BEE VECTORING TECHNOLOGIES INTERNATIONAL INC.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(UNAUDITED)

For the three months ended December 31, 2019 and December 31, 2018

(expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company s management.

The Company's independent auditor has not performed a review of these condensed interim consolidated financial statements in accordance with standards established by the CPA Canada for a review of interim financial statements by an entity's auditor.

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

	December 31, 2019	September 30, 2019
ASSETS		
Current assets		
Cash	**$ 560,303**	$ 312,864
Sales tax and other receivable	**155,496**	119,780
Inventory *(note 4)*	**29,613**	18,067
Prepaid expense and deposits	**215,098**	69,238
	960,510	519,949
Intangible assets *(note 6)*	**1,688,897**	1,612,645
Property, plant and equipment *(note 5)*	**194,307**	202,643
	$ 2,843,714	$ 2,335,237
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	**$ 397,056**	$ 685,230
Deferred revenue	**11,040**	-
Loan payable *(note 8)*	**-**	50,000
	408,096	735,230
Shareholders' equity (deficit)		
Share capital *(note 9)*	**13,095,463**	12,850,546
Shares to be issued *(note 10)*	**-**	250,000
Special Warrants *(note 10)*	**2,056,741**	-
Warrants *(note 9, 11)*	**958,514**	980,756
Contributed surplus *(note 12)*	**4,256,007**	2,730,277
Accumulated other comprehensive income	**(7,149)**	(4,057)
Accumulated deficit	**(17,923,958)**	(15,207,515)
	2,435,618	1,600,007
	$ 2,843,714	$ 2,335,237

NATURE OF OPERATIONS AND GOING CONCERN (Note 1)
COMMITMENTS (Note 18)
SUBSEQUENT EVENTS (Note 20)

Approved by the Board of Directors

"Michael Collinson" — Director

"Jim Molyneux" — Director

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

Bee Vectoring Technologies International Inc.
Condensed Interim Consolidated Statements of Loss and Comprehensive Loss (unaudited)
For the three months ended December 31, 2019 and December 31, 2018
(expressed in Canadian Dollars)

		2019		2018
Sales *(note 16)*	**$**	**56,232**	$	-
Cost of sales		**22,741**		-
Gross profit		**33,491**		-
Expenses				
Office and general (*note 17*)	**$**	**462,249**	$	367,105
Investor and public relations		**456,123**		28,530
Sales, advertising and marketing		**164,382**		139,636
Share based payments (*note 12*)		**1,575,030**		12,670
Trials, research and development		**88,056**		103,690
Loss before other items		**(2,712,349)**		(651,631)
Loss on foreign exchange		**(4,094)**		-
Interest and other income		**-**		6,795
Net loss	**$**	**(2,716,443)**	$	(644,836)
Weighted average number of common shares outstanding - basic and diluted		**78,327,329**		77,599,271
Basic and diluted loss per common share (note 13)	**$**	**(0.03)**	$	(0.01)

		2019		2018
Net loss	**$**	**(2,716,443)**	$	(644,836)
Other comprehensive income				
Items that may be subsequently reclassified to earnings:				
Exchange differences on translating foreign operations		**(3,092)**		465
Comprehensive loss	**$**	**(2,719,535)**	$	(644,371)

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 three months ended December 31, 2019 and December 31, 2018

(expressed in Canadian Dollars)

	2019	2018
Cash used in operating activities		
Net loss	**$ (2,716,443)**	$ (644,836)
Items not affecting cash		
Share based payments (*note 12*)	**1,575,030**	12,670
Unrealized foreign exchange differences on translation of foreign operations	**(3,092)**	465
Depreciation and amortization	**22,050**	23,714
	(1,122,455)	(607,987)
Net changes in non-cash working capital items		
Sales tax and other receivables	**(35,714)**	(1,090)
Prepaid expenses and deposits	**(145,860)**	(47,600)
Inventory	**(11,546)**	-
Deferred revenue	**11,040**	-
Accounts payable and accrued liabilities	**(288,175)**	(33,165)
	(1,592,710)	(689,842)
Cash used in investing activities		
Additions to intangible assets	**(89,967)**	(50,313)
	(89,967)	(50,313)
Cash flow from financing activities		
Proceeds from the issue of special warrants	**1,756,741**	-
Proceeds from exercise of options and warrants	**173,375**	-
	1,930,116	-
Increase (decrease) in cash	**247,439**	(740,155)
Cash, beginning of period	**312,864**	2,701,982
Cash, end of period	**$ 560,303**	$ 1,961,827

