		**(49,517)**	(24,914)
Prepaid expenses and deposits		**(180,672)**	(99,945)
Inventory		**(4,582)**	-
Accounts payable and accrued liabilities		**92,731**	(132,884)
Net cash used in operating activities		**(1,953,320)**	(1,687,049)
Cash used in investing activities			
Additions to intangible assets		**(319,639)**	(121,300)
Net cash used in investing activities		**(319,639)**	(121,300)
Cash flow from financing activities			
Proceeds from the issuance of special warrants		**1,806,741**	-
Repayment of loans		**(50,000)**	-
Proceeds from exercise of options and warrants		**722,775**	-
Net cash from financing activities		**2,479,516**	-
Increase (decrease) in cash		**206,557**	(1,808,349)
Cash, beginning of period		**312,864**	2,701,982
Cash, end of period	**$**	**519,421**	$ 893,633

The accompanying notes are an integral part of these condensed interim consolidated financial statements

Bee Vectoring Technologies International Inc.
Condensed Interim Statements of Changes in Shareholders' Equity (unaudited)
For the six months ended March 31, 2020
(expressed in Canadian Dollars)

	Share Capital						Accumulated other Comprehensive Income		
	Number of shares	Amount	Shares to be issued	Special Warrants	Warrants	Contributed Surplus		Deficit	Total
Balance, September 30, 2018	77,599,271	$ 12,753,114	$ -	$ -	$ 1,382,817	$ 1,986,353	$ 58,672	$ (12,309,690)	$ 3,871,266
Share based compensation (note 12)	-	-	-	-	-	54,112	-	-	54,112
Expired warrants	-	-	-	-	(386,531)	386,531	-	-	-
Net loss	-	-	-	-	-	-	(35,778)	(1,491,796)	(1,527,574)
Balance, March 31, 2019	**77,599,271**	**$ 12,753,114**	**$ -**	**$ -**	**$ 996,286**	**$ 2,426,996**	**$ 22,894**	**$ (13,801,486)**	**$ 2,397,804**
Balance, September 30, 2019	78,327,329	12,850,546	250,000	-	980,756	2,730,277	(4,057)	(15,207,515)	1,600,007
Share based compensation (note 12)	-	-	-	-	-	1,590,410	-	-	1,590,410
Special warrants issued	-	-	(250,000)	2,056,741	-	-	-	-	1,806,741
Conversion of special warrants (note 10)	7,289,751	1,442,491	-	(2,056,741)	614,250	-	-	-	-
Exercise of warrants (note 9)	1,647,500	692,775	-	-	(116,150)	-	-	-	576,625
Exercise of options (note 9)	549,231	257,193	-	-	-	(111,043)	-	-	146,150
Net loss	-	-	-	-	-	-	(814)	(3,454,653)	(3,455,467)
Balance, March 31, 2020	**87,813,811**	**$ 15,243,005**	**$ -**	**$ -**	**$ 1,478,856**	**$ 4,209,644**	**$ (4,871)**	**$ (18,662,168)**	**$ 2,264,466**

The accompanying notes are an integral part of these condensed interim consolidated financial statements

1. Nature of operations and going concern

Bee Vectoring Technologies International Inc. (the "Company") was incorporated under the laws of the province of British Columbia, Canada on May 20, 2011. The Company is focused on the control of pests and enhancement of crops and ornamentals through the use of biological controls in a variety of application processes.

The Company commenced trading on the TSX Venture Exchange under the symbol BEE on July 7, 2015. The address of the Company's registered office is 4160 Sladeview Cres. #7, Mississauga, Ontario.

These condensed interim consolidated financial statements were approved for issuance by the Board of Directors on June 12, 2020.

Going concern assumption

These condensed interim consolidated financial statements are prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future.

The Company's ability to continue as a going concern is dependent upon, but not limited to, its ability to raise financing necessary to discharge its liabilities as they become due and generate positive cash flows from operations. On August 28, 2019 the Company received approval from the Environmental Protection Agency to sell its BioControl in the United States. To date the Company has not yet obtained regulatory approval to sell its BioControl from other regulatory bodies outside the US, and has not generated material revenue from operations. During the six month period ended March 31, 2020, the Company incurred a net loss of $3,454,653 (six month period ended March 31, 2019 – $1,491,796), and as of that date, the Company's deficit was $18,662,168 (September 30, 2019 – $15,207,515). At March 31, 2020, the Company has current assets of $961,277 (September 30, 2019 - $519,949) and current liabilities of $777,962 (September 30, 2019 – $735,230) resulting in working capital (deficiency) of $183,315 (September 30, 2019 – $(215,281)).

These conditions (and the recent COVID 19 pandemic, see subsequent events) have resulted in material uncertainties that may cast significant doubt about the Company's ability continue as a going concern in the foreseeable future. The condensed interim consolidated financial statements do not give effect to adjustments that may be necessary, should the Company be unable to continue as a going concern. If the going concern assumption is not used then the adjustments required to report the Company's assets and liabilities at liquidation values could be material to these condensed interim consolidated financial statements.

2. Basis of presentation

a) Statement of compliance

These condensed interim consolidated financial statements are prepared and reported in Canadian dollars and have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to the presentation of interim financial statements and International Accounting Standards ("IAS") 34, Interim Financial Reporting, as the accounting policies applied in these condensed interim consolidated financial statements are based on IFRS as issued, outstanding and effective on March 31, 2020.

The same accounting policies and methods of computation were followed in the preparation of these condensed interim consolidated financial statements as were followed in the preparation and described in Note 3 of the annual consolidated financial statements as at and for the year ended September 30, 2019, with the exception of new and revised standards along with any consequential amendments, effective October 1, 2019. Accordingly, these condensed interim consolidated financial statements for the three-month period ended March 31, 2020 and 2019 should be read together with the annual consolidated financial statements as at and for the year ended September 30, 2019.

2. Basis of presentation (continued)

b) Basis of measurement

The condensed interim consolidated financial statements have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected financial assets and financial liabilities.

c) Significant accounting estimates and judgments

The preparation of these condensed interim consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the condensed interim consolidated financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these judgments and estimates. The condensed interim consolidated financial statements include judgments and estimates which, by their nature, are uncertain.

The estimates and underlying assumptions are reviewed on an ongoing basis. 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:

Estimates

Intangible assets valuation for impairment purposes
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. 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.

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

Useful life of intangible assets
Significant estimates are made as to the useful lives of the capitalization of patents, regulatory and development costs.

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

Judgments

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.

2. Basis of presentation (continued)

Capitalization of regulatory costs
Initial capitalization of regulatory costs (to obtain regulatory approval of the Company's products) 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 judgment in assessing whether material uncertainties exist that would cause doubt as to whether the company could continue as a going concern.

d) Basis of consolidation

These condensed interim consolidated financial statements include the accounts of the Company and those of its wholly-owned legal subsidiaries Bee Vectoring Technology Inc. (Canadian), and Bee Vectoring Technology USA Corp (United States) ("BVT USA").

The functional currency of the Company and Bee Vectoring Technology Inc. is the Canadian Dollar, which is the presentation currency of the condensed interim consolidated financial statements. The functional currency of BVT USA is the United States dollar.

All intercompany transactions and balances have been eliminated in preparing the condensed interim consolidated financial statements.

3. Significant accounting policies

New Accounting Standards Adopted

IFRS 16 – Leases
The standard introduces a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors. For lessees, IFRS 16 is a single on-balance sheet recognition and measurement model, eliminating the distinction between operating and finance leases and right-of-use assets and liabilities recognized in respect of all leases (subject to limited exceptions for short-term leases and leases of low value assets). Liabilities from leases are to be reduced over the term of the lease by amortizing lease payments to a reduction in liability and an interest expense recognized in finance costs. Right-of-use assets will be amortized over the term of the lease.

On October 1, 2019, the Company implemented IFRS 16, using the modified retrospective approach. There was no significant impact to the Company's condensed interim financial statements after using practical expedients as allowed within the standard. Comparatives have not been restated. The Company has lease contracts for office spaces.

(expressed in Canadian dollars)

3. Significant accounting policies (continued)

In applying IFRS 16 – Leases for the first time, the Company has used the following practical expedients permitted by the standard:

- Leases with a remaining term of less than twelve months from the date of application have been accounted for as short-term leases even though the initial term from the lease commencement have been more than twelve months
- The exclusion of initial direct costs for the measurement of the right-of use asset at the date of initial applications
- Leases with a low value have been excluded

A lease is recognized as a right-of-use asset and a corresponding lease obligation liability at the date of which the leased asset is available for use by the Company. The right-of-use asset is measured initially at cost, and subsequently at cost less any accumulated depreciation and impairment losses. The initial cost recognized includes the lease liability, any lease prepayments made, less any lease incentives, and any direct costs incurred by the lessee. The right-of-use asset is amortized over the term of the lease. Lease payments are allocated between the liability and finance cost. The finance cost is charged to the statement of income over the lease period.

The lease liability upon initial measurement includes the net present value of the following lease payments:

- Fixed payments, less any lease incentives receivable;
- Variable lease payments that are based on an index or rate;
- Expected payments by the lessee under residual value guarantees;
- The exercise price of a purchase option of the lessee is reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease payments are discounted using the interest rate implicit in the lease or, if that rate cannot be determined, the Company’s incremental borrowing rate.

Payments for short-term leases or leases of low-value assets are recognized on a straight-line basis as an expense in the statement of income. Short-term leases are leases with a lease term of twelve months or less. Low-value assets compromise of small items of office equipment.

IFRIC 23 – Uncertainty Over Income Tax Treatments (“IFRIC 23”)
On October 1, 2019, the Company also adopted the new accounting standard IFRIC 23. The interpretation provides guidance on the accounting for current and deferred tax liabilities and assets in circumstances in which there is uncertainty over income tax treatments. The Company has concluded that there is no significant impact resulting from the application of this new standard on its condensed interim consolidated financial statements.

4. Inventory

	As at March 31, 2020	**As at September 30, 2019**
Raw materials	$ 22,649	$ 18,067
Total	$ 22,649	$ 18,067

During the three and six months ended March 31, 2020, $142,250 and $164,991 (three and six months ended March 31, 2019 - $$45,149 and $45,149) of inventory was recognized as cost of sales. There were no inventory write downs in the three and six month periods ended March 31, 2020 and the year ended September 30, 2019. No inventory was pledged as collateral.

