BEE VECTORING TECHNOLOGIES INTERNATIONAL INC.

FORM 51-102F1
MANAGEMENT'S DISCUSSION & ANALYSIS

DATED MAY 29, 2024

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, 2024. 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, 2024 and 2023 and the audited annual consolidated financial statements for the years ended September 30, 2023 and 2022, 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 products and 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 Toronto TSX Venture Exchange under the stock symbol "BEE.V" on July 7, 2015. The Company's shares stopped trading (voluntarily) 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".

BVT has commercialized a 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 without significant capital costs for growers.

The Company is also developing new applications and thus new revenue stream opportunities for its proprietary beneficial microbe *Clonostachys rosea* Strain BVT CR-7 ("CR-7") such as foliar spray applications and applications on seeds.

More details can be found in the Company's Management Discussion and Analysis for the year ended September 30, 2021 and on the corporate website at www.beevt.com.

Seasonality of the business

The Company's business is seasonal and follows crop cycles. In particular the BVT system is used during the blooming period of the targeted crops, which for outdoor crops will occur once in a crop season -- once a year and may last only for a few weeks (eg. 6-8 weeks in the case of blueberries). For the berry corps in North America which are the initial targeted crops, this blooming period is between January (in the Southern growing regions) and May (in the Northern growing regions). This means that revenue will be initially generated during those early months of the year, and the rest of the year there may be minimal or no revenue.

As the business expands to other crops which bloom later in the year, into other geographies around the world which will have different crop seasons, and into greenhouse production where there may be multiple crops seasons in a year, the seasonality of the business will change.

Strategic Positioning

The Company is focusing on three key strategic priorities:

1. **Commercialization in the US**: 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 across the United States, followed by other pollinated crops including fruit and nut trees;

2. **Geographic Expansion**: use the know-how gained in the US to replicate the commercial success in other markets around the world which grow the targeted crops;

3. **Portfolio Expansion & Extension**: leverage the Company's core assets of BVT CR-7 and its honeybee and bumble bee dispenser systems to develop new revenue streams by developing additional products for delivery using bees, and new application methods for BVT CR-7 to address crop disease control needs in areas such as soil or late season leaf diseases where bees would not be a suitable delivery method since there are no flowers for them to visit.

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 (e.g., 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 during the six months ended March 31, 2024, and to the date of this MD&A:

1. **Commercialization in the US**:

March 21, 2024 – the Company announced its entry into the Texas market with its first customer. The grower, who is based in Hardin County, Texas, will use BVT's natural precision agriculture system for bumblebees on blueberry and strawberry crops. After deploying the BVT system for the first time last year, the customer has more than tripled his order for this year's growing season.

Texas grows an estimated 400 acres of strawberries and 700 acres of blueberries. Most large commercial producers in the state for strawberries grow their crop on 7-12 acres, while smaller operations start at 1,000 plants and go up to 3 acres.

2. **Geographic Expansion**:

February 15, 2024 – the Company announced that Agrobío SL commenced trials of BVT's natural precision agriculture system in December. The trial is a part of Agrobío's participation in the EU-funded ADOPT-IPM project, which is part of the European Commission's Horizon Research and Innovations Actions (Horizon RIA), a major initiative intended to boost the EU's growth and competitiveness in areas such as tackling climate change.

The ADOPT-IPM project is an EU-China joint action that will optimize existing Integrated Pest Management (IPM) tools and packages and develop new ones. It will foster stakeholder adoption by surveying what they currently use, what they need, and conducting trials and demonstrations of new tools with industrial partners.

Agrobío is a bio-factory that produces beneficial insects for pest control and bumblebees for natural pollination. Founded in 1995 in Almería, Spain, Agrobío has pioneered Spanish bumblebee production and grown into a multinational business supplying growers across Europe, Morocco and Turkey.

