

## FORM 5

### **QUARTERLY LISTING STATEMENT**

Name of Listed Issuer: Bee Vectoring Technologies International Inc. (the "Issuer").

Trading Symbol: BEE

This Quarterly Listing Statement must be posted on or before the day on which the Issuer's unaudited interim financial statements are to be filed under the *Securities Act*, or, if no interim statements are required to be filed for the quarter, within 60 days of the end of the Issuer's first, second and third fiscal quarters. This statement is not intended to replace the Issuer's obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by the Exchange Policies. If material information became known and was reported during the preceding quarter to which this statement relates, management is encouraged to also make reference in this statement to the material information, the news release date and the posting date on the Exchange website.

#### **General Instructions**

- (a) Prepare this Quarterly Listing Statement using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the following items must be in narrative form. When the answer to any item is negative or not applicable to the Issuer, state it in a sentence. The title to each item must precede the answer.
- (b) The term "Issuer" includes the Listed Issuer and any of its subsidiaries.
- (c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

There are three schedules which must be attached to this report as follows:

#### **SCHEDULE A: FINANCIAL STATEMENTS**

Financial statements are required as follows:

For the first, second and third financial quarters interim financial statements prepared in accordance with the requirements under Ontario securities law must be attached.

If the Issuer is exempt from filing certain interim financial statements, give the date of the exempting order.

Third Quarter (nine-month period) ended June 30, 2022.

Unaudited condensed interim consolidated financial statements of the Issuer for the nine-month period ended June 30, 2022 as filed with securities regulatory authorities, are attached to this Form 5 - Quarterly Listing Statement as Appendix "A".

## **SCHEDULE B: SUPPLEMENTARY INFORMATION**

The supplementary information set out below must be provided when not included in Schedule A.

### **1. Related party transactions**

Provide disclosure of all transactions with a Related Person, including those previously disclosed on Form 10. Include in the disclosure the following information about the transactions with Related Persons:

- (a) A description of the relationship between the transacting parties. Be as precise as possible in this description of the relationship. Terms such as affiliate, associate or related company without further clarifying details are not sufficient.
- (b) A description of the transaction(s), including those for which no amount has been recorded.
- (c) The recorded amount of the transactions classified by financial statement category.
- (d) The amounts due to or from Related Persons and the terms and conditions relating thereto.
- (e) Contractual obligations with Related Persons, separate from other contractual obligations.
- (f) Contingencies involving Related Persons, separate from other contingencies.

With respect to related party transactions for information supplementary to that contained in the notes to the unaudited condensed interim consolidated financial statements, which are attached hereto, please refer to Management's Discussion & Analysis for the nine-month period ended June 30, 2022, as filed with securities regulatory authorities and attached to this Form 5 - Quarterly Listing Statement as Appendix "B".

### **2. Summary of securities issued and options granted during the period.**

Provide the following information for the period beginning on the date of the last Listing Statement (Form 2A):

(a) summary of securities issued during the period,

The following securities were issued during the period of April 1, 2022 to June 30, 2022:

Date of Issue	Type of Security (common shares, convertible debentures, etc.)	Type of Issue (private placement, public offering, exercise of warrants, etc.)	Number	Price	Total Proceeds	Type of Consideration (cash, property, etc.)	Describe relationship of Person with Issuer (indicate if Related Person)	Commission Paid
There were no securities issued during the period of April 1, 2022 to June 30, 2022								

(b) summary of options granted during the period of April 1, 2022 to June 30, 2022:

Date	Number	Name of Optionee if Related Person and relationship	Generic description of other Optionees	Exercise Price	Expiry Date	Market Price on date of Grant
There were no options granted during the period of April 1, 2022 to June 30, 2022						

### 3. Summary of securities as at the end of the reporting period.

Provide the following information in tabular format as at the end of the reporting period:

(a) description of authorized share capital including number of shares for each class, dividend rates on preferred shares and whether or not cumulative, redemption and conversion provisions,

As at June 30, 2022, the authorized capital of the Issuer consisted of an unlimited number of Common shares without par value, and without any special rights or restrictions, of which 117,154,611 Common shares were issued and outstanding.

The holders of the Common shares are entitled to receive notice of and to attend and vote at all meetings of the shareholders of the Issuer and each Common share shall confer the right to one vote in person or by proxy at all meetings of the shareholders of the Issuer. The holders of the Common shares, subject to the prior rights, if any, of any other class of shares of the Issuer, are entitled to receive such dividends in any financial year as the board of directors of the Issuer may be resolution determine. In the event of the liquidation, dissolution or winding-up of the Issuer, whether voluntary or involuntary, the holders of the Common shares

are entitled to receive, subject to the prior rights, if any, of the holders of any other class of shares of the Issuer, the remaining property and assets of the Issuer.

(b) number and recorded value for shares issued and outstanding,

Date	Number of common shares	Recorded value of common shares
As at June 30, 2022	117,154,611	\$23,029,595

(c) description of options, warrants and convertible securities outstanding, including number or amount, exercise or conversion price and expiry date, and any recorded value, and

**Options:** Options to purchase Common shares in the capital of the Issuer are granted by the Issuer's Board of Directors to eligible persons pursuant to the Issuer's Stock Option Incentive Plan.

As at June 30, 2022, the following options were outstanding entitling holders to purchase Common shares in the capital of the Issuer as summarized below:

Date of Grant	Number of Options	Exercise Price	Expiry Date	Recorded Value
June 30, 2015	50,000	\$0.285	June 30, 2025	\$15,900
July 7, 2015	1,580,000	\$0.285	July 7, 2025	\$502,440
August 30, 2016	1,000,000	\$0.32	August 30, 2026	\$310,000
March 1, 2018	325,000	\$0.25	March 1, 2023	\$61,750
March 28, 2018	400,000	\$0.25	March 28, 2023	\$76,000
February 7, 2019	25,000	\$0.16	February 7, 2024	\$3,125
March 22, 2019	1,193,300	\$0.20	March 22, 2024	\$167,061
September 16, 2019	50,000	\$0.24	September 16, 2024	\$9,800
October 30, 2019	3,775,000	\$0.31	October 30, 2024	\$1,026,800
November 24, 2020	1,318,000	N/A - RSU	November 24, 2025	\$408,580
November 24, 2020	275,000	\$0.29	November 24, 2025	\$53,350
February 5, 2021	155,000	\$0.415	February 5, 2026	\$42,625
March 11, 2021	150,000	\$0.415	March 11, 2026	\$41,100
April 29, 2021	100,000	\$0.365	April 29, 2026	\$27,400
June 18, 2021	125,000	N/A - RSU	June 18, 2026	\$40,000
October 5, 2021	900,000	\$0.27	October 5, 2026	\$161,655
October 5, 2021	100,000	N/A - RSU	October 5, 2026	\$27,000
February 8, 2022	1,675,000	\$0.275	February 8, 2032	\$363,475
February 8, 2022	1,120,000	N/A - RSU	February 8, 2032	\$308,000
<b>Total</b>	<b>14,316,300</b>			

**Warrants:** As at June 30, 2022, the following warrants were outstanding entitling holders to purchase Common shares in the capital of the Issuer as summarized below:

Date of Issue	Number of Warrants	Exercise Price	Expiry Date	Recorded Value
October 7, 2020	2,661,366	\$0.40	October 7, 2022	\$184,656
October 7, 2020	4,270 <sup>(1)</sup>	\$0.40	October 7, 2022	\$520
December 17, 2020	1,111,111	\$0.40	December 17, 2022	\$72,456
February 4, 2021	7,306,625	\$0.5250	February 4, 2023	\$614,161
February 4, 2021	419,676 <sup>(1)</sup>	\$0.4250	February 4, 2023	\$81,417
February 26, 2021	2,770,875	\$0.5250	February 26, 2023	\$232,907
February 26, 2021	188,360 <sup>(1)</sup>	\$0.4250	February 26, 2023	\$36,541
<b>Total</b>	<b>14,462,283</b>			

<sup>(1)</sup> Finders Warrants.

**Convertible Securities:** The Issuer had no other convertible securities outstanding as of June 30, 2022.

(d) number of shares in each class of shares subject to escrow or pooling agreements or any other restriction on transfer.

The Issuer has no shares subject to escrow or pooling agreements or any other restrictions on transfer

4. List the names of the directors and officers, with an indication of the position(s) held, as at the date this report is signed and filed.

Name of Director/Officer	Position with Issuer
Ashish Malik	President and CEO
Kyle Appleby	CFO and Corporate Secretary
Michael Collinson	Chairman and Director, member of audit committee
James Molyneux	Director, chair of audit committee
Mark Kohler	Director, member of audit committee

## SCHEDULE C: MANAGEMENT DISCUSSION AND ANALYSIS

Provide Interim MD&A if required by applicable securities legislation.

Management's Discussion & Analysis for the nine-month period ended June 30, 2022, as filed with securities regulatory authorities, is attached to this Form 5 - Quarterly Listing Statement as Appendix "B".

## Certificate of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Quarterly Listing Statement.
2. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 5 Quarterly Listing Statement is true.

Dated: August 29, 2022.

Ashish Malik

Name of Director or Senior Officer

Signed: "Ashish Malik"

Signature

Chief Executive Officer

Official Capacity

Name of Issuer	For Quarter Ended	Date of Report YY/MM/D
Bee Vectoring Technologies International Inc.	June 30, 2022	2022/08/29
Issuer Address 4160 Sladeview Crescent, #7		
City/Province/Postal Code	Issuer Fax No.	Issuer Telephone No.
Mississauga, ON L5L 0A1	604 687-3141	604 687-2038
Contact Name	Contact Position	Contact Telephone No.
Ashish Malik	CEO	+1 (916) 307-6879
Contact Email Address amalik@beevt.com	Web Site Address www.beevt.com	

## **APPENDIX A**

Bee Vectoring Technologies International Inc.