(expressed in Canadian dollars)

5. Property, plant and equipment

	Equipment	Computer	Office furniture	Site equipment	Leasehold improvements	Telephone Equipment	Total
Cost							
As at September 30, 2018	$ 6,299	$ 15,486	$ 12,467	$ 408,897	$ 38,617	$ 24,931	$ 506,697
Additions	-	-	-	-	-	-	-
As at September 30, 2019	6,299	15,486	12,467	408,897	38,617	24,931	506,697
Additions	-	-	-	-	-	-	-
As at March 31, 2020	$ 6,299	$ 15,486	$ 12,467	$ 408,897	$ 38,617	$ 24,931	$ 506,697
Accumulated depreciation							
As at September 30, 2018	$ 1,825	$ 6,464	$ 6,081	$ 182,885	$ 33,803	$ 10,415	$ 241,473
Additions	314	5,162	1,277	45,202	7,723	2,903	62,581
As at September 30, 2019	2,139	11,626	7,358	228,087	41,526	13,318	304,054
Additions	157	2,579	512	18,081	(2,909)	1,161	19,581
As at March 31, 2020	$ 2,296	$ 14,205	$ 7,870	$ 249,077	$ 38,617	$ 14,479	$ 323,635
Net book value							
As at September 30, 2019	$ 4,160	$ 3,860	$ 5,109	$ 180,810	$ (2,909)	$ 11,613	$ 202,643
As at March 31, 2020	$ 4,003	$ 1,281	$ 4,597	$ 159,820	$ -	$ 10,452	$ 183,062

6. Intangible assets

Intangible assets consist of legal fees incurred towards the registration of various patents, regulatory and development costs as follows: (amortization commences once the asset is available for use)

	Available-for-use			Work-in-process			Total
	Patents	Regulatory cost	Development	Patents	Regulatory cost	Development	
Cost							
As at September 30, 2018	$ 282,427	$ -	$ -	$ 663,056	$ 114,851	$ 9,202	$ 1,069,536
Additions	146,635	233,719	134,573	109,303	21,094	-	645,324
Re-class to available for use	97,336	114,851	9,202	(97,336)	(114,851)	(9,202)	-
Write-off of abandoned patents	-	-	-	(32,164)			(32,164)
As at September 30, 2019	526,398	348,570	143,775	642,859	21,094	-	1,682,696
Additions	-	37,076	165,743	108,150	8,670	-	319,639
Re-class to available for use	17,857	-	-	(17,857)	-	-	-
As at March 31, 2020	$ 544,255	$ 385,646	$ 309,518	$ 733,152	$ 29,765	$ -	$ 2,002,335
Accumulated amortization							
As at September 30, 2018	$ 27,563	$ -	$ -	$ -	$ -	$ -	$ 27,563
Additions	33,846	1,452	7,190	-	-	-	42,488
As at September 30, 2019	61,409	1,452	7,190	-	-	-	70,051
Additions	17,280	9,178	7,738				34,196
As at March 31, 2020	$ 78,689	$ 10,630	$ 14,928	$ -	$ -	$ -	$ 104,246
Net book value							
As at September 30, 2019	$ 464,989	$ 347,118	$ 136,585	$ 642,859	$ 21,094	$ -	$ 1,612,645
As at March 31, 2020	$ 465,566	$ 375,016	$ 294,590	$ 733,152	$ 29,765	$ -	$ 1,898,089

(expressed in Canadian dollars)

7. Related party balances and 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 three month period ended March 31, 2020 and March 31, 2019:

	Three months ended March 31,		**Six months ended March 31,**	
	2020	**2019**	**2020**	2019
CEO fees (i)	**$105,424**	$126,914	**$210,932**	$206,174
CFO fees (ii)	**7,500**	7,500	**15,000**	15,000
Consulting fees charged by a Chelsian Sales & Service (iii)	**15,000**	15,000	**30,000**	30,000
Consulting fees charged Flueckiger Consulting (iv)	**10,403**	21,477	**30,716**	56,619
Share based payments (vii)	**-**	255,321	**924,800**	255,321
	$138,327	$426,212	**$1,211,448**	**$563,114**

(i) Salary and/or consulting fees paid to the CEO for services rendered. As at March 31, 2020, $103,000 (September 30, 2019 - $121,389) is owed to the CEO for past fees.
(ii) Consulting fees charged by CFO Advantage Inc, a corporation owed by the CFO of the Company, for services of the Chief Financial Officer. As at March 31, $8,475 (September 30, 2019 – $8,475) 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 March 31, 2020 $12,600 (September 30, 2019 - $12,600) 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 March 31, 2020, $10,403 (As at September 30, 2019 - $32,517) was owed to Flueckiger consulting.
(v) $3,000 (2018 - $4,500) 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 six months ended March 31, 2020, the employee earned a salary and benefits of $48,000 (six months ended March 31, 2019 - $48,000).
(vii) For options issued to related parties, please see Note 12.

8. Loan payable

The balance payable as at March 31, 2020 was $nil (as at September 30, 2019 - $50,000). On August 28, 2019, the Company entered into a loan agreement for gross proceeds of $50,000 of which $50,000 was drawn at September 30, 2019. The loan was unsecured, bore interest at 12.5% per annum and became due 90 days from the date of issuance. The loan was repaid in full on October 8, 2019.

(expressed in Canadian dollars)

9. Share capital

Authorized - Unlimited number of common shares without par value
Issued and outstanding

	Share capital	Value
Common shares		
Balance September 30, 2018	77,599,271	$12,753,114
Shares issued on vesting of RSU's (note 12)	728,058	134,691
Extension of warrants	-	(37,259)
Balance September 30, 2019	78,327,329	$12,850,546
Common shares issued on conversion of special warrants (note 10)	7,289,751	1,442,491
Common shares issued on exercise of warrants (i)	1,647,500	692,775
Common shares issued on exercise of options (ii)	549,231	257,193
Balance March 31, 2020	87,813,811	$15,243,005

(i) During the six months ended March 31, 2020, 1,647,500 warrants were exercised for proceeds of $576,625. The warrants had a fair value of $116,150.

(ii) During the six months ended March 31, 2020, 549,231 options were exercised for proceeds of $146,150. The options had a fair value of $111,043.

10. Special Warrants

(i) 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 February 24, 2020, the 4,242,104 special warrants were converted to Units. On conversion, the Warrants were valued at $350,928.

(ii) On November 28, 2019, the Company closed a non-brokered private placement of 3,047,647 special warrants ("Nov Special Warrants") at a price of $0.35 per Nov Special Warrant for gross aggregate proceeds of $1,066,677. Each Nov 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 ("Nov Unit") four months and one day after closing. Each Nov Unit will consist of one common share (a "Nov Share") and one transferable common Share purchase warrant (a "Nov Warrant"). Each Nov Warrant will entitle the holder, on exercise, to purchase one additional Nov 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 Nov 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. On March 30, 2020, the 3,047,647 special warrants were converted to Units. On conversion, the Warrants were valued at $263,322.

Total finders fees and other issue costs related to the Special Warrants and Nov Special Warrants totaled $70,462 for net proceeds of $2,056,741.

(expressed in Canadian dollars)

11. Warrants

The warrants issued and outstanding as at March 31, 2020 are as follows:

	Number of warrants	Weighted average	
Balance, September 30, 2018	21,219,620	$	0.35
Warrants expired	(6,758,620)	$	0.35
Balance, September 30, 2019	14,461,000	$	0.35
Issued on conversion of special warrants (note 10(i))	4,242,104	$	0.40
Issued on conversion of special warrants (note (10(ii)	3,047,647	$	0.45
Warrants exercised (note 9(i))	(1,647,500)	$	0.35
Balance, March 31, 2020	20,103,251	$	0.38

The warrants entitle the holders to purchase the stated number of common shares at the exercise price on or before the expiry date. The weighted average exercise price is $0.38.

At March 31, 2020, the following warrants were outstanding and exercisable:

Strike price		Number	Weighted average remaining contractual life (in years)	Expiry date
$	0.35	713,500	0.46	9/19/2020
$	0.35	11,600,000	1.00	3/28/2021
$	0.35	500,000	0.09	5/2/2020
$	0.40	4,242,104	1.06	4/23/2021
$	0.45	3,047,647	1.16	5/28/2021
		20,103,251	0.99	

12. Stock options and restricted share units

On March 22, 2019 the Board of Directors approved a restricted share unit plan (the "RSU Plan") and a 20% fixed stock option plan (the "Option Plan") to grant restricted share units ("RSU's") and incentive stock options ("Options") to directors, officers, key employees and consultants of the Company. Pursuant to the RSU Plan and the Option Plan, the Company may reserve up to an aggregate of 15,519,854 common shares pursuant to awards granted under the plans. The plans were approved by the shareholders on May 10, 2019. Previously, the Company had a rolling stock option plan in 2011, which authorized the Board of Directors to grant stock options to directors, officers, employees and consultants to acquire up to 10% of the issued and outstanding common shares of the Company.

(expressed in Canadian dollars)

12. Stock options and restricted share units (continued)

Options

Below is a summary of transactions for the six months ended March 31, 2020 and the year ended September 30, 2019:

Transaction	Date	# Options
Balance September 30, 2018		5,056,600
Granted (i)	02/07/2019	25,000
Granted (ii)	03/22/2019	1,828,418
Granted (iii)	09/16/2019	50,000
Balance, September 30, 2019		6,960,018
Exercised		(549,231)
Granted (iv)	10/30/2019	5,900,000
		12,310,787

The weighted average fair value of the share issued on the date of exercise was $0.43.

As at March 31, 2020 the Company had the following stock options outstanding:

Date Issued	# Options	# Exercisable	Value	Exercise Price	Expiry date
6/30/2015	50,000	50,000	$6,534	$0.25	6/30/2020
7/6/2015	1,580,000	1,580,000	$300,200	$0.25	7/6/2020
8/8/2015	1,600	1,600	$371	$0.30	8/8/2020
11/16/2015	275,000	275,000	$91,575	$0.43	11/16/2020
6/23/2016	325,000	325,000	$115,050	$0.50	6/23/2021
8/30/2016	1,000,000	812,491	$310,000	$0.32	8/30/2026
10/21/2016	100,000	100,000	$23,400	$0.32	10/21/2021
4/21/2017	200,000	200,000	$42,600	$0.25	4/21/2022
3/1/2018	365,000	365,000	$77,015	$0.25	3/1/2023
3/28/2018	600,000	600,000	$149,400	$0.25	3/28/2023
4/25/2018	200,000	200,000	$52,600	$0.25	4/25/2023
2/27/2019	25,000	25,000	$3,125	$0.16	2/7/2024
3/22/2019	1,789,188	1,789,187	$254,064	$0.20	3/22/2024
9/16/2019	50,000	50,000	$9,800	$0.24	9/16/2024
10/30/2019	5,750,000	5,575,000	$1,523,200	$0.31	10/30/2024
	12,310,778	11,948,278			

The weighted average expiry date of the options is 3.68 years. The weighted average exercise price of the options is $0.29.

12. Stock options and restricted share units (continued)

(i) On February 7, 2019, the Company issued 25,000 options to an employee of the Company. These options were valued at $3,125 using the Black-Scholes option pricing model using the following assumptions: Expected life – 5 years; Volatility – 107.84%; Interest rate – 1.78%; Dividend yield – nil; Forfeiture rate – nil, stock price - $0.16. Volatility was based on the historical volatility of BVT and other comparable listed companies. 50% of the options vested on August 7, 2019, and the remaining 50% vested on February 7, 2020. During the six months ended March 31, 2020, $920 was expensed as stock-based compensation for these options.

(ii) On March 22, 2019, the Company issued 1,828,418 options to directors, officers, consultants and employees of the Company. 1,426,377 of these options were issued to directors and officers. These options were valued at $259,635 using the Black-Scholes option pricing model using the following assumptions: Expected life – 4.87 years; Volatility – 107%; Interest rate – 1.61%; Dividend yield – nil; Forfeiture rate – nil, stock price - $0.19. Volatility was based on the historical volatility of BVT and other comparable listed companies. 50% of the options vested on the date of grant, and 50% vested only upon US Environmental Protection Agency's approval of the Company's VECTORITE with CR-7TM (delivered by bees) product (for which approval was obtained on August 28, 2019).

(iii) On September 16, 2019, the Company issued 50,000 options to a consultant of the Company. These options were valued at $9,800 using the Black-Scholes option pricing model using the following assumptions: Expected life – 5 years; Volatility – 107%; Interest rate – 1.49%; Dividend yield – nil; Forfeiture rate – nil, stock price - $0.25. Volatility was based on the historical volatility of BVT and other comparable listed companies. 50% of the options vested on September 16, 2019 and the remaining 50% vested on December 16, 2019. During the six months ended March 31, 2020, $4,696 was expensed as stock-based compensation for these options.

(iv) On October 30, 2019, the Company granted options to purchase 5,650,000 common shares 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. The options expire October 30, 2024. 3,400,000 of these options were granted to related parties. These options were valued at $1,564,000 using the Black-Scholes option pricing model using the following assumptions: Expected life – 5 years; Volatility – 107%; Interest rate – 1.49%; Dividend yield – nil; Forfeiture rate – nil, stock price - $0.345. Volatility was based on the historical volatility of BVT and other comparable listed companies. During the six months ended March 31, 2020, $1,577,600 was expensed as stock-based compensation for these options.

