

BEE VECTORING TECHNOLOGIES INTERNATIONAL INC.

UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three and six months ended March 31, 2021

(expressed in Canadian Dollars)

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

	March 31, 2021	September 30, 2020
ASSETS		
Current assets		
Cash	\$ 4,047,114	\$ 303,241
Sales tax and other receivable	206,545	73,989
Inventory (note 3)	104,225	34,492
Prepaid expense and deposits	284,433	37,689
	4,642,317	449,411
Long-term assets		
Right of use asset (note 4)	120,045	-
Intangible assets (note 6)	1,891,723	1,839,292
Property, plant and equipment (note 5)	179,453	181,674
	\$ 6,833,538	\$ 2,470,377
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	\$ 366,076	\$ 889,460
Lease liability – current portion (note 8)	75,207	-
	441,283	889,460
Long-term liabilities		
Lease liability (note 8)	46,949	-
Loans payable (note 9)	124,628	80,629
	612,860	970,089
Shareholders' equity (deficit)		
Share capital (note 10)	22,373,138	17,028,011
Shares to be issued (note 10)	-	102,510
Warrants (note 10, 11)	2,659,174	1,646,411
Contributed surplus (note 12)	4,961,219	4,651,144
Accumulated other comprehensive income	(13,106)	(4,882)
Accumulated deficit	(23,759,747)	(21,922,906)
	6,220,678	1,500,288
	\$ 6,833,538	\$ 2,470,377

NATURE OF OPERATIONS AND GOING CONCERN (Note 1)**COMMITMENTS (Note 18)****SUBSEQUENT EVENTS (Note 19)**

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 months ended March 31, 2021 and March 31, 2020

(expressed in Canadian Dollars)

	2021	2020
Cash used in operating activities		
Net loss	\$ (1,836,841)	\$ (3,454,653)
Items not affecting cash		
Share based payments (<i>note 12</i>)	137,189	1,590,410
Shares issued for services (<i>note 12</i>)	201,250	-
Unrealized foreign exchange differences on translation of foreign operations	(7,664)	(814)
Depreciation and amortization	86,176	53,777
Net changes in non-cash working capital items		
Sales tax and other receivables	(95,806)	(49,517)
Prepaid expenses and deposits	53,256	(180,672)
Inventory	(69,733)	(4,582)
Lease liability	(29,479)	-
Accounts payable and accrued liabilities	16,502	92,731
	(1,545,150)	(1,953,320)
Cash used in investing activities		
Additions to intangible assets (<i>note 6</i>)	(88,409)	(319,639)
Additions to property, plant and equipment (<i>note 5</i>)	(16,949)	-
	(105,358)	(319,639)
Cash flow from financing activities		
Proceeds from the issue of special warrants	-	1,806,741
Proceeds from loans	43,999	-
Loan repayments (<i>note 9</i>)	-	(50,000)
Proceeds from the issue of shares and warrants	4,027,524	-
Share issue costs	(204,895)	-
Proceeds from exercise of options and warrants	1,527,750	722,775
	5,394,379	2,479,516
Increase in cash	3,743,871	206,557
Cash, beginning of period	303,241	312,864
Cash, end of period	\$ 4,047,112	\$ 519,421

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

Bee Vectoring Technologies International Inc.

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity (unaudited)

For the six months ended March 31, 2021 and March 31, 2020

(expressed in Canadian Dollars)

	Share Capital		Shares to be issued	Special Warrants	Warrants	Contributed Surplus	Accumulated other Comprehensive Income		Deficit	Total
	Number of shares	Amount								
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	-	-	-	-	-	1,590,410	-	-	1,590,410	
Special warrants issued	-	-	(250,000)	2,056,741	-	-	-	-	1,806,741	
Extension of warrants	7,289,751	1,442,491	-	(2,056,741)	614,250	-	-	-	-	
Exercise of warrants	1,647,500	692,775	-	-	(116,150)	-	-	-	576,625	
Exercise of options	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	
Balance, September 30, 2020	93,604,603	17,028,011	102,510	-	1,646,411	4,651,144	(4,882)	(21,922,906)	1,500,288	
Share based compensation (note 12)	-	-	-	-	-	378,325	-	-	378,325	
Issue of units from private placement (note 10)	13,849,977	2,891,687	(102,510)	-	1,238,347	-	-	-	4,027,524	
Share issue costs - cash (note 10)	-	(204,895)	-	-	-	-	-	-	(204,895)	
Share issue costs - broker warrants (note 10)	-	(80,172)	-	-	80,172	-	-	-	-	
Settlement of debt	3,000,000	800,000	-	-	-	-	-	-	800,000	
Exercise of warrants	4,470,000	1,870,256	-	-	(305,756)	-	-	-	1,564,500	
Exercise of RSUs (note 10)	301,500	68,250	-	-	-	(68,250)	-	-	-	
Net loss	-	-	-	-	-	-	(8,224)	(1,836,841)	(1,845,065)	
Balance, March 31, 2021	115,226,080	\$ 22,373,138	\$ -	\$ -	\$ 2,659,174	\$ 4,961,219	\$ (13,106)	\$ (23,759,747)	\$ 6,220,678	

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

BEE VECTORING TECHNOLOGIES INTERNATIONAL INC.
Notes to Condensed Interim Consolidated Financial Statements (unaudited)
March 31, 2021
(expressed in Canadian dollars)

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. During the year, the Company chose to change the exchange on which its stock was listed. As a result, the Company’s shares stopped trading on the TSX Venture on August 20th, 2020 and commenced trading on the Canadian Stock Exchange (CSE) on August 21st, 2020 under the symbol “BEE.C”.