Unaudited condensed interim financial statements  
for the nine-month period ended June 30, 2022

**BEE VECTORING TECHNOLOGIES INTERNATIONAL INC.**

**UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the three and nine months ended June 30, 2022 and June 30, 2021

(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)

As at

	June 30, 2022	September 30, 2021
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	\$ 394,447	\$ 2,710,805
Accounts receivable	243,003	51,832
Sales tax receivable	105,179	55,222
Inventory (note 4)	64,450	31,650
Prepaid expense and deposits	234,661	75,750
	<b>1,041,740</b>	<b>2,925,259</b>
<b>Long-term assets</b>		
Right of use asset (note 5)	25,275	82,137
Intangible assets (note 7)	1,952,098	1,918,024
Equipment (note 6)	379,726	327,187
	<b>\$ 3,398,839</b>	<b>\$ 5,252,607</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	\$ 1,376,467	\$ 486,317
Lease liability (note 9)	27,115	78,508
	<b>1,403,582</b>	<b>564,825</b>
<b>Long-term liabilities</b>		
Lease liability (note 9)	-	6,851
Loans payable (note 10)	124,435	150,403
	<b>1,528,017</b>	<b>722,079</b>
<b>Shareholders' equity</b>		
Share capital (note 11)	23,029,595	22,800,545
Shares to be issued (note 21)	264,645	-
Warrants (note 11, 12)	1,370,596	2,072,846
Contributed surplus (note 13)	6,809,510	5,717,131
Accumulated other comprehensive loss	(36,180)	(14,509)
Accumulated deficit	(29,567,344)	(26,045,485)
	<b>1,870,822</b>	<b>4,530,528</b>
	<b>\$ 3,398,839</b>	<b>\$ 5,252,607</b>

**NATURE OF OPERATIONS AND GOING CONCERN (Note 1)****COMMITMENT (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 nine months ended June 30, 2022 and June 30, 2021

(expressed in Canadian Dollars)

	Three months ended June 30,		Nine months ended June 30,	
	2022	2021	2022	2021
<b>Sales (note 17)</b>	\$ 153,629	\$ 70,784	\$ 479,179	\$ 405,686
<b>Cost of sales</b>	54,902	47,637	215,618	247,502
<b>Gross profit</b>	98,727	23,147	263,561	158,184
<b>Expenses</b>				
Office and general (note 18)	568,946	680,085	1,694,459	1,757,023
Investor and public relations	64,458	109,066	363,253	380,455
Sales, advertising and marketing	170,878	120,914	406,075	360,638
Share based payments (note 13)	-	38,636	569,179	175,825
Trials, Research and development	249,152	204,694	769,136	466,253
Royalty payments	-	-	1,569	2,677
<b>Total expenses</b>	1,053,434	1,153,395	3,803,671	3,142,871
<b>Loss before other items</b>	(954,707)	(1,130,248)	(3,540,110)	(2,984,687)
Loss on foreign exchange	2,106	(2,366)	(7,281)	(5,977)
Gain on forgiveness of government loan	26,566	-	26,566	
Interest and other income	(351)	-	(1,034)	21,210
<b>Net loss</b>	\$ (926,386)	\$ (1,132,614)	\$ (3,521,859)	\$ (2,969,454)
<b>Weighted average number of common shares outstanding - basic and diluted</b>	117,154,611	115,482,619	116,937,424	106,531,484
<b>Basic and diluted loss per common share (note 14)</b>	\$ (0.01)	\$ (0.01)	\$ (0.03)	\$ (0.03)

**Bee Vectoring Technologies International Inc.**

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss (unaudited) (continued)

For the three and nine months ended June 30, 2022 and June 30, 2021

(expressed in Canadian Dollars)

	Three months ended June 30,		Nine months ended June 30,	
	2022	2021	2022	2021
<b>Net loss</b>	\$ (926,386)	\$ (1,132,614)	\$ (3,521,859)	\$ (2,969,454)
<b>Other comprehensive income</b>				
Items that may be subsequently reclassified to earnings:				
Exchange differences on translating foreign operations	(20,029)	5,067	(21,671)	(3,157)
<b>Comprehensive loss</b>	\$ (946,415)	\$ (1,127,547)	\$ (3,543,530)	\$ (2,972,611)

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 nine months ended June 30, 2022 and June 30, 2021

(expressed in Canadian Dollars)

	2022	2021
<b>Cash used in operating activities</b>		
Net loss	\$ (3,521,859)	\$ (2,969,454)
Items not affecting cash		
Share based payments (note 13)	569,179	175,825
Shares issued for services (note 13)	-	361,875
Foreign exchange impact	(21,641)	(2,781)
Lease interest	3,865	-
Gain on forgiveness of government loan	(26,566)	-
Depreciation and amortization (note 5, 6, and 7)	162,934	133,012
<b>Net changes in non-cash working capital items</b>		
Sales tax and other receivables	(241,128)	(115,530)
Prepaid expenses and deposits	(158,911)	137,959
Inventory	(32,800)	(76,753)
Accounts payable and accrued liabilities	890,150	74,959
	(2,376,777)	(2,280,888)
<b>Cash used in investing activities</b>		
Additions to intangible assets (note 7)	(94,631)	(115,091)
Additions to property, plant and equipment (note 6)	(97,486)	(87,529)
	(192,117)	(202,620)
<b>Cash flow from financing activities</b>		
Proceeds from loans	-	106,999
Lease payments	(62,109)	(47,680)
Proceeds from the exercise of options and warrants	50,000	1,660,500
Proceeds from the issue of shares and warrants	-	4,027,524
Proceeds received in advance of closing financing	264,645	-
Share issue costs	-	(204,895)
	252,536	5,542,448
<b>(Decrease) Increase in cash</b>	<b>(2,316,358)</b>	<b>3,058,940</b>
<b>Cash, beginning of period</b>	<b>2,710,805</b>	<b>303,241</b>
<b>Cash, end of period</b>	<b>\$ 394,447</b>	<b>\$ 3,362,181</b>

## Supplemental cash flow information

	2022	2021
Cash paid for interest	\$ 3,678	\$ -

**Non-cash transactions**

Stock option and RSU grants for compensation	\$ 174,054	\$ 537,700
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The accompanying notes are an integral part of these condensed interim consolidated financial statements

**Bee Vectoring Technologies International Inc.**

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

For the nine months ended June 30, 2022 and June 30, 2021

(expressed in Canadian Dollars)

	Share Capital					Accumulated other Comprehensive		
	Number of shares	Amount	Shares to be issued	Warrants	Contributed Surplus	Income	Deficit	Total
<b>Balance, September 30, 2020</b>	93,604,603	\$ 17,028,011	\$ 102,510	\$ 1,646,411	\$ 4,651,144	\$ (4,882)	\$ (21,922,906)	\$ 1,500,288
Share based compensation	-	-	-	-	175,825	-	-	175,825
Share based compensation	-	-	-	-	361,875	-	-	361,875
Issue of units from private placement	13,849,977	2,891,687	(102,510)	1,238,347	-	-	-	4,027,524
Share issue costs - cash	-	(204,895)	-	-	-	-	-	(204,895)
Share issue costs - broker warrants	-	(80,172)	-	80,172	-	-	-	-
Settlement of debt	3,000,000	800,000	-	-	-	-	-	800,000
Exercise of warrants	4,470,000	1,986,989	-	(326,489)	-	-	-	1,660,500
Exercise of RSUs	497,000	102,875	-	-	(102,875)	-	-	-
Net loss	-	-	-	-	-	(3,157)	(2,969,454)	(2,972,611)
<b>Balance, June 30, 2021</b>	<b>115,421,580</b>	<b>\$ 22,524,495</b>	<b>\$ -</b>	<b>\$ 2,638,441</b>	<b>\$ 5,085,969</b>	<b>\$ (8,039)</b>	<b>\$ (24,892,360)</b>	<b>\$ 5,348,506</b>
<b>Balance, September 30, 2021</b>	116,499,611	22,800,545	-	2,072,846	5,717,131	(14,509)	(26,045,485)	4,530,528
Share based compensation (note 13)	-	-	-	-	569,179	-	-	569,179
Share subscriptions received in advance	-	-	264,645	-	-	-	-	264,645
Exercise of options (note 11)	200,000	88,000	-	-	(38,000)	-	-	50,000
Exercise of RSUs (note 11)	455,000	141,050	-	-	(141,050)	-	-	-
Expiry of warrants	-	-	-	(702,250)	702,250	-	-	-
Net loss	-	-	-	-	-	(21,671)	(3,521,859)	(3,543,530)
<b>Balance, June 30, 2022</b>	<b>117,154,611</b>	<b>\$ 23,029,595</b>	<b>\$ 264,645</b>	<b>\$ 1,370,596</b>	<b>\$ 6,809,510</b>	<b>\$ (36,180)</b>	<b>\$ (29,567,344)</b>	<b>\$ 1,870,822</b>

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

**BEE VECTORING TECHNOLOGIES INTERNATIONAL INC.**  
**Notes to the Condensed Interim Consolidated Financial Statements (unaudited)**  
For the nine months ended June 30, 2022 and June 30, 2021  
(expressed in Canadian dollars)

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**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 and records office is 4160 Sladeview Cres. #7, Mississauga, Ontario. The Companies shares trade on the Canadian Stock Exchange under the symbol “BEE.C”.

These condensed interim consolidated financial statements were approved for issuance by the Board of Directors on August 26, 2022.