Restricted share units ("RSU's")

On March 22, 2019, the Company granted 728,058 RSU's to certain directors, officers, key employees and consultants (487,922 to directors and officers). Each RSU is exercisable into one common share. The RSU's vested only upon US Environmental Protection Agency's approval of the Company's VECTORITE with CR-7TM (delivered by bees) product (for which approval was obtained on August 28, 2019). The RSUs had an expiry date of the earlier of (i) March 22, 2029, and (ii) five years from the date of vesting. All the RSUs were exercised upon the vesting condition being met and the 728,058 shares were issued on September 4, 2019. On the date of grant management estimated all 728,058 RSUs would be vested during 2019. This estimate did not need to be adjusted as the vesting condition was met.

The grant date fair value of the RSU equals the fair market value of the corresponding shares at the grant date. The fair value of these equity-settled awards is recognized as compensation expense with a corresponding increase in equity. The total amount expensed is recognized over the vesting period, which is the period over which all the specified vesting conditions should be satisfied.

No RSUs were granted during the six months ended March 31, 2020. The weighted average fair value of the RSUs granted during the year ended September 30, 2019 was $0.142 per common share.

13. Loss per share

The warrants and options outstanding were excluded from the computation of diluted loss per share for the three and six months ended March 31, 2020 and March 31, 2019 because their impact was anti-dilutive.

14. Financial instruments

Fair Value
Financial instruments of the Company as at March 31, 2020 and September 30, 2019 consist of cash, accounts receivable, 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 currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of a change in foreign exchange rates. The Company is exposed to foreign currency risk on cash, accounts receivable and accounts payable denominated in U.S. dollars. The Company does not use derivative instruments to reduce its exposure to foreign currency risk.

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 March 31, 2020, the Company has current assets of $961,277 (September 30, 2019 - $519,949) and current liabilities of $777,962 (September 30, 2019 – $735,230) resulting in working capital (deficiency) of $183,315 (September 30, 2019 – $(215,281)).

(expressed in Canadian dollars)

15. Capital management

The Company's objectives when managing capital are: to safeguard the Company's ability to continue as a going concern; to maintain an optimal capital structure, while ensuring the Company's strategic objectives are met and to provide an appropriate return to shareholders relative to the risk of the Company's underlying assets. The capital structure of the Company consists of equity attributable to common shareholders, comprised of issued capital, stock options, warrants, contributed surplus and deficit. The Company maintains and adjusts its capital structure based on changes in economic conditions and the Company's planned requirements. The Company may adjust its capital structure by issuing new equity, selling and/or acquiring assets, and controlling its capital expenditures program.

The Company is operating at a loss. As such, the Company is dependent on external financing to fund its activities. In order to pay for its operating expenses, the Company will spend its existing working capital and raise additional amounts as needed and if available.

As at March 31, 2020, managed capital was $2,264,466 (September 30, 2019 - $1,600,007). Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

16. Sales

	Three months ended March 31,		Six months ended March 31,	
Revenue from contracts with customers	**2020**	2019	**2020**	2019
Rendering of services over time	**$ 216,963**	$ 58,084	**$ 273,195**	$ 58,084
	$ 216,963	$ 58,084	**$ 273,195**	$ 58,084

All revenue was earned in the United States.

17. Office and general

	Three months ended March 31,		Six months ended March 31,	
	2020	2019	**2020**	2019
Accounting and audit	**$ 13,570**	$ 19,060	**$ 28,315**	$ 34,160
Amortization and depreciation	**28,803**	16,973	**47,013**	40,687
Consulting	**75,467**	38,000	**143,690**	83,872
Insurance	**4,997**	6,501	**12,164**	16,509
Legal and regulatory	**5,901**	166,534	**23,760**	177,517
Occupancy costs	**30,516**	24,041	**62,491**	56,956
Office and general	**478**	30,888	**76,595**	57,197
Salaries and benefits	**145,127**	172,120	**321,594**	344,283
Warehouse supplies	**1,913**	2,258	**3,581**	4,976
Transfer agent	**22,816**	14,148	**30,177**	15,524
Travel	**37,761**	18,463	**80,218**	44,410
	$ 367,349	$ 508,986	**$ 829,598**	$ 876,091

(expressed in Canadian dollars)

18. Commitments

Effective November 1, 2015, the Company has a lease commitment for premises, requiring the following approximate annual payments:

Year	Minimum lease payment	
2020	$	29,328
thereafter		4,888
Total	$	34,216

$43,522 of rent was expensed for short term leases in the period ended March 31, 2020.

19. Subsequent events

Subsequent to the quarter end 1,116,000 warrants exercised for gross proceeds of $390,600.

On April 21, 2020, the Company issued 50,000 restricted share units of the Company ("RSUs") to two consultants of the Company. The RSUs vest on the 30th day from grant and entitle the holder to acquire one common of the Company underlying each such RSU. In accordance with the RSU Plan, the RSUs were priced at $0.445 based on the closing price of the Common Shares on the TSX Venture Exchange on April 15, 2020.

On April 28, 2020, the Company announced that it has entered into a definitive agreement (the "Agreement") with Alumina Partners (Ontario) Ltd. ("Alumina") that secures a commitment of up to $6,000,000 in an at-will financing facility (the "Facility"). Pursuant to the terms of the Agreement, the Company has the right to draw down from the Facility for a period of thirty-six months in equity private placement tranches of up to $500,000 (each a "Tranche"). Each Tranche will be at the sole discretion of the Company and can occur at any time upon the Company giving notice to Alumina. Each Tranche will be comprised of units ("Units"), with each Unit consisting of one common share (each a "Share") and one common share purchase warrant (each a "Warrant"). Each Unit shall be priced at a discount of between 15-25% from the closing price of the Shares on the day prior to BVT's draw down notice to Alumina. Each Warrant will be exercisable for a period of twenty four (24) months from the closing date at an exercise price that is a 25% premium to the market price of the Shares. The Warrants will also contain an accelerated expiry provision, should BVT's Shares trade for a period of 10 consecutive trading days at a premium of at least 100% above the Warrant exercise price. Each draw down from the Facility will be subject to TSX-V approval. All securities issued will be subject to a statutory hold period that expires four (4) months and one (1) day from issuance.

On May 12, 2020, the Company issued 50,000 restricted share units of the Company ("RSUs") to a consultant of the Company. The RSUs vest 50% vest upon completion of 40 1x1 with qualified investors (virtual or in person), 50% vest upon successful introductions connections that take a long term position of Company shares. In accordance with the RSU Plan, the RSUs were priced at $0.38 based on the closing price of the Common Shares on the TSX Venture Exchange on May 12, 2020. On May 19, 2020, 25,000 RSU's were converted to 25,000 common shares.

On May 19, 2020, the Company closed a non-brokered private placement of 1,999,576 units ("Units") at a price of $0.33 per Unit for gross aggregate proceeds of $659,860. 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 24 months following the closing, at an exercise price of CAD$0.5375 per Share.

On June 8, 2020, the Company extended the expiry date of 1,630,000 options. 50,000 options due to expire on June 30, 2020 were extended to June 30, 2025, and 1,580,000 due to expire on July 6, 2020 were extended to July 6, 2025. The exercise price of all 1,630,000 options were also repriced from $0.25 to $0.285.

19. Subsequent events (continued)

The Company's operations could be significantly adversely affected by the effects of a widespread global outbreak of a contagious disease, including the recent outbreak of respiratory illness caused by COVID-19. The Company cannot accurately predict the impact COVID-19 will have on its operations and the ability of others to meet their obligations with the Company, including uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, and the length of travel and quarantine restrictions imposed by governments of affected countries. In addition, a significant outbreak of contagious diseases in the human population could result in a widespread health crisis that could adversely affect the economies and financial markets of many countries, resulting in an economic downturn that could further affect the Company's operations and ability to finance its operations. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Corporation and its operating subsidiaries in future periods. The agriculture industry is considered essential (for food supply), and while the Company is still able to service its customers, to date, the Company has been impacted as follows: (1) new sales impacted as travel restrictions have made it difficult to conduct demonstrations to growers (2) product registration process has slowed (3) R&D activities impacted by travel restriction and access to researchers and labs. The Company will continue to assess the impact on its operations.

SCHEDULE "C"

Management's Discussion and Analysis for the Years Ended
September 30, 2019, 2018 & 2017.

[Please see attached.]

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	4,888
Total	$ 63,403

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
	$ 762,297	$ 827,938

(i) Salary and/or consulting fees paid to the CEO for services rendered.
(ii) Consulting fees charged by CFO Advantage Inc, a corporation owed 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. There 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.

BEE VECTORING TECHNOLOGIES INTERNATIONAL INC.

FORM 51-102F1
MANAGEMENT'S DISCUSSION & ANALYSIS

January 28, 2019

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, 2018, and 2017. The discussion should be read in conjunction with the Company's audited annual consolidated financial statements for the years ended September 30, 2018 and 2017, 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 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 containing the crops of interest. The BVT System consists of a dispenser tray that is incorporated into the lid of commercially reared bumblebee hives. The Company is developing a second system to be used with honeybee hives. The dispensers have a removable tray 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 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 pathogens in high value crops such as strawberries, blueberries, Tomatoes, Canola, Sunflowers.

The trays are changed 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 and they take a minimal amount of time to put in place. Exact and predetermined amounts of inoculum are placed in the tray as well as other kinds of inoculum for certain applications. BVT has custom designed machinery to precisely fill these sealed trays called Vectorpaks™

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. 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 currently targets two primary diseases with its own bio control BVT-CR7, Botrytis and Sclerotinia.

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 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 in which the Vectorite containing BVT-CR7 is placed through which the bees pass and pick up the BVT-CR7.

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 bio-controls, 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 is developing a similar system to work with honeybee hives. This system would open 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, 2018 and to the date of this MD&A:

Commercialization / Marketing activities:

- Commercialization plan: The Company is focused on the winter Florida strawberry market for its commercialization efforts. Five notable, Florida-based strawberry growers used BVT's proprietary crop production system starting in late December 2017 through March 2018 across 13 fields and covering a total of over 170 acres. Abnormally difficult weather in the month of January, and conditions favouring development of disease at levels not seen in almost a decade made it hard for the growers to manage their crop whether they were using conventional practices, organic practices or the BVT system. Despite the difficult 2017/18 growing season, the BVT system was discussed favorably in the grower community, and the Company was able to solidify long-term partnerships with key growers.

  For the 2018/19 season the Company has shown an increase in the number of growers that committed to using the system from five in the previous season to eight. The Company has invoiced five of these growers for the 2018/19 season, representing the first commercial revenue for the company. Revenue for this test launch are modest – the growers 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.

  In support of its commercialization plan, the Company also secured supply arrangements including preferred pricing with multiple commercial bumble bee suppliers

- Marketing plan: The Company hired a sales representative based in Florida who will represent the company along the Atlantic seaboard with an initial focus in Florida and Southern Georgia. Supply of bees to support the upcoming activities in was secured, and the offer to the grower for the 2018/2019 season in strawberries and blueberries was finalized. Marketing materials to support launch activities in both those crops were generated, and the main tradeshows in the region were attended.

- 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.

  The Company has hired a technical manager based in Mexico who 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 has submitted for regulatory approval in Switzerland. 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. The Company completed its first replicated trials on blueberries, in Nova Scotia, Canada. The trial was conducted with the Company's new honeybee dispenser system, representing the first time the new system was tested in a replicated R&D study. Results showed a reduction in incidence of *Monilinia* blight (mummy berry) by 21% and in increase in number of marketable berries per stem of 50% compared with chemical standard.