The Agrobío trial is being conducted in greenhouse tomato crops in Spain, measuring the BVT system compared to traditional standard spray programs for efficacy in combating *Botrytis* (gray mold). It is using BVT's VectorHive system for bumblebees and proprietary Vectorite with CR-7 biofungicide. The trial will last until the end of the tomato crop cycle, which is approximately eight to ten months.Spain is one of the largest fruit and vegetable producers in Europe and represents the largest market for bee vectoring in the EU.

The country has a strong horticultural market that includes berries, tomatoes and stone fruits, grown outdoors and in greenhouses. Vegetable production in Spain reached about 16.39 million tons in 2021, an increase of about 1.21 million tons over 2020.In 2021, there were over 400,000 hectares devoted to vegetable farming in Spain.

January 31, 2024 – the Company announced that a major multi-national grower is conducting demonstration trials in Mexico with BVT's proprietary Vectorite with CR-7 (*Clonostachys rosea* CR-7) biological fungicide and natural precision agriculture system.

This multi-national grower is a key producer of blueberries, raspberries, blackberries and table grapes in Mexico. They have over 5,000 hectares worldwide for the production of berries, with additional operations in the US, Peru and Morocco. After the initial honeybee system trials in their Mexican operations, there is opportunity to expand BVT trials to the other countries.

The BVT trials are staggered to the start of bloom time for each berry crop. They commenced last September with the start of blackberry and raspberry bloom periods, moved to blueberry in November, and lasts into early 2024. Trial data is being collected at each crop's harvest time and the grower is currently evaluating for yield performance and percentage of fruit spoilage with BVT and the grower standard applied versus the grower standard used alone.

Geographic expansion is a key element in BVT's ongoing corporate expansion strategy. BVT's registration dossier was submitted to regulatory authorities in Mexico in April 2022, and BVT continues to build and expand strategic relationships with Mexican growers. This newest relationship with a multi-national grower with operations in Mexico is a vital step in the Company's continued development in the

January 16, 2024 – the Company announced South African multi-national agricultural technology business Microbial Biological Fertilizers International (MBFi) has commenced trials of BVT products in South Africa. They will be evaluating BVT's patented bee vectoring dispenser for honeybees with proprietary Vectorite powder, initially testing with MBFi's own biological strain as a comparison with traditional spray applications.

MBFi manufactures agricultural products for the South African farming industry, supplying fertilizer, bio-stimulants, biologicals and adjuvants.

Trials are being conducted on grower crop fields including macadamias, avocados, apples, strawberries, blueberries and cherries, timed for the start of each crop's bloom period. MBFi will also extend the trials to include sunflowers and canola. In South Africa, macadamia, avocado, applies, strawberries, blueberries and cherry crops cover over 85,000 hectares of farmland, with sunflowers and canola adding another 520,000.

October 24, 2023 – the Company announced that it will be exploring various partnership opportunities through nine confirmed meetings with industry players and potential partners at ABIM 2023 (Annual Biocontrol Industry Meeting), an internationally-recognized global meeting place to do business and network within the industry. The conference runs October 23 to 25 in Basil, Switzerland and is co-organized by the Research Institute of Organic Agriculture (FiBL) and the International Biocontrol Manufacturers Association (IBMA).

At this year's ABIM, an estimated 1,700 participants from more than 50 nations will network face-to-face, listen to inspiring panel discussions, and see exciting presentations on the latest innovations. SMEs and large enterprises are well-represented, with delegates and the 100+ exhibitors meeting throughout the event.

3. **Portfolio Expansion & Extension**:

May 15, 2024 – the Company announced significant Research and Development advancements for its proprietary biological control agent *Clonostachys rosea* strain CR-7 (CR-7) use as a seed treatment solution for soybeans. This breakthrough underscores the product's compatibility and safety on seeds, propelling it toward commercialization in the agriculture sector.

The seed treatment market is a significant new revenue opportunity for the Company. Through a future licensing agreement.