*Going concern assumption*

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

The Company’s ability to continue as a going concern is dependent upon, but not limited to, its ability to raise financing necessary to discharge its liabilities as they become due and generate positive cash flows from operations. On August 28, 2019 the Company received approval from the Environmental Protection Agency to sell its BioControl in the United States. To date the Company has not yet obtained regulatory approval to sell its BioControl from other regulatory bodies outside the US. The Company is currently also seeking regulatory approval in Mexico and Switzerland. During the nine months ended June 30, 2022, the Company incurred a net loss of \$3,521,859 (2021 – \$2,969,454), and as of that date, the Company’s deficit was \$29,567,344 (September 30, 2021 – \$26,045,485). At June 30, 2022, the Company has current assets of \$1,041,740 (September 30, 2021 - \$2,925,259) and current liabilities of \$1,403,582 (September 30, 2021 – \$564,825) resulting in working capital (deficiency) of \$361,842 (September 30, 2021 – (\$2,360,434)).

These conditions have resulted in material uncertainties that may cast significant doubt about the Company’s ability to continue as a going concern in the foreseeable future. The 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 consolidated financial statements.

The World Health Organization declared coronavirus and COVID-19 a global health emergency on January 30, 2020. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company and its operating subsidiaries in future periods. The agriculture industry is considered essential (for food supply), and while the Company is still able to service its customers, to date, the Company has been impacted as follows:

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

**1. Nature of operations and going concern (continued)**

The Company cannot accurately predict the impact COVID-19 will have on its operations and the ability of others to meet their obligations with the Company, including uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, and the length of travel and quarantine restrictions imposed by governments of affected countries. In addition, a significant outbreak of contagious diseases in the human population could result in a widespread health crisis that could adversely affect the economies and financial markets of many countries, resulting in an economic downturn that could further affect the Company's operations and ability to finance its operations. The impact of COVID-19 on the Company continues to result in material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern in the foreseeable future.

**2. Basis of presentation**

a) Statement of compliance

These condensed interim consolidated financial statements are prepared and reported in Canadian dollars and have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to the presentation of interim financial statements and International Accounting Standards ("IAS") 34, Interim Financial Reporting, as the accounting policies applied in these condensed interim consolidated financial statements are based on IFRS as issued, outstanding and effective on June 30, 2022.

b) Basis of measurement

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

c) Significant accounting estimates and judgments

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

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

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

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

Estimates

*Impairment of long-lived assets*

The assessment of any of impairment equipment, right-of-use asset and intangible assets is dependent upon estimates of recoverable amounts. As the recoverable amount is the higher of fair value less costs of disposal and value in use, management must consider factors such as economic and market conditions, estimated future cash flows, discount rates and asset specific risks.



## **2. Basis of presentation (continued)**

### *Determination of CGUs*

Management is required to use judgement in determining which assets or group of assets make up appropriate CGUs for the level at which goodwill and intangible assets with indefinite lives are tested for impairment. A CGU is defined as the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets.

### *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.

### *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 condensed interim 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.

**BEE VECTORING TECHNOLOGIES INTERNATIONAL INC.**  
**Notes to the Condensed Interim Consolidated Financial Statements (unaudited)**  
For the nine months ended June 30, 2022 and June 30, 2021  
(expresses in Canadian dollars)

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**2. Basis of presentation (continued)**

d) Basis of consolidation

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

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

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

**3. Significant accounting policies**

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, 2021, with the exception of new and revised standards along with any consequential amendments, effective October 1, 2021. Accordingly, these condensed interim consolidated financial statements for the Three and nine months ended June 30, 2022 and 2021 should be read together with the annual consolidated financial statements as at and for the year ended September 30, 2021.

**4. Inventory**

	<b>June 30, 2022</b>	<b>September 31, 2021</b>
Raw materials	\$ 61,179	\$ 31,650
Finished goods	3,271	-
<b>Total</b>	<b>\$ 64,450</b>	<b>\$ 31,650</b>

During the nine months ended June 30, 2022, \$215,618 (2021 - \$199,865) of inventory was recognized as cost of sales. There was no inventory write downs in 2022 and 2021. No inventory was pledged as collateral.

**5. Right of use asset**

	<b>Office Lease</b>
Balance, September 30, 2020	\$ -
Additions - leases	151,635
Depreciation	(69,498)
Balance, September 30, 2021	\$ 82,137
Depreciation	(56,862)
<b>Balance, June 30, 2022</b>	<b>\$ 25,275</b>

Leases are depreciated over their term, being 2 years.

**BEE VECTORING TECHNOLOGIES INTERNATIONAL INC.****Notes to the Condensed Interim Consolidated Financial Statements (unaudited)**

For the nine months ended June 30, 2022 and June 30, 2021

(expressed in Canadian dollars)

**6. Equipment**

	<b>Equipment</b>	<b>Computer</b>	<b>Furniture</b>	<b>Site equipment</b>	<b>Telephone Equipment</b>	<b>Vehicle</b>	<b>Total</b>
<b>Cost</b>							
As at September 30, 2020	\$ 15,909	\$ 17,823	\$ 12,467	\$ 417,705	\$ 24,931	\$ -	\$ 488,835
Additions	-	11,561	-	114,006	-	65,832	191,399
Allowances	-	642	-	-	-	-	642
As at September 30, 2021	15,909	30,026	12,467	531,711	24,931	65,832	680,876
Additions	-	1,543	-	95,943	-	-	97,486
Foreign currency adjustment	-	478	-	-	-	-	478
As at June 30, 2022	\$ 15,909	\$ 32,047	\$ 12,467	\$ 627,654	\$ 24,931	\$ 65,832	\$ 778,840
	-	-	-	-	-	-	-
<b>Accumulated depreciation</b>							
As at September 30, 2020	\$ 2,574	\$ 15,877	\$ 8,379	\$ 264,691	\$ 15,640	\$ -	\$ 307,161
Additions	1,530	3,013	817	32,727	1,858	6,583	46,528
As at September 30, 2021	4,104	18,890	9,196	297,418	17,498	6,583	353,689
Additions	597	3,359	490	20,114	1,115	19,750	45,425
As at June 30, 2022	\$ 4,701	\$ 22,249	\$ 9,686	\$ 317,532	\$ 18,613	\$ 26,333	\$ 399,114
	-	-	-	-	-	-	-
<b>Net book value</b>							
As at September 30, 2021	\$ 11,805	\$ 11,136	\$ 3,271	\$ 234,293	\$ 7,433	\$ 59,249	\$ 327,187
As at June 30, 2022	\$ 11,208	\$ 9,798	\$ 2,781	\$ 310,122	\$ 6,318	\$ 39,499	\$ 379,726

**BEE VECTORING TECHNOLOGIES INTERNATIONAL INC.**  
**Notes to the Condensed Interim Consolidated Financial Statements (unaudited)**  
For the nine months ended June 30, 2022 and June 30, 2021  
(expressed in Canadian dollars)

**7. Intangible assets**

	Available-for-use			Work-in-process		Total
	Patents	Regulatory cost	Development	Patents	Regulatory cost	
<b>Cost</b>						
As at September 30, 2020	\$ 523,251	\$ 404,047	\$ 316,325	\$ 676,326	\$ 62,950	\$ 1,982,899
Additions	-	-	-	109,407	51,173	160,580
Re-class to available for use	147,675	-	-	(147,675)	-	-
Write-off of abandoned patents	(1,350)	-	-	-	-	(1,350)
Foreign currency adjustment	-	-	-	-	(277)	(277)
As at September 30, 2021	669,576	404,047	316,325	638,058	113,846	2,141,852
Additions	-	-	-	47,083	47,548	94,631
Re-class to available for use	1,935	-	-	(1,935)	-	-
Foreign currency adjustment	-	-	-	-	88	88
As at June 30, 2022	\$ 671,511	\$ 404,047	\$ 316,325	\$ 683,206	\$ 161,482	\$ 2,236,571
<b>Accumulated amortization</b>						
As at September 30, 2020	\$ 99,685	\$ 20,917	\$ 23,006	\$ -	\$ -	\$ 143,608
Additions	44,370	20,202	15,816	-	-	80,389
Write-off of abandoned patents	(169)	-	-	-	-	(169)
As at September 30, 2021	143,886	41,119	38,822	-	-	223,827
Additions	33,632	15,152	11,862	-	-	60,646
As at June 30, 2022	\$ 177,517	\$ 56,271	\$ 50,684	\$ -	\$ -	\$ 284,473
<b>Net book value</b>						
As at September 30, 2021	\$ 525,690	\$ 362,928	\$ 277,503	\$ 638,058	\$ 113,846	\$ 1,918,024
As at June 30, 2022	\$ 493,993	\$ 347,776	\$ 265,641	\$ 683,206	\$ 161,482	\$ 1,952,098

**8. 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 nine months ended June 30, 2022 and June 30, 2021:

	2022	2021
*CEO fees (i)	\$ 276,125	\$ 236,843
*CFO fees (ii)	22,500	22,500
*Consulting fees charged by a Chelsian Sales & Service (iii)	45,000	45,000
*Consulting fees charged Flueckiger Consulting (iv)	-	22,079
*Consulting fees charged Exelerate Inc. (vii)	37,609	-
Share based payments	276,565	53,350
	<b>\$ 657,799</b>	<b>\$ 379,772</b>

*\*Represents key management remuneration*

- (i) Salary and/or consulting fees paid to the CEO for services rendered. As at June 30, 2022, \$105,650 (September 30, 2021 - \$20,438) is owed to the CEO.
- (ii) Consulting fees charged by CFO Advantage Inc, a corporation owned by the CFO of the Company, for services of the Chief Financial Officer. As at June 30, 2022 \$14,125 (2021 - \$325) 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 June 30, 2022 \$18,250 (2021 - \$1,300) was owed to Chelsian Sales and Service Inc.