  The Company completed three years of replicated trials in sunflowers with North Dakota State University (NDSU) using bumblebees. 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.

  In the second year (summer/fall 2017) the BVT system delivered a 47% reduction in incidence and a 20% reduction in the severity of *Sclerotinia* head rot on average across three different observations. Similar levels of reductions in disease were seen in the trials conducted in 2016. Yield differences could not be quantified due to collection issues during the harvest. Full results for the third year (summer/fall 2018) will be discussed with the collaborators during meetings planned for Jan/Feb 2019.

  Additionally, a commercial demonstration with the new honeybee dispenser system was conducted on portions of a 200-acre field that is part of a large farming operation in the Munich, North Dakota area. There was generally low disease pressure in the field this year, but the crop in areas within the range of the flight of bees showed further disease suppression, and yield increases.

- Intellectual property: The Company secured its first patent in South America (Chile), its first patents in Japan and Israel, and its first patent for its proprietary fungal strain *Clonostachys rosea* strain BVT CR-7 for use a biological control agent. The Company also secure a second US patent for its unique Vectorite^{TM} carrier formulation that allows beneficial microbes to be carried by bees.

  Chile and Japan are significant anchor countries for the agricultural markets of South America and Asia respectively and both are amongst the largest crop protection markets in the world. Israel is a significant innovation hub in agriculture and is widely considered to have the most extensive Ag start-up ecosystem outside of the US.

  The first patent for its fungal strain granted in the Unites States validates the unique properties of the Company's proprietary beneficial microbe which make it a valuable tool for biological control of various plant diseases. The patent will also allow the company to develop additional application methods for the strain beyond vectoring by bees, including foliar sprays and seed treatments. This patent application is under review in several additional countries around the world.

  The second US patent on Vectorite will expand protection of the formulation to include third party microbes allowing the Company to evaluate third party microbes for delivery through its bee delivery system for crop protection and/or growth enhancement, thus increasing the value-capture opportunity per acre of crop production.

  The Company is pursuing an aggressive intellectual property strategy which gives it a competitive advantage as it starts pursuing third party partnerships and market expansion opportunities. With these patents the Company now has over 20 allowed patents across 5 continents - North America, South America, Europe, Asia and Australia.

Regulatory / Approvals activities

- Organic certification obtained - BVT received official organic certification in the US, and its proprietary formulation of VECTORITE™ with CR-7 now 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.

- US EPA progressing - VECTORITE with CR-7™, delivered by bees, has thus far passed all completed review by the US Environmental Protection Agency's (EPA) reviews without issue. The EPA is appropriately increasing the data requirements to confirm safety to pollinators and has asked for additional data to show safety in honey bee brood larva. This was not a requirement when the submission was made.

  The Company 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. The regulatory approval review process includes performing a risk assessment of the technology by the EPA. This includes 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.

- 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.

- Submission in Switzerland - BVT has submitted its Swiss pesticidal registration application which is now under review.

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. 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. The Company was selected to present at two major industry events in October 2017: BVT Business Manager for EAME (Europe, Africa, Middle East), Christoph Lehnen, presented successful development results at the ABIM 2017 in Basel, Switzerland. BVT Marketing Manager, Ian Collinson, presented to an attending crowd of growers and crop consultants at the Biocontrols East trade conference in Orlando, Florida.

  The Company was also selected to present and participated at 2 leading conferences during the summer of 2018: BVT CEO Ashish Malik presented at AgBio Innovate 2018 held in San Francisco with over 80 senior industry executives providing a forum to showcase the latest technological innovations in the agricultural industry. In addition, Malik also presented and participated at Crops and Chemicals USA 2018 held in Raleigh, North Carolina. Over 250 attendees including senior executives from industry as well as senior staff from the US regulatory agencies – the EPA, the USDA and the FDA – were in attendance.

Amongst other news stories on the Company, the CEO was interviewed by the BBC World Service for a story that aired across all regions of the world.

- Awards: BVT was named by the Swiss State of Fribourg as one of its Agri & Co Challenge winners. BVT and 15 other companies beat out more than 150 other ag-tech companies from 53 different countries for the award. The Agri & Co Challenge was established in an effort to foster collaboration and enable technology innovation among organizations within the agriculture, food and biomass industries. As a "relocation program" winner, BVT will receive CHF 30,000 and will have two-years of free access to lab space at the Agri & Co Innovation Center located in Saint-Aubin, Fribourg, an area with a flourishing ag-biotech community.

  The award validates that top global organizations and influencers see the value that BVT's technology offers to growers and its fit within European sustainable agriculture practices. The partnership with the Agri & Co Innovation Center will accelerate developments aimed at commercialization in Europe, including Switzerland where the company has already submitted for regulatory approval.

  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.

- Private placement: The Company successfully completed a non-brokered private placement for gross proceeds of $1.57 million on February 16, 2018, a second larger one for gross proceeds of $3 million which closed on March 28, 2018. An additional smaller private placement for $125,000 was completed on May 4, 2018. The proceeds are being used to continue the path to commercialization and on select market expansion projects.

As the Company has no 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, 2018	Year ended September 30, 2017	Year ended September 30, 2016
Total revenues	nil	nil	nil
Total loss (1)(2)	$(2,992,860)	$(3,101,915)	$(2,611,504)
Net loss per share – basic (3)(4)	$(0.04)	$(0.06)	$(0.06)
Net loss per share – diluted (3)(4)	$(0.04)	$(0.06)	$(0.06)
	As at September 30, 2018	**As at September 30, 2017**	**As at September 30, 2016**
Total assets	$4,152,625	$2,117,819	$2,589,328
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 years ended September 30, 2018 and 2017.

As at September 30, 2018 the Company had a cash and cash equivalents balance of $2,701,982 (September 30, 2017 - $824,312) and total current assets of $2,840,570 (September 30, 2017 - $1,084,204) (consisting of cash, sales tax receivable and prepaid expenses and deposits). During the period, long term assets increased to $1,312,055 from $1,033,615 mainly due to the registration of patents (included in intangible assets). Liabilities (all current) at September 30, 2018 totalled $281,359 (September 30, 2017 - $298,735) and comprised of trade payables and accruals.

Working capital, which is comprised of current assets less current liabilities, is $2,559,211 at September 30, 2018 compared to $785,469 at September 30, 2017.

For the year ended September 30, 2018, the Company had a net loss of $2,992,860 compared to a net loss of $3,101,915 for the year ended September 30, 2017. During the year the Company continued to conduct trials and research to prove the benefits of the Company's technology, bring awareness of the Company and technology to growers and the public through various initiatives, and continued general corporate activities.

Revenue:
The Company has been in the development stage and did not report any revenues for the year ended September 30, 2018 and September 30, 2017.

Expenses:
A summary of the expenses for the years ended September 30, 2018 and September 30, 2017 is as follows:

	2018	2017
Expenses		
Office and general	**$ 1,646,260**	$ 1,536,602
Investor and public relations	**292,432**	437,191
Sales, advertising and marketing	**303,818**	271,840
Share based payments	**374,052**	288,843
Trials, research and development	**343,411**	512,371
Loss before other items	**(2,959,973)**	(3,046,847)
Loss on foreign exchange	**(29,067)**	(26,501)
Loss on write-off of abandoned patents	**(3,820)**	(33,389)
Interest and other income	**-**	4,822
Net loss	**$ (2,992,860)**	$ (3,101,915)

Office and general:
Below is a breakdown of what comprised office and general:

	2018	2017
Accounting and audit	**$ 67,575**	$ 72,526
Amortization and depreciation	**96,924**	92,899
Consulting	**238,806**	393,483
Insurance	**20,377**	28,224
Legal	**134,366**	141,542
Occupancy costs	**131,991**	128,410
Office and general	**111,277**	94,150
Salaries and benefits	**675,843**	425,670
Warehouse supplies	**8,355**	9,451
Transfer agent	**45,366**	49,096
Travel	**116,382**	101,151
	$ 1,646,260	$ 1,536,602

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 the year.

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

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

Research and development:
This expense relates to lab research, trials and demonstrations of BVT's crop inoculation products and bee delivery platform.

Summary of quarterly results

Three Months Ended	Net Revenues ($)	Net Loss Total ($)	Net Loss Basic and Diluted Income (Loss) Per Share ($)
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)
30-Jun-17	-	(695,163)	(0.01)
31-Mar-17	-	(781,801)	(0.02)
31-Dec-16	-	(720,475)	(0.01)
30-Sep-16	-	(663,935)	(0.02)

Liquidity and Capital Resources

	September 30, 2018	September 30, 2017
	$	$
Cash	**2,701,982**	824,312
Working capital	**2,559,211**	785,469

For the year ended September 30:	**2018**	2017
	$	$
Cash used in operating activities	**(2,385,355)**	(2,699,901)
Cash used in investing activities	**(379,184)**	(214,855)
Cash from in financing activities	**4,642,189**	2,255,562

Cash used in operating activities

Cash used in operating activities for the years ended September 30, 2018 and 2017 were as follows:

Cash used in operating activities		
Net loss	**$ (2,992,860)**	$(3,101,915)
Items not affecting cash		
Share based payments	**374,052**	288,843
Loss on write-off of abandoned patents	**3,820**	33,389
Foreign exchange differences	**29,067**	29,871
Depreciation and amortization	**96,924**	92,899
	(2,488,997)	(2,656,913)
Net changes in non-cash working capital items		
Sales tax and other receivables	**29,422**	(70,479)
Prepaid expenses and deposits	**91,882**	(28,640)
Accounts payable and accrued liabilities	**(17,642)**	56,131
	(2,385,335)	(2,699,901)

Cash flows used in investing activities
Major components of this period included funds spent on intangible assets ($170,047 on patent registrations, $114,851 on regulatory costs and $9,202 on development costs), and on equipment ($85,084 spend on production and computer equipment).

Cash flows from financing activities
Cash generated from financing activities included net proceeds from private placements in the amount of $4,567,814 (2017 - $2,109,136) and proceeds of $74,375 (2017 - $146,922) received from exercise of options.

Future Financing

Notwithstanding its cash position at September 30, 2018, 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
2019		56,789
2020		58,515
thereafter		4,888
Total	$	120,192

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, 2018 and September 30, 2017:

	2018	2017
CEO fees (i)	**$ 352,990**	$ 362,136
CFO fees (ii)	**30,000**	30,000
Consulting fees charged by a Chelsian Sales & Service (iii)	**56,000**	83,875
Consulting fees charged Flueckiger Consulting (iv)	**97,068**	48,398
Share based payments	**291,880**	176,646
	$ 827,938	$ 701,055

(i) Salary and/or consulting fees paid to the CEO for services rendered.

(ii) Consulting fees charged by CFO Advantage Inc, a corporation owed by the CFO of the Company, for services of the Chief Financial Officer.

(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, 2018 $nil (2017 –$25,593) 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, 2018 $6,826 was owed to Flueckiger consulting.

(v) $18,000 (2017 - $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, 2018, the employee earned a salary and benefits of $82,200 (2017 - $67,200).

(vii) The Company was charged $9,555 (2017 - $nil) in tax preparation fees by a company in which a director of the Company is partner. As at September 30, 2018, $5,339 (2017 - $nil) was owed to the aforementioned company.

(viii) For shares issued to related parties, please see Note 10 point (iv), (v) and (vi) on the consolidated financial statements for the year ended September 30, 2018.

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. There 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 January 1, 2018 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.

IFRS 9, Financial Instruments ("IFRS 9") was updated and re-issued by the IASB on July 24, 2014 and will replace IAS 39, "Financial Instruments: Recognition and Measurement" ("IAS 39"). IFRS 9 replaces the multiple rules in IAS 39 with a single approach to determine whether a financial asset is measured at amortized cost or fair value and a new mixed measurement model for debt instruments having only two categories: amortized cost and fair value. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018.