These condensed interim consolidated financial statements were approved for issuance by the Board of Directors on May 31, 2021.

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. The Company is currently also seeking regulatory approval in Mexico and Switzerland. During the six months ended March 31, 2021, the Company incurred a net loss of \$1,836,841 (six months ended March 31, 2020 – \$3,454,653), and as of that date, the Company’s deficit was \$23,759,747 (September 30, 2020 – \$21,922,906). At March 31, 2021, the Company has current assets of \$4,642,317 (September 30, 2020 - \$449,411) and current liabilities of \$441,283 (September 30, 2020 – \$889,460) resulting in working capital of \$4,201,034 (September 30, 2020 – (working capital deficiency of \$440,049)).

These conditions have resulted in material uncertainties that may cast significant doubt about the Company’s ability to 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.

The World Health Organization declared coronavirus and COVID-19 a global health emergency on January 30, 2020. 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 Company 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:

- New sales impacted as travel restrictions have made it difficult to conduct demonstrations to growers.
- Product registration process has slowed; and
- R&D activities negatively impacted by travel and access to researchers and labs.

1. Nature of operations and going concern (continued)

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 impact of COVID-19 on the Company continues to result in material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern in the foreseeable future.

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, 2021.

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. The condensed interim 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 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:

2. Basis of presentation (continued)

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 Company used fair value less cost to sell to determine the recoverable amount of the cash generating unit. Judgement was used in determining the basis of calculating fair value. As the Company has a single cash generating unit, management used the market value of the Company's share price as a proxy of the fair value of the cash generating unit. In addition, management applied judgement in the estimation of the cost to sell. This estimation of cost to sell was sensitized within a reasonable range and did not result in an impairment.

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. Estimates are used for valuing RSUs granted for determining vesting dates when RSU's are granted with vesting conditions that are based on non-market performance conditions and milestones.

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 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 subsidiaries Bee Vectoring Technology Inc. (Canadian), and Bee Vectoring Technology USA Corp (United States) ("BVT USA").

2. Basis of presentation (continued)

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.

d) Accounting policies

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, and those noted below. Accordingly, these condensed interim consolidated financial statements for the three-month period ended December 31, 2019 and 2018 should be read together with the annual consolidated financial statements as at and for the year ended September 30, 2019.

Leases and Right-of-use assets

Leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to comprehensive loss over the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of fixed lease payments.

The lease payments over the lease term are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or comprehensive loss if the right-of-use asset is already reduced to zero.

In determining the lease term, management considers all the facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. The extension option is only included in the lease term if the lease is reasonably certain to be extended. The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within management's control.

Right-of-use assets are measured at cost comprising the following:

- The amount of the initial measurement of lease liability
- Any lease payments made at or before the commencement date less any lease incentives received
- Any initial direct costs, and
- Any restoration costs

BEE VECTORING TECHNOLOGIES INTERNATIONAL INC.
Notes to Condensed Interim Consolidated Financial Statements (unaudited)
 March 31, 2021
 (expressed in Canadian dollars)

3. Inventory

	As at March 31, 2021	As at September 30, 2020
Finished goods	\$ 67,500	\$ -
Raw materials	36,725	34,492
Total	\$ 104,225	\$ 34,492

During the six months ended March 31, 2021, \$199,865 (six months ended March 31, 2020 - \$142,250) of inventory was recognized as cost of sales. There was no inventory write downs in 2021 and 2020. No inventory was pledged as collateral.

4. Right of use asset

	Total
Balance, September 30, 2020	\$ -
Additions - leases	151,635
Depreciation	(31,590)
Balance, March 31, 2021	\$ 120,045

Leases are depreciated over their term.