**BEE VECTORING TECHNOLOGIES INTERNATIONAL INC.****Notes to the Condensed Interim Consolidated Financial Statements (unaudited)**

For the nine months ended June 30, 2022 and June 30, 2021

(expressed in Canadian dollars)

**8. Related party balances and transactions (continued)**

- (iv) Consulting fees charged by Flueckiger Consulting, a corporation owned by a former director of the Company, for reviewing product development and marketing plans, reviewing data from trials, and other services as required.
- (v) The Company employs a relative of a director of the Company as sales manager. During the nine months ended June 30, 2022, the employee earned a salary and benefits of \$83,740 (2021 - \$76,083).
- (vi) Consulting fees charged by Exelerate Inc, a corporation owned by a director of the Company, for governance and business development services.

**9. Lease liability**

Balance, September 30, 2020	\$ -
Additions	151,635
Interest expense	9,635
Lease payments	(75,911)
Balance, September 30, 2021	\$ 85,359
Interest expense	3,865
Lease payments	(62,109)
Balance, June 30, 2022	\$ 27,115
<b>Allocated as:</b>	<b>June 30, 2022</b>
Current	\$ 27,115
Long Term	\$ -

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

**10. Loans payable**

- (i) On May 1, 2020, the Company received a \$40,000 Canada Emergency Business Account loan. Up to \$10,000 of that amount will be eligible for loan forgiveness if \$30,000 is fully repaid on or before December 31, 2022. As at September 30, 2021, none of the loan has been repaid. If the loan is not repaid by December 31, 2022, it will be extended for an additional 3-year term bearing an interest rate of 5% per annum. The loan can be repaid at any time without penalty and no principal payments are required until December 31, 2025 when the full amount of the loan is due. Monthly interest must be paid during the additional 3-year term. An additional, \$20,000 was received in January, 2021 under the same terms and conditions.
- (ii) On May 5, 2020, the Company received a U.S Small Business Administration ("SBA") paychèque loan of \$40,629. The loan bears an interest rate of 1%, and matures 2 years from the date of issuance (this loan was forgiven in fiscal 2021). An additional \$23,999, was received in March 2021 under the same terms. The Company submitted a loan forgiveness application related to this loan and subsequently, was forgiven in full.
- (iii) In June 2021, the Company received a US\$50,000 loan to finance a vehicle. The loan bears interest at 2.15% and has a 5-year term with interest only payments.

## **10. Loans payable (continued)**

Pursuant to IAS 20, Accounting for Government Grants and Disclosure of Government Assistance, the benefit of a government loan at below - market rate is treated as a government grant and measured in accordance with IFRS 9, Financial Instruments. The benefit of below - market rate shall be measured as the difference between the initial carrying value of the loan (being the present value of a similar loan at market rates) and the proceeds received. The Company has estimated the initial carrying value of each initial CEBA and SBA loan at a total of \$96,138 using a discount rate of 2.15%, which was the estimated rate for a similar loan without the interest - free component (ie the vehicle loan in (iii) above). The difference will be accreted to each CEBA loan liability over the term of the CEBA Loan and offset to other income on the statements of loss and comprehensive loss.

## **11. Share capital**

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

- (i) On October 7, 2020, the Company closed a non-brokered private placement of 2,661,366 units ("Units") at a price of \$0.24 per Unit for gross aggregate proceeds of \$638,727. Each Unit consisted of one common share (a "Share") and one transferable common Share purchase warrant (a "Warrant"). Each Warrant entitles the holder, on exercise, to purchase one additional Share for a period of 24 months following the closing, at an exercise price of CAD\$0.40 per Share. Should the 10-day volume weight average price of the Shares, as traded on the CSE, be equal to or greater than a 100% premium to the Warrant exercise price prior to the expiry date of the applicable Warrants, the Company may accelerate the expiry date ("Accelerated Expiry Date") of the Warrants by providing the Warrant holders with notice (the "Acceleration Notice") of its election to do so. The Accelerated Expiry Date referenced in an Acceleration Notice may be no earlier than the 30th day from the date on which such Accelerated Expiry Date is delivered to the warrant holders. For greater certainty, the Acceleration Notice may not be delivered to the subscribers prior to the Warrant exercise date. The Warrants were valued at \$184,656 using relative fair value method with the warrants fair value determined by using the black scholes option pricing model using the following assumptions: Term – 2 years; Volatility – 92%; Interest rate – 0.28%.

The Company paid commissions to finders under the private placements consisting of cash fees of \$1,025 and the issue of 4,270 finder's warrants (with the same terms as noted above). The finder's warrants were valued at \$520 using the Black-Scholes option pricing model. Other legal issue costs amounted to \$4,565.

- (ii) On December 17, 2020, the Company closed a non-brokered private placement of 1,111,111 units ("Units") at a price of \$0.24 per Unit for gross aggregate proceeds of \$266,666. This financing is on the same terms as the October 7, 2020 private placement. The Warrants were valued at \$74,721 using relative fair value method with the warrants fair value determined by using the black scholes option pricing model using the following assumptions: Term – 2 years; Volatility – 92%; Interest rate – 0.28%.

Legal issue costs on the financing amounted to \$4,534.

- (iii) On February 4, 2021, the Company closed a non-brokered private placement of 7,306,625 units at a price of \$0.32 per unit for gross aggregate proceeds of \$2,338,120. Each unit consists of one common share and one transferable common Share purchase warrant. Each warrant entitles the holder, on exercise, to purchase one additional share for a period of 24 months following the closing, at an exercise price of \$0.525 per Share. The Warrants were valued at \$716,928 using relative fair value method with the warrants fair value determined by using the black scholes option pricing model using the following assumptions: Term – 2 years; Volatility – 92%; Interest rate – 0.28%.
- (iv) On February 26, 2021, the Company closed the second tranche of the February 4, 2021 private placement issuing 2,770,875 units at a price of \$0.32 per unit for gross aggregate proceeds of \$886,522. The Warrants were valued at \$262,042 using relative fair value method with the warrants fair value determined by using the black scholes option pricing model using the following assumptions: Term – 2 years; Volatility – 91%; Interest rate – 0.28%.

**BEE VECTORING TECHNOLOGIES INTERNATIONAL INC.**  
**Notes to the Condensed Interim Consolidated Financial Statements (unaudited)**  
For the nine months ended June 30, 2022 and June 30, 2021  
(expresses in Canadian dollars)

**11. Share capital (continued)**

Finders fees for the February 4, 2021 and February 26, 2021 tranches totaled \$194,771 cash and 608,036 warrants exercisable to purchase one additional share per warrant with an exercise price of \$0.425 for a period of 2 years from issuance. The Finders warrants were valued at \$79,652, using the black scholes option pricing model using the following assumptions: Term – 2 years; Volatility – 91%; Interest rate – 0.28%.

- (v) During the year ended September 30, 2021, 802,000 RSUs were exercised. The RSUs had a fair value of \$253,120.
- (vi) On December 17, 2020, the Company reached agreements with arms-length parties to settle outstanding accounts payable of \$800,000 (of which \$400,000 was outstanding as at September 30, 2020) for consulting services provided to the Company, in consideration for the issuance of 3,000,000 shares.
- (vii) During the year ended September 30, 2021, 4,710,000 warrants were exercised for proceeds of \$1,660,500. The warrants had a fair value of \$326,489.
- (viii) During the year ended September 30, 2021, 533,031 options were exercised for proceeds of \$103,941. The options had a fair value of \$73,958.
- (ix) During the nine months ended June 30, 2022, 455,000 RSUs were exercised. The RSUs had a fair value of \$141,050.
- (x) During the nine months ended June 30, 2022, 200,000 options were exercised for proceeds of \$50,000. The options had a fair value of \$38,000.

**12. Warrants**

The warrants issued and outstanding as at June 30, 2022 and September 30, 2021 are as follows:

	Number of warrants	Weighted average strike price
Balance, September 30, 2019	21,582,145	\$ 0.40
Issued with private placement (Note 11(v) & (vi))	3,776,747	\$ 0.40
Issued with private placement (Note 11(vii) & (viii))	10,077,500	\$ 0.525
Issued with private placement (Note 11(viii))	608,036	\$ 0.425
Exercised	(4,710,000)	\$ 0.35
Expired	(13,731,708)	\$ 0.39
Balance, September 30, 2021 and June 30, 2022	17,602,720	\$ 0.50
Expired	(3,140,437)	\$ 0.54
	14,462,283	\$ 0.49

The warrants entitle the holders to purchase the stated number of common shares at the exercise price on or before the expiry date. At June 30, 2022, the following warrants were outstanding and exercisable:

Strike price	Number	Weighted average remaining	Expiry date
\$ 0.40	2,665,636	0.02	10/07/2022
\$ 0.40	1,111,111	0.47	12/17/2022
\$ 0.525	7,306,625	0.60	02/04/2023
\$ 0.425	419,676	0.60	02/04/2023
\$ 0.525	2,770,875	0.65	02/26/2023
\$ 0.425	188,360	0.65	02/26/2023
	14,462,283	0.54	

**BEE VECTORING TECHNOLOGIES INTERNATIONAL INC.****Notes to the Condensed Interim Consolidated Financial Statements (unaudited)**

For the nine months ended June 30, 2022 and June 30, 2021

(expressed in Canadian dollars)

**13. Stock options and restricted share units**

In 2020 the Board of Directors approved a restricted share unit plan (the "RSU Plan") and a 20% rolling 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 a maximum of 20% of the issued and outstanding common shares pursuant to awards granted under the plans. The vesting of the options and RSU's are determined by the board when granted, and can have a maximum term of 10 years. The plans were approved by the shareholders on October 23, 2020. Previously, the Company had a fixed option plan, which authorized the Board of Directors to grant stock options to directors, officers, employees and consultants to acquire up to an aggregate 15,519,854 common shares of the Company.

