BIONEUTRA GLOBAL CORPORATION

(Unaudited)

Interim Condensed Consolidated Financial Statements

For the Three Months Ended March 31, 2020

NOTICE OF NO AUDITOR REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS.

Under National Instrument 51-102, "Continuous Disclosure Obligations", Part 4.3(3)(a), if an auditor has not performed a review of the interim condensed consolidated financial statements, they must be accompanied by a notice that the interim condensed consolidated financial statements have not been reviewed by an auditor.

The Company's external auditors, RSM Alberta LLP, have not performed a review of these interim condensed consolidated financial statements.

BIONEUTRA GLOBAL CORPORATION
(Unaudited)
Interim Condensed Consolidated Statement of Financial Position
(Expressed in Canadian Dollars)
Going Concern (Note 2)

	March 31, 2020	December 31, 2019
ASSETS		
Current Assets		
Cash and cash equivalents	$ 1,579,888	$ 523,102
Accounts Receivable (Note 6)	3,797,069	3,298,533
Inventories (Note 7)	12,072,023	14,809,220
Prepaid expenses and deposits	648,492	2,006,392
	18,097,472	20,637,247
Property, plant and equipment	13,052,966	12,260,270
Intangible Assests	1,089,951	1,127,251
	$ 32,240,389	$ 34,024,768
LIABILITIES		
Current Liabilities		
Accounts Payable and accrued liabilities	$ 17,811,885	$ 20,261,342
Claim settlement	364,047	694,064
Provision for lawsuit (Note 12)	643,000	643,000
Deferred revenue	133,775	-
Current portion of repayable government contribution	31,250	31,250
Current portion of mortgage payable	473,838	896,515
	$ 19,457,796	$ 22,526,171
Repayable government contribution	31,250	62,500
Mortgages payable	6,886,000	6,683,615
	26,375,046	29,272,286
SHAREHOLDERS' EQUITY		
Share capital (Note 8)	7,551,438	7,551,438
Warrants	5,400	5,400
Share-based compensation reserve	177,013	177,013
Contributed surplus	1,142,359	1,142,359
Accumulated other comprehensive income	2,601,393	363,663
(Deficit)	(5,612,260)	(4,487,391)
	5,865,343	4,752,482
	$ 32,240,389	$ 34,024,768

Contingencies and Provisions (Note12)
Subsequent Events (Note 13)

(signed) "Jianhua Zhu"
Director

(signed) "Jason Theiss"
Director

See accompanying notes to the consolidated financial statements

BIONEUTRA GLOBAL CORPORATION
(Unaudited)
Interim Condensed Consolidated Statement of Financial Position
(Expressed in Canadian Dollars)

"For the three months ended"	March 31, 2020	March 31, 2019
Sales	**$7,166,363**	$8,630,366
Cost of sales	**5,398,301**	6,257,953
Gross profit	**1,768,062**	2,372,413
Expenses		
Foreign exchange loss	**924,876**	1,027,501
Salaries and benefits	**715,380**	846,103
Warehouse costs	**509,574**	266,310
General and administrative	**199,969**	605,999
Amortization of intangible assets	**150,165**	225,583
Research and development	**116,344**	67,635
Interest on long-term debts	**110,574**	125,948
Depreciation of property, plant and equipment	**105,165**	32,794
Sales and marketing	**84,345**	231,957
Professional fees	**25,817**	112,786
Interest and bank charges	**18,356**	15,708
	2,960,563	3,558,324
Loss before income taxes and other income	**(1,192,502)**	(1,185,911)
Other income		
Interest and other	**81**	218
Income before income taxes	$ **(1,192,421)**	$ (1,185,693)
Income taxes recovery		
- current	$ **(67,552)**	---
- deferred		(54,855)
	$ **(67,552)**	(54,855)
Net loss	$ **(1,124,869)**	(1,130,838)
Other comprehensive income (loss)		
Items that will be reclassified subsequently to profit or loss Gain (loss) on translation to presentation currency	**2,237,730**	$ (336,022)
Comprehensive income (loss)	$ **1,112,861**	$ (1,466,860)
(Loss) per share: (Note 9)		
Basic	**($0.02)**	($0.02)
Diluted	**($0.02)**	($0.02)

See accompanying notes to the consolidated financial statements

BIONEUTRA GLOBAL CORPORATION
(Unaudited)
Interim Condensed Consolidated Statement of Cash Flows
(Expressed in Canadian Dollars)