Research highlights include:

- Extended Viability: CR-7 demonstrates a long shelf life once it is coated on soybean seeds. This is a key metric for seed treatments since seeds may not be planted for 6-12 months post-treatment, thus giving BVT sales partners a strong value proposition and a robust product. This shelf-life study in ongoing.
- Compatibility with other seed treatments: Testing confirms CR-7's compatibility with other seed treatment products, including biologicals and chemical pesticides, ensuring it fits seamlessly into existing agricultural practices where multiple products are applied to the seed at the same time.
- Proven Safety: Extensive safety tests show that CR-7 does not harm soybean plant germination or growth, maintaining plant health from seed through maturity.

April 17, 2024 – the Company announced strong spray trial results for the Company's proprietary Clonostachys rosea CR-7 (CR-7) biofungicide.

Data from the Michigan State University trial shows that when used on a blueberry crop, BVT's CR-7 reduced early disease infection (shoot strikes) and Monilinia (mummy berry) fungal disease by over 90% compared to the untreated plot, and was equally effective as the grower standard (the conventional use of chemical treatments) when used as a spray application.

Dr. Tim Miles, extension specialist and leading expert on blueberry diseases at Michigan State University, led the 2023 trial on Berkeley blueberries, a variety highly susceptible to mummy berry. A technical grade CR-7 spray was applied to bushes from green tip to petal fall and compared to another plot sprayed with the grower standard.

Mummy berry, caused by the fungus Monilinia vaccinii-corymbosi, is a major blueberry pathogen that causes yield and quality loss. Primary infections, called shoot strikes, can result in bush dieback and can be a source for secondary infections later in the season. Fruit "mummification" is not evident in early stages of development, but as the fruit develops, infected berries turn pink or light brown and eventually shrivel up. These shriveled berries then provide inoculum for subsequent seasons, resulting in a perennial pest pressure if not managed proactively.

4. Corporate Development and Partnerships

May 2, 2024 – the Company welcomed the addition of Gustavo C. Gonzalez to the Company's Board of Directors, effective May 1st, 2024.

With a robust background rooted in international agribusiness, Mr. Gonzalez brings to BVT an extensive network of industry connections cultivated over years of service in notable global regions, including Argentina, Brazil, the USA, and Switzerland. He holds a Bachelor of International Business Administration from Boise State University, along with executive program credentials from globally recognized institutions such as INSEAD, Northwestern, Purdue and ESADE universities.

Mr. Gonzalez's professional journey is marked by his tenure in critical roles within the seed and crop protection sectors, most recently serving as Vice President of Commercial Business Development at AgBiome. His prior experiences at BASF, Bayer Crop Science, and Syngenta have endowed him with valuable insights and a proven track record in new business development, commercial strategy, and market expansion for the agricultural supply chain.

February 29, 2024 – the Company provided an update on its strategic partnership strategy with several multinational agriculture companies.

Partnership development is BVT's core strategy for quickly scaling business and substantially broadening its addressable market. Allocating resources to tap into large, established channels is the most cost-efficient way to access more buyers, enter more distribution and marketing channels, and utilize sales teams that are experienced and deeply embedded in key regions and key crops around the world.

The Company is also pursuing partnerships in the large soybean seed treatment market, where one of the multinationals has conducted multi-year trials with BVT's CR-7. In the Company's own trials in the US, CR-7-treated soybean crops have consistently showed increased crop yields that outperformed the base seed treatment, producing larger, healthier plants.

- Wherever CR-7 was applied, the results outperformed the base seed treatment 81% of the time.
- On average, a three-bushel yield per acre increase was reported with CR-7 added, which is about 4% higher than the base seed treatment.
- Multi-year trials have shown CR-7 to be an effective treatment against Sudden Death Syndrome (SDS), a huge challenge for soybean growers.

Results of Operations

The following discussion of the Company's financial performance is based on the financial statements for the three and six months ended March 31, 2024 and 2023.