5. Property, plant and equipment

	Equipment	Computer	Furniture	Site equipment	Telephone Equipment	Total
Cost						
As at September 30, 2019	\$ 6,299	\$ 15,486	\$ 12,467	\$ 408,897	\$ 24,931	\$ 468,080
Additions	9,610	2,337	-	8,808	-	20,755
As at September 30, 2020	15,909	17,823	12,467	417,705	24,931	488,835
Additions	-	5,009	-	11,940	-	16,949
Foreign currency adjustment	-	(110)	-	-	-	(110)
As at March 31, 2021	\$ 15,909	\$ 22,722	\$ 12,467	\$ 429,645	\$ 24,931	\$ 505,674
Accumulated depreciation						
As at September 30, 2019	\$ 2,139	\$ 11,626	\$ 7,358	\$ 228,087	\$ 13,318	\$ 262,528
Additions	435	4,251	1,021	36,604	2,322	44,633
As at September 30, 2020	2,574	15,877	8,379	264,691	15,640	307,161
Additions	398	1,093	409	16,231	929	19,060
As at March 31, 2021	\$ 2,972	\$ 16,970	\$ 8,788	\$ 280,922	\$ 16,569	\$ 326,221
Net book value						
As at September 30, 2020	\$ 13,335	\$ 1,946	\$ 4,088	\$ 153,014	\$ 9,291	\$ 181,674
As at March 31, 2021	\$ 12,937	\$ 5,752	\$ 3,679	\$ 148,723	\$ 8,362	\$ 179,453

During the six months ended March 31, 2021, \$8,000 (six months ended March 31, 2020 -) of depreciation was capitalized to inventory as overhead and subsequently recognized as cost of sales.

BEE VECTORING TECHNOLOGIES INTERNATIONAL INC.
Notes to Condensed Interim Consolidated Financial Statements (unaudited)
March 31, 2021
(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 cost	Development	Patents	Regulatory cost	Development	
Cost							
As at September 30, 2019	\$ 526,398	\$ 348,570	\$ 143,775	\$ 642,859	\$ 21,094	\$ -	\$ 1,682,696
Additions	-	55,477	172,550	89,634	41,856	-	359,517
Re-class to available for use	12,026	-	-	(12,026)	-	-	-
Write-off of abandoned patents	(15,173)	-	-	(44,141)	-	-	(59,314)
As at September 30, 2020	523,251	404,047	316,325	676,326	62,950	-	1,982,899
Additions	5,068	19,439	-	58,672	5,230	-	88,409
Foreign currency adjustment	-	-	-	(450)	-	-	(450)
As at March 31, 2021	\$ 528,319	\$ 423,486	\$ 316,325	\$ 734,548	\$ 68,180	\$ -	\$ 2,070,858
Accumulated amortization							
As at September 30, 2019	\$ 61,409	\$ -	\$ 7,190	\$ -	\$ -	\$ -	\$ 68,599
Additions	39,446	1,452	15,816	-	-	-	56,714
Write-off of abandoned patents	(1,170)	19,465	-	-	-	-	18,295
As at September 30, 2020	99,685	20,917	23,006	-	-	-	143,608
Additions	17,032	10,587	7,908	-	-	-	35,527
As at March 31, 2021	\$ 116,717	\$ 31,504	\$ 30,914	\$ -	\$ -	\$ -	\$ 179,135
Net book value							
As at September 30, 2020	\$ 423,566	\$ 383,130	\$ 293,319	\$ 676,326	\$ 62,950	\$ -	\$ 1,839,292
As at March 31, 2021	\$ 411,602	\$ 391,982	\$ 285,411	\$ 734,548	\$ 68,180	\$ -	\$ 1,891,723

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 and six months ended March 31, 2021 and March 31, 2020:

	Three months ended		Six months ended	
	March 31	2020	March 31	2020
	2021		2021	
CEO fees (i)	\$78,938	\$105,424	\$159,739	\$210,932
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)	3,822	10,403	14,688	30,716
Share based payments (vii)	-	-	53,350	924,800
	\$105,260	\$138,327	\$272,777	\$1,211,448

- (i) Salary and/or consulting fees paid to the CEO for services rendered. As at March 31, 2021, \$45,199 (September 30, 2020 - \$65,620) is owed to the CEO for past fees and expenses. During the six months ended March 31, 2021, \$50,000 of RSUs were issued in lieu of salary.
- (ii) Consulting fees charged by CFO Advantage Inc, a corporation owned by the CFO of the Company, for services of the Chief Financial Officer. As at March 31, 2021 \$325 (September 30, 2020 –\$65,620) was owed to CFO Advantage Inc. During the six months ended March 31, 2021, \$7,500 of the fees were paid with RSUs.
- (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, 2021 \$1,300 (September 30, 2020 – \$12,600) was owed to Chelsian Sales and Service Inc. During the six months ended March 31, 2021, \$12,500 of the fees were paid with RSUs.

BEE VECTORING TECHNOLOGIES INTERNATIONAL INC.
Notes to Condensed Interim Consolidated Financial Statements (unaudited)
 March 31, 2021
 (expressed in Canadian dollars)

7. Related party balances and transactions (continued)

- (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, 2021 \$nil (September 30, 2020 - \$8,211) was owed to Flueckiger consulting. During the six months ended March 31, 2021, the consultant was awarded \$12,500 of RSUs in lieu of consulting fees charged.
- (v) \$nil (six months ended March 31, 2020 - \$3,000) 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 six months ended March 31, 2021, the employee earned a salary and benefits of \$51,498 (September 30, 2020 - \$48,000).
- (vii) For options and RSU's issued to related parties, please also see Note 12.