	March 31, 2020	March 31, 2019
Cash Provided by (Used in):		
Operating Activities		
Net income	$ (1,124,869)	$ (1,130,838)
Interest and financial fee amortized	110,574	125,948
Items not affecting cash:		
Depreciation of property, plant and equipment	319,725	32,794
Amortization of intangible assets	150,165	225,583
Deferred income taxes	-	(54,855)
Change in non-cash working capital balances (Note 10)	1,960,568	753,824
Net cash flow provided by (used in) by operating activities	1,416,163	(47,544)
Investing Activities		
Purchase of property, plant and equipment	(13,088)	(39,832)
Purchase of intangible assets	(24,701)	(10,210)
Net cash flow used in investing activities	(37,789)	(50,042)
Financing Activities		
Repayment of mortgages	(220,292)	(217,015)
Interest paid	(108,759)	(125,948)
Proceeds from share issuance	-	249,500
Repayment of government contribution	(31,250)	(31,250)
Net cash flow used in financing activities	(360,301)	(124,713)
Increase (decrease) in cash	1,018,073	(222,299)
Effect of foreign exchange	38,712	334,527
Cash, beginning of period	523,102	1,497,580
Cash, end of period	$1,579,888	$1,609,808
Cash consist of:		
Cash on deposits	$1,579,888	$1,738,097
Bank indebtedness	-	(128,289)
	$1,579,888	$1,609,808

See accompanying notes to the consolidated financial statements

BIONEUTRA GLOBAL CORPORATION

(Unaudited)

Interim Condensed Consolidated Statement of Changes in Equity

For the Period Ended March 31, 2020

(Expressed in Canadian Dollars)

	Share Capital (Note 8)							
	Number	Amount	Warrants	Share Based Compensation Reserve	Contributed Surplus	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Total
Balance, December 31, 2018	45,949,787	$7,301,938	$358,038	$961,334	-	$1,481,486	$7,955,923	$18,058,719
Options expired	-	-	-	-740,068	740,068	-	-	-
Warrants expired	-	-	$ (301,678)		301,678	-	-	-
Warrants exercised	499,000	249,500	$ (56,360)		56,360	-	-	249,500
Comprehensive loss	-	-	-	-	-	(336,022)	-	(336,022)
Net Loss for the period	-	-	-	-	-	-	(1,130,838)	(1,130,838)
Balance March 31 , 2019	46,448,787	$7,551,438	-	$221,266	$1,098,106	$1,145,464	$6,825,085	$16,841,359
Balance, December 31, 2019	**46,448,787**	**$7,551,438**	**$5,400**	**$177,013**	**$1,142,359**	**$363,663**	**(4,487,391)**	**$4,752,482**
Comprehensive income	**-**	**-**	**-**	**-**	**-**	**2,237,730**	**-**	**2,237,730**
Net Loss for the period	**-**	**-**	**-**	**-**	**-**	**-**	**$ (1,124,869)**	**$ (1,124,869)**
Balance March 31 , 2020	**46,448,787**	**$7,551,438**	**$5,400**	**$177,013**	**$1,142,359**	**$2,601,393**	**(5,612,260)**	**$5,865,343**

See accompanying notes to the consolidated financial statements

1. Description of Business

BioNeutra Global Corporation (the "Company") was incorporated under the Alberta Business Corporations Act on March 8, 1996. Through its subsidiaries, the Company is involved in the research and development, production and commercialization of food ingredients for nutraceuticals, functional and mainstream foods, with a focus on oligosaccharides. The Company's registered office is located at 9608 – 25 Avenue, Edmonton, Alberta, T6N 1J4, Canada. The Company's common shares are listed on the TSX Venture Exchange under the symbol "BGA".

These interim unaudited condensed consolidated financial statements were approved by the Board of Directors on July 9, 2020.

2. Going Concern Assumption

These consolidated financial statements were prepared on a going concern basis, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business for the foreseeable future.

During the year ended 2019, the company incurred a significant loss from operations. Several one time costs contributed to this loss including the bankruptcy of a major customer and the resulting write down of an accounts receivable, the settlement of litigation with a customer over a labelling issue, and supply chain problems that caused a significant decline in the gross margin for 2019 when compared to historical standards. As a result, the company exited 2019 with a significantly weakened balance sheet and this situation remains at March 31, 2020.