**Options**

Below is a summary of transactions for the nine months ended June 30, 2022 and the year ended September 30, 2021:

<b>Transaction</b>	<b># Options</b>	<b>Weighted Average Strike Price</b>
Balance, September 30, 2020	12,296,682	\$0.29
Expired	(1,201,600)	\$0.38
Exercised	(533,031)	\$0.20
Granted	680,000	\$0.36
Balance, September 30, 2021	11,242,051	\$0.29
Expired	(1,963,751)	\$0.38
Exercised	(200,000)	\$0.25
Granted	2,575,000	\$0.28
Balance, June 30, 2022	11,653,300	\$0.28

As at June 30, 2022 the Company had the following stock options outstanding:

<b>Date Issued</b>	<b># Options</b>	<b># Exercisable</b>	<b>Value</b>	<b>Exercise Price</b>	<b>Expiry date</b>
6/30/2015	50,000	50,000	\$ 15,900	\$0.285	6/30/2025
7/6/2015	1,580,000	1,580,000	\$502,440	\$0.285	7/6/2025
8/30/2016	1,000,000	1,000,000	\$310,000	\$0.32	8/30/2026
3/1/2018	325,000	325,000	\$61,750	\$0.25	3/1/2023
3/28/2018	400,000	400,000	\$76,000	\$0.25	3/28/2023
2/27/2019	25,000	25,000	\$3,125	\$0.16	2/7/2024
3/22/2019	1,193,300	1,193,300	\$167,061	\$0.20	3/22/2024
9/16/2019	50,000	50,000	\$9,800	\$0.24	9/16/2024
10/30/2019	3,775,000	3,775,000	\$1,026,800	\$0.31	10/30/2024
11/24/2020	275,000	275,000	\$53,350	\$0.29	11/24/2025
02/05/2021	155,000	155,000	\$42,625	\$0.41	02/05/2026
03/11/2021	150,000	150,000	\$41,100	\$0.41	03/11/2026
04/29/2021	100,000	100,000	\$27,400	\$0.365	04/29/2026
10/05/2021	900,000	900,000	\$161,655	\$0.27	10/05/2026
02/28/2022	1,675,000	1,675,000	\$363,465	\$0.275	02/08/2023
	11,653,300	11,653,300			



**BEE VECTORING TECHNOLOGIES INTERNATIONAL INC.**  
**Notes to the Condensed Interim Consolidated Financial Statements (unaudited)**  
For the nine months ended June 30, 2022 and June 30, 2021  
(expressed in Canadian dollars)

**13. Stock options and restricted share units (continued)**

The fair values of the stock options granted were calculated using the Black-Scholes Option Pricing Model using the weighted average assumptions below. The weighted average expiry date of the options is 2.90 years. The weighted average exercise price of the options is \$0.28.

	Three months ended June 30, 2022	Year ended September 30, 2021
Risk-free interest rate	0.40%	0.40%
Expected life of options	5-10 years	5 years
Annualized volatility	86%	86%
Dividend rate	0%	0%
Weighted average fair value per options	\$0.18 - \$0.22	\$0.24

**Restricted share units ("RSU's")**

Below is a summary of transactions for the nine months ended June 30, 2022 and the year ended September 30, 2021:

<b>Transaction</b>	<b># RSUs</b>
Balance, September 30, 2020	50,000
Granted	2,705,000
Exercised	(802,000)
Balance, September 30, 2021	1,953,000
Granted	1,220,000
Expired	(55,000)
Exercised	(455,000)
Balance, June 30, 2022	2,663,000

**As at June 30, 2022, the Company had the following RSUs outstanding:**

<b>Date Issued</b>	<b># RSUs</b>	<b># Vested</b>	<b>Value per RSU</b>
04/24/2020	1,318,000	1,237,500	\$0.31
06/18/2021	125,000	125,000	\$0.32
10/05/2021	100,000	100,000	\$0.27
02/08/2022	1,120,000	50,000	\$0.275
	2,663,000	1,512,500	

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.

**14. Loss per share**

The warrants and options outstanding were excluded from the computation of diluted loss per share for the Three and nine months ended June 30, 2022 and June 30, 2021 because their impact was anti-dilutive.

## **15. Financial instruments**

### *Fair Value*

Financial instruments of the Company as at June 30, 2022 and September 30, 2021 consist of cash, other receivables, accounts payable and accrued liabilities, and loans payable. There are no significant differences between the carrying amounts of the cash, other 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 payable are recognized initially and subsequently at amortized cost.

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

### *Market risk*

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

### *Foreign currency risk*

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of a change in foreign exchange rates. The Company is exposed to foreign currency risk on cash, 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 June 30, 2022, the Company had \$57,280 of net financial instruments denominated in U.S. dollars. The effect on 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 \$5,728, 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.

### *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 and accounts receivable). 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 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 2022 and 2021.

**BEE VECTORING TECHNOLOGIES INTERNATIONAL INC.**  
**Notes to the Condensed Interim Consolidated Financial Statements (unaudited)**  
For the nine months ended June 30, 2022 and June 30, 2021  
(expressed in Canadian dollars)

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**15. Financial instruments (continued)**

At June 30, 2022, the Company has current assets of \$1,041,740 (September 30, 2021 - \$2,925,259) and current liabilities of \$1,403,582 (September 30, 2020 – \$564,825) resulting in working capital of \$361,842 (September 30, 2021 – working capital (\$2,360,434).

**16. 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 June 30, 2022, managed capital was \$1,870,822 (September 30, 2021 - \$4,530,528). Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes to the Company's approach to capital management during the nine months ended June 30, 2022. The Company is not exposed to externally imposed capital requirements.

**17. Sales**

All revenue was earned for the rendering of services in the United States.

**18. Office and general**

<b>For the Three and nine months ended June 30,</b>	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
Accounting and audit	\$ 3,800	\$ 15,397	\$ 77,958	\$ 53,067
Amortization and depreciation	54,473	46,650	163,707	115,235
Consulting	137,306	220,146	291,191	574,289
Insurance	6,397	-	20,136	15,275
Legal and regulatory	(6,365)	29,540	13,267	49,482
Occupancy costs	9,191	10,765	32,864	47,090
Office and general	43,675	88,363	167,724	198,687
Salaries and benefits	252,177	217,322	744,726	570,624
Warehouse supplies	7,398	4,342	31,186	14,567
Transfer agent	6,056	11,921	17,680	42,514
Travel	54,838	35,639	134,020	76,193
	<b>\$ 568,946</b>	<b>\$ 680,085</b>	<b>\$ 1,694,459</b>	<b>\$ 1,757,023</b>

**BEE VECTORING TECHNOLOGIES INTERNATIONAL INC.**  
**Notes to the Condensed Interim Consolidated Financial Statements (unaudited)**  
For the nine months ended June 30, 2022 and June 30, 2021  
(expresses in Canadian dollars)

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**19. Commitment**

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

<b>Year</b>	<b>Minimum lease payment</b>
2022	\$ 41,406
2023	\$ 6,901

**20. Segmented information**

The Company's business consists of a single reportable segment. Details on a geographic basis are as follows:

	June 30, 2022	September 30, 2021
<b>Total long term assets</b>		
Canada	\$ 2,307,136	\$ 2,259,185
United States of America	49,963	68,163
	<b>\$ 2,357,099</b>	<b>\$ 2,327,348</b>
<b>Revenues for the nine months ended June 30,</b>	<b>2022</b>	<b>2021</b>
Canada	\$ -	\$ -
United States of America	479,179	334,902
	<b>\$ 479,179</b>	<b>\$ 334,902</b>

**21. Subsequent events**

On July 11, 2022, the Company closed a non-brokered private placement (the "Sorbie Private Placement") of units ("Units") and unsecured convertible notes ("Notes") to Sorbie Bornholm LP ("Sorbie"), an institutional investor, for gross proceeds of \$3.8 million.

The Company issued the following securities to Sorbie in connection with the Sorbie Private Placement:

- 11,176,471 Units issued at a price of \$0.17 per Unit. Each Unit consists of one common share of the Company (each, a "Share") and one Share purchase warrant (each, a "Warrant"), with each Warrant entitling the holder thereof to purchase one additional Share of the Company at an exercise price of \$0.27 for a period of 36 months from issuance, unless such exercise period is accelerated or extended in accordance with the terms of the warrant instrument.
- 1,900 Notes in the principal amount of \$1,000 per Note. The Notes bear an interest rate of 7% per annum for a period of three years. Interest on the Notes is to be paid semi-annually in advance (on June 30 and December 31) and may be satisfied, at the option of the Company, in cash or Shares, with such Shares being issued using the maximum allowable discount to the market price at the time. Each Note is convertible into 5,128 Shares, which represents a conversion price of \$0.195, for a period of three years from the date of issuance, provided that conversion of the Notes is permitted only when the Shares issuable upon conversion, combined with the shareholdings of Sorbie immediately before the time of such conversion, does not take Sorbie's ownership interest in the Company above 9.9%. Each Note is issued together with 5,128 detachable Warrants (the "Detachable Warrants") which have the same terms as the Warrants, with the result that the Company issued 9,743,200 Detachable Warrants in connection with issuing the 1,900 Notes.
- In addition, 798 convertible notes (the "Payment Notes") were issued to Sorbie with 275 Payment Notes being issued in satisfaction of the \$275,000 value payment that was payable by the Company in connection with Sorbie entering into the Sharing Agreement, and 523 Payment Notes being issued to Sorbie in satisfaction of the Benchmark Payment (as defined below). The Payment Notes have the same terms as the Notes, except they do not bear interest and do not provide for Detachable Warrants.

