BEE VECTORING TECHNOLOGIES INTERNATIONAL INC.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(UNAUDITED)

For the three and six month periods ended March 31, 2020 and March 31, 2019

(expressed in Canadian Dollars)

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

	March 31, 2020 (Unaudited)	September 30, 2019
ASSETS		
Current assets		
Cash	**$ 519,421**	$ 312,864
Sales tax and other receivable	**169,297**	119,780
Inventory *(note 4)*	**22,649**	18,067
Prepaid expense and deposits	**249,910**	69,238
	961,277	519,949
Intangible assets *(note 6)*	**1,898,089**	1,612,645
Property, plant and equipment *(note 5)*	**183,062**	202,643
	$ 3,042,428	$ 2,335,237
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	**$ 777,962**	$ 685,230
Loan payable *(note 8)*	**-**	50,000
	777,962	735,230
Shareholders' equity (deficit)		
Share capital *(note 9)*	**15,243,005**	12,850,546
Shares to be issued *(note 10)*	**-**	250,000
Warrants *(note 9, 11)*	**1,478,856**	980,756
Contributed surplus *(note 12)*	**4,209,644**	2,730,277
Accumulated other comprehensive income	**(4,871)**	(4,057)
Accumulated deficit	**(18,662,168)**	(15,207,515)
	2,264,466	1,600,007
	$ 3,042,428	$ 2,335,237

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

Approved by the Board of Directors

"Michael Collinson" — Director

"Jim Molyneux" — Director

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

Bee Vectoring Technologies International Inc.
Condensed Interim Consolidated Statements of Loss and Comprehensive Loss (unaudited)
For the three and six month periods ended March 31, 2020 and March 31, 2019
(expressed in Canadian Dollars)

	Three months ended March 31,		Six months ended March 31,	
	2020	2019	**2020**	2019
Sales *(note 16)*	**$ 216,963**	$ 58,084	**$ 273,195**	$ 58,084
Cost of sales *(note 4)*	**142,250**	45,149	**164,991**	45,149
Gross profit	**74,713**	12,935	**108,204**	12,935
Expenses				
Office and general (*note 17*)	**$ 367,349**	$ 508,986	**$ 829,598**	$ 876,091
Investor and public relations	**331,816**	22,735	**787,939**	51,265
Sales, advertising and marketing	**44,490**	153,937	**208,872**	293,575
Share based payments (*note 12*)	**15,380**	41,442	**1,590,410**	54,112
Trials, research and development	**71,362**	132,793	**159,418**	236,483
Loss before other items	**(755,684)**	(846,958)	**(3,468,033)**	(1,498,591)
Loss on foreign exchange	**(3,546)**	-	**(7,640)**	-
Interest and other income	**21,020**	-	**21,020**	6,795
Net loss	**$ (738,210)**	$ (846,958)	**$ (3,454,653)**	$ (1,491,796)
Weighted average number of common shares outstanding - basic and diluted	**81,175,272**	77,301,771	**80,126,435**	77,599,271
Basic and diluted loss per common share (note 13)	**$ (0.01)**	$ (0.01)	**$ (0.04)**	$ (0.02)

	Three months ended March 31,		Six months ended March 31,	
	2020	2019	**2020**	2019
Net loss	**$ (738,210)**	$ (846,958)	**$ (3,454,653)**	$ (1,491,796)
Other comprehensive income				
Items that may be subsequently reclassified to earnings:				
Exchange differences on translating foreign operations	**-**	(36,243)	**(814)**	(35,778)
Comprehensive loss	**$ (738,210)**	$ (883,201)	**$ (3,455,467)**	$ (1,527,574)

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

Bee Vectoring Technologies International Inc.