The Company has historically relied on profitable operations and debt financing to fund its operating and capital expenditures, supplemented by some common share equity offerings and government grants. At March 31, 2020, the Company's working capital deficiency was ($1,360,324). The company is reliant on the return to profitable operations, the continued support of its operating credit line lender (Note 5), and the continued support of its mortgage debt creditors. The company may attempt to improve liquidity by raising capital through a single or multiple equity offerings, but there is significant risk in the current market environment, including the influences of COVID-19 on the capital markets more fully described in Note 13, that funds may not be available to the extent they are required or at all.

The Company has undertaken changes to return its operations to profitability. This includes significant head count reductions, new senior management additions with significant experience in the Company's industrial sector, new independent board members, and a new operational focus prioritizing the Company's core strengths and most attractive growth opportunities. The company has had recent discussions and at the current time continues to have full access to their credit facilities. This has included COVID-19 principal deferrals more fully described in Note 14, and a letter of offer to renew the line of credit more fully described in Note 5. While the Company is confident in the actions it has taken to restore

2. Going Concern Assumption (Continued)

profitability there is a significant risk in the current environment that its sales may be negatively impacted by the COVID-19 pandemic and recent regulatory pronouncements in the USA regarding fiber claims for the Company's products.

The above noted conditions indicate the existence of material uncertainties that may cast significant doubt regarding the Company's ability to continue as a going concern and otherwise execute on its business strategies. These consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary were the going concern assumption deemed to be inappropriate. These adjustments could be material.

3. Basis of Presentation

These interim condensed consolidated financial statements have been prepared in accordance and compliance with International Accounting Standard 34 ("IAS 34"). Accordingly, certain financial information and disclosures normally included in annual financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") have been omitted or condensed. The disclosure herein is incremental to the disclosure included in the annual consolidated financial statements. The interim condensed consolidated financial statements should be read in conjunction with the annual audited consolidated financial statements for the year ended December 31, 2019.

Certain comparative figures have been reclassified to conform to the current year presentation.

4. Summary of Significant Accounting Policies

Recently Adopted Accounting Pronouncements

The accounting policies applied by the Company in the interim condensed consolidated financial statements are the same as those applied by the Company in its audited financial statements for the year ended December 31, 2019 except for the adoption of the following standards effective January 1, 2020.

The International Accounting Standards Board (IASB) has issued 'Definition of a Business (Amendments to IFRS 3)' aimed at resolving the difficulties that arise when an entity determines whether it has acquired a business or a group of assets. The amendments are effective for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2020. The adoption of this amendment did not have a material impact on the Company's interim condensed consolidated financial statements.

4. Summary of Significant Accounting Policies (Continued)

The International Accounting Standards Board (IASB) has issued 'Definition of Material (Amendments to IAS 1 and IAS 8)' to clarify the definition of 'material' and to align the definition used in the Conceptual Framework and the standards themselves. The amendments are effective for annual reporting periods beginning on or after January 1, 2020.

Standards Issued but not yet Effective

On January 23, 2020, the IASB issued "Classification of Liabilities as Current or Non-Current (Amendments to IAS1) proving a more general approach to the classification of liabilities under IAS 1 based on contractual arrangements in place at the reporting date. The amendments are effective for annual reporting periods beginning on or after January 1, 2022. The Company is in the process of evaluating the impact of the standard on its consolidated financial statements.

5. Line of Credit

The Company has a credit facility with a maximum funding limit of $2,000,000 to assist with working capital needs that is due on demand, bears interest at prime plus 1.50% per annum and is secured by a first charge on accounts receivable and inventories more fully described in Notes 5 and 6 . The maximum funding limit is determined as the lesser of $2,000,000 or the Borrowing Base Calculation. The Borrowing Base Calculation is calculated based on the value of 90% of accounts that are insured by a third party and lagged up to 90 days, plus an additional amount of up to $500,000 for non-insured accounts aged up to 90 days. As of March 31, 2020, the Company has drawn $nil (2019 - $128,289) against this facility. This amount has been netted against the cash on the statement of financial position.

At March 31, 2020, the credit limit determined by the Borrowing Base Calculation was $1,673,865.

The facility has a covenant requiring debt service coverage of 120%. At March 31, 2020 the Company was not in compliance with this covenant.

(Expressed in Canadian Dollars)

6. Accounts Receivable

	March 31, 2020	December 31, 2019
Trade receivables	$3,597,546	$3,239,766
Miscellaneous receivables	199,523	$58,767
	$ 3,797,069	$3,298,533

The trade receivables have been pledged as security for the credit facility more fully described in Note 5.