8. Lease liability

Balance, September 30, 2020	\$ -
Additions	151,635
Interest expense	5,026
Lease payments	(34,505)
Balance, March 31, 2021	\$ 122,156

Allocated as:	March 31, 2021
Current	\$ 75,207
Long term	46,949
Balance	\$ 122,156

The Company entered into a two-year extension on the lease of its office and production facility. The lease commenced on November 1, 2020 for a period of two years until October 31, 2022, with no further options to renew at the current terms. Under the lease, the Company is required to pay a monthly base rent of \$6,901. At the commencement of the lease, the lease liability was measured at the present value of the lease payments that were not paid at that date. The lease payments are discounted using an interest rate of 8.62%, which is the Company's incremental borrowing rate in Canada. Effective interest rate is 10%.

9. Loans payable

On May 1, 2020, the Company received a \$40,000 Canada Emergency Business Account loan. Up to \$10,000 of that amount will be eligible for loan forgiveness if \$30,000 is fully repaid on or before December 31, 2022. As at March 31, 2021, none of the loan has been repaid. If the loan is not repaid by December 31, 2022, it will be extended for an additional 3-year term bearing an interest rate of 5% per annum. The loan can be repaid at any time without penalty and no principal payments are required until December 31, 2025 when the full amount of the loan is due. Monthly interest must be paid during the additional 3-year term. An additional, \$20,000 was received in January, 2021 under the same terms and conditions.

On May 5, 2020, the Company received a Small Business Administration paycheck loan of \$40,629. The loan bears an interest rate of 1%, and matures 2 years from the date of issuance (but can be fully forgiven if the funds are used for payroll costs, interest on mortgages, rent, and utilities). An additional \$23,999, was received in March 2021. The Company has submitted a loan forgiveness application related to this loan.

BEE VECTORING TECHNOLOGIES INTERNATIONAL INC.
Notes to Condensed Interim Consolidated Financial Statements (unaudited)
 March 31, 2021
 (expressed in Canadian dollars)

10. Share capital

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

	Share capital	Value
Balance September 30, 2019	78,327,329	\$12,850,546
Shares issued on private placement (i)	3,110,687	737,224
Valuation of warrants issued on private placement (i)	-	(14,603)
Private placement issue costs (i)	-	(3,757)
Common shares issued on conversion of special warrants (note viii)	7,289,751	1,418,319
Common shares issued on exercise of RSU's (ii)	1,550,000	614,750
Common shares issued on exercise of warrants (iii)	2,763,500	1,160,185
Common shares issued on exercise of options (iv)	563,336	265,347
Balance September 30, 2020	93,604,603	\$17,028,011
Shares issued on private placement (v)	13,849,977	4,130,034
Valuation of warrants issued on private placement (v)	-	(1,238,347)
Private placement issue costs (v)	-	(204,895)
Broker warrants (v)	-	(80,172)
Exercise of warrants	4,470,000	1,564,500
Value of warrants exercised	-	305,756
Common shares issued on exercise of RSU's (vi)	301,500	68,250
Common shares issued to settle debt (vii)	3,000,000	800,000
Balance March 31, 2021	115,226,080	\$22,373,138

- (i) 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 consisted of one common share (a "Share") and one transferable common Share purchase warrant (a "Warrant"). Each Warrant entitles 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. The Warrants were valued at \$180,833 using relative fair value method with the warrants fair value determined by the black scholes option pricing model using the following assumptions: Term – 2 years; Volatility – 86%; Interest rate – 0.28%.

On June 30, 2020, the Company closed a non-brokered private placement of 1,111,111 units ("Units") at a price of \$0.315 per Unit for gross aggregate proceeds of \$350,000. Each Unit consisted of one common share (a "Share") and one transferable common Share purchase warrant (a "Warrant"). Each Warrant entitles the holder, on exercise, to purchase one additional Share for a period of 24 months following the closing, at an exercise price of CAD\$0.525 per Share. The Warrants were valued at \$91,803 using relative fair value method with the warrants fair value determined by using the black scholes option pricing model using the following assumptions: Term – 2 years; Volatility – 86%; Interest rate – 0.28%.

The Company paid commissions to finders under the private placements consisting of cash fees of \$20,003 and the issue of 29,750 finder's warrants. Each finder's warrant entitles the holder to purchase one share of the Company at a price of \$0.5375 for two year. The finder's warrants were valued at \$5,147 using the Black-Scholes option pricing model using the following assumptions: Term – 2 years; Volatility – 95%; Interest rate – 0.28%.

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10. Share capital (continued)

- (ii) During the year ended September 30, 2020, 1,550,000 RSUs were exercised. The RSUs had a fair value of \$614,750.
- (iii) During the year ended September 30, 2020, 2,763,500 warrants were exercised for proceeds of \$1,083,375. The warrants had a fair value of \$76,810. The weighted average fair value of the shares on the date exercised was \$0.42)
- (iv) During the year ended September 30, 2020, 563,336 options were exercised for proceeds of \$148,901. The options had a fair value of \$116,446.