Condensed Interim Consolidated Statements of Cash Flows (unaudited)

For the six month period ended March 31, 2020 and March 31, 2019

(expressed in Canadian Dollars)

		March 31, 2020	March 31, 2019
Cash used in operating activities			
Net loss	**$**	**(3,454,653)**	$(1,491,796)
Items not affecting cash			
Share based payments (*note 12*)		**1,590,410**	54,112
Unrealized foreign exchange differences on translation of foreign operations		**(814)**	(35,778)
Depreciation and amortization		**53,777**	44,156
Net changes in non-cash working capital items			
Sales tax and other receivables		**(49,517)**	(24,914)
Prepaid expenses and deposits		**(180,672)**	(99,945)
Inventory		**(4,582)**	-
Accounts payable and accrued liabilities		**92,731**	(132,884)
Net cash used in operating activities		**(1,953,320)**	(1,687,049)
Cash used in investing activities			
Additions to intangible assets		**(319,639)**	(121,300)
Net cash used in investing activities		**(319,639)**	(121,300)
Cash flow from financing activities			
Proceeds from the issuance of special warrants		**1,806,741**	-
Repayment of loans		**(50,000)**	-
Proceeds from exercise of options and warrants		**722,775**	-
Net cash from financing activities		**2,479,516**	-
Increase (decrease) in cash		**206,557**	(1,808,349)
Cash, beginning of period		**312,864**	2,701,982
Cash, end of period	**$**	**519,421**	$ 893,633

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

Bee Vectoring Technologies International Inc.
Condensed Interim Statements of Changes in Shareholders' Equity (unaudited)
For the six months ended March 31, 2020
(expressed in Canadian Dollars)

	Share Capital								
	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 12)	-	-	-	-	-	54,112	-	-	54,112
Expired warrants	-	-	-	-	(386,531)	386,531	-	-	-
Net loss	-	-	-	-	-	-	(35,778)	(1,491,796)	(1,527,574)
Balance, March 31, 2019	**77,599,271**	**$ 12,753,114**	**$ -**	**$ -**	**$ 996,286**	**$ 2,426,996**	**$ 22,894**	**$ (13,801,486)**	**$ 2,397,804**
Balance, September 30, 2019	78,327,329	12,850,546	250,000	-	980,756	2,730,277	(4,057)	(15,207,515)	1,600,007
Share based compensation (note 12)	-	-	-	-	-	1,590,410	-	-	1,590,410
Special warrants issued	-	-	(250,000)	2,056,741	-	-	-	-	1,806,741
Conversion of special warrants (note 10)	7,289,751	1,442,491	-	(2,056,741)	614,250	-	-	-	-
Exercise of warrants (note 9)	1,647,500	692,775	-	-	(116,150)	-	-	-	576,625
Exercise of options (note 9)	549,231	257,193	-	-	-	(111,043)	-	-	146,150
Net loss	-	-	-	-	-	-	(814)	(3,454,653)	(3,455,467)
Balance, March 31, 2020	**87,813,811**	**$ 15,243,005**	**$ -**	**$ -**	**$ 1,478,856**	**$ 4,209,644**	**$ (4,871)**	**$ (18,662,168)**	**$ 2,264,466**

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

1. Nature of operations and going concern

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

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

These condensed interim consolidated financial statements were approved for issuance by the Board of Directors on June 12, 2020.

Going concern assumption

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

The Company's ability to continue as a going concern is dependent upon, but not limited to, its ability to raise financing necessary to discharge its liabilities as they become due and generate positive cash flows from operations. On August 28, 2019 the Company received approval from the Environmental Protection Agency to sell its BioControl in the United States. To date the Company has not yet obtained regulatory approval to sell its BioControl from other regulatory bodies outside the US, and has not generated material revenue from operations. During the six month period ended March 31, 2020, the Company incurred a net loss of $3,454,653 (six month period ended March 31, 2019 – $1,491,796), and as of that date, the Company's deficit was $18,662,168 (September 30, 2019 – $15,207,515). At March 31, 2020, the Company has current assets of $961,277 (September 30, 2019 - $519,949) and current liabilities of $777,962 (September 30, 2019 – $735,230) resulting in working capital (deficiency) of $183,315 (September 30, 2019 – $(215,281)).

These conditions (and the recent COVID 19 pandemic, see subsequent events) have resulted in material uncertainties that may cast significant doubt about the Company's ability continue as a going concern in the foreseeable future. The condensed interim consolidated financial statements do not give effect to adjustments that may be necessary, should the Company be unable to continue as a going concern. If the going concern assumption is not used then the adjustments required to report the Company's assets and liabilities at liquidation values could be material to these condensed interim consolidated financial statements.

2. Basis of presentation

a) Statement of compliance

These condensed interim consolidated financial statements are prepared and reported in Canadian dollars and have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to the presentation of interim financial statements and International Accounting Standards ("IAS") 34, Interim Financial Reporting, as the accounting policies applied in these condensed interim consolidated financial statements are based on IFRS as issued, outstanding and effective on March 31, 2020.