7. Inventories

	March 31, 2020	December 31, 2019
Raw materials	$618,133	$659,846
Work in progress	18,240	110,800
Finished goods	11,435,650	14,038,574
	$12,072,023	$14,809,220

Inventories recognized as cost of sales during the period is $ 5,398,301 (2019 - $ 6,257,953) which included total inventory writedown charges of $nil (March 31, 2019- $862,584).

The inventory has been pledged a security for the credit facility more fully described in Note 5.

8. Share Capital

The company is authorized to issue:

Unlimited common voting shares and

Unlimited redeemable, retractable, non-voting preferred shares

As of March 31, 2020, the Company has 46,448,787 (December 31, 2019 – 46,448,787) common shares issued and outstanding.

The Company has a stock option plan whereby the maximum number of shares reserved for issuance shall not exceed 10% of the issued and outstanding common shares of the Company. Stock options may be

(Expressed in Canadian Dollars)

8. Share Capital (Continued)

granted to directors, employees, management company employees and consultants. The exercise price of the options granted shall be determined by the Board of Directors in accordance with the policies of the TSX Venture Exchange. No single participant may be issued options representing greater than 5% of the number of outstanding shares in any 12 month period unless the Company has obtained disinterested shareholder approval. The number of shares reserved for issuance to any one consultant of the Company may not exceed 2% of the number of outstanding shares in any 12 month period. The aggregate number of options granted to persons employed in investor relation activities must not exceed 1% of the outstanding shares in any 12 month period. Options issued to consultants providing investor relations services must vest in stages over 12 months with no more than one quarter of the options vesting in any three month period. The exercise price per common share for an option shall not be less than the greater of the closing market price of the common shares on (i) the trading day prior to the date of the grant of the option and (ii) the date of the grant of the option. Every option shall have a term not exceeding and shall therefore expire no later than 10 years after the date of grant. Terms of vesting of the options, the eligibility of directors, officers, employees, management company employees and consultants to receive options and the number of options issued to each participant shall be determined at the discretion of the Board of Directors, subject to the policies of the TSX Venture Exchange.

The activity related to stock options and the balance that are outstanding and exercisable at March 31, 2020 and March 31, 2019 are as follows:

	Number of Options	Exercise Price
Balance, December 31, 2018	2,670,000	0.55
Options granted	-	-
Options expired	(2,130,000)	0.41
Balance, March 31, 2019	540,000	0.55
Balance, December 31, 2019	**390,000**	**0.55**
Options granted	**-**	**-**
Options expired	**-**	**-**
Balance, March 31, 2020	**$ 390,000**	**$ 0.55**

The 390,000 options outstanding and exercisable at March 31, 2020 have a remaining contract life of .1 years.

Warrants

The activity related to warrants and the balance that are outstanding and exercisable at March 31, 2020 is as follows:

(Expressed in Canadian Dollars)

8. Share Capital (Continued)

	Number of Warrants	Exercise Price
Balance, December 31, 2018	3,170,000	$ 0.50
Warrants exercised	(499,000)	0.50
Warrants expired	(2,671,000)	0.50
Balance, March 31, 2019	-	$ -
Balance, December 31, 2019	**200,000**	**$ 0.40**
Balance, March 31, 2020	**200,000**	**$ 0.40**

9. Loss per Share

The basic earnings loss per share is based on the weighted average number of common shares outstanding for the year ended March 31, 2020 of 46,448,787 (2019 – 46,448,787). The diluted earnings (loss) per share is based on the weighted average number of common shares outstanding for period ended March 31, 2020 of 46,448,787 (2019 – 46,448,787) taking into effect all potentially dilutive securities. The effects of potentially dilutive instruments on the loss per shares at March 31, 2020 are anti-dilutive and therefore have been excluded from the calculation of diluted loss per share.