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

Bee Vectoring Technologies International Inc.
Condensed Interim Statements of Changes in Shareholders' Equity (unaudited)
For the three months ended December 31, 2019 and December 31, 2018
(expressed in Canadian Dollars)

	Share Capital								
	Number of shares	Amount	Shares to be issued	Special Warrants	Warrants	Contributed Surplus	Accumulated other Comprehensive Income	Deficit	Total
Balance, September 30, 2018	77,599,271	$ 12,753,114	$ -	$ -	$ 1,382,817	$ 1,986,353	$ 58,672	$ (12,309,690)	$ 3,871,266
Share based compensation (note 11)	-	-	-	-	-	12,670	-	-	12,670
Net loss and comprehensive loss	-	-	-	-	-	-	465	(644,836)	(644,371)
Balance, December 31, 2018	**77,599,271**	**$ 12,753,114**	**$ -**	**$ -**	**$ 1,382,817**	**$ 1,999,023**	**$ 59,137**	**$ (12,954,526)**	**$ 3,239,565**
Balance, September 30, 2019	78,327,329	12,850,546	250,000	-	980,756	2,730,277	(4,057)	(15,207,515)	1,600,007
Share based compensation (note 11)	-	-	-	-	-	1,575,030	-	-	1,575,030
Special warrants issued	-	-	(250,000)	2,056,741	-	-	-	-	1,806,741
Exercise of warrants	312,500	131,617	-	-	(22,242)	-	-	-	109,375
Exercise of options	260,000	113,300	-	-	-	(49,300)	-	-	64,000
Net loss and comprehensive loss	-	-	-	-	-	-	(3,092)	(2,716,443)	(2,719,535)
Balance, December 31, 2019	**78,899,829**	**$ 13,095,463**	**$ -**	**$ 2,056,741**	**$ 958,514**	**$ 4,256,007**	**$ (7,149)**	**$ (17,923,958)**	**$ 2,435,618**

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

1. Nature of operations and going concern

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

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

These condensed interim consolidated financial statements were approved for issuance by the Board of Directors on February 27, 2020.

Going concern assumption

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

The Company's ability to continue as a going concern is dependent upon, but not limited to, its ability to raise financing necessary to discharge its liabilities as they become due and generate positive cash flows from operations. On August 28, 2019 the Company received approval from the Environmental Protection Agency to sell its BioControl in the United States. To date the Company has not yet obtained regulatory approval to sell its BioControl from other regulatory bodies outside the US, and has not generated material revenue from operations. During the three months ended December 31, 2019, the Company incurred a net loss of $2,716,443 (year ended September 30, 2019 – $2,897,825), and as of that date, the Company's deficit was $17,923,958 (September 30, 2019 – $15,207,515). At September 30, 2019, the Company has current assets of $960,510 (September 30, 2019 - $519,949) and current liabilities of $408,096 (September 30, 2019 – $735,230) resulting in working capital (deficiency) of $552,414 (September 30, 2019 – $(215,281)).

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

2. Basis of presentation

a) Statement of compliance

These condensed interim consolidated financial statements are prepared and reported in Canadian dollars and have been prepared in accordance with 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 December 31, 2019.

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 consolidated financial statements are presented in Canadian dollars, which is also the Company's functional currency.

2. Basis of presentation (continued)

c) Significant accounting estimates and judgments (continued)

The preparation of these condensed interim consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the condensed interim consolidated financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these judgments and estimates. The condensed interim consolidated financial statements include judgments and estimates which, by their nature, are uncertain.

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

Revisions to accounting estimates are recognized in the period in which the estimate is revised and also in future periods when the revision affects both current and future periods.

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

Estimates

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

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

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

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

Judgments

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

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.

2. Basis of presentation (continued)

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

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

d) Basis of consolidation

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

The functional currency of the Company 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 condensed interim consolidated financial statements.

3. Significant 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. 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.

New Accounting Standards Adopted

Effective October 1, 2019, the Company has adopted IFRS 16, Leases and International Financial Reporting Interpretations Committee ("IFRIC") 23, Uncertainty over Income Tax Treatments. These changes were made in accordance with the applicable transitional provisions for which there was no impact on the condensed interim consolidated financial statements for the three months ended December 31, 2019. Under IFRS 16, the presentation on the statements of loss and comprehensive loss required by the new standard will result in most lease expenses being presented as amortization of lease assets and financing costs arising from lease liabilities rather than as being a part of goods and services purchased. The Company's office lease has a duration of 12 months which is exempted from the new presentation.