The same accounting policies and methods of computation were followed in the preparation of these condensed interim consolidated financial statements as were followed in the preparation and described in Note 3 of the annual consolidated financial statements as at and for the year ended September 30, 2019, with the exception of new and revised standards along with any consequential amendments, effective October 1, 2019. Accordingly, these condensed interim consolidated financial statements for the three-month period ended March 31, 2020 and 2019 should be read together with the annual consolidated financial statements as at and for the year ended September 30, 2019.

2. Basis of presentation (continued)

b) Basis of measurement

The condensed interim consolidated financial statements have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected financial assets and financial liabilities.

c) Significant accounting estimates and judgments

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

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

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

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

Estimates

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

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

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

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

Judgments

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

2. Basis of presentation (continued)

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

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

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

d) Basis of consolidation

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

The functional currency of the Company and Bee Vectoring Technology Inc. is the Canadian Dollar, which is the presentation currency of the condensed interim consolidated financial statements. The functional currency of BVT USA is the United States dollar.

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

3. Significant accounting policies

New Accounting Standards Adopted

IFRS 16 – Leases
The standard introduces a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors. For lessees, IFRS 16 is a single on-balance sheet recognition and measurement model, eliminating the distinction between operating and finance leases and right-of-use assets and liabilities recognized in respect of all leases (subject to limited exceptions for short-term leases and leases of low value assets). Liabilities from leases are to be reduced over the term of the lease by amortizing lease payments to a reduction in liability and an interest expense recognized in finance costs. Right-of-use assets will be amortized over the term of the lease.

On October 1, 2019, the Company implemented IFRS 16, using the modified retrospective approach. There was no significant impact to the Company's condensed interim financial statements after using practical expedients as allowed within the standard. Comparatives have not been restated. The Company has lease contracts for office spaces.

(expressed in Canadian dollars)

3. Significant accounting policies (continued)

In applying IFRS 16 – Leases for the first time, the Company has used the following practical expedients permitted by the standard:

- Leases with a remaining term of less than twelve months from the date of application have been accounted for as short-term leases even though the initial term from the lease commencement have been more than twelve months
- The exclusion of initial direct costs for the measurement of the right-of use asset at the date of initial applications
- Leases with a low value have been excluded

A lease is recognized as a right-of-use asset and a corresponding lease obligation liability at the date of which the leased asset is available for use by the Company. The right-of-use asset is measured initially at cost, and subsequently at cost less any accumulated depreciation and impairment losses. The initial cost recognized includes the lease liability, any lease prepayments made, less any lease incentives, and any direct costs incurred by the lessee. The right-of-use asset is amortized over the term of the lease. Lease payments are allocated between the liability and finance cost. The finance cost is charged to the statement of income over the lease period.

The lease liability upon initial measurement includes the net present value of the following lease payments:

- Fixed payments, less any lease incentives receivable;
- Variable lease payments that are based on an index or rate;
- Expected payments by the lessee under residual value guarantees;
- The exercise price of a purchase option of the lessee is reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease payments are discounted using the interest rate implicit in the lease or, if that rate cannot be determined, the Company's incremental borrowing rate.

Payments for short-term leases or leases of low-value assets are recognized on a straight-line basis as an expense in the statement of income. Short-term leases are leases with a lease term of twelve months or less. Low-value assets compromise of small items of office equipment.

IFRIC 23 – Uncertainty Over Income Tax Treatments ("IFRIC 23")
On October 1, 2019, the Company also adopted the new accounting standard IFRIC 23. The interpretation provides guidance on the accounting for current and deferred tax liabilities and assets in circumstances in which there is uncertainty over income tax treatments. The Company has concluded that there is no significant impact resulting from the application of this new standard on its condensed interim consolidated financial statements.

4. Inventory

	As at March 31, 2020	**As at September 30, 2019**
Raw materials	$ 22,649	$ 18,067
Total	$ 22,649	$ 18,067

During the three and six months ended March 31, 2020, $142,250 and $164,991 (three and six months ended March 31, 2019 - $$45,149 and $45,149) of inventory was recognized as cost of sales. There were no inventory write downs in the three and six month periods ended March 31, 2020 and the year ended September 30, 2019. No inventory was pledged as collateral.