Date	Price	Fair value on date of exercise of common shares	Shares issued	Cash proceeds	Fair value
11/16/2019	\$0.25	\$0.44	160,000	\$ 40,000	\$ 32,000
11/6/2019	\$0.24	\$0.44	100,000	24,000	17,300
1/13/2020	\$0.20	\$0.60	30,000	5,850	4,260
3/5/2020	\$0.31	\$0.42	150,000	46,500	44,100
3/20/2020	\$0.28	\$0.36	100,000	28,000	15,500
3/20/2020	\$0.20	\$0.36	9,231	1,800	1,310
6/18/2020	\$0.20	\$0.42	14,105	2,750	1,976
			563,336	\$ 148,901	\$ 116,446

- (v) On October 7, 2020, the Company closed a non-brokered private placement of 2,661,366 units (“Units”) at a price of \$0.24 per Unit for gross aggregate proceeds of \$638,727. Each Unit consisted of one common share (a “Share”) and one transferable common Share purchase warrant (a “Warrant”). Each Warrant entitles the holder, on exercise, to purchase one additional Share for a period of 24 months following the closing, at an exercise price of CAD\$0.40 per Share. Should the 10-day volume weight average price of the Shares, as traded on the CSE, be equal to or greater than a 100% premium to the Warrant exercise price prior to the expiry date of the applicable Warrants, the Company may accelerate the expiry date (“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 Expiry Date is delivered to the warrant holders. For greater certainty, the Acceleration Notice may not be delivered to the subscribers prior to the Warrant exercise date. The Warrants were valued at \$184,656 using relative fair value method with the warrants fair value determined by using the black scholes option pricing model using the following assumptions: Term – 2 years; Volatility – 91%; Interest rate – 0.28%.

The Company paid commissions to finders under the private placements consisting of cash fees of \$1,025 and the issue of 4,270 finder's warrants (with the same terms as noted above). The finder's warrants were valued at \$520 using the Black-Scholes option pricing model.

On December 17, 2020, the Company closed a non-brokered private placement of 1,111,111 units (“Units”) at a price of \$0.24 per Unit for gross aggregate proceeds of \$266,666. This financing is on the same terms as the October 7, 2020 private placement. The Warrants were valued at \$72,456 using relative fair value method with the warrants fair value determined by using the black scholes option pricing model using the following assumptions: Term – 2 years; Volatility – 91%; Interest rate – 0.28%.

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10. Share capital (continued)

On February 4, 2021, the Company closed a non-brokered private placement of 7,306,625 units at a price of \$0.32 per unit for gross aggregate proceeds of \$2,338,120. Each unit consists of one common share and one transferable common Share purchase warrant. Each warrant entitles the holder, on exercise, to purchase one additional share for a period of 24 months following the closing, at an exercise price of CAD\$0.525 per Share. The Warrants were valued at \$614,161 using relative fair value method with the warrants fair value determined by using the black scholes option pricing model using the following assumptions: Term – 2 years; Volatility – 91%; Interest rate – 0.28%.

On February 26, 2021, the Company closed the second tranche of the February 4, 2021 private placement issuing 2,770,875 units at a price of \$0.32 per unit for gross aggregate proceeds of \$886,680. The Warrants were valued at \$232,907 using relative fair value method with the warrants fair value determined by using the black scholes option pricing model using the following assumptions: Term – 2 years; Volatility – 91%; Interest rate – 0.28%.

Finders fees for the February 4, 2021 and February 26, 2021 tranches totaled \$194,771 cash and 608,036 warrants exercisable to purchase one additional share per warrant with an exercise price of \$0.425 for a period of 2 years from issuance. The Finders warrants were valued at \$79,652.

(vi) During the six months ended March 31, 2021, 301,500 RSUs were exercised. The RSUs had a fair value of \$68,250.

(vii) On December 17, 2020, the Company reached agreements with arms-length parties to settle outstanding accounts payable of \$800,000 (of which \$400,000 was outstanding as at September 30, 2020) for consulting services provided to the Company, in consideration for the issuance of 3,000,000 shares.

(viii) During the six months ended March 31, 2021, 4,470,000 warrants were exercised for proceeds of \$1,564,500. The warrants had a fair value of \$305,756.

Date	Price	Fair value on date of exercise of common shares	Shares issued	Cash proceeds	Fair value
01/16/2021	\$0.35		405,000	141,750	27,702
02/09/2021	\$0.35		250,000	87,500	17,100
02/19/2021	\$0.35		1,440,000	504,000	98,496
03/10/2021	\$0.35		105,000	36,750	7,182
03/18/2021	\$0.35		970,000	339,500	66,348
03/22/2021	\$0.35		300,000	105,000	20,520
03/24/2021	\$0.35		500,000	175,000	34,200
03/26/2021	\$0.35		500,000	175,000	34,200
			4,470,000	1,564,500	305,748

10. Share capital (continued)

Special Warrants

(viii) 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”). \$250,000 of this Offering was collected in the 2019 fiscal year, and was recorded as shares to be issued. 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 using relative fair value method with the warrants fair value determined by the black scholes option pricing model using the following assumptions: Term – 1.17 years; Volatility – 95%; Interest rate – 1.37%.