IFRS 15 Revenue from Contracts with Customers specifies how and when an IFRS reporter will recognize revenue as well as requiring such entities to provide users of consolidated financial statements with more informative, relevant disclosures. The standard provides a single, principles based five-step model to be applied to all contracts with customers. The standard is effective for period's beginning on or after January 1, 2018. There was no impact from this policy as there was no revenue in the current year.

IFRS 2 Share based payments, the amendments, which were developed through the IFRS Interpretations Committee, provide requirements on the accounting for the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments; share-based payment transactions with a net settlement feature for withholding tax obligations; and a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled. The effective date is for annual periods beginning on or after January 1, 2018. Earlier application is permitted.

IFRS 16 – Leases sets out a new model for lease accounting, replacing IAS 17. "Leases" and related interpretations. Under this new standard which provides a single model for leases abolishing the current distinction between finance leases and operating leases, most leases will be recognized in the consolidated statement of financial position. Certain exemptions will apply for short-term leases and leases of low-value assets. IFRS 16 will be effective for accounting years beginning on or after January 1, 2019. Early adoption will be permitted, provided the Company has adopted IFRS 15. Based on the leases in the current year, the impact of IFRS 16 is not material.

Financial Instruments

Fair Value

Financial instruments of the Company as at September 30, 2018 and September 30, 2017 consist of cash and cash equivalents and accounts payable and accrued liabilities. There are no significant differences between the carrying amounts of the items reported on the condensed interim 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 2018 and 2017. At September 30, 2018, the Company has current assets of $2,840,570 (September 30, 2017 - $1,084,204) and current liabilities of $281,359 (September 30, 2017 – $298,735) resulting in working capital of $2,559,211 (September 30, 2017 – $785,469).

Disclosure of Share Capital

As at the date of this report the Company had 77,599,271 common shares issued and outstanding.
As at the date of this report the Company had 21,219,620 share purchase warrants outstanding.
As at the date of this report the Company 5,056,600 stock options outstanding.

Risks

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

BEE VECTORING TECHNOLOGIES INTERNATIONAL INC.

FORM 51-102F1
MANAGEMENT'S DISCUSSION & ANALYSIS

January 22, 2018

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, 2017, and 2016. The discussion should be read in conjunction with the Company's audited annual consolidated financial statements for the years ended September 30, 2017 and 2016, 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 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 containing the crops of interest. The BVT System consists of a dispenser tray that is incorporated into the lid of commercially reared bumblebee hives. The Company is developing a second system to be used with honeybee hives. The dispensers have a removable tray 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 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 pathogens in high value crops such as strawberries, blueberries, Tomatoes, Canola, Sunflowers.

The trays are changed 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 and they take a minimal amount of time to put in place. Exact and predetermined amounts of inoculum are placed in the tray as well as other kinds of inoculum for certain applications. BVT has custom designed machinery to precisely fill these sealed trays called Vectorpaks™

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. 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 currently targets two primary diseases with its own bio control BVT-CR7, Botrytis and Sclerotinia.

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 pending for the following technologies:

1. a 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 in which the Vectorite containing BVT-CR7 is placed through which the bees pass and pick up the BVT-CR7.

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 common 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 bio-controls, 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. The trays are changed 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 and they take a minimal amount of time to put in place. Exact and predetermined amounts of inoculum can be placed in the tray as well as other kinds of inoculum for certain applications. 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 is developing a similar system to work with honeybee hives. This system would open 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.

Milestones achieved in during the year ended September 30, 2017:

- Commercial demonstrations: Large-scale commercial demonstration trials with influential strawberry growers in Florida were completed. Yield increases from 6% and 29% were achieved when the BVT System was used in addition to the standard chemical fungicide treatments already being used on the commercial strawberry fields. In one of the demonstrations, the yield increase was highest when the BVT System was used with only 50% of the standard chemical treatments. Additional findings showed that the BVT System also reduced the incidence of botrytis gray mold disease, and even if there was no botrytis present in the field, the BVT System still delivered a higher yield.

- Field trials: European trials on strawberries and tomatoes were completed in Spain (2 strawberry), Italy (1 tomato) and Greece (1 strawberry) with independent certified third-party contract research organization. In the strawberry trials, the BVT System performed as effectively as standard chemical fungicide treatments in the control of Botrytis (grey mould), and increased marketable yields in all trials: from 3 to 15% compared to standards chemical fungicide treatments, and from 14 to 42% compared to untreated checks. The BVT System provided control of Botrytis in harvested and stored berries thereby increasing their shelf-life. These trials were designed to meet the standards for the European regulatory approval process which the company plans to submit for in 2018. Results from the tomato trial are being collected. The company is conducting additional trials in sunflowers and blueberries during 2017.

- Regulatory approvals: The regulatory approval process with the EPA is progressing as expected. The technical screen process was completed in January 2017, confirming that the pesticide registration application and accompanying information and data is accurate and complete. The scientific review of the data has started and a decision by the EPA on the approval for BVT-CR7 is expected in the first half of 2018.

The Company has also received official certification for use in organic agriculture under the US Department of Agriculture's (USDA) National Organic Program, and a number of plant amendment licenses in individual US States.

Discussions with the European regulatory agencies to agree on the requirements for submission have started. The company has submitted for approval in California, which has its own additional regulatory approval process beyond the Federal EPA.

- Honeybee system: The Company tested prototypes of its new honeybee dispenser system in multiple crops during year with positive results. The honeybee system is important for large outdoor crops because of the larger number of insects per hive compared to bumble bees. This means one hive will be able to cover larger acreage. Future work will refine the system and make it robust for commercial sales.

- Intellectual property: The Company was granted its first patent by the European Patent Office. Additional patent applications are under review by various authorities worldwide. The company has now been granted 13 different patents across North America, South America, Europe, Asia and Australia. The company believes that a strong intellectual property portfolio is one of the tenets for achieving notable long-term value within the company and is thus pursuing an aggressive patent strategy.

- Sales and Distribution agreement: The Company entered into its first Sales and Distribution agreement with Guardian Soil Solutions (GSS) for Florida. Under the agreement, GSS will be responsible for driving sales growth, in installing and servicing the BVT System on customers' fields during the growing season, and disassembling and disposing of any unused materials at the end if the season. GSS is managed by a team that has a strong presence and has successfully introduced the benefits of biological control products to strawberry producers in the Plant City, Florida area, which is the winter growing region for strawberries in the US.

- Private placement: The Company successfully completed two non-brokered private placements for gross proceeds of over $2.2 million. The proceeds will be used to continue the path to commercialization and on select market expansion projects.

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 in the coming 6 months, the Company is working on a commercialization plan in strawberry crops in Florida which includes gaining sales commitments from influential growers, supporting the review of the BVT CR-7 product at the US EPA and conducting trials in new crops and additional countries.

The Company has progressed several crops past the proof of concept stage and is currently conducting field trials and commercial demos with growers. The path to commercialization the company is following includes:

- Crop planning – crops are prioritized based on grower needs, size of the market and the economics and probability of technical success of the technology;
- Proof of concept trials – these are select trials designed to confirm technical fit;
- Field trials – these are replicated trials designed to get statistically significant data. The trials are paid for by the company and are carried out at universities or by contracted researchers under controlled conditions (sometimes on a grower's field);
- Commercial demonstrations – these are carried out on grower fields under field conditions. Demos are secured after the grower is convinced about a possible fit for the technology on their farm by the data from

the previous field trials, and are designed to see how the technology can help improve the productivity and economics of the farmer's operation;

- Launch – the final value proposition for the technology is established, the go-to-market plan is developed and the product is available for commercial sales following securing of the regulatory approval.

The Company's objective is to have several opportunities in different stages of the sales cycle at any given growing season. Strawberries have advanced past the commercial demo stage; indoor tomatoes, blueberries and sunflowers are at the field trial stage; almonds are in the proof of concept stage.

As the Corporation has no 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, 2017	**Year ended September 30, 2016**	**Year ended September 30, 2015**
Total revenues	nil	nil	nil
Total loss (1)(2)	$(3,101,915)	$(2,611,504)	$(2,993,492)
Net loss per share – basic (3)(4)	$(0.06)	$(0.06)	$(0.20)
Net loss per share – diluted (3)(4)	$(0.06)	$(0.06)	$(0.20)
	As at September 30, 2017	**As at September 30, 2016**	**As at September 30, 2015**
Total assets	$2,117,819	$2,589,328	$2,560,354
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.

As the Corporation has no 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

The following discussion of the Company's financial performance is based on the financial statements for the year ended September 30, 2017.

As at September 30, 2017 the Company had a cash and cash equivalents balance of $824,312 (September 30, 2016 - $1,483,506) and total current assets of $1,084,204 (September 30, 2016 - $1,644,279) (consisting of cash, sales tax receivable and prepaid expenses and deposits). During the period, long term assets increased to $1,033,615 from $945,049 mainly due to the registration of patents (included in intangible assets). Liabilities (all current) at September 30, 2017 totalled $298,735 (September 30, 2016 - $242,605) and comprised of trade payables and accruals.

Working capital, which is comprised of current assets less current liabilities, is $785,469 at September 30, 2017 compared to $1,401,674 at September 30, 2016.

For the year ended September 30, 2017, the Company had a net loss of $3,101,915, compared to a net loss of $2,611,504 in 2016. During the year ended September 30, 2017, the Company continued to conduct trials and research to prove the benefits of the Company's technology, continued to bring awareness of the Company and technology to the public through various initiatives, completed a financing and continued corporate and general activities.

Revenue:
The Company has been in the development stage and did not report any revenues for the year ended September 30, 2017 and September 30, 2016.

Expenses:
A summary of the expenses for the year ended September 30, 2017 and September 30, 2016 is as follows:

	2017	2016
Expenses		
Office and general	**$ 1,536,602**	$ 1,392,499
Investor and public relations	**437,191**	230,831
Sales, advertising and marketing	**99,457**	199,286
Share based payments	**288,843**	227,484
Research and development	**684,754**	563,948
Loss before other items	**(3,046,846)**	(2,614,048)
Loss on foreign exchange	**(26,501)**	-
Loss on write-off of abandoned patents	**(33,389)**	-
Interest and other income	**4,822**	2,544
Net loss	**$ (3,101,915)**	$ (2,611,504)

Office and general:

Below is a breakdown of what comprised office and general:

	2017	2016
Accounting and audit	**$ 72,526**	$ 47,392
Amortization and depreciation	**92,899**	82,657
Consulting	**393,483**	362,229
Insurance	**28,224**	14,633
Legal	**141,542**	165,082
Occupancy costs	**128,410**	86,844
Office and general	**94,150**	133,480
Salaries and benefits	**425,670**	283,139
Warehouse supplies	**9,451**	12,669
Transfer agent	**49,096**	41,540
Travel	**101,151**	162,834
	$ 1,536,602	$ 1,392,499

These expenses are mostly in line with the comparative period. The most significant line amount change was salaries and benefits. The increase was the result of the increase in staff and salaries needed to support operations. In additional, one of the main consultants of the prior period became the CEO in September 2016, therefore his compensation moved from consulting to salaries.

Investor and public relations: The Company undertakes various initiatives in order market and communicate with investors and to educate the public on the Company and its products.

Stock based compensation:
This expense relates to the value of stock options that vested during the year. This is a non-cash expense.

Research and development:
This expense relates to lab research, trials and demonstrations of BVT's crop inoculation products and bee delivery platform.