(expressed in Canadian dollars)

5. Property, plant and equipment

	Equipment	Computer	Office furniture	Site equipment	Leasehold improvements	Telephone Equipment	Total
Cost							
As at September 30, 2018	$ 6,299	$ 15,486	$ 12,467	$ 408,897	$ 38,617	$ 24,931	$ 506,697
Additions	-	-	-	-	-	-	-
As at September 30, 2019	6,299	15,486	12,467	408,897	38,617	24,931	506,697
Additions	-	-	-	-	-	-	-
As at March 31, 2020	$ 6,299	$ 15,486	$ 12,467	$ 408,897	$ 38,617	$ 24,931	$ 506,697
Accumulated depreciation							
As at September 30, 2018	$ 1,825	$ 6,464	$ 6,081	$ 182,885	$ 33,803	$ 10,415	$ 241,473
Additions	314	5,162	1,277	45,202	7,723	2,903	62,581
As at September 30, 2019	2,139	11,626	7,358	228,087	41,526	13,318	304,054
Additions	157	2,579	512	18,081	(2,909)	1,161	19,581
As at March 31, 2020	$ 2,296	$ 14,205	$ 7,870	$ 249,077	$ 38,617	$ 14,479	$ 323,635
Net book value							
As at September 30, 2019	$ 4,160	$ 3,860	$ 5,109	$ 180,810	$ (2,909)	$ 11,613	$ 202,643
As at March 31, 2020	$ 4,003	$ 1,281	$ 4,597	$ 159,820	$ -	$ 10,452	$ 183,062

6. Intangible assets

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

	Available-for-use			Work-in-process			Total
	Patents	Regulatory cost	Development	Patents	Regulatory cost	Development	
Cost							
As at September 30, 2018	$ 282,427	$ -	$ -	$ 663,056	$ 114,851	$ 9,202	$ 1,069,536
Additions	146,635	233,719	134,573	109,303	21,094	-	645,324
Re-class to available for use	97,336	114,851	9,202	(97,336)	(114,851)	(9,202)	-
Write-off of abandoned patents	-	-	-	(32,164)			(32,164)
As at September 30, 2019	526,398	348,570	143,775	642,859	21,094	-	1,682,696
Additions	-	37,076	165,743	108,150	8,670	-	319,639
Re-class to available for use	17,857	-	-	(17,857)	-	-	-
As at March 31, 2020	$ 544,255	$ 385,646	$ 309,518	$ 733,152	$ 29,765	$ -	$ 2,002,335
Accumulated amortization							
As at September 30, 2018	$ 27,563	$ -	$ -	$ -	$ -	$ -	$ 27,563
Additions	33,846	1,452	7,190	-	-	-	42,488
As at September 30, 2019	61,409	1,452	7,190	-	-	-	70,051
Additions	17,280	9,178	7,738				34,196
As at March 31, 2020	$ 78,689	$ 10,630	$ 14,928	$ -	$ -	$ -	$ 104,246
Net book value							
As at September 30, 2019	$ 464,989	$ 347,118	$ 136,585	$ 642,859	$ 21,094	$ -	$ 1,612,645
As at March 31, 2020	$ 465,566	$ 375,016	$ 294,590	$ 733,152	$ 29,765	$ -	$ 1,898,089

(expressed in Canadian dollars)

7. Related party balances and transactions

Key management includes members of the board, the Chief Executive Officer and the Chief Financial Officer. The aggregate value of transactions relating to key management personnel and entities over which they have control or significant influence were as follows for the three month period ended March 31, 2020 and March 31, 2019:

	Three months ended March 31,		**Six months ended March 31,**	
	2020	**2019**	**2020**	2019
CEO fees (i)	**$105,424**	$126,914	**$210,932**	$206,174
CFO fees (ii)	**7,500**	7,500	**15,000**	15,000
Consulting fees charged by a Chelsian Sales & Service (iii)	**15,000**	15,000	**30,000**	30,000
Consulting fees charged Flueckiger Consulting (iv)	**10,403**	21,477	**30,716**	56,619
Share based payments (vii)	**-**	255,321	**924,800**	255,321
	$138,327	$426,212	**$1,211,448**	**$563,114**