(expressed in Canadian dollars)

4. Inventory

	As at December 31, 2019	As at September 30, 2019
Raw materials	$ 16,688	$ 18,067
Finished goods	12,925	-
Total	$ 29,613	$ 18,067

During the three months ended December 31, 2019, $22,741 (2018 - $nil (as there were no sales in 2018)) of inventory was recognized as cost of sales. There were no inventory write downs in the three months ended December 31, 2019 and the year ended September 30, 2019. No inventory was pledged as collateral.

5. Property, plant and equipment

	Equipment	Computer	Office furniture	Site equipment	Leasehold improvements	Telephone Equipment	Total
Cost							
As at September 30, 2018	$ 6,299	$ 15,486	$ 12,467	$ 408,897	$ 38,617	$ 24,931	$ 506,697
Additions	-	-	-	-	-	-	-
As at September 30, 2019	6,299	15,486	12,467	408,897	38,617	24,931	506,697
Additions	-	-	-	-	-	-	-
As at December 31, 2019	$ 6,299	$ 15,486	$ 12,467	$ 408,897	$ 38,617	$ 24,931	$ 506,697
Accumulated depreciation							
As at September 30, 2018	$ 1,825	$ 6,464	$ 6,081	$ 182,885	$ 33,803	$ 10,415	$ 241,473
Additions	314	5,162	1,277	45,202	7,723	2,903	62,581
As at September 30, 2019	2,139	11,626	7,358	228,087	41,526	13,318	304,054
Additions	79	1,289	255	9,040	(2,909)	581	8,335
As at December 31, 2019	$ 2,218	$ 12,915	$ 7,614	$ 237,128	$ 38,617	$ 13,899	$ 312,390
Net book value							
As at September 30, 2019	$ 4,160	$ 3,860	$ 5,109	$ 180,810	$ (2,909)	$ 11,613	$ 202,643
As at December 31, 2019	$ 4,080	$ 2,572	$ 4,853	$ 171,769	$ -	$ 11,032	$ 194,307

(expressed in Canadian dollars)

6. Intangible assets

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

	Available-for-use			Work-in-process			Total
	Patents	**Regulatory**	**Development**	**Patents**	**Regulatory cost**	**Development**	
Cost							
As at September 31, 2018	282,427	-	-	663,056	114,851	9,202	1,069,536
Additions	146,635	233,719	134,573	109,303	21,094	-	645,324
Re-class to available for use	97,336	114,851	9,202	(97,336)	(114,851)	(9,202)	-
Write-off of abandoned patents	-	-	-	(32,164)			(32,164)
As at September 31, 2019	$526,398	$ 348,570	$ 143,775	$642,859	$ 21,094	$ -	$1,682,696
Additions	-	-	26,098	51,306	12,563	-	89,967
Re-class to available for use	17,857	-	-	(17,857)	-	-	-
As at December 31, 2019	$544,255	$ 348,570	$ 169,873	$676,308	$ 33,657	$ -	$1,772,663
Accumulated amortization							
As at September 31, 2018	27,563	-	-	-	-	-	27,563
Additions	33,846	1,452	7,190	-	-	-	42,488
As at September 31, 2019	$ 61,409	$ 1,452	$ 7,190	$ -	$ -	$ -	$ 70,051
Additions	7,234	4,357	2,123				13,715
As at December 31, 2019	$ 68,643	$ 5,809	$ 9,313	$ -	$ -	$ -	$ 83,766
Net book value							
As at September 31, 2019	$464,989	$ 347,118	$ 136,585	$642,859	$ 21,094	$ -	$1,612,645
As at December 31, 2019	$475,612	$ 342,760	$ 160,560	$676,308	$ 33,657	**$** -	$1,688,897

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 months ended December 31, 2019 and December 31, 2018:

	2019	2018
CEO fees (i)	**$ 105,508**	$ 79,260
CFO fees (ii)	**7,500**	7,500
Consulting fees charged by a Chelsian Sales & Service (iii)	**15,000**	15,000
Consulting fees charged Flueckiger Consulting (iv)	**20,313**	35,142
Share based payments (vii)	**924,800**	-
	$ 1,100,121	$ 136,902

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

(ii) Consulting fees charged by CFO Advantage Inc, a corporation owed by the CFO of the Company, for services of the Chief Financial Officer. As at December 31, 2019 $2,825 (September 30, 2019 – $8,475) was owed to CFO Advantage Inc.