Summary of quarterly results

Three Months Ended	Net Revenues ($)	Net Loss	
		Total ($)	Basic and Diluted Income (Loss) Per Share ($)
30-Sep-17	-	(904,476)	(0.02)
30-Jun-17	-	(695,163)	(0.01)
31-Mar-17	-	(781,801)	(0.02)
31-Dec-16	-	(720,475)	(0.01)
30-Sep-16	-	(663,935)	(0.02)
30-Jun-16	-	(717,739)	(0.02)
31-Mar-16	-	(619,343)	(0.01)
31-Dec-15	-	(610,487)	(0.01)
30-Sep-15	-	(895,746)	(0.01)
30-Jun-15	-	(2,016,928)	(0.33)

Liquidity and Capital Resources

	September 30, 2017	September 30, 2016
	$	$
Cash	**824,312**	1,483,506
Working capital	**785,469**	1,401,674

For the year ended September 30:	**2017**	2016
	$	$
Cash used in operating activities	**(2,699,901)**	(1,572,589)
Cash from (used) in investing activities	**(214,855)**	(221,963)
Cash from in financing activities	**2,255,562**	2,261,043

Cash used in operating activities
Cash used in operating activities for the year ended September 30, 2017 and 2016 were as follows:

	2017	2016
Cash used in operating activities		
Net loss	**$ (3,101,915)**	$ (2,611,504)
Items not affecting cash		
Share based payments	**288,843**	227,484
Loss on write-off of abandoned patents	**33,389**	-
Foreign exchange differences	**29,871**	-
Depreciation and amortization	**92,899**	82,654
	(2,656,913)	(2,301,366)
Net changes in non-cash working capital items		
Sales tax and other receivables	**(70,479)**	52,449
Prepaid expenses and deposits	**(28,640)**	49,330
Accounts payable and accrued liabilities	**56,131**	139,407
	(2,699,901)	(2,060,180)

Cash flows used in investing activities
Major components of this period included $206,355 spent on patent registrations.

Cash flows from financing activities
Cash generated from financing activities included net proceeds of $2,109,136 from the issuance of common shares and warrants from private placements (2016 - $2,069,295), and $146,922 (2016 - $219,436) received from exercise of warrants and options.

Future Financing

Notwithstanding its cash position at September 30, 2017, the Company will need additional financing for costs related to operations 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 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**	
2018	$	55,064
2019		56,789
2020		58,515
thereafter		4,888
Total	$	176,256

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 Intrinsic 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, 2017 and September 30, 2016:

	2017	2016
CEO fees (i)	**$ 362,136**	$ 135,000
CFO fees (ii)	**30,000**	30,000
Consulting fees charged by a Chelsian Sales & Service (iii)	**83,875**	-
Consulting fees charged Flueckiger Consulting (iv)	**48,398**	85,655
Share based payments	**176,646**	106,588
	$ 701,055	$ 357,243

(i) Salary and/or consulting fees paid to the CEO for services rendered.
(ii) Consulting fees charged by CFO Advantage Inc, a corporation owed by the CFO of the Company, for services of the Chief Financial Officer.
(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, 2017 $25,593 (2016 – 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.
(v) $18,000 (2016 - $3,000) was charged by the daughter of a director of the Company for marketing services.
(vi) The Company employs the son of a director of the Company as project manager. During the year ended September 30, 2016, the employee earned a salary and benefits of $67,200 (2016 - $54,660).

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
The values associated with intangible assets involve significant estimates and assumptions, including those with respect to future cash inflows and outflows, discount rates and asset lives. 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. There 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 moulds and dies
Significant estimates are made as to the useful lives of moulds and dies, which have been estimated to be five years.

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

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, and therefore the existing models do not necessarily provide a reliable single measure of the fair value of the Company's stock options and common share purchase warrants.

Recent accounting pronouncements

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods on or after October 1, 2017 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.

IFRS 9, Financial Instruments ("IFRS 9") was updated and re-issued by the IASB on July 24, 2014 and will replace IAS 39, "Financial Instruments: Recognition and Measurement" ("IAS 39"). IFRS 9 replaces the multiple rules in IAS 39 with a single approach to determine whether a financial asset is measured at amortized cost or fair value and a new mixed measurement model for debt instruments having only two categories: amortized cost and fair value. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018.

IFRS 15 Revenue from Contracts with Customers specifies how and when an IFRS reporter will recognize revenue as well as requiring such entities to provide users of consolidated financial statements with more informative, relevant disclosures. The standard provides a single, principles based five-step model to be applied to all contracts with customers. The standard is effective for period's beginning on or after January 1, 2018.

IFRS 2 Share based payments, the amendments, which were developed through the IFRS Interpretations Committee, provide requirements on the accounting for the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments; share-based payment transactions with a net settlement feature for withholding tax obligations; and a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled. The effective date is for annual periods beginning on or after 1 January 2018. Earlier application is permitted.

IFRS 16 – Leases, effective for annual periods beginning on or after January 1, 2019. The most significant change introduced by IFRS 16 is a single lessee accounting model, bringing leases on-balance sheet for lessees.

Financial Instruments

Fair Value
Financial instruments of the Company as at September 30, 2016 and September 30, 2016 consist of cash and accounts payable and accrued liabilities. 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.

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 a large financial institution in Canada, 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 2017 and 2016. At September 30, 2017, the Company has current assets of $1,084,204 (September 30, 2016 - $1,644,279) and current liabilities of $298,735 (September 30, 2016 – $242,605) resulting in working capital of $785,469 (September 30, 2016 – $1,401,674).

Disclosure of Share Capital
As at the date of this report the Company had 58,749,271 common shares issued and outstanding.
As at the date of this report the Company had 7,274,220 share purchase warrants outstanding.
As at the date of this report the Company 4,279,100 stock options outstanding.

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

SCHEDULE “D”

Management’s Discussion and Analysis for the six-Months Period Ended
March 31, 2020

[Please see attached.]

BEE VECTORING TECHNOLOGIES INTERNATIONAL INC.

FORM 51-102F1
MANAGEMENT'S DISCUSSION & ANALYSIS

DATED JUNE 12 2020

The following analysis concerns the financial situation, operating results and cash flows of Bee Vectoring Technologies International Inc. ("BVT" or the "Company") for the three and six months ended March 31, 2020, and the comparable periods ended March 31, 2019. The discussion should be read in conjunction with the Company's unaudited condensed interim consolidated financial statements for the three and six months ended March 31, 2020 and related notes thereto and the annual audited financial statements for the years ended September 30, 2019 and 2018. 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.

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 quarter ended March 31, 2020 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.

In the five months since US Environmental Protection Agency approval, BVT secured committed business with blueberry growers for the upcoming growing season (starting Feb/ Mar 2020) who collectively represent about 10% of blueberries grown in the Southeastern US. This includes growers in Florida, Georgia, South Carolina and North Carolina. The company exceeded its sales target for these markets. The Company's original target for blueberry growers in the US Southeast was 10 growers and 500 acres; however, with these agreements in place BVT has surpassed this goal and will now cover 700 acres with 15 growers across the region.

The blueberry growers used the BVT system on conventional and organic fields for the 2020 blueberry season starting 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 were first-time users who piloted 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 2,200 acres.

Georgia's blueberry blooming period is now complete, and growers in the region using the Company's proprietary crop protection system have reported notably-high fruit set and low fruit drop, both typical early indicators of a successful, high-yield harvest. One major grower indicated he expects his highest production year ever.

- Market expansions: The Company completed three official registration trials of the Company's proprietary *Clonostachys rosea* CR-7 (CR-7) biological fungicide on commercial strawberry and tomato crops in Mexico. BVT worked with a Mexican government approved researcher to conduct the biological efficacy trials which are a requirement for the registration process in Mexico. Results confirmed the efficacy of CR-7 in controlling key diseases on the crops as expected, and the trial results will be submitted to Mexican regulatory authorities for review in the coming weeks. The remaining registration dossier is being prepared and is planned to be submitted by spring or early summer of this year. BVT received US Environmental Protection Agency (EPA) approval back in August 2019.

  In anticipation of the commercial launch in Mexico, the Company has already started market development activities of its proprietary bee vectoring system with delivery of VECTORITE™ with CR-7 by both bumble bees and honeybees. It has completed demonstration trials with two major Mexican berry growers on blueberries and blackberries. The growers, who farm in multiple states across Mexico, saw positive results and have agreed to continue trials on larger plot sizes in the next growing season. In addition, the company has built partnerships with two major bumble bee companies serving the Mexican market and some large commercial honeybee companies who provide pollination services to growers.

  The trials also tested the Company's biological fungicide CR-7 as a weekly spray with very positive results: the growers saw a 66% or greater efficacy in incidence and severity reduction over untreated control or standard organic commercially treated crops. This paves the way for a future introduction of a foliar spray end use product containing CR-7. BVT received an exemption from tolerance on CR-7 from the EPA which means all crops that are gown using any end use formulation of CR-7, including a foliar spray product, would not have to be tested for residues of CR-7 by Mexican growers before they export their crops into the US. This is seen as a major benefit in an export-oriented market such as Mexico.

The Company announced the opening of its new European office and R&D center in Switzerland's Agri & Co Innovation Center, where the Company joins other innovative organizations in the country's flourishing ag-tech community. The new location is designed to help BVT continue its innovation in biological crop protection delivery systems. It includes a fully equipped laboratory, growth chambers, greenhouse space for trialing (starting in spring 2020), and 95 hectares of land leased to a local grower who will host trials in his fields, as well as office space. In addition, BVT will receive the full support of Agri & Co staff and the Swiss canton of Fribourg's state government, access to experts in various fields, as well as facilitated R&D collaborations with other ag-tech innovators.

The Company has submitted for regulatory approval in Switzerland in 2018 and its 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.

The Company announced that it will start conducting trials in Morocco, a significant market opportunity for its proprietary bee-delivered crop productivity system. The Company is also in discussions with well-established commercial partners in the region who have expressed interest in collaborating with BVT to bring the Company's system to market for growers in Morocco. One potential partner that has been in the Moroccan market for decades will roll out a significant trial program covering four different crops, including strawberry, raspberry, blueberry and tomato crops.

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. 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%. 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.

  The Company announced it will conduct trials of BVT's natural precision agriculture system on cranberries in Massachusetts (MA) and New Jersey (NJ), two major cranberry growing regions. This represents an expansion of BVT into a new crop. The trials will be conducted in collaboration with leading cranberry researchers at the University of Massachusetts and Rutgers University (in NJ) on fields from growers who are part a major US farmer-owned cranberry cooperative The Company is also in discussions with US Department of Agriculture scientists based in Wisconsin who are interested in following the work in MA and NJ.

- 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 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 - The Company will not renew the previously obtained plant amendment 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 completed official in Mexico by government approved researchers, in support of registration (see market expansion section).

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 opened its European R&D center and office in the Agri & Co Innovation Center as discussed in the market expansion section.

  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.

The Company has been named a 2020 Venture 50 company, an award that recognizes the 50 top-performing companies out of a total of 1,673 companies on TSX Venture Exchange (TSXV). BVT joins an exclusive group of high-performing industry leaders and is ranked third in the Clean Technology and Life Sciences sector.

Financing events that occurred during the three and six months ended March 31, 2020

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.

Financing events that occurred subsequent to the three and six months ended March 31, 2020

On April 28, 2020, the Company announced that it has entered into a definitive agreement (the "Agreement") with Alumina Partners (Ontario) Ltd. ("Alumina") that secures a commitment of up to $6,000,000 in an at-will financing facility (the "Facility"). Pursuant to the terms of the Agreement, the Company has the right to draw down from the Facility for a period of thirty-six months in equity private placement tranches of up to $500,000 (each a "Tranche"). Each Tranche will be at the sole discretion of the Company and can occur at any time upon the Company giving notice to Alumina. Each Tranche will be comprised of units ("Units"), with each Unit consisting of one common share (each a "Share") and one common share purchase warrant (each a "Warrant"). Each Unit shall be priced at a discount of between 15-25% from the closing price of the Shares on the day prior to BVT's draw down notice to Alumina. Each Warrant will be exercisable for a period of twenty four (24) months from the closing date at an exercise price that is a 25% premium to the market price of the Shares. The Warrants will also contain an accelerated expiry provision, should BVT's Shares trade for a period of 10 consecutive trading days at a premium of at least 100% above the Warrant exercise price. Each draw down from the Facility will be subject to TSX-V approval. All securities issued will be subject to a statutory hold period that expires four (4) months and one (1) day from issuance.