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 using relative fair value method with the warrants fair value determined by the black scholes option pricing model using the following assumptions: Term – 1.17 years; Volatility – 95%; Interest rate – 0.66%.

Total cash finders fees and other issue costs related to the Special Warrants and Nov Special Warrants totaled \$70,462 for net cash proceeds of \$2,056,741. The Company also issued 167,957 finders warrants exercisable at \$0.35 - \$0.45 with a term of 1.5 years. The finders warrants were valued at \$33,704 using the Black-Scholes option pricing model using the following assumptions: Term – 1.5 years; Volatility – 95%; Interest rate – 1.49%.

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11. Warrants

The warrants issued and outstanding as at December 31, 2020 and September 30, 2020 are as follows:

	Number of warrants	Weighted average strike price
Balance, September 30, 2019	14,461,000	\$ 0.35
Issued on issue of special warrants (note 10(i))	167,957	\$ 0.40
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
Issued with private placement (note 9(i))	3,140,437	\$ 0.54
Warrants exercised (note 9(iii))	(2,763,500)	\$ 0.35
Warrants expired	(713,500)	\$ 0.35
Balance, September 30, 2020	21,582,145	\$ 0.40
Issued with private placement (Note 9(v))	3,776,747	\$ 0.40
Issued with private placement (Note 9(v))	10,077,500	\$ 0.525
Issued with private placement (Note 9(v))	608,036	\$ 0.425
Exercised	(4,470,000)	\$ 0.35
Expired	(6,514,000)	\$ 0.35
Balance, March 31, 2021	25,060,428	\$ 0.48

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 \$0.475.

At March 31, 2021, the following warrants were outstanding and exercisable:

Strike price	Number	Weighted average remaining contractual life (in years)	Expiry date
\$ 0.40	2,800	0.06	4/23/2021
\$ 0.40	4,242,104	0.06	4/23/2021
\$ 0.45	115,177	0.16	5/28/2021
\$ 0.35	49,980	0.16	5/28/2021
\$ 0.45	3,047,647	0.16	5/28/2021
\$ 0.54	2,029,326	1.12	05/19/2022
\$ 0.55	1,111,111	1.25	06/30/2022
\$ 0.40	2,665,636	1.52	10/07/2022
\$ 0.40	1,111,111	1.71	12/17/2022
\$ 0.525	7,306,625	1.85	02/04/2023
\$ 0.425	419,676	1.85	02/04/2023
\$ 0.525	2,770,875	1.90	02/26/2023
\$ 0.425	188,360	1.90	02/26/2023
	25,060,428	1.21	

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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. Subsequently, on September 30, 2020 a new plan was approved by the shareholders. 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 three months ended March 31, 2021 and the year ended September 30, 2020:

Transaction	Date	# Options
Balance, September 30, 2019		6,960,018
Exercised*		(563,336)
Granted (iv)	10/30/2019	5,900,000
Balance, September 30, 2020		12,296,682
Expired		(276,600)
Granted		580,000
Balance, March 31, 2021		12,600,082

* The weighted average fair value of the share issued on the date of exercise was \$0.35.

As at March 31, 2021 the Company had the following stock options outstanding:

Date Issued	# Options	# Exercisable	Value	Exercise Price	Expiry date
6/30/2015	50,000	50,000	\$ 15,900	\$0.285	6/30/2025
7/6/2015	1,580,000	1,580,000	\$502,440	\$0.285	7/6/2025
6/23/2016	325,000	325,000	\$115,050	\$0.50	6/23/2021
8/30/2016	1,000,000	937,489	\$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	1,775,083	1,775,083	\$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	5,750,000	\$1,523,200	\$0.31	10/30/2024
11/24/2020	275,000	275,000	\$53,350	\$0.29	11/24/2025
02/05/2021	155,000	155,000	\$42,625	\$0.41	02/05/2026
03/11/2021	150,000	150,000	\$41,100	\$0.41	03/11/2026
	12,600,083	12,537,572			

12. Stock options and restricted share units (continued)

The weighted average expiry date of the options is 3.49 years. The weighted average exercise price of the options is \$0.28.