(i) Salary and/or consulting fees paid to the CEO for services rendered. As at March 31, 2020, $103,000 (September 30, 2019 - $121,389) is owed to the CEO for past fees.
(ii) Consulting fees charged by CFO Advantage Inc, a corporation owed by the CFO of the Company, for services of the Chief Financial Officer. As at March 31, $8,475 (September 30, 2019 – $8,475) was owed to CFO Advantage Inc.
(iii) Consulting fees charged by Chelsian Sales & Service Inc, a corporation owned by a director, for assisting with day-to-day operations. As at March 31, 2020 $12,600 (September 30, 2019 - $12,600) was owed to Chelsian Sales and Service Inc.
(iv) Consulting fees charged by Flueckiger Consulting, a corporation owned by a director of the Company, for reviewing product development and marketing plans, reviewing data from trials, and other services as required. As at March 31, 2020, $10,403 (As at September 30, 2019 - $32,517) was owed to Flueckiger consulting.
(v) $3,000 (2018 - $4,500) was charged by a relative of a director of the Company for marketing services.
(vi) The Company employs a relative of a director of the Company as project manager. During the six months ended March 31, 2020, the employee earned a salary and benefits of $48,000 (six months ended March 31, 2019 - $48,000).
(vii) For options issued to related parties, please see Note 12.

8. Loan payable

The balance payable as at March 31, 2020 was $nil (as at September 30, 2019 - $50,000). On August 28, 2019, the Company entered into a loan agreement for gross proceeds of $50,000 of which $50,000 was drawn at September 30, 2019. The loan was unsecured, bore interest at 12.5% per annum and became due 90 days from the date of issuance. The loan was repaid in full on October 8, 2019.

(expressed in Canadian dollars)

9. Share capital

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

	Share capital	Value
Common shares		
Balance September 30, 2018	77,599,271	$12,753,114
Shares issued on vesting of RSU's (note 12)	728,058	134,691
Extension of warrants	-	(37,259)
Balance September 30, 2019	78,327,329	$12,850,546
Common shares issued on conversion of special warrants (note 10)	7,289,751	1,442,491
Common shares issued on exercise of warrants (i)	1,647,500	692,775
Common shares issued on exercise of options (ii)	549,231	257,193
Balance March 31, 2020	87,813,811	$15,243,005

(i) During the six months ended March 31, 2020, 1,647,500 warrants were exercised for proceeds of $576,625. The warrants had a fair value of $116,150.

(ii) During the six months ended March 31, 2020, 549,231 options were exercised for proceeds of $146,150. The options had a fair value of $111,043.

10. Special Warrants

(i) On October 23, 2019, the Company closed a non-brokered private placement of 4,242,104 special warrants ("Special Warrants") at a price of $0.25 per Special Warrant for gross aggregate proceeds of $1,060,526 (the "Offering"). Each Special Warrant represents the right of the holder to receive, without payment of any additional consideration or need for further action, subject to customary anti-dilution provisions, one unit ("Unit") four months and one day after closing. Each Unit will consist of one common share (a "Share") and one transferable common Share purchase warrant (a "Warrant"). Each Warrant will entitle the holder, on exercise, to purchase one additional Share for a period of 18 months following the closing, at an exercise price of CAD$0.40 per Share. The Company has the right to accelerate the expiry date of the Warrants if the closing market price of the Shares of the Company on the TSX Venture Exchange is equal to or exceeds C$0.55 for a period of 15 consecutive trading days commencing with the date the Warrants are issued. On February 24, 2020, the 4,242,104 special warrants were converted to Units. On conversion, the Warrants were valued at $350,928.

(ii) On November 28, 2019, the Company closed a non-brokered private placement of 3,047,647 special warrants ("Nov Special Warrants") at a price of $0.35 per Nov Special Warrant for gross aggregate proceeds of $1,066,677. Each Nov Special Warrant represents the right of the holder to receive, without payment of any additional consideration or need for further action, subject to customary anti-dilution provisions, one unit ("Nov Unit") four months and one day after closing. Each Nov Unit will consist of one common share (a "Nov Share") and one transferable common Share purchase warrant (a "Nov Warrant"). Each Nov Warrant will entitle the holder, on exercise, to purchase one additional Nov Share for a period of 18 months following the closing, at an exercise price of CAD$0.45 per Share. The Company has the right to accelerate the expiry date of the Nov Warrants if the closing market price of the shares of the Company on the TSX Venture Exchange is equal to or exceeds C$0.60 for a period of 15 consecutive trading days commencing with the date the Warrants are issued. On March 30, 2020, the 3,047,647 special warrants were converted to Units. On conversion, the Warrants were valued at $263,322.