On May 19, 2020, the Company closed a non-brokered private placement of 1,999,576 units (“Units”) at a price of $0.33 per Unit for gross aggregate proceeds of $659,860. 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 24 months following the closing, at an exercise price of CAD$0.5375 per Share.

COVID-19

The Company’s operations could be significantly adversely affected by the effects of a widespread global outbreak of a contagious disease, including the recent outbreak of respiratory illness caused by COVID-19. The Company cannot accurately predict the impact COVID-19 will have on its operations and the ability of others to meet their obligations with the Company, including uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, and the length of travel and quarantine restrictions imposed by governments of affected countries. In addition, a significant outbreak of contagious diseases in the human population could result in a widespread health crisis that could adversely affect the economies and financial markets of many countries, resulting in an economic downturn that could further affect the Company’s operations and ability to finance its operations. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Corporation and its operating subsidiaries in future periods. The agriculture industry is considered essential (for food supply), and while the Company is still able to service its customers, to date, the Company has been impacted as follows: (1) new sales impacted as travel restrictions have made it difficult to conduct demonstrations to growers (2) product registration process has slowed (3) R&D activities impacted by travel restriction and access to researchers and labs. The Company will continue to assess the impact on its operations.

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

The following discussion of the Company’s financial performance is based on the financial statements for three and six months ended March 31, 2020 and March 31, 2019.

As at March 31, 2020 the Company had a cash and cash equivalents balance of $519,421 (September 30, 2019 - $312,864) and total current assets of $961,277 (September 30, 2019 - $519,949) (consisting of cash, sales tax receivable, inventory and prepaid expenses and deposits). During the period, long term assets increased to $2,081,151 from $1,815,288 due to costs related to the regulatory approvals, technology development costs, the registration of patents and other regulatory costs (included in intangible assets). Liabilities at March 31, 2020 totalled $777,962 (September 30, 2019 - $735,230) and comprised of $777,962 (September 30, 2019 - $685,230) of trade payables and accruals. The balance at September 30, 2019 also included a short-term loan of $50,000 which was repaid in October 2019.

Working capital, which is comprised of current assets less current liabilities, $183,315 at March 31, 2020 compared to working capital deficiency of $215,281 at September 30, 2019.

For the three and six months ended March 31, 2020, the Company had a net loss of $738,210 and $3,454,653 compared to a net loss of $846,958 and $1,491,796 for the three and six months ended March 31, 2019. The increase in loss is primarily related to the issuance of stock options during the period and the related expense ($1,575,030), and the commencement of some investor relations programs. During the period the Company had commercial sales following its EPA approval in August 2019, 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:
Following the receipt of the EPA approval in August 2019, the Company commenced commercial operations and its first recorded sales (with the exceptions of a pilot project launch in early 2019) of its proprietary bee-based crop enhancement technology used for increased plant health and marketable yield into the Florida strawberry market and the Georgia blueberry market.

	Three months ended March 31, 2020	Three months ended March 31, 2019	Six months ended March 31, 2020	Six months ended March 31, 2019
Sales	$ 216,963	$ 58,084	$ 273,195	$ 58,084
Cost of sales	142,250	45,149	164,991	45,149
Gross profit	74,714	12,935	108,205	12,935

Expenses:
A summary of the expenses for the three and six months ended March 31, 2020 and March 31, 2019 is as follows:

	Three months ended March 31, 2020	Three months ended March 31, 2019	Six months ended March 31, 2020	Six months ended March 31, 2019
Office and general	$ 367,349	$ 508,986	$ 829,598	$ 876,091
Investor and public relations	331,816	22,735	787,939	51,265
Sales, advertising and marketing	44,490	153,937	208,872	293,575
Share based payments	15,380	41,442	1,590,410	54,112
Trials, research and development	71,362	132,793	159,418	236,483
	$ 830,397	$ 859,893	$ 3,576,237	$ 1,511,526

Office and general:
Below is a breakdown of what comprised office and general and is in line with the prior period:

	Three months ended March 31, 2020	Three months ended March 31, 2019	**Six months ended March 31, 2020**	Six months ended March 31, 2019
Accounting and audit	$ 13,570	$ 19,060	$ 28,315	$ 34,160
Amortization and depreciation	28,803	16,973	47,013	40,687
Consulting	75,467	38,000	143,690	83,872
Insurance	4,997	6,501	12,164	16,509
Legal and regulatory	5,901	166,534	23,760	177,517
Occupancy costs	30,516	24,041	62,491	56,956
Office and general	478	30,888	76,595	57,197
Salaries and benefits	145,127	172,120	321,594	344,283
Warehouse supplies	1,913	2,258	3,581	4,976
Transfer agent	22,816	14,148	30,177	15,524
Travel	37,761	18,463	80,218	44,410
	$ 367,349	$ 508,986	$ 829,598	$ 876,091

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. The increase in the current periods is mainly the result of the launch of a European marketing campaign coinciding with the recent EPA approval in 2019.

Sales advertising and marketing: The Company targeted various business development opportunities through these marketing initiatives including demonstrations of the technology.

Share based payments:
During the first quarter of the year, the Company granted options to purchase 5,650,000 common shares of the Company to officers, directors and various consultants to the Company. The 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.

Summary of quarterly results

Three Months Ended	Net Revenues ($)	Net Loss	
		Net loss ($)	Basic and Diluted (Loss) Per Share ($)
31-Mar-20	216,963	(738,210)	(0.01)
31-Dec-19	56,232	(2,716,443)	(0.03)
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)

Liquidity and Capital Resources

As at March 31 2020, the Company had working capital of $183,315 (September 30, 2019 – working capital deficiency of $(215,281); being defined as current assets less current liabilities. The improvement has occurred because of the recent private placement of special warrants along with the exercise warrants and options which provided additional capital to the Company.

The Company generated cash of $206,557 during the six months ended March 31, 2020, compared with cash used of $1,808,349 during the six months ended March 31, 2019.

In the six months ended March 31, 2020, the Company used cash of $1,953,320 in operating activities, compared with $1,687,049 in the six months ended March 31, 2019. The Company has had no material recurring sources of revenue and the change in noncash working capital in the six months ended March 31, 2020 used $142,040, compared with $257,743 in the six months ended March 31, 2019.

In the six months ended March 31, 2020, the Company used cash of $319,639 in investing activities, compared to $121,300 for the six months ended March 31, 2019. Major components of this were costs related to EPA approval, patent registrations and development costs.

For the six months ended March 31, 2020, financing activities generated $1,806,741 in net proceeds as part of a private placement financing of special warrants and$722,775 from the exercise of options and warrants. These proceeds were offset by a loan repayment of $50,000.

The Company's monthly burn rate on average, which was calculated as cash spent per month in operating activities, was approximately $325,000. At its current operating level, the Company will not have sufficient funds generated from ongoing operations to cover short-term and long-term operational needs. The Company expects to still operate at a loss for at minimum the next 12 months. As such, the Company will need additional financing for costs related to operations, maintaining its patents, conducting trials and its growth strategy. The Company is currently addressing its liquidity concerns by proactively planning future financings through the sale of debt and (or) equity. The Company has been successful in the past at raising necessary funds but the timing and ability to do so will depend on the liquidity of the financial markets, economic conditions, as well as the acceptance of investors to small cap companies. There can be no guarantee that the Company will be able to continue securing any required financing. To address the liquidity concerns, subsequent to the quarter ended March 31, 2020, the Company entered into the Agreement, for a financing facility of $6,000,000 (as described earlier).

Since obtaining EPA approval in August 2019, the Company generated sales of approximately $275,000 (as reported for the three and six months ended March 31, 2020). The Company has continued to sign new sales agreements, and expects future sales to help with liquidity issues.

The primary need for liquidity is to fund working capital requirements of the business, including operating costs, and maintaining the Companies patents. The primary source of liquidity has primarily been private financings and, to a lesser extent, by cash generated from the exercise of warrants and options.

The Company has no debt and no financial commitments or obligations other than a lease for office space and production facility. 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	4,888
Total	$ 63,403

The Company has no capital expenditure commitments and has the ability to reduce or increase its research and development activities and other discretionary costs depending on the level of available funds.

The Company can maintain a sufficient level of inventory to meet expected sales demand.

Overall, given the working capital at March 31, 2020, the Company will be required to raise additional funds to fulfil its operating requirements for at minimum the next 12 months.

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 three and six month period ended March 31, 2020 and March 31, 2019:

	Three months ended March 31,		Six months ended March 31,	
	2020	**2019**	**2020**	2019
CEO fees (i)	**$105,424**	$126,914	**$210,932**	$206,174
CFO fees (ii)	**7,500**	7,500	**15,000**	15,000
Consulting fees charged by a Chelsian Sales & Service	**15,000**	15,000	**30,000**	30,000
Consulting fees charged Flueckiger Consulting (iv)	**10,403**	21,477	**30,716**	56,619
Share based payments (vii)	**-**	255,321	**924,800**	255,321
	$138,327	$426,212	**$1,211,448**	**$563,114**

(i) Salary and/or consulting fees paid to Ashish Malik (Chief Executive Officer) for services rendered. As at March 31, 2020, $103,000 (September 30, 2019 - $121,389) is owed to the CEO for past fees.

(ii) Consulting fees charged by CFO Advantage Inc, a corporation owed by Kyle Appleby, the Chief Financial Officer of the Company, for services of the Chief Financial Officer. As at March 31, $8,475 (September 30, 2019 – $8,475) was owed to CFO Advantage Inc.

(iii) Consulting fees charged by Chelsian Sales & Service Inc, a corporation owned by Michael Collinson, a director, for assisting with day-to-day operations. As at March 31, 2020 $12,600 (September 30, 2019 - $12,600) was owed to Chelsian Sales and Service Inc.

(iv) Consulting fees charged by Flueckiger Consulting, a corporation owned by Claude Flueckiger, a director of the Company, for reviewing product development and marketing plans, reviewing data from trials, and other services as required. As at March 31, 2020, $10,403 (As at September 30, 2019 - $32,517) was owed to Flueckiger consulting.

(v) $3,000 (2018 - $4,500) was charged by a Chelsea Collinson, the daughter of Michael Collinson, for marketing services.

(vi) The Company employs Ian Collinson, the son of Michael Collinson, as project manager. During the six months ended March 31, 2020, the employee earned a salary and benefits of $48,000 (six months ended March 31, 2019 - $48,000).

(vii) For options issued to related parties, please see Note 12 to the condensed interim financial statements for the three and six months ended March 31, 2020.

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. There 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.

New Accounting Standards Adopted

Effective October 1, 2019, the Company has adopted IFRS 16, Leases and International Financial Reporting Interpretations Committee ("IFRIC") 23, Uncertainty over Income Tax Treatments. These changes were made in accordance with the applicable transitional provisions for which there was no impact on the condensed consolidated interim financial statements for the six months ended March 31, 2020. Under IFRS 16, the presentation on the statements of loss and comprehensive loss required by the new standard will result in most lease expenses being presented as amortization of lease assets and financing costs arising from lease liabilities rather than as being a part of goods and services purchased.