- (i) 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 year ended September 30, 2020, \$1,577,600 was expensed as share based compensation for these options.
- (ii) 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. These options were re-valued at \$518,340 (with a difference of \$308,120 from the original value on issuance) using the Black-Scholes option pricing model using the following assumptions: Expected life – 5 years; Volatility – 98%; Interest rate – 0.36%; Dividend yield – nil; Forfeiture rate – nil, stock price - \$0.41. The re-valuation of options was reflected as an increase to contributed surplus with a corresponding amount in share-based compensation.
- (iii) On November 24, 2020, the Company granted options to purchase 275,000 common shares with an exercise price of \$0.29, vesting on the date of grant and expiring five years from the date of grant. These options were valued at \$53,350 using the Black-Scholes option pricing model using the following assumptions: Expected life – 5 years; Volatility – 86%; Interest rate – 0.40%; Dividend yield – nil; Forfeiture rate – nil, stock price - \$0.29. During the six months ended March 31, 2021, \$53,350 was expensed as share based compensation for these options. 200,000 of the options were granted to a director of the Company, and 75,000 were granted to the Chief Financial Officer.
- (iv) On February 5, 2021, the Company granted options to purchase 155,000 common shares with an exercise price of \$0.41, vesting on the date of grant and expiring five years from the date of grant. These options were valued at \$42,625 using the Black-Scholes option pricing model using the following assumptions: Expected life – 5 years; Volatility – 86%; Interest rate – 0.40%; Dividend yield – nil; Forfeiture rate – nil, stock price - \$0.41. During the six months ended March 31, 2021, the \$42,625 was expensed as share based compensation for these options.
- (v) On March 11, 2021, the Company granted options to purchase 150,000 common shares with an exercise price of \$0.415, vesting on the date of grant and expiring five years from the date of grant. These options were valued at \$41,100 using the Black-Scholes option pricing model using the following assumptions: Expected life – 5 years; Volatility – 86%; Interest rate – 0.40%; Dividend yield – nil; Forfeiture rate – nil, stock price - \$0.415. During the six months ended March 31, 2021, the \$41,100 was expensed as share based compensation for these options.

Restricted share units (“RSU’s”)

On April 21, 2020, the Company issued 50,000 restricted share units of the Company 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. 25,000 of these RSUs were exercised on May 19, 2020 when the fair market value was \$0.40 per share. On May 19, 2020, 25,000 RSU’s were converted to 25,000 common shares, and on July 16, 2020 the remaining 25,000 were converted to 25,000 common shares.

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12. Stock options and restricted share units (continued)

On May 12, 2020, the Company issued 50,000 restricted share units of the Company to a consultant of the Company. The RSUs vest 50% vest upon completion of forty meetings with qualified investors (virtual or in person), 50% vest upon successful 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 July 6, 2020, the Company issued 1,500,000 restricted share units of the Company to consultants of the Company. The RSUs vested three days from issuance. In accordance with the RSU Plan, the RSUs were priced at \$0.395 based on the closing price of the Common Shares on the TSX Venture Exchange on July 6, 2020. On July 10, 2020, all of these RSU were converted to 1,500,000 common shares.

The weighted average fair value of the RSUs granted during the year ended September 30, 2020 was \$0.424 (\$0.142 per common share for the year ended September 30, 2019).

On November 24, 2020, the Company issued 2,580,000 restricted share units of the Company to the Company's management, insiders and consultants (collectively, "Holders"). The RSUs will vest upon successful completion of pre-determined milestones (as determined by the board of directors and as detailed below) being met and shall entitle the Holders to acquire one common share (a "Share") of the Company underlying each such RSU by delivering a notice of acquisition to the Company in accordance with the RSU Plan. In accordance with the RSU Plan, the RSUs were priced at \$0.29 based on the closing price of the Shares on the Canadian Securities Exchange (CSE) on November 23, 2020.

Position	Number of RSUs	Vesting conditions
Consultant	260,000	60,000 vest immediately, 60,000 vest in three months from grant, 60,000 vest in six months from grant, 60,000 vest in nine months from grant, 80,000 vest upon reaching \$1mill sales USA
Director	105,000	25,000 vest immediately, 25,000 vest in three months from grant, 25,000 vest in six months from grant, 25,000 vest in nine months from grant, 30,000 vest upon reaching CHF 50K revenue in Switzerland
Consultant	480,000	90,000 vest immediately, 90,000 vest in three months from grant, 90,000 vest in six months from grant, 90,000 vest in nine months from grant, 60,000 Vest on reaching CHF 50k revenue in Switzerland; 60,000 on 1st signed and announced deal (in-licensing or country distribution)
Director	130,000	25,000 vest immediately, 25,000 vest in three months from grant, 25,000 vest in six months from grant, 25,000 vest in nine months from grant, 30,000 vest upon reaching 200 kgs of CR7-on seed fermentation for 2 months
Consultant	84,500	11,500 vest immediately, 11,500 vest in three months from grant, 11,500 vest in six months from grant, 11,500 vest in nine months from grant, 50,000 vest upon Grower lists and sales lead capture process implemented in CRM
Consultant	72,000	24,000 vest immediately, 24,000 vest in three months from grant, 24,000 vest in six months from grant, 24,000 vest in nine months from grant
Consultant	120,000	15,000 vest immediately, 15,000 vest in three months from grant, 15,000 vest in six months from grant, 15,000 vest in nine months from grant, 60,000 vest in upon 2 "big deal" news stories - WSJ, NYT, BBC, etc.
Consultant	120,000	15,000 vest immediately, 15,000 vest in three months from grant, 15,000 vest in six months from grant, 15,000 vest in nine months from grant, 60,000 vest in upon 2 "big deal" news stories - WSJ, NYT, BBC, etc.