Total finders fees and other issue costs related to the Special Warrants and Nov Special Warrants totaled $70,462 for net proceeds of $2,056,741.

(expressed in Canadian dollars)

11. Warrants

The warrants issued and outstanding as at March 31, 2020 are as follows:

	Number of warrants	Weighted average	
Balance, September 30, 2018	21,219,620	$	0.35
Warrants expired	(6,758,620)	$	0.35
Balance, September 30, 2019	14,461,000	$	0.35
Issued on conversion of special warrants (note 10(i))	4,242,104	$	0.40
Issued on conversion of special warrants (note (10(ii)	3,047,647	$	0.45
Warrants exercised (note 9(i))	(1,647,500)	$	0.35
Balance, March 31, 2020	20,103,251	$	0.38

The warrants entitle the holders to purchase the stated number of common shares at the exercise price on or before the expiry date. The weighted average exercise price is $0.38.

At March 31, 2020, the following warrants were outstanding and exercisable:

Strike price		Number	Weighted average remaining contractual life (in years)	Expiry date
$	0.35	713,500	0.46	9/19/2020
$	0.35	11,600,000	1.00	3/28/2021
$	0.35	500,000	0.09	5/2/2020
$	0.40	4,242,104	1.06	4/23/2021
$	0.45	3,047,647	1.16	5/28/2021
		20,103,251	0.99	

12. Stock options and restricted share units

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

(expressed in Canadian dollars)

12. Stock options and restricted share units (continued)

Options

Below is a summary of transactions for the six months ended March 31, 2020 and the year ended September 30, 2019:

Transaction	Date	# Options
Balance September 30, 2018		5,056,600
Granted (i)	02/07/2019	25,000
Granted (ii)	03/22/2019	1,828,418
Granted (iii)	09/16/2019	50,000
Balance, September 30, 2019		6,960,018
Exercised		(549,231)
Granted (iv)	10/30/2019	5,900,000
		12,310,787

The weighted average fair value of the share issued on the date of exercise was $0.43.

As at March 31, 2020 the Company had the following stock options outstanding:

Date Issued	# Options	# Exercisable	Value	Exercise Price	Expiry date
6/30/2015	50,000	50,000	$6,534	$0.25	6/30/2020
7/6/2015	1,580,000	1,580,000	$300,200	$0.25	7/6/2020
8/8/2015	1,600	1,600	$371	$0.30	8/8/2020
11/16/2015	275,000	275,000	$91,575	$0.43	11/16/2020
6/23/2016	325,000	325,000	$115,050	$0.50	6/23/2021
8/30/2016	1,000,000	812,491	$310,000	$0.32	8/30/2026
10/21/2016	100,000	100,000	$23,400	$0.32	10/21/2021
4/21/2017	200,000	200,000	$42,600	$0.25	4/21/2022
3/1/2018	365,000	365,000	$77,015	$0.25	3/1/2023
3/28/2018	600,000	600,000	$149,400	$0.25	3/28/2023
4/25/2018	200,000	200,000	$52,600	$0.25	4/25/2023
2/27/2019	25,000	25,000	$3,125	$0.16	2/7/2024
3/22/2019	1,789,188	1,789,187	$254,064	$0.20	3/22/2024
9/16/2019	50,000	50,000	$9,800	$0.24	9/16/2024
10/30/2019	5,750,000	5,575,000	$1,523,200	$0.31	10/30/2024
	12,310,778	11,948,278			

The weighted average expiry date of the options is 3.68 years. The weighted average exercise price of the options is $0.29.

12. Stock options and restricted share units (continued)

(i) On February 7, 2019, the Company issued 25,000 options to an employee of the Company. These options were valued at $3,125 using the Black-Scholes option pricing model using the following assumptions: Expected life – 5 years; Volatility – 107.84%; Interest rate – 1.78%; Dividend yield – nil; Forfeiture rate – nil, stock price - $0.16. Volatility was based on the historical volatility of BVT and other comparable listed companies. 50% of the options vested on August 7, 2019, and the remaining 50% vested on February 7, 2020. During the six months ended March 31, 2020, $920 was expensed as stock-based compensation for these options.