IFRIC 23 – Uncertainty Over Income Tax Treatments ("IFRIC 23")
On October 1, 2019, the Company also adopted the new accounting standard IFRIC 23. The interpretation provides guidance on the accounting for current and deferred tax liabilities and assets in circumstances in which there is uncertainty over income tax treatments. The Company has concluded that there is no significant impact resulting from the application of this new standard on its consolidated financial statements.

Financial Instruments

Fair Value
Financial instruments of the Company as at March 31, 2020 and September 30, 2019 consist of cash, accounts receivable, 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 currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of a change in foreign exchange rates. The Company is exposed to foreign currency risk on cash, accounts receivable and accounts payable denominated in U.S. dollars. The Company does not use derivative instruments to reduce its exposure to foreign currency risk.

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 2020 and 2019. At March 31, 2020, the Company has current assets of $961,277 (September 30, 2019 - $519,949) and current liabilities of $777,962 (September 30, 2019 – $735,230) resulting in working capital (deficiency) of $183,315 (September 30, 2019 – $(215,281)).

Disclosure of Share Capital

As at the date of this report the Company had 90,954,387 common shares issued and outstanding.
As at the date of this report the Company had 20,273,327 share purchase warrants outstanding.
As at the date of this report the Company 12,385,787 stock options outstanding.

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

SCHEDULE "E"

Audit Committee Charter

[Please see attached.]

AUDIT COMMITTEE CHARTER

General

The Audit Committee is a committee of the Board. Its primary function is to assist the Board in fulfilling its oversight responsibilities by reviewing the financial information to be provided to the shareholders and others, the systems of internal controls and management information systems that management has established under supervision of the Audit Committee, the Company's internal and external audit process and monitoring compliance with the Company's legal and regulatory requirements with respect to its financial statements.

The Audit Committee is accountable to the Board. In the course of fulfilling its specific responsibilities hereunder, the Audit Committee is expected to attempt to maintain an open communication between the Company's external auditors and the Board.

The responsibilities of a member of the Audit Committee are in addition to such member's duties as a member of the Board.

The Audit Committee does not plan or perform audits or warrant the accuracy or completeness of the Company's financial statements or financial disclosure or compliance with generally accepted accounting procedures as these are the responsibility of management and the external auditors.

Membership

The Audit Committee consists of at least three directors who shall serve on behalf of the Board. The members are appointed annually by the Board and shall meet the independence, financial literacy and experience requirements of the TSXV and other regulatory agencies as required.

Procedural Matters

The Audit Committee shall be governed by the Committee Terms of Reference adopted by the Board, save as modified by the following procedural requirements and powers. The Audit Committee:

(c) Shall meet at least four times per year, either by telephone conference or in person.

(d) May invite the Company's external auditors, the Chief Financial Officer, and such other persons are deemed appropriate by the Audit Committee to attend meetings of the Audit Committee.

(e) Shall report material decisions and actions of the Audit Committee to the Board, together with such recommendations as the Committee may deem appropriate, at the next Board meeting.

(f) Shall review the performance of the Audit Committee on an annual basis and report to the Board.

(g) Shall review and assess the Mandate for the Audit Committee at least annually and submit any proposed revisions to the Board for approval.

(h) Has the power to conduct or authorize investigations into any matter within the scope of its responsibilities. It has the right to engage independent counsel and other advisors as it determines necessary to carry out its duties and the right to set the compensation for any advisors employed by the Audit Committee.

(i) Has the right to communicate directly with the CFO and other members of management who have responsibility for the audit process ("internal audit management"), if applicable, and external auditors.

(j) Has the right to pre-approve non-audit services (subject to ratification by the Board at its next meeting) to be performed by the external auditors. The Audit Committee may delegate certain pre-approval functions for non-audit services to one or more independent members of its Committee if it first adopts specific policies and procedures respecting same and provided such decisions are presented to the full Audit Committee for approval at its next meeting.

No business may be transacted by the Audit Committee except at a meeting of its members at which a quorum of the Committee is present or by resolution in writing signed by all the members of the Committee. A majority of the members of the Committee shall constitute a quorum, provided that if the number of members of the Committee is an even number, one-half of the number of members plus one shall constitute a quorum.

The Audit Committee shall have the authority to engage independent counsel and other advisors as the Audit Committee may deem appropriate in its sole discretion and to set and pay the compensation for any advisors employed by the Audit Committee. The Audit Committee shall not be required to obtain the approval of the Board in order to retain or compensate such consultants or advisors.

The Audit Committee shall have access to any and all books and records of the Company necessary for the execution of the Committee's obligations and shall discuss with the CEO or CFO such records and other matters considered appropriate.

Responsibilities

The Audit Committee has primary responsibility for the selection, appointment, dismissal, compensation and oversight of the external auditors, subject to the overall approval of the Board. For this purpose, the Audit Committee may consult with management.

External Auditors

The responsibilities of the Audit Committee are to:

(a) Recommend to the Board:

  (i) whether the current external auditor should be reappointed for the ensuing year and the amount of compensation payable; and

  (ii) if the current external auditor is not to be reappointed, select and recommend a suitable alternative.

(b) Oversee the work of the external auditors engaged for the purpose of preparing or issuing an auditors' report or performing other audit, review or attest services for the Company.

(c) Resolve disagreements, if any, between management and the external auditors regarding financial reporting. It accomplishes this by querying management and the external auditors. The Audit Committee provides the Board with such recommendations and reports with respect to the financial statements of the Company as it deems advisable.

(d) Take reasonable steps to confirm the independence of the external auditors, including but not limited to pre-approving any non-audit related services provided by the external auditors to the Company or the Company's subsidiaries, if any, with a view to ensuring independence of the auditors, and in accordance with any applicable regulatory requirements, including the requirements of TSXV with respect to approval of non-audit related services performed by the external auditors.

(e) Obtain from the external auditors confirmation that the external auditors are a 'participating audit' firm for the purpose of National Instrument 52-108 (Auditor Oversight) and are in compliance with governing regulations.

(f) Review and evaluate the performance of the external auditors including the external auditors' internal quality-control procedures.

(g) Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the Company's external auditors.

Internal Auditors

(h) The Audit Committee is to assist Board oversight of the performance of the Company's internal audit function, if any. In connection with the Company's internal audit function, if any, the Audit Committee shall:

(i) review the terms of reference of the internal auditor, if any, and meet with the internal auditor as the Audit Committee may consider appropriate to discuss any concerns or issues;

(j) in consultation with the external auditor and the internal audit group, review the adequacy of the Company's internal control structure and procedures designed to ensure compliance with laws and regulations and any special audit steps adopted in light of material deficiencies and controls;

(k) review the internal control report prepared by management, including management's assessment of the effectiveness of the Company's internal control structure and procedures for financial reporting; and

(l) periodically review with the internal auditor, if any, any significant difficulties, disagreements with management or scope restrictions encountered in the course of the work of the internal auditor.

Audit and Review Process and Results

The Audit Committee has a duty to receive, review and make any inquiry regarding the completeness, accuracy and presentation of the Company's financial statements to ensure that the financial statements fairly present the financial position and risks of the organization and that they are prepared in accordance with generally accepted accounting principles. To accomplish this, the Audit Committee is required to:

(a) Review annually the Company's internal system of audit and financial controls, internal audit procedures and results of such audits.

(b) Prior to the annual audit by external auditors, consider the scope and general extent of the external auditors' review, including their engagement letter.

(c) Ensure the external auditors have full, unrestricted access to required information and have the cooperation of management.

(d) Review with the external auditors, in advance of the audit, the audit process and standards, as well as regulatory or Company-initiated changes in accounting practices and policies and the financial impact thereof, and selection or application of appropriate accounting principles.

(e) Review with the external auditors and, if necessary, legal counsel, any litigation, claim or contingency, including tax assessments, that could have a material effect upon the financial position of the Company and the manner in which these matters are being disclosed in the financial statements. Review the appropriateness and disclosure of any off-balance sheet matters. Review disclosure of related-party transactions.

(f) Receive and review with the external auditors, the external auditors' audit report and the audited financial statements. Make recommendations to the Board respecting approval of the audited financial statements.

(g) Meet with the external auditors separately from management to review the integrity of the Company's financial reporting, including the clarity of financial disclosure and the degree of conservatism or aggressiveness of the accounting policies and estimates, performance of internal audit management, any significant disagreements or difficulties in obtaining information, adequacy of internal controls over financial reporting and the degree of compliance of the Company with prior recommendations of the

(h) external auditors. The Audit Committee shall direct management to implement such changes as the Audit Committee considers appropriate, subject to any required approvals of the Board arising out of the review.

(i) Meet at least annually with the external auditors, independent of management, and report to the Board on such meetings.

Interim Financial Statements and MD&A

The Board has delegated to the Audit Committee the power to approve the Company's interim financial statements and management's discussion and analysis. The Audit Committee shall:

(a) Review on an annual basis the Company's practice with respect to review of interim financial statements by the external auditors.

(b) Conduct all such reviews and discussions with the external auditors and management as it deems appropriate.

(c) Review and, if appropriate approve the interim financial statements and management's discussion and analysis.

(d) Review the interim financial statements with the external auditors if the external auditors conduct a review of the interim financial statements.

Involvement with Management

The Audit Committee has primary responsibility for overseeing the actions of management in all aspects of financial management and reporting. The Audit Committee:

(a) Shall review all public disclosure of financial information extracted from the Company's financial statements prior to such information being made public by the Company and for such purpose, the CEO assumes responsibility for providing the information to the Audit Committee for their review.

(b) Review material financial risks with management, the plan that management has implemented to monitor and deal with such risks and the success of management in following the plan.

(c) Consult annually and otherwise as required with the Company's CEO and CFO respecting the adequacy of the internal controls and review any breaches or deficiencies.

(d) Obtain such certifications by the CEO and CFO attesting to internal controls, disclosure and procedures as deemed advisable.

(e) Review management's response to significant written reports and recommendations issued by the external auditors and the extent to which such recommendations have been implemented by management.

(f) Review as required with management annual financial statements, quarterly financial statements, management's discussion & analysis, Annual Information Forms, future-oriented financial information or pro-forma information and other financial disclosure in continuous disclosure documents.

(g) Review with management the Company's compliance with applicable laws and regulations respecting financial matters.

(h) Review with management proposed regulatory changes and their impact on the Company.

(i) Review with management and approve public disclosure of the Audit Committee Mandate in the Company's Annual Information Form, Information Circular and on the Company's website.

Complaints

Complaints regarding accounting, internal accounting controls, or auditing matters may be submitted to the Audit Committee, attention: The Chair. Complaints may be made anonymously and, if not made anonymously, the identity of the person submitting the complaint will be kept confidential. Upon receipt of a complaint, the Chair will conduct or designate a member of the Audit Committee to conduct an initial investigation. If the results of that initial investigation indicate there may be any merit to the complaint, the matter will be brought before the Audit Committee for a determination of further investigation and action. Records of complaints made and the resulting action or determination with respect to the complaint shall be documented and kept in the records of the Audit Committee for a period of three years.

Reporting

The Audit Committee shall report to the Board of Directors at its regularly scheduled meetings.

CERTIFICATE OF THE ISSUER

Pursuant to a resolution duly passed by the Board of Directors of Bee Vectoring Technologies International Inc., hereby applies for the listing of the above mentioned securities on the Exchange. The foregoing contains full, true and plain disclosure of all material information relating to Bee Vectoring Technologies International Inc. It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

Dated at Toronto, Ontario this 14th day of August, 2020.

"Ashish Malik"
ASHISH MALIK
CEO, President and Promoter

"Kyle Appleby"
KYLE APPLEBY
CFO and Corporate Secretary

"Michael Collinson"
MICHAEL COLLINSON
Chairman, Director and Promoter

"James Molyneux"
JAMES MOLYNEUX
Director