10. Changes in Non-Cash Working Capital Balance

	March 31, 2020	March 31, 2019
Accounts receivable	**-$498,536**	$162,541
Prepaid expense and deposits	**1,393,172**	-168,097
Inventories	**3,711,631**	1,394,424
Accounts payable and accrued liabilities	**-2,449,457**	-629,617
Claim settlement	**-330,017**	-
Deferred revenue	**133,775**	-5,427
	$1,960,568	$753,824

11. Financial Instruments and Risk Management

Fair Value of Financial Instruments

As at March 31, 2020, no financial instruments are measured at fair value. All financial instruments are measured at amortized cost using the effective interest rate method. The

(Expressed in Canadian Dollars)

11. Financial Instruments and Risk Management (Continued)

carrying amounts and fair values of the Company's financial instruments are presented in the table below:

	March 31,2020			March 31, 2019		
	Carrying Amount		**Fair Value**	Carrying Amount		Fair Value
Amortized cost:						
Cash	**1,579,888**	**(A)**	**1,579,888**	1,609,808	(A)	1,609,808
Accounts receivable	**3,797,069**	**(A)**	**3,797,069**	4,335,180	(A)	4,335,180
Investment	**-**	**(A)**	**-**	515,651	(A)	515,651
Accounts payable and accrued liabilities	**17,811,885**	**(A)**	**17,811,885**	12,108,706	(A)	12,108,706
Claim settlement	**364,047**	**(A)**	**364,047**	-	(A)	-
Repayable government contribution	**62,500**	**(B)**	**n/a**	93,750	(B)	n/a
Mortgages payable	**7,428,731**	**(C)**	**7,428,731**	8,809,104	(C)	8,801,806

(A) The fair values of cash, accounts receivable, accounts payable and accrued liabilities, and claim settlement approximate their carrying amounts due to the relatively short periods to maturity of these financial instruments.

(B) The fair value of repayable government contribution cannot be determined as there is no market for financial instruments which bear no interest.

(C) The fair value of mortgages payable is determined by discounting the future contractual cash flows under the current financing arrangements at a discount rate that represents an approximation to the borrowing rates presently available to the Company for debts with similar terms to maturity. The fair value of mortgage payable is measured at fair value-Level 2.

For the three months period ended March 31, 2020 there were no transfers between levels.

Financial Risk Management

The Company's activities are exposed to a variety of financial risks: credit risk, concentration of risk, foreign currency risk, interest rate risk, and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial and economic markets and seeks to minimize potential adverse effects on the Company's financial results. Risk management is carried out by financial management in conjunction with overall corporate governance.

11. Financial Instruments and Risk Management (Continued)

Liquidity Risk

`The Company's exposure to liquidity risk is dependent on the collection of accounts receivable, purchasing commitments and obligations or raising of funds to meet commitments and sustain operations. The Company controls liquidity risk by management of working capital and cash flows. As at March 31, 2020, the Company was holding net cash of $1,579,888 (December 31,2019 - $523,102), accounts receivable of $3,797,069 (December 31, 2019 - $3,298,533) and had a working deficiency of $1,360,324 (December 31,2019 - working capital deficiency of $1,928,672) (see Going Concern- note 2). Non-derivative financial liabilities of $19,457,796 (December 31, 2019 -$22,526,171) will be settled within one year.

Credit Risk

The Company's exposure to credit risk that relates to cash and accounts receivable arises from the possibility that the third party does not satisfy its contractual obligations. The Company minimizes its exposure to credit risk by keeping the majority of its cash with major chartered banks, reviewing new customers' credit history before extending credit, conducting regular reviews of its existing customers' credit performance and insuring the receivable balances to the extent possible with a third-party insurance company. The trade receivables are generally due for settlement within 60 days subsequent to the sales activities. An allowance for doubtful accounts is established based upon Expected Credit Loss

Model. The Company's maximum exposure to credit risk is equal to the total value of the financial assets. There is no significant amount considered past due or impaired as at March 31, 2020 other than a single account which has a provision for loss established.

Concentration of Risk

The Company is exposed to credit risk on the accounts receivable from its customers. As at March 31, 2020, approximately 59% (December 31, 2019 – 43% from two customers) of the trade accounts receivable balance are owed from three customers. The Company minimizes its exposure to the concentration of risk by developing a larger client base.

The Company obtains inventory from companies in Asia and is dependent on them to supply substantially all its inventory for resale. Should these suppliers substantially change their dealings with the Company, management is of the opinion that continued viable operations could be maintained through obtaining inventory from other manufacturers and the continued ramp up of its own manufacturing facility.

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

11. Financial Instruments and Risk Management (Continued)

risk on cash, accounts receivable and accounts payable denominated in U.S. dollars and accounts receivable denominated in Euro. The Company does not use derivative instruments to reduce its exposure to foreign currency risk.