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Consultant	198,000	37,000 vest immediately, 37,000 vest in three months from grant, 37,000 vest in six months from grant, 37,000 vest in nine months from grant, 50,000 vest upon 1st invoiced revenue (pilot) in Mexico
Consultant	60,000	15,000 vest immediately, 15,000 vest in three months from grant, 15,000 vest in six months from grant, 15,000 vest in nine months from grant
Consultant	140,000	35,000 vest immediately, 35,000 vest in three months from grant, 35,000 vest in six months from grant, 35,000 vest in nine months from grant
Officer	530,000	100,000 vest immediately, 100,000 vest in three months from grant, 100,000 vest in six months from grant, 100,000 vest in nine months from grant, 130,000 vest upon reaching \$1mill sales USA
Officer	160,000	30,000 vest immediately, 30,000 vest in three months from grant, 30,000 vest in six months from grant, 30,000 vest in nine months from grant, 20,000 vest on completion of FY 2020 financial statement filings, 20,000 vest on timely completion of Q1, Q2 & Q3 financial statement filings

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.

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, 2021 and March 31, 2020 because their impact was anti-dilutive.

14. Financial instruments

Fair Value

Financial instruments of the Company as at March 31, 2021 and September 30, 2020 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 cash, accounts receivables and accounts payables and accrued liabilities reported on the condensed interim consolidated statements of financial position and their estimated fair values because of the short-term maturities of these items. Loans payable are recognized initially and subsequently at amortized cost.

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. As at March 31, 2021, the Company had \$42,358 of accounts payable and accrued liabilities denominated in U.S. dollars.

14. Financial instruments (continued)

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 2021 and 2020.

At March 31, 2021, the Company has current assets of \$4,605,567 (September 30, 2020 - \$449,411) and current liabilities of \$366,076 (September 30, 2020 - \$889,460) resulting in working capital of \$4,239,491 (September 30, 2020 - working capital deficiency (\$440,049)).

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, 2021, managed capital was \$6,183,928 (September 30, 2020 - \$1,500,288). Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

BEE VECTORING TECHNOLOGIES INTERNATIONAL INC.
Notes to Condensed Interim Consolidated Financial Statements (unaudited)
 March 31, 2021
 (expressed in Canadian dollars)

16. Sales

Six months ended March 31, 2021 and March 31, 2020

Revenue from contracts with customers	2021	2020
Rendering of services over time	\$ 109,064	\$ 273,195
Sales of good	225,838	-
	\$ 334,902	\$ 273,195

Sales by crop	2021	2020
Blueberries	\$ 299,600	222,796
Strawberries	35,302	50,399
	\$ 334,902	\$ 273,195

All revenue was earned in the United States.

The Company does not provide any formal warranties, refunds, return policies.

The payment term for blueberries is Net 30.

The terms for the strawberry growers is 50% down, and 50% upon completion.

The company invoices and collects in USD since its customers are in the US. Sales are translated to CAD using the average exchange rate for the period. In USD terms, revenue increased by 27.4% for the 6 months ended March 31, 2021 compared to the same period in the prior fiscal year. The CAD was stronger vs the USD in 2021 compared to 2020, so reported revenue growth was slightly lower at 22.6%.

This revenue growth represents progress made in the Southeast berry market. In addition, the company has successfully penetrated the market in Michigan, the Pacific Northwest, New Jersey and secured its first trials in California. Revenue from these activities will be booked in Q3 and later.

	Three months ended March 31,		Six months ended March 31,		% Growth
	2021	2020	2021	2020	6 mos 2021 vs 2020
Sales in USD	\$ 261,642	\$ 163,130	\$ 261,642	\$ 205,410	+27.4%
Sales in CAD	\$ 334,902	\$ 216,963	\$ 334,902	\$ 273,195	+22.6%

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 (expressed in Canadian dollars)

17. Office and general

	Three months ended March 31,		Six months ended March 31,	
	2021	2020	2021	2020
Accounting and audit	\$ 16,973	\$ 13,570	\$ 37,670	\$28,315
Amortization and depreciation	44,952	28,802	68,585	47,013
Consulting	162,782	75,467	354,143	143,690
Insurance	7,638	4,997	15,275	12,164
Legal and regulatory	15,896	5,901	19,942	23,760
Occupancy costs	12,778	30,516	36,325	62,491
Office and general	51,910	478	110,328	76,595
Salaries and benefits	183,894	145,129	353,298	321,594
Warehouse supplies	4,993	1,913	10,225	3,581
Transfer agent	12,053	22,815	30,593	30,177
Travel	24,414	37,761	40,554	80,218
	\$ 538,283	\$ 367,349	\$ 1,076,938	\$ 829,598

18. Commitments

Effective November 1, 2015, the Company has a lease commitment for premises, requiring the following approximate annual payments:

Year	Minimum lease payment
2021	\$ 80,799
2022	\$ 82,812
2023	\$ 6,901

19. Subsequent events

Subsequent to March 31, 2021, 184,000 common shares were issued upon the exercise of 184,000 RSUs.

Subsequent to March 31, 2021, 240,000 common shares were issued upon the exercise of 240,000 warrants, for proceeds of \$96,000.