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

(iii) On September 16, 2019, the Company issued 50,000 options to a consultant of the Company. These options were valued at $9,800 using the Black-Scholes option pricing model using the following assumptions: Expected life – 5 years; Volatility – 107%; Interest rate – 1.49%; Dividend yield – nil; Forfeiture rate – nil, stock price - $0.25. Volatility was based on the historical volatility of BVT and other comparable listed companies. 50% of the options vested on September 16, 2019 and the remaining 50% vested on December 16, 2019. During the six months ended March 31, 2020, $4,696 was expensed as stock-based compensation for these options.

(iv) On October 30, 2019, the Company granted options to purchase 5,650,000 common shares with an exercise price of $0.31 vesting on the date of grant, options to purchase 150,000 shares with an exercise price of $0.31 vesting 50% on the date of grant and 50% on April 1, 2020, and options to purchase 100,000 shares with an exercise price of $0.31, vesting 50% upon entering into a new formal relationship with an investment bank, and 50% upon raising of the first $1 million through the relationship with the investment bank. The options expire October 30, 2024. 3,400,000 of these options were granted to related parties. These options were valued at $1,564,000 using the Black-Scholes option pricing model using the following assumptions: Expected life – 5 years; Volatility – 107%; Interest rate – 1.49%; Dividend yield – nil; Forfeiture rate – nil, stock price - $0.345. Volatility was based on the historical volatility of BVT and other comparable listed companies. During the six months ended March 31, 2020, $1,577,600 was expensed as stock-based compensation for these options.

Restricted share units (“RSU’s”)

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

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

No RSUs were granted during the six months ended March 31, 2020. The weighted average fair value of the RSUs granted during the year ended September 30, 2019 was $0.142 per common share.

13. Loss per share

The warrants and options outstanding were excluded from the computation of diluted loss per share for the three and six months ended March 31, 2020 and March 31, 2019 because their impact was anti-dilutive.

14. Financial instruments

Fair Value
Financial instruments of the Company as at March 31, 2020 and September 30, 2019 consist of cash, accounts receivable, and accounts payable and accrued liabilities, and loans payable. There are no significant differences between the carrying amounts of the items reported on the consolidated statements of financial position and their estimated fair values because of the short-term maturities of these items.

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

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

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

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

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

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

The Company's accounts payable and accrued liabilities are subject to normal trade terms and have contractual maturities payable within 30 days for 2019 and 2018. At March 31, 2020, the Company has current assets of $961,277 (September 30, 2019 - $519,949) and current liabilities of $777,962 (September 30, 2019 – $735,230) resulting in working capital (deficiency) of $183,315 (September 30, 2019 – $(215,281)).

(expressed in Canadian dollars)

15. Capital management

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

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

As at March 31, 2020, managed capital was $2,264,466 (September 30, 2019 - $1,600,007). Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

16. Sales

Revenue from contracts with customers	Three months ended March 31, 2020	2019	Six months ended March 31, 2020	2019
Rendering of services over time	**$ 216,963**	$ 58,084	**$ 273,195**	$ 58,084
	$ 216,963	$ 58,084	**$ 273,195**	$ 58,084

All revenue was earned in the United States.

17. Office and general

	Three months ended March 31, 2020	2019	Six months ended March 31, 2020	2019
Accounting and audit	**$ 13,570**	$ 19,060	**$ 28,315**	$ 34,160
Amortization and depreciation	**28,803**	16,973	**47,013**	40,687
Consulting	**75,467**	38,000	**143,690**	83,872
Insurance	**4,997**	6,501	**12,164**	16,509
Legal and regulatory	**5,901**	166,534	**23,760**	177,517
Occupancy costs	**30,516**	24,041	**62,491**	56,956
Office and general	**478**	30,888	**76,595**	57,197
Salaries and benefits	**145,127**	172,120	**321,594**	344,283
Warehouse supplies	**1,913**	2,258	**3,581**	4,976
Transfer agent	**22,816**	14,148	**30,177**	15,524
Travel	**37,761**	18,463	**80,218**	44,410
	$ 367,349	$ 508,986	**$ 829,598**	$ 876,091

(expressed in Canadian dollars)

18. Commitments

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

Year	Minimum lease payment	
2020	$	29,328
thereafter		4,888
Total	$	34,216

$43,522 of rent was expensed for short term leases in the period ended March 31, 2020.

