Schafer Edward T Form 4 December 22, 2017

UNITED STATES SECURITIES AND EXCHANGE COMMISSION Washington, D.C. 20549

OMB APPROVAL OMB

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Check this box if no longer subject to Section 16.

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF **SECURITIES** Form 4 or

Form 5 Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, obligations Section 17(a) of the Public Utility Holding Company Act of 1935 or Section may continue. 30(h) of the Investment Company Act of 1940 See Instruction

1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person *

(First)

Schafer Edward T

(Last)

60

(Instr. 3)

2. Issuer Name and Ticker or Trading

Symbol

BION ENVIRONMENTAL

TECHNOLOGIES INC [BNET]

3. Date of Earliest Transaction

(Month/Day/Year) 11/07/2017

1400 31ST AVENUE SW, SUITE

(Middle)

(Street)

Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to

Issuer

(Check all applicable)

_X__ Director 10% Owner X_ Officer (give title Other (specify

below)

Executive Vice Chairman

4. If Amendment, Date Original 6. Individual or Joint/Group Filing(Check

Applicable Line)

X Form filed by One Reporting Person Form filed by More than One Reporting

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

MINOT, ND 58701

(State) (Zip) (City) 1. Title of 2. Transaction Date 2A. Deemed Security

3. 4. Securities (Month/Day/Year) Execution Date, if TransactionAcquired (A) or Code (Month/Day/Year) (Instr. 8)

Disposed of (D) (Instr. 3, 4 and 5)

(A)

or

5. Amount of Securities Beneficially Owned Following

6. Ownership 7. Nature of Form: Direct Indirect (D) or Indirect Beneficial (I) Ownership (Instr. 4) (Instr. 4)

Reported Transaction(s) (Instr. 3 and 4) Code V Amount (D) Price

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Conversion

3. Transaction Date 3A. Deemed

5. Number of (Month/Day/Year) Execution Date, if TransactionDerivative Securities 6. Date Exercisable and **Expiration Date**

7. Title a Underlyi

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Security (Instr. 3)	or Exercise Price of Derivative Security		any (Month/Day/Year)	Code (Instr. 8)	Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		(Month/Day/Year)		(Instr. 3 a
				Code V	(A)	(D)	Date Exercisable	Expiration Date	Title
Options (Right to Buy) (1)	\$ 0.75	11/07/2017	11/07/2017	A	190,000		11/17/2017	12/31/2020	Comm
Convertible Deferred Compensation	\$ 0.72	11/07/2017		J		144,507	(2)	(2)	Comm
January 2015 Convertible Note Warrants	\$ 1	11/07/2017		A	210,635		<u>(4)</u>	<u>(4)</u>	Comm Stock
January 2015 Convertible Note	\$ 0.5	11/30/2017		J	2,798		(2)	<u>(4)</u>	Comm Stock
January 2015 Convertible Note (3)	\$ 1.5	11/30/2017		J	211,334		(2)	<u>(4)</u>	Warrar

Reporting Owners

Reporting Owner Name / Address	Relationships						
1	Director	10% Owner	Officer	Other			
Schafer Edward T 1400 31ST AVENUE SW, SUITE 60 MINOT, ND 58701	X		Executive Vice Chairman				

Signatures

Reporting Person

/s/ Edward T.
Schafer

**Signature of Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, see Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) Each of which options includes a potential future 90% exercise bonus "exercise bonus" (See Notes 9&10, Financial Statements, Form 10-Q for quarter ended 9/30/17
 - This report reflects the cancellation (effective November 7, 2017) (per agreements reached between October 14 Nov 6, 2017) of \$121,386 of accrued convertible deferred compensation (including November 2017 accrual) which was convertible into 144,507 shares of common stock at November 7, 2017 (see Notes 5&10 Financial Statements Form 10-Q for quarter ended 9/30/17 (Note that, per item 12,
- (2) Form 10 k (for year ended June 30 2017) \$120,269 of convertible deferred compensation was convertible into 133,164 shares at August 15, 2017. This category of security's amount has varied with the addition of accrued deferred compensation and has fluctuated in number as the market-based conversion price has varied by formula. New accruals will commence during December 2017 with the same variables in place.

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The number of warrants included in Units to be received in conversion of existing "January 2015 Convertible Note" (as defined in Form 10-Q Financial Statements, Note 7 and other SEC filings) has increased from 1/4 to 1/2 per Unit which change increased potential warrants to be received in the event of conversion of Mr. Schafer's "January 2015 Convertible Note" by 210,635 at November 7, 2017

- warrants to be received in the event of conversion of Mr. Schafer's "January 2