(iii) Consulting fees charged by Chelsian Sales & Service Inc, a corporation owned by a director, for assisting with day-to-day operations. As at December 31, 2019 $7,425 (September 30, 2019 - $12,600) was owed to Chelsian Sales and Service Inc.

(iv) Consulting fees charged by Flueckiger Consulting, a corporation owned by a director of the Company, for reviewing product development and marketing plans, reviewing data from trials, and other services as required. As at December 31, 2019 $20,313 (As at September 30, 2019 - $32,517) was owed to Flueckiger consulting.

(expressed in Canadian dollars)

7. Related party balances and transactions (continued)

(v) $3,000 (2018 - $4,500) was charged by a relative of a director of the Company for marketing services.
(vi) The Company employs a relative of a director of the Company as project manager. During the three months ended December 31, 2019, the employee earned a salary and benefits of $24,000 (three months ended December 31, 2018 - $24,000).
(vii) For options issued to related parties, please see Note 11.

8. Loan payable

On August 28, 2019, the Company entered into a loan agreement for gross proceeds of $50,000 of which $50,000 was drawn at September 30, 2019. The loan was unsecured, bore interest at 12.5% per annum and became due 90 days from the date of issuance. The loan was repaid in full on October 8, 2019.

9. Share capital

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

	Share capital	Value
Common shares		
Balance September 30, 2018	77,599,271	$12,753,114
Shares issued on vesting of RSU's (note 11)	728,058	134,691
Extension of warrants	-	(37,259)
Balance September 30, 2019	78,327,329	$12,850,546
Common shares issued on exercise of warrants (i)	312,500	131,617
Common shares issued on exercise of options (ii)	260,000	113,300
Balance December 31, 2019	78,327,329	$13,095,463

(i) During the three months ended December 31, 2019, 312,500 warrants were exercised for proceeds of $109,375. The warrants had a fair value of $22,242.

(ii) During the three months ended December 31, 2019, 260,000 options were exercised for proceeds of $64,000. The options had a fair value of $49,300.

10. Special Warrants

On October 23, 2019, the Company closed a non-brokered private placement of 4,242,104 special warrants ("Special Warrants") at a price of $0.25 per Special Warrant for gross aggregate proceeds of $1,060,526 (the "Offering"). Each Special Warrant represents the right of the holder to receive, without payment of any additional consideration or need for further action, subject to customary anti-dilution provisions, one unit ("Unit") four months and one day after closing. Each Unit will consist of one common share (a "Share") and one transferable common Share purchase warrant (a "Warrant"). Each Warrant will entitle the holder, on exercise, to purchase one additional Share for a period of 18 months following the closing, at an exercise price of CAD$0.40 per Share. The Company has the right to accelerate the expiry date of the Warrants if the closing market price of the Shares of the Company on the TSX Venture Exchange is equal to or exceeds C$0.55 for a period of 15 consecutive trading days commencing with the date the Warrants are issued. See note 19.

(expressed in Canadian dollars)

10. Special Warrants (continued)

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

Total finders fees and other issue costs related to the Special Warrants totaled $70,460.

11. Warrants

The warrants issued and outstanding as at December 31, 2019 are as follows:

	Number of warrants	Weighted average	
Balance, September 30, 2018	21,219,620	$	0.35
Warrants expired	(6,758,620)	$	0.35
Balance, September 30, 2019	14,461,000	$	0.35
Warrants exercised	(312,500)	$	0.35
Balance, December 31, 2019	14,148,500	$	0.35

The warrants entitle the holders to purchase the stated number of common shares at the exercise price on or before the expiry date.