**BEE VECTORING TECHNOLOGIES INTERNATIONAL INC.****Notes to the Condensed Interim Consolidated Financial Statements (unaudited)**

For the nine months ended June 30, 2022 and June 30, 2021

(expressed in Canadian dollars)

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**22. Subsequent events (continued)**

- The first interest payment for the 1,900 Notes issued to Sorbie was paid concurrently with closing of the Sorbie Private Placement by the issuance of 431,770 Shares. Concurrently with closing the Private Placement, the Company entered into certain hedging arrangements with Sorbie governed by an ISDA Master Agreement dated July 11, 2022 and a sharing agreement dated July 11, 2022 (the “Sharing Agreement”). Pursuant to the terms of the Sharing Agreement, the gross proceeds of the Sorbie Private Placement (being \$3.8 million) (the “Posted Support”) were used to acquire UK government bonds as credit support to secure the Company’s maximum potential exposure under the Sharing Agreement, with Sorbie retaining control and direction of such proceeds (including both the economic benefit and the risk resulting from fluctuations in the bond pricing and foreign exchange) until they are released back to the Company in accordance with the terms of the Sharing Agreement.

## **APPENDIX B**

Bee Vectoring Technologies International Inc.

Management's Discussion & Analysis  
for the nine-month period ended June 30, 2022



**BEE VECTORING TECHNOLOGIES INTERNATIONAL INC.**

**FORM 51-102F1  
MANAGEMENT'S DISCUSSION & ANALYSIS**

**DATED AUGUST 26, 2022**

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 nine months ended June 30, 2022, and 2021. The discussion should be read in conjunction with the Company's unaudited condensed interim consolidated financial statements for the three and nine months ended June 30, 2022 and the audited annual consolidated financial statements for the years ended September 30, 2021 and 2020, 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](http://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 20<sup>th</sup>, 2020 and commenced trading on the Canadian Stock Exchange (CSE) on August 21<sup>st</sup>, 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.

More details can be found in the Company's Management Discussion and Analysis for the year ended September 30, 2021.

### *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 crops 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 nine months ended June 30, 2022 and to the date of this MD&A:**

**1. Commercialization in the US:**

**February 9, 2022** – The Company announced the results of the 2021 Rutgers R&D trial in New Jersey to assess the efficacy of BVT's proprietary Vectorite with CR-7 (*Clonostachys rosea* CR-7), applied with bee vectoring technology against blueberry anthracnose (*Colletotrichum acutatum*), the most damaging disease pathogen in eastern highbush blueberry production. The trial was conducted by Rutgers University's Specialty Crop Research and Extension Center and PE Marucci Blueberry Cranberry Research & Extension Center, a leading and grower-trusted research center in the US Northeast, during the 2021 growing season. Trial results showed BVT's honeybee system and biofungicide had an 8-27% reduction in the disease. The BVT system alone reduced Anthracnose infection in postharvest berries by 27% compared to the control crop (no spray) and 8% compared to the grower standard application. The BVT system alone had better disease control than the current grower standard. The trial also resulted in 11-60% greater yield of healthy berries at postharvest. When the BVT system was used alone, the trial had 11% more healthy berries 10 days after harvest than a standard program, and 60% more than the control crop, which used no protection products. In both cases, BVT's biological fungicide CR-7 used alone showed higher biological efficacy than the conventional (chemical) fungicide programs.

**April 20, 2022** – The Company announced positive progress in 2022 sales commitments from US growers. In just seven months into the fiscal year, the Company has invoiced growers in the Southeast region and secured commitments in the Northeast, Midwest, and Pacific Northwest – already increasing total sales year-over-year by 18%.

These positive results have been accomplished despite a very difficult farming environment in most regions. Volatile supply costs have seen fertilizer prices double over last year in several cases, and prices of fuel and other chemical products necessary to run farming operations have increased by up to 40%.

Furthermore, in Georgia, the Company’s largest market last year, growers faced severe weather and hard freezes during the blueberry bloom period and this has had an impact on BVT sales as several growers have unfortunately experienced a partial or complete crop loss. The Company notes that many ag suppliers have lost significant quantity in the Georgia blueberry market, meaning their sales orders are dramatically lower than the previous year. BVT has successfully retained the same level of sales year-over-year in Georgia.

**May 11, 2022** – The Company announced its first US demonstration trial on stone fruit, with a conventional cherry grower in Washington. The trial began during the mid-April bloom period and will continue through summer harvest.

The United States is the world's second-largest cherry producer, second only to Turkey, with cherries representing the most acreage of all stone fruits. There are an estimated 85,000 acres of sweet cherries in the US, with Washington, California and Oregon growing almost 90% of the country's total yield. There are an additional 32,000 acres of tart cherries grown in the US, of which 75% are in Michigan. In addition to cherries, stone fruits include peaches, nectarines, plums, prunes, and apricots, all grown on more than 270,000 acres of farmland in the US.

The trial is being conducted to achieve a proof of concept for greater yield with BVT's natural precision agriculture system. It uses BVT's proprietary Vectorite™ with CR-7 (*Clonostachys rosea* CR-7) biological fungicide, applied through the process of bee vectoring directly onto cherry blooms.

Yield data will be available once crops are harvested in late spring and into summer.

**June 7, 2022** – The Company announced that it has accelerated sales commitments through a tripling of acres managed by its natural precision agriculture system in the US Pacific Northwest in FY2022 compared to the previous year. BVT is now working with 11 berry customers in Oregon and Washington on a total of 360 acres, including five paying customers and six growers conducting demonstration trials. These customers grow on more than 8,500 total acres in the region. Additionally, the Company is pursuing opportunities with growers who grow late-blooming varieties of berries.

This region has growers with large-scale operations, making progress here a key milestone for BVT's future growth. The growers with BVT managed acres in the Pacific Northwest in 2022 represent approximately a third of the 25,000 blueberry, blackberry and raspberry acres in the region.

**August 4, 2022** – The Company announced the first California sales order of its proprietary Vectorite with CR-7 (*Clonostachys rosea* CR-7) biological fungicide and natural precision agriculture system with a strawberry and raspberry grower for one of the world's largest berry companies.

This first sale milestone is a key component of BVT's strategy to expand into the state of California, which is the largest growing region and our most significant market opportunity in North America. The opportunity in California includes several crops with an overall growing season which spans up to 10 months of the year, thus representing significantly larger and more diversified annual revenue streams for BVT.

The customer is a large, influential grower in the Watsonville and Salinas area. Their successful three-month demonstration trial of the BVT system last year and the resulting positive data were the main reasons for the customer to continue their business with BVT. Trial results showed the BVT system helped control fungal disease during the bloom period, which lead to healthier berries post-harvest that translated into real value for the berry company in higher quality packed berries and increased marketable yield.

The trial last year was also closely followed by the berry company, and clearly showed the BVT system's high return on investment. ROI's of 6x or higher are the expectation by growers for agricultural input technologies in specialty crops like berries. Recent work is demonstrating ROI for the BVT system of 10x or higher, and this is driving conversion of new customers to the Company's system, including with this grower.

California is the country's largest berry market with an estimated 55,000 acres of strawberries, blueberries, raspberries and blackberries representing 30% of the berry acreage in the US. As a 100% organic product delivered 100% naturally, the BVT system dovetails perfectly into the California market, controlling disease and increasing yield while being exempt from residue testing requirements.

**October 26, 2021** – The Company wins International Biocontrol Manufacturers Association's bronze Bernard Blum award for biocontrol innovation.

**November 4, 2021** – The Company wins IHS Markit's Crop Science award for best precision application technology innovation.

## **2. Geographic Expansion:**

**January 25, 2022** – The Company announced it is expanding into Peru, extending its presence into a major global blueberry market. The Company will also pursue other crops including avocados. Peru is the beachhead for BVT's entry into the South American market.

**April 27, 2022** – The Company announced it has submitted its proprietary *Clonostachys rosea* CR-7 (CR-7) biological fungicide for registration in Mexico. The registration dossier was presented on April 19, 2022, at a meeting with COFEPRIS (The Federal Commission for Protection from Sanitary Risks), the Mexican health authority responsible for registration of plant protection products. The dossier included CR-7 trial data already completed in Mexico and studies into human safety, environmental impact, product efficacy and more, as required to support product registration.

Mexico's growers offer significant market potential for BVT's natural precision agriculture system: official statistics indicate that the country's production in 2019 included 41,600 acres of strawberries, 12,100 acres of blueberries and over 377,000 acres of tomatoes and peppers. In the same year, US imports of fresh and processed fruits and vegetables from Mexico amounted to US\$15.6 billion.

**July 14, 2022** - The Company announced it has signed a Memorandum of Understanding ("MOU") with Bioglobal A.S. ("Bioglobal") in Turkey to accelerate BVT's entry into the region, with an option to further expand into adjacent countries. Established in 2000, Bioglobal is a leading distributor of plant protection and plant nutrition products in Turkey, the Middle East and the Caucasus. Bioglobal has a long history of providing quality products and have well-established relationships with the region's growing community.

Bioglobal will move forward on registration trials of BVT's proprietary *Clonostachys rosea* CR-7 (CR-7) biological fungicide with Turkish authorities – these are official research trials that are a required part of regulatory submission. If successful, the two companies will work towards a commercial agreement to market and distribute BVT's natural precision agriculture system to growers across the region.