19. Subsequent events

Subsequent to the quarter end 1,116,000 warrants exercised for gross proceeds of $390,600.

On April 21, 2020, the Company issued 50,000 restricted share units of the Company ("RSUs") to two consultants of the Company. The RSUs vest on the 30th day from grant and entitle the holder to acquire one common of the Company underlying each such RSU. In accordance with the RSU Plan, the RSUs were priced at $0.445 based on the closing price of the Common Shares on the TSX Venture Exchange on April 15, 2020.

On April 28, 2020, the Company announced that it has entered into a definitive agreement (the "Agreement") with Alumina Partners (Ontario) Ltd. ("Alumina") that secures a commitment of up to $6,000,000 in an at-will financing facility (the "Facility"). Pursuant to the terms of the Agreement, the Company has the right to draw down from the Facility for a period of thirty-six months in equity private placement tranches of up to $500,000 (each a "Tranche"). Each Tranche will be at the sole discretion of the Company and can occur at any time upon the Company giving notice to Alumina. Each Tranche will be comprised of units ("Units"), with each Unit consisting of one common share (each a "Share") and one common share purchase warrant (each a "Warrant"). Each Unit shall be priced at a discount of between 15-25% from the closing price of the Shares on the day prior to BVT's draw down notice to Alumina. Each Warrant will be exercisable for a period of twenty four (24) months from the closing date at an exercise price that is a 25% premium to the market price of the Shares. The Warrants will also contain an accelerated expiry provision, should BVT's Shares trade for a period of 10 consecutive trading days at a premium of at least 100% above the Warrant exercise price. Each draw down from the Facility will be subject to TSX-V approval. All securities issued will be subject to a statutory hold period that expires four (4) months and one (1) day from issuance.

On May 12, 2020, the Company issued 50,000 restricted share units of the Company ("RSUs") to a consultant of the Company. The RSUs vest 50% vest upon completion of 40 1x1 with qualified investors (virtual or in person), 50% vest upon successful introductions connections that take a long term position of Company shares. In accordance with the RSU Plan, the RSUs were priced at $0.38 based on the closing price of the Common Shares on the TSX Venture Exchange on May 12, 2020. On May 19, 2020, 25,000 RSU’s were converted to 25,000 common shares.

On May 19, 2020, the Company closed a non-brokered private placement of 1,999,576 units (“Units”) at a price of $0.33 per Unit for gross aggregate proceeds of $659,860. Each Unit will consist of one common share (a “Share”) and one transferable common Share purchase warrant (a “Warrant”). Each Warrant will entitle the holder, on exercise, to purchase one additional Share for a period of 24 months following the closing, at an exercise price of CAD$0.5375 per Share.

On June 8, 2020, the Company extended the expiry date of 1,630,000 options. 50,000 options due to expire on June 30, 2020 were extended to June 30, 2025, and 1,580,000 due to expire on July 6, 2020 were extended to July 6, 2025. The exercise price of all 1,630,000 options were also repriced from $0.25 to $0.285.

19. Subsequent events (continued)

The Company's operations could be significantly adversely affected by the effects of a widespread global outbreak of a contagious disease, including the recent outbreak of respiratory illness caused by COVID-19. The Company cannot accurately predict the impact COVID-19 will have on its operations and the ability of others to meet their obligations with the Company, including uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, and the length of travel and quarantine restrictions imposed by governments of affected countries. In addition, a significant outbreak of contagious diseases in the human population could result in a widespread health crisis that could adversely affect the economies and financial markets of many countries, resulting in an economic downturn that could further affect the Company's operations and ability to finance its operations. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Corporation and its operating subsidiaries in future periods. The agriculture industry is considered essential (for food supply), and while the Company is still able to service its customers, to date, the Company has been impacted as follows: (1) new sales impacted as travel restrictions have made it difficult to conduct demonstrations to growers (2) product registration process has slowed (3) R&D activities impacted by travel restriction and access to researchers and labs. The Company will continue to assess the impact on its operations.