At December 31, 2019, the following warrants were outstanding:

Strike price		Number	Weighted average remaining contractual life (in years)	Expiry date
$	0.35	1,648,500	0.71	9/19/2020
$	0.35	12,000,000	0.24	3/28/2020
$	0.35	500,000	0.34	5/2/2020
		14,148,500	0.32	

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

(expressed in Canadian dollars)

12. Stock options and restricted share units

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

Options

Below is a summary of transactions for the three months ended December 31, 2019 and the year ended September 30, 2019:

Transaction	Date	# Options
Balance September 30, 2018		5,056,600
Granted (i)	02/07/2019	25,000
Granted (ii)	03/22/2019	1,828,418
Granted (iii)	09/16/2019	50,000
Balance, September 30, 2019		6,960,018
Exercised		(260,000)
Granted (iv)	10/30/2019	5,900,000
		12,600,018

As at December 31, 2019 the Company had the following stock options outstanding:

Date Issued	# Options	# Exercisable	Value	Exercise Price	Expiry date
6/30/2015	50,000	50,000	$6,534	$0.25	6/30/2020
7/6/2015	1,580,000	1,580,000	$300,200	$0.25	7/6/2020
8/8/2015	1,600	1,600	$371	$0.30	8/8/2020
11/16/2015	275,000	275,000	$91,575	$0.43	11/16/2020
6/23/2016	325,000	325,000	$115,050	$0.50	6/23/2021
8/30/2016	1,000,000	812,491	$310,000	$0.32	8/30/2026
10/21/2016	100,000	100,000	$23,400	$0.32	10/21/2021
4/21/2017	200,000	200,000	$42,600	$0.25	4/21/2022
3/1/2018	365,000	365,000	$77,015	$0.25	3/1/2023
3/28/2018	600,000	600,000	$149,400	$0.25	3/28/2023
4/25/2018	200,000	200,000	$52,600	$0.25	4/25/2023
6/1/2018	100,000	100,000	$16,500	$0.28	6/1/2021
2/27/2019	25,000	12,500	$3,125	$0.16	2/7/2024
3/22/2019	1,828,418	1,828,418	$259,635	$0.20	3/22/2024
9/16/2019	50,000	25,000	$9,800	$0.24	9/16/2024

(expressed in Canadian dollars)

10/30/2019	5,900,000	5,750,000	$1,564,000	$0.31	10/30/2024
	12,600,018	12,225,009			

The weighted average expiry date of the options is 4.17 years. The weighted average exercise price of the options is $0.29.

12. Stock options and restricted share units (continued)

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

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

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

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

Restricted share units (“RSU’s”)

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

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

No RSUs were granted during the three months ended December 31, 2019.

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

13. Loss per share

The warrants and options outstanding were excluded from the computation of diluted loss per share for the three months ended December 31, 2019 and December 31, 2018 because their impact was anti-dilutive.

14. Financial instruments

Fair Value
Financial instruments of the Company as at December 31, 2019 and September 30, 2019 consist of cash, accounts receivable, and accounts payable and accrued liabilities, and loans payable. There are no significant differences between the carrying amounts of the items reported on the consolidated statements of financial position and their estimated fair values because of the short-term maturities of these items.

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

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

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

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

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

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

(expressed in Canadian dollars)

The Company's accounts payable and accrued liabilities are subject to normal trade terms and have contractual maturities payable within 30 days for 2019 and 2018. At December 31, 2019, the Company has current assets of $960,510 (September 30, 2019 - $519,949) and current liabilities of $408,096 (September 30, 2019 – $735,230) resulting in working capital (deficiency) of $552,414 (September 30, 2019 – $(215,281)).

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 December 31, 2019, managed capital was $2,435,618 (September 30, 2019 - $1,600,007). Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

16. Sales

Revenue from contracts with customers		**2019**		2018
Rendering of services	**$**	**56,232**	$	-
Sale of goods		**22,741**		-
	$	**33,491**	$	-

Timing of revenue recognition		**2019**		2018
Services rendered over time	**$**	**56,232**	$	-
	$	**56,232**	$	-

All revenue was earned in the United States.

17. Office and general

		2019		2018
Accounting and audit	**$**	**14,745**	$	15,100
Amortization and depreciation		**18,210**		23,714

(expressed in Canadian dollars)

Consulting		**68,223**		45,872
Insurance		**7,167**		10,008
Legal		**17,859**		10,983
Occupancy costs		**31,975**		32,915
Office and general		**76,117**		26,309
Salaries and benefits		**176,467**		172,163
Warehouse supplies		**1,668**		2,718
Transfer agent		**7,361**		1,376
Travel		**42,457**		25,947
	$	**462,249**	$	367,105

18. Commitments

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

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

19. Subsequent events

Subsequent to the year end 397,500 warrants and 30,000 options were exercised for gross proceeds of $144,975.

On February 24, 2020, 4,242,104 special warrants were converted to Units (note 10).