Turkey is an important producer of agricultural products, and bee pollination plays a vital role in Turkish agriculture with an estimated 300,000 bumble bee hives sold in the country annually. Eastern European countries are major importers of Turkish produce. BVT's focus in Turkey will be to target strawberry and tomato growers, with plans to expand into oilseed such as rapeseed (canola), and other berries and vegetables.

Turkish growers produced 440,968 metric tonnes of strawberries in 2018, while utilizing 16,102 hectares of farmland. The country is ranked fourth globally in strawberry production, behind China, the US and Mexico. The strawberry growing season in Turkey is long, with harvest starting in November and continuing into July. Turkey is also fourth largest in the world in tomato production and is a leading exporter of the crop, with 12.2 million metric tonnes in 2018 using 176,430 hectares of farmland. The companies will initially focus on greenhouse tomato production, where there is a serious need to address disease control, as the closed environment hinders the use of traditional spray chemicals.

This milestone represents another step in BVT's overall strategic plan to pursue geographic expansions to open new and diversified revenue streams using the expertise gained through increasing adoption of our technology in the US.

## **3. Portfolio Expansion & Extension:**

**October 14, 2021** - announced its first commercial agreement with BIOGARD, a division of CBC (Europe) S.r.l., one of the leading bioprotectant companies in Europe. Through the agreement, BVT will have exclusive access to BIOGARD's biological insecticide *Beauveria bassiana* ATCC 74040 for bee vectoring uses throughout the European Union and Switzerland. The agreement will enable BVT to operate in the EU through the development and registration of a bee-vectoring product extension of an already-accepted biological active substance, rather than awaiting approval of a new active substance submission - a process that can take up to 3 years.

**January 12, 2022-** The Company and BioSafe Systems, LLC ("BioSafe") today jointly announced they have signed a Memorandum of Understanding (MOU) where the companies have agreed to enter into detailed discussions on multiple business partnership projects that call upon each other's expertise. BioSafe and BVT are both leaders in the agricultural biologicals industry with a similar customer base, and offer services and products that are complementary to one another.

**March 9, 2022** – The Company announced positive results in the progress of its proprietary biological control agent *Clonostachys rosea* strain CR-7 ("CR-7") in the seed treatment market – a significant new revenue opportunity for the Company. The BVT trials conducted in 2021 were built on the positive results from the proof-of-concept work done in 2020 in both the US and Switzerland.

In the trials, soybean seeds were treated with CR-7 together with, and in comparison to, other seed treatment products before they were planted. The purpose of the seed treatment application is to help the seed and the germinating plant fight various soil pests and diseases, and to help with the emergence and vigor of the plant in its early stages, allowing the crop to better reach its genetic potential for yield. The advantage of this approach is precision: unlike foliar sprays, seed treatments get 100% of the product on the plant, and in some cases, impart properties that benefit the plant throughout the growing season.

Soybeans represent a significant market opportunity for BVT. There are 320 million acres planted worldwide, with 86 million in the US, 98 million in Brazil and 40 million in Argentina. BVT estimates about 80% of the soybeans in the US get a seed treatment before planting, including about 50% which get a biological inoculant treatment.

The seed treatment market is a specialized one with different channels in the major growing regions, where things like understanding the genetics of the seed varieties and relationships to the seed companies is important. It is a market which BVT intends to be a technology provider for partners to develop.

#### **COVID-19**

The Company's operations could be significantly adversely affected by the effects of a widespread global outbreak of a contagious disease, including the recent outbreak of respiratory illness caused by COVID-19. The Company cannot accurately predict the impact COVID-19 will have on its operations and the ability of others to meet their obligations with the Company, including uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, and the length of travel and quarantine restrictions imposed by governments of affected countries. In addition, a significant outbreak of contagious diseases in the human population could result in a widespread health crisis that could adversely affect the economies and financial markets of many countries, resulting in an economic downturn that could further affect the Company's operations and ability to finance its operations. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Corporation and its operating subsidiaries in future periods.

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

- 1) New sales impacted as travel restrictions have made it difficult to conduct demonstrations to growers – the most effective way for the Company to discuss and demonstrate its solution with new customers is through in-person interactions. The Company has a small field organization, so it relies on its sales and marketing personnel being able to travel across the US from Canada and within the US for its commercial efforts. Due to the travel restrictions through much of the spring and early summer this was not possible, and so the Company had to use a less effective "virtual" sales process to reach new growers. Despite these constraints the company was still able to penetrate new markets in the midwestern US and the Pacific Northwest, although with fewer growers than it was targeting. As travel restrictions ease, and word-of-mouth from the growers who did use the system spreads, the Company expects being able to reach a wider group of growers for the next season.
- 2) Product registration process has slowed – most government agencies around the world have been running with reduced staff and limited office space during 2020-2021. Regulatory review times have thus been

affected in many countries across the industry. As an example, this has affected the timing on the regulatory approval project for the Company in Mexico: the agriculture and health authorities in Mexico have noted that there are delays in the dossier submission and review processes (they have not indicated how long the delays are). It may also have a lingering effect on other registration related activities for the company in the future.

- 3) R&D activities impacted by travel restriction and access to researchers and labs – many of the Company's R&D activities involve doing studies with university researchers and third-party contract research organizations. These studies use lab space, and university researchers use student researchers to help conduct trials. Labs have had to curtail the amount of studies they can do while respecting social distancing requirements, and with the shortage of students, university researchers have less available labor for them to conduct studies. As a result, the Company has had to reduce the amount of trials it was planning on conducting and delay certain projects to a future date.

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

As the Company has no material revenue, its ability to fund its operations is dependent upon its securing financing through the sale of equity or assets. See "Risk Factors" below.

### **Results of Operations**

The following discussion of the Company's financial performance is based on the financial statements for three and nine months ended June 30, 2022 compared to the three and nine months ended June 30, 2021.

As at June 30, 2022 the Company had a cash and cash equivalents balance of \$394,447 (September 30, 2021 - \$2,710,805) and total current assets of \$1,041,740 (September 30, 2021 - \$2,925,259) (consisting of cash, sales tax and accounts receivable, inventory and prepaid expenses and deposits). During the period, long term assets increased to \$2,357,099 due to the increase in equipment, and costs related to the regulatory approvals, technology development costs, the registration of patents and other regulatory costs (included in intangible assets). Liabilities at June 30, 2022 totalled \$1,528,017 (September 30, 2021 - \$722,079) and comprised of \$1,376,467 (September 30, 2021 - \$486,317) of trade payables and accruals, a lease liability of \$27,115 (September 30, 2021 - \$85,359) and loans payable of \$124,435 (September 30, 2021 - \$150,403). During the quarter, a government SBA loan was forgiven and resulted in a gain on forgiveness in the amount of \$26,566.

Working capital (deficiency), which is comprised of current assets less current liabilities, was \$361,842 at June 30, 2022 compared to working capital of \$2,360,434 at September 30, 2021.

For the three and nine months ended June 30, 2022, the Company had a net loss of \$926,386 and \$3,521,859 compared to a net loss of \$1,132,614 and \$2,969,454 for the same periods in 2021. The increase in loss is primarily related to the increase of issuance of stock options during the period and the related share-based payment expense, and an increase in trials, research and development as further described below.

### **Revenue and gross profit:**

The company recognizes revenue to match the timing of the crop season for which its crop production system is used, which has generally been in late December or early January. In the current period sales commenced at the end of December and continued into Q3. In 2021, sales commenced in early January of Q2.

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.

	Three months ended June 30			Nine months ended June 20		
	2022	2021	% Growth 2022 vs 2021	2022	2021	% Growth 2022 vs 2021
<b>Sales in USD</b>	<b>\$ 120,466</b>	\$ 55,305	+ 118%	<b>\$ 378,021</b>	\$ 313,949	+ 20%
<b>Sales in CAD</b>	<b>\$ 153,629</b>	\$ 70,784	+ 111%	<b>\$ 479,179</b>	\$ 405,686	+ 18%

Sales in USD in Q3 were 118% greater than in 2021 representing significant growth in the Pacific Northwest and the catch-up on some invoices in the Southeast due to seasonal variances from 2021. Sales in USD through 9 months represent a growth of 20% compared to 2021.

The Company is successfully penetrating multiple markets across the US, including the Southeast, the Midwest, the Pacific Northwest and California. This not only gives the Company significant growth opportunities for the future, but the diversification also makes it less susceptible to variability from external conditions which can have a strong impact on any given market – variability can occur from time to time in agriculture, as seen in Georgia during the 2022 season.

In Georgia, the Company's largest market, growers faced severe weather and hard freezes during the blueberry bloom period which had an impact on BVT sales as several growers unfortunately experienced a partial or complete crop loss. These challenges were in addition to high supply costs faced by the farmers which have seen fertilizer prices double over last year in several cases, and prices of fuel and other chemical products necessary to run farming operations increase by up to 40%. Despite these challenges BVT successfully retained the same level of sales in 2022 for the Southeast, while many ag suppliers saw sales orders significantly lower.

Offsetting the relatively flat sales in Georgia, the Company more than doubled revenues in other markets led by a tripling of sales commitments and managed acres in the Pacific Northwest. In addition to the growth in the PNW the Company secured its first sales commitment in California (invoicing for this occurred after Q3 and revenue will appear in Q4 numbers) and built strong relationships with key influencers in Michigan and New Jersey which will help drive further growth in those markets.

Overall gross margins for the nine months ended June 30 improved to 55% in 2022 compared to 39% in 2021. Improvements in gross margin were driven by lower cost of production of BVT's *Clonostachys rosea* strain BVT CR-7 and an increased in sales of the Company's honeybee system which carries a better margin than its bumble bee system.