As at March 31, 2024 the Company had a cash and cash equivalents balance of $31,637 (September 30, 2023 - $133,541) and total current assets of $828,690 (September 30, 2023 - $977,660) (consisting of cash, sales tax and accounts receivable, financial assets (an equity swap), inventory and prepaid expenses and deposits). During the period, long term assets (equipment, intangible assets, and right of use assets) decreased to $2,554,322 from $2,640,239 as the result of the depreciation of intangible assets (mainly cost of patents), depreciation of equipment and depreciation on the right of use asset. Liabilities at March 31, 2024 totalled $2,281,756 (September 30, 2023 - $2,265,631) and comprised of $1,651,997 (September 30, 2023 - $1,590,687) of trade payables and accruals, deferred revenue of $6,760 (September 30, 2023 - $16,825) a lease liability of $321,959 ($76,588 of this is a current liability) (September 30, 2023 - $357,079), loans payable of $60,000 (September 30, 2023 - $60,000) and a convertible debenture of $241,040 issued in 2022 as part of a financing arrangement.

Working capital (deficit), which is comprised of current assets less current liabilities, was $(906,655) at September 30, 2023 compared to working capital deficit of $(701,825) at September 30, 2023.

Net income (loss) for three and six months ended March 31, 2024 was $20,915 and $(1,632,127), respectively, compared to a loss of $(546,294) and $(2,023,198), respectively, for 2023 as summarized further below.

Revenue and gross profit:

Access to capital in the Canadian market has been very challenging for small cap companies, especially for companies that are not yet profitable. In response to these challenges, the company has had to manage its operations, including its sales and marketing investments, to maintain financial stability and operational efficiency.

Sales results in the six months ended March 31, 2024, reflect this reduction in the sales and marketing areas (as seen in the P&L statement).

Despite the lack of sales efforts on the ground, about 20 returning customers placed orders with the Company based on the positive results they have seen in previous seasons, confirming the value that they have seen from the BVT system.

In addition, in 2023, the Company has implemented a new invoicing process for its bumble bee system in the US in order to improve its working capital management. Through this new process the Company did not invoice for the bee hives themselves (just for the Vectorite and dispenser components); its bee suppliers invoiced the growers directly for the bees. This change in invoicing process had the effect of reducing revenue captured in the six months ended March 31, 2024, by about USD$75,000.

	Three months ended March 31,			**Six months ended March 31,**		
	2024	2023	2024 vs 2023	**2024**	2023	2024 vs 2023
Sales *in USD*	**$ 60,746**	$ 266,137	-77%	**$ 73,326**	$ 298,978	-75%
Sales *in CAD*	**$ 81,922**	$ 360,642	-77%	**$ 98,887**	$ 405,145	-76%

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.

Below is a summary of the results for the three and six months ended March 31, 2024 and 2023:

	Three months ended March 31, 2024	Three months ended March 31, 2023	Six months ended March 31 2024	Six months ended March 31 2023
Sales	**$ 81,922**	$ 360,642	**$ 98,887**	$ 405,145
Cost of sales	**31,912**	172,790	**33,889**	193,667
Gross profit	**50,010**	187,852	**64,998**	211,478
Expenses				
Office and general (*i*)	**382,876**	530,974	**707,995**	986,478
Investor and public relations (ii)	**30,092**	14,085	**1,106,965**	23,187
Sales, advertising and marketing (iii)	**10,357**	78,018	**16,995**	162,366
Share based payments (*iv)*	**8,750**	116,875	**249,135**	796,204
Trials, research and development (v)	**8,742**	(68,071)	**27,042**	273,584
	440,818	671,881	**2,108,132**	2,241,819
Loss before other items	**(390,808)**	(484,029)	**(2,043,134)**	(2,030,341)
Loss on foreign exchange	**(21)**	(7,591)	**(736)**	21,529
Gain on settlement of debt (vi)	**463,497**	-	**463,497**	-
Interest expense	**(51,757)**	(54,680)	**(51,757)**	(54,680)
Interest and other income	**3**	6	**3**	40,294
Net income (loss)	**$ 20,915**	$ (546,294)	**$(1,632,127)**	$(2,023,198)

(i) Office and general:

Office and general remained in line and as detailed below.