Sensitivity Analysis

As a result of the Company's assets and liabilities being denominated in the U.S. dollar, which is different to the presentation currency of the Company, the profit or loss and equity of the Company could be affected by the movements between the functional currency and the presentation currency. The table below indicates the foreign currency to which the Company has exposure as at March 31, 2020 and December 31, 2019 in Canadian dollar terms. The table also illustrates the potential impact to the Company's net equity and net income as at March 31, 2020 and December 31, 2019 if the Company's presentation currency had strengthened or weakened by 5% in relation to the U.S. dollar, with all other variables held constant. In practice, the actual result may differ materially from this sensitivity analysis.

	Total Exposure		Impact on Net Equity		Impact on Net Income	
	March 31, 2020	December 31 2019	March 31, 2020	December 31 2019	March 31, 2020	December 31 2019
U.S dollar	**$ 7,214,627**	$ 4,964,765	**$ 360,731**	$ 472,510	**$ 360,731**	$ 472,510
As a % of net equity	**125.23%**	190.53%	**6.26%**	9.52%		
As a % of net income					**-32%**	-4%
As a % of comprehensive					**32%**	-3%

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. The Company is exposed to interest rate price risk on its mortgages payable which bears a fixed interest rate, and interest rate cash flow risk on its floating rate line of credit and mortgage payable. A one-percent (1%) increase or decrease in interest rates would not have a material effect on the Company's operating results.

Capital Management

The Company's objective when managing capital is to maintain adequate cash resources to support planned activities which include the continuing operations of the business. The Company includes shareholders' equity of $5,865,343 (December 31, 2019 - $4,752,482) and mortgages payable of

11. Financial Instruments and Risk Management (Continued)

$7,428,731 (December 31, 2019 - $7,650,838) in the definition of capital.

In managing capital, the Company estimates its future cash requirements by preparing a budget. The budget establishes the activities for the upcoming year and estimates the costs associated with these activities.

Historically, funding for the Company's plan was primarily managed through the cash generated from operations and through obtaining debt financing. There are no assurances that funds will be made available to the Company when required.

The Company is subject to debt covenants more fully described in Note 5.

12. Contingencies and Provisions

a) Vita US Inc. has filed an originating application against BioNeutra seeking the following:

- A declaration that agency agreements between the parties are binding upon BioNeutra;
- An order requiring BioNeutra to disclose all records they have with their dealings with leads provided to them by Vita US Inc.;
- Costs of the application; and
- Such other relief as the court deems just

No amount has been accrued in the Company's financial statements as the outcome of this matter cannot be determined and the amount of the loss cannot be readily determined. The total amount of the claim is $75,000

b) A claim has been made by Mohammad Hassan Qureshi and Pak-Alberta Consultant Inc. as the plaintiff, against BioNeutra North America Inc. The action was filed March 17, 2017 seeking damages of $670,000. The company has accrued a provision of $643,000 for this potential liability. BioNeutra has filed a Statement of Defense and a counterclaim in this matter. The counterclaim was filed for amounts totalling $2,100,000 for losses suffered because of various actions undertaken by the plaintiffs. No amount has been accrued in the Company's consolidated financial statements for the counterclaim, however the amount of the damage award, if any, on the counterclaim would be offset against the amount of a damage award, if any, to the plaintiffs.

13. Subsequent Events

a) Subsequent to quarter end, the company renegotiated the terms of mortgage payable on its land and building. The mortgage holder has agreed to allow interest only payment for the months of May 2020, June 2020, and July 2020 and to extend the end date of the mortgage to July 15, 2043. This will result in lower repayments of $23,929 plus interest commencing August 15, 2020 versus the current repayment of $26,738 plus interest.

b) Subsequent to the year end, the company renegotiated the terms of the mortgage payable on its manufacturing equipment. The mortgage holder has agreed to allow interest only payment for six months commencing June 1, 2020 with principal and interest payments recommencing on December 1, 2020. The ending amortization date was also extended to July 1, 2022 resulting in a monthly payment of $36,289, a reduction from the current repayment of $50,097.

c) Early in 2020, the global economy was severely impacted by the COVID-19 pandemic. The Company generates most of its sales in the United States, the country most severely impacted by COVID-19 in terms of confirmed cases and deaths. The Company has been able to continue all of its operations to date and introduced changes to ensure the operations are maintained while ensuring the safety of its employees and all key stakeholders. The Company is however unable to determine the impact, if any, that the COVID-19 may have on its operations and profitability in 2020 and beyond. The Company also expects that the negative impact of COVID-19 on the capital markets will make the option of raising equity financing difficult should the Company wish to pursue this option.