Below is a summary of the results for the three months and nine months ended June 30, 2022 and June 30, 2021:

	Three months ended June 30,		Nine months ended June 30,	
	2022	2021	2022	2021
<b>Sales</b>	\$ 153,629	\$ 70,784	\$ 479,179	\$ 405,686
<b>Cost of sales</b>	54,902	47,637	215,618	247,502
<b>Gross profit</b>	98,727	23,147	263,561	158,184
<b>Expenses</b>				
Office and general (i)	568,946	680,085	1,694,459	1,757,023
Investor and public relations (ii)	64,458	109,066	363,253	380,455
Sales, advertising and marketing (iii)	170,878	120,914	406,075	360,638
Share based payments (iv)	-	38,636	569,179	175,825
Trials, Research and development (v)	249,152	204,694	769,136	466,253
Royalty payments	-	-	1,569	2,677
<b>Total expenses</b>	<b>1,053,434</b>	<b>1,153,395</b>	<b>3,803,671</b>	<b>3,142,871</b>
<b>Loss before other items</b>	<b>(954,707)</b>	<b>(1,130,248)</b>	<b>(3,540,110)</b>	<b>(2,984,687)</b>
Loss on foreign exchange	2,106	(2,366)	(7,281)	(5,977)
Gain on forgiveness of government loan	26,566	-	26,566	
Interest and other income	(351)	-	(1,034)	21,210
<b>Net loss</b>	<b>\$ (926,386)</b>	<b>\$ (1,132,614)</b>	<b>\$ (3,521,859)</b>	<b>\$ (2,969,454)</b>
<b>Basic and diluted loss per common share</b>	<b>\$ (0.01)</b>	<b>\$ (0.01)</b>	<b>\$ (0.03)</b>	<b>\$ (0.03)</b>

**(i) Office and general:**

Office and general remained in line with a couple notable exceptions. An increase in salaries as the Company hired additional personnel to support the increase in business activity. This increase was offset by a reduction in using external consultants. Depreciation increased due to an increase in equipment acquired, and a slight increase in travel as COVID restrictions eased.

**(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. The expense fluctuates depending on the timing of the marketing campaigns.

**(iii) Sales advertising and marketing:** The Company targeted various business development opportunities through these sales and marketing initiatives including demonstrations of the technology. These costs are anticipated to increase further as COVID restrictions are removed and the company invests in commercialization activities.

**(iv) Share based payments:** Represents the value of options and RSUs that vested during the period. During the period, the Company granted more options to purchase common shares of the Company to and officers and director that in the prior period. This is a non-cash expense.

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

## Summary of quarterly results

Three Months Ended	Net Revenues (\$)	Net Loss	
		Net loss (\$)	Basic and Diluted (Loss) Per Share (\$)
30-June-22	153,629	(926,386)	(0.01)
31-Mar-22	285,568	(1,513,400)	(0.01)
31-Dec-21	39,982	(1,082,073)	(0.01)
30-Sept-21	-	(1,153,125)	(0.01)
31-June-21	64,178	(1,132,614)	(0.01)
31-Mar-21	334,902	(959,407)	(0.01)
31-Dec-20	-	(877,433)	(0.01)
30-Sept-20	-	(2,068,277)	(0.02)

## Liquidity and Capital Resources

As at June 30, 2022, the Company had a working capital deficit of \$361,842 (September 30, 2021 – working capital of \$2,360,434), 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 nine months ended June 30, 2022, the Company used cash of \$2,376,777 in operating activities, compared with \$2,280,888 for the same period in 2021.

In the nine months ended June 30, 2022, the Company used cash of \$192,117 in investing activities, compared to \$202,620 in 2021. The main components of this were \$94,631 of costs related to regulatory approvals, patent registrations and development costs (2021 - \$115,091). The Company also spent \$97,486 for the purchase of equipment (2021 - \$87,529).

During the nine months ended June 30, 2022, the Company collected \$264,645 of funds in advance of closing a private placement financing and received proceeds of \$50,000 from the exercise of stock options. These cash inflows were offset by cash used of \$62,109 for lease payments, for a total of \$252,536 of cash flow from financing activities. In the comparable period, financing activities generated \$5,542,448 primarily from the issue of shares and warrants.

The Company's monthly burn rate on average, which was calculated as cash spent per month in operating activities, was approximately \$265,000. 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:

<b>Year</b>	<b>Minimum lease payment</b>
2022	\$ 41,406
2023	\$ 6,901

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 June 30, 2022, the Company does not have enough to maintain at minimum the next 12 months.

To help alleviate the liquidity concerns, on July 11, 2022, the Company closed a non-brokered private placement of units and unsecured convertible notes for gross proceeds of \$3.8 million.

#### *Variance in Use of Proceeds*

The following table provides a comparison of disclosure previously made by the Company regarding its intended use of proceeds described in the news releases announcing non-brokered private placements on February 4 and 26, 2021 (other than working capital) against the Company's actual use of such proceeds up to June 30, 2022. See the annual MD&A for the year ended September 31, 2021 for details on previous private placements. The original intended use of the proceeds was to fund its ongoing growth strategy in the agricultural space, for continued research and development and general working capital purposes. All amounts listed below in general and administrative expenditures exclude non-cash expenses. The amounts presented in the table below are approximate.

<b>Date of financing</b>	<b>Purpose</b>	<b>Amount Raised</b>	<b>Intended Use</b>	<b>Amount Used to Date</b>	<b>Amount remaining</b>
Feb 4, 2021 & Feb 26, 2021		\$3,224			\$0
	Commercial growth (sales & marketing)		\$440	\$342	
	R&D		\$424	\$577	
	General & Admin		\$2,360	\$2,305	

#### **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 nine months ended June 30, 2022 and June 30, 2021:

	2022	2021
*CEO fees (i)	\$ 276,125	\$ 236,843
*CFO fees (ii)	22,500	22,500
*Consulting fees charged by a Chelsian Sales & Service (iii)	45,000	45,000
*Consulting fees charged Flueckiger Consulting (iv)	-	22,079
*Consulting fees charged Exelerate Inc. (vii)	37,609	-
Share based payments	276,565	53,350
	<b>\$ 657,799</b>	<b>\$ 379,772</b>

*\*Represents key management remuneration*

- (i) Salary and/or consulting fees paid to the CEO for services rendered. As at June 30, 2022, \$105,650 (September 30, 2021 - \$20,438) is owed to the CEO.
- (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 June 30, 2022 \$14,125 (2021 –\$325) 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 June 30, 2022 \$18,250 (2021 –\$1,300) was owed to Chelsian Sales and Service Inc.
- (iv) Consulting fees charged by Flueckiger Consulting, a corporation owned by a former director of the Company, for reviewing product development and marketing plans, reviewing data from trials, and other services as required.
- (v) The Company employs a relative of a director of the Company as sales manager. During the nine months ended June 30, 2022, the employee earned a salary and benefits of \$83,740 (2021 - \$76,083).
- (vi) Consulting fees charged by Exelerate Inc, a corporation owned by a director of the Company, for governance and business development services.

## **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

*Intangible assets valuation for impairment purposes*

The Company assesses impairment by comparing the recoverable amount of an intangible asset with its carrying value. The recoverable amount is defined as the higher of value in use, or fair value less cost to sell. The determination of the recoverable amount involves management estimates. The Company used fair value less cost to sell to determine the recoverable amount of the cash generating unit. Judgement was used in determining the basis of calculating fair value. As the Company has a single cash generating unit, management used the market value of the Company's share price as a proxy of the fair value of the cash generating unit. In addition, management applied judgement in the estimation of the cost to sell. This estimation of cost to sell was sensitized within a reasonable range and did not result in an impairment.

#### *Useful life of property, plant and equipment*

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

#### *Useful life of intangible assets*

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

#### *Valuation of share-based payments*

The Company uses the Black-Scholes Option Pricing Model to calculate the fair value of stock options and of common share purchase warrants issued. The model requires the input of subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate. Estimates are used for valuing RSUs granted for determining vesting dates when based on milestones. RSU's are granted with vesting conditions that are based on non-market performance conditions and milestones.

#### *Judgments*

##### *Capitalization of development costs*

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

##### *Capitalization of regulatory costs*

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

##### *Functional currency*

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

##### *Going concern*

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

#### *Financial Instruments*

##### *Fair Value*

Financial instruments of the Company as at September 30, 2021 and September 30, 2020 consist of cash, other receivables, accounts payable and accrued liabilities, and loans payable. There are no significant differences between the carrying amounts of the cash, other 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 payable are recognized initially and subsequently at amortized cost.

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

#### *Market risk*

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

#### *Foreign currency risk*

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of a change in foreign exchange rates. The Company is exposed to foreign currency risk on cash, 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 June 30, 2022, the Company had \$57,280 of net financial instruments denominated in U.S. dollars. The effect on 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 \$5,728, 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.

#### *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 and accounts receivable). 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 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 2022 and 2021.

At June 30, 2022, the Company has current assets of \$1,041,740 (September 30, 2021 - \$2,925,259) and current liabilities of \$1,403,582 (September 30, 2020 - \$564,825) resulting in working capital of \$361,842 (September 30, 2021 - working capital (\$2,360,434)).

### **Disclosure of Share Capital**

As at the date of this report the Company had 132,654,563 common shares issued and outstanding.

As at the date of this report the Company had 36,938,424 share purchase warrants outstanding.

As at the date of this report the Company 11,653,300 stock options and 2,448,000 RSUs outstanding.

### **Risks**

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