	Three months ended March 31, 2024	Three months ended March 31, 2023	Six months ended March 31, 2024	Six months ended March 31, 2023
Accounting and audit	$ 5,000	$ 45,456	$ 13,037	$ 53,281
Amortization and depreciation	44,943	49,738	87,423	99,739
Consulting	79,816	116,133	125,629	156,200
Insurance	7,853	8,904	15,706	20,777
Legal and regulatory	2,930	3,070	13,972	14,459
Occupancy costs	11,556	13,170	22,827	25,437
Office and general	42,075	40,737	75,375	87,496
Salaries and benefits	180,120	209,431	336,875	439,076
Warehouse supplies	339	3,919	1,340	9,215
Transfer agent	4,980	9,693	10,760	19,620
Travel	3,264	30,723	5,051	61,178
	$ 382,876	$ 530,974	$ 707,995	$ 986,478

(ii) 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. In the three and six months ended March 31, 2024, the Company undertook a large marketing awareness plan leading up to a financing. The marketing plan was subsequently paid for with shares.

(iii) Sales advertising and marketing: The Company targets various business development opportunities through these sales and marketing initiatives including demonstrations of the technology. These costs are anticipated to increase further as the Company has more available funds to allocate to this category. For the three months and six months ended March 31, 2024, the Company had fewer funds available for these activities.

(iv) Share based payments: Represents the value of options and RSUs that vested during the period. During the period, the Company granted fewer RSUs and options to purchase common shares of the Company to officers, directors, consultants and employees than in the prior period.

(v) Trials, research, and development: This expense relates to regulatory approval associated work, lab research and trials of BVT's crop inoculation products and bee delivery platform.

(vi) The Company settled debt with the issuance of shares whereby value of the shares at the time of issuance was less than the conversion price, resulting in the gain on settlement.

Summary of quarterly results (in accordance with IFRS)

Three Months Ended	Net Revenues ($)	Net Loss	
		Net income (loss) ($)	Basic and Diluted (Loss) Per Share ($)
31-Mar-24	81,922	20,915	0.00
31-Dec-23	16,965	(1,653,042)	(0.01)
30-Sept-23	-	(1,815,312)	(0.01)
30-June-23	196,502	(836,229)	(0.01)
31-Mar-23	360,642	(546,295)	(0.00)
31-Dec-22	44,503	(1,476,903)	(0.01)
30-Sept-22	17,564	(1,410,201)	(0.01)
30-June-22	153,629	(926,386)	(0.01)

Liquidity and Capital Resources

As at March 31, 2024, the Company had a working capital deficiency of $906,655 (September 30, 2023 – working capital deficiency of $701,825), being defined as current assets less current liabilities. The decrease in working capital has occurred due to funds deployed in operations, as the Company is not yet cash flow positive.

In the six months ended March 31 2024, the Company used cash of $183,689 in operating activities, compared with $478,700 in the same period in 2023.

In the six months ended March 31 2024, the Company used cash of $nil in investing activities. In the six months ended March 31 2023, $162,396 costs related patent registrations and development costs and $77,917 for the purchase of equipment.

In the six months ended March 31 2024, the Company collected $132,260 from swap settlements. These proceeds were offset by lease payments of $49,457, for total cashflow from financing activities of $82,803.

The Company's monthly burn rate on average, which was calculated as cash spent per month in operating activities, was approximately $30,000. At its current operating level, the Company will not have sufficient funds generated from ongoing operations to cover short-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 future financings for costs related to operations, maintaining its patents, conducting trials and its growth strategy. The Company will plan future financings as required 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.

Since obtaining EPA approval in August 2019, the Company commenced generating sales, 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 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 original lease terms expired in October 2020 and has been extended with annual minimum lease payments as follows:

Year	**Minimum lease payment**
2024	99,144
2025	102,221
2026	105,327
2027	108,432

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, 2024, the Company does not have enough to maintain 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 six months ended March 31, 2024 and 2023:

	2024	2023
*CEO fees (i)	**$ 168,575**	$ 169,387
*CFO fees (ii)	**12,175**	15,000
*Consulting fees charged by a Chelsian Sales & Service (iii)	**30,000**	30,000
Shares based payments - Options	**-**	390,377
Share based payments – RSUs (i)	**93,800**	-
	$ 304,550	$ 604,764

**represents key management remuneration*

(i) Represents salary and/or consulting fees charged by the CEO for services rendered. As at March 31, 2024, $225,333 (September 30, 2023 - $140,833) is owed to the CEO for past fees and health benefits. On December 21, 2023, the CEO also received 2,680,000 RSUs with a value of $93,800. In the three months ended March 31, 2023, the CEO also received share-based compensation with a fair value of $146,391 which are included in share based payments. On August 16, 2022, $101,333 of amounts owing to the CEO was settled with the issuance of 596,078 common shares.

(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, 2024 $14,125 (September 30, 2023 –$nil) was owed to CFO Advantage Inc. On August 16, 2022, $16,950 of amounts owing to the CFO was settled with the issuance of 99,706 common shares.

(iii) Consulting fees charged by Chelsian Sales & Service Inc ("Chelsian"), a corporation owned by a director, for assisting with day-to-day operations. As at March 31, 2024 $57,800 (September 30, 2023 –$31,835) was owed to Chelsian. In the three months ended March 31, 2023, the director also received stock options with a fair value of $97,594 which are included in share based payments. On August 16, 2022, $39,550 of amounts owing to Chelsian was settled with the issuance of 232,647 common shares.

(iv) The Company employs a relative of a director of the Company as sales manager. During the six months ended March 31, 2024, the employee earned a salary and benefits of $38,514 (March 31, 2023 - $53,800).

Proposed Transactions

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

Accounting Estimates and judgements

The preparation of the 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 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

Useful life of equipment, right-of-use asset and intangible assets
Depreciation and amortization of equipment, right-of-use asset and intangible assets with finite lives are dependent upon estimates of useful lives and when the asset is available for use, which are determined through the exercise of judgment and are dependent upon estimates that take into account factors such as economic and market conditions, frequency of use, anticipated changes in laws and technological improvements.

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.

Embedded derivatives
As part of assessing whether an instrument is a hybrid financial instrument and contains an embedded derivative, significant judgement is required in evaluating whether the host contract is more akin to debt or equity and whether the embedded derivative is clearly and closely related to the underlying host contract. The Company concludes that the host instrument of the convertible debentures is a debt host due to the holder's right to redeem the instrument for cash at a point in time in the future. The Company determines that the conversion option is not closely related to the debt host, and that the conversion option is required to be separated from the host instrument and accounted for as an embedded derivative due to the variability in the number of shares issuable under the convertible debentures. In applying its judgement, the Company relies primarily on the economic characteristics and risks of the instrument as well as the substance of the contractual arrangements.

The initial fair values of the embedded derivative conversion options and subsequent re-measurements at fair value at each reporting date are determined by using the Black-Scholes pricing model which requires exercise of judgment in relation to variables such as expected volatilities in share price and foreign exchange rates.

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.

Income taxes and recoverability of potential deferred tax assets

Income taxes and tax exposures recognized in the consolidated financial statements reflect management's best estimate based on facts known at the reporting date. When the Company anticipates a future income tax payment based on its estimates, it recognizes a liability. The difference between the expected amount and the final tax outcome has an impact on current and deferred taxes when the Company becomes aware of this difference. In addition, when the Company incurs losses for income tax purposes, it assesses the probability of taxable income being available in the future based on its budgeted forecasts. These forecasts are adjusted to take into account certain non-taxable income and expenses and specific rules on the use of unused credits and tax losses. When the forecasts indicate that sufficient future taxable income will be available to deduct the temporary differences, a deferred tax asset is recognized for all deductible temporary differences.

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.

Convertible debentures
Judgement is required in determining the classification of financial instruments issued in the financing transaction as liabilities or equity.

Financial Instruments

Fair Value
Financial instruments of the Company as at March 31, 2024 and September 30, 2023 consist of cash, accounts receivables, financial asset at fair value through profit and loss, accounts payable and accrued liabilities, convertible debentures 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 consolidated statements of financial position and their estimated fair values because of the short-term maturities of these items. Loans payables are recognized initially and subsequently at amortized cost and approximate fair value due to the market rate of interest applied. Financial asset at fair value through profit and loss and convertible debentures are revalued at each reporting date based on level 3 inputs in the fair value hierarchy as disclosed in Note 4 and 12 (of the consolidated financial statements).

Fair value hierarchy
The fair value measurements use a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The level in the hierarchy within which the fair value measurement is categorized is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. The fair value hierarchy has the following levels:

(i) Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).

(ii) Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).

(iii) Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

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, other receivables and accounts payable and loans denominated in U.S. dollars. The Company does not use derivative instruments to reduce its exposure to foreign currency risk. As at March 31, 2024, the Company had $(330,227) of net financial instruments denominated in U.S. dollars. The effect on comprehensive loss before income tax of a 10% change in the foreign currency against the Canadian dollar on the above-mentioned net monetary assets and liabilities of the Company is estimated to be an increase/decrease of $33,000, assuming that all other variables remained constant.

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. The Company does not have any debt that bears variable interest rates.

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 cash and accounts receivable and the face value of its asset carried at fair value through profit and loss, being $641,836. Cash is held with both financial institutions in Canada and the United States, and management believes that exposure to credit risk is not significant. The Company manages its credit risk related to trade and other receivables by establishing procedures to establish payment terms and approval policies of customers. In the opinion of management, the credit risk is moderate, and no credit losses are expected.

Price risk
The Company is exposed to price risk. Price risk is the risk that the commodity prices that the Company charges are significantly influenced by its competitors and the commodity prices that the Company must charge to meet its competitors may not be sufficient to meet its expenses. The Company reduces the price risk by ensuring that it obtains information regarding the prices set by its competitors to ensure that its prices are appropriate to the unique attributes of its product and services. In the opinion of management, the price risk is low and is not material.

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 of the consolidated financial statements 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 2024 and 2023.

At March 31, 2024, the Company has current assets of $828,690 (September 30, 2023 - $977,660) and current liabilities of $1,735,345 (September 30, 2023 – $1,679,485) resulting in working capital deficit of $(906,655) (September 30, 2023 – working capital deficit $(701,825)).

Subsequent events

Closed a debt settlement and issued 11,037,485 Common shares at a price of $0.035 per Common to fully settle outstanding debts owed to a creditor in the amount of $386,312. All securities issued pursuant to the debt settlement are subject to a statutory hold period that will expire on August 31, 2024, in accordance with applicable securities laws.

The Company drew down the 3rd tranche of $100,000 in secured promissory notes (the "Notes") from the Loan Agreement (note 11(ii)) and issued 2,600,000 Common shares at a price of $0.05 per Common share. The conversion of the Notes into Common shares included a 10% repayment penalty fee and a 20% facilitation fee payable to the noteholders.

The Company issued an aggregate of 3,539,625 restricted share units (the "RSUs") to employees and consultants pursuant to the Company's restricted share unit plan. A portion of the RSUs will vest immediately with the remaining RSUs vesting four months from the date of issuance. Each RSU shall entitle the holder thereof to acquire one common share of the Company 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 $0.05 which was above the closing market price on April 30, 2024. The RSUs were awarded to employees and consultants who have agreed to restructure their compensation and receive RSUs in lieu of certain cash payments for future services.

Disclosure of Share Capital

As at the date of this report the Company had 191,436,373 common shares issued and outstanding.
As at the date of this report the Company had 26,224,808 share purchase warrants outstanding.
As at the date of this report the Company 15,858,300 stock options and 14,778,004 RSUs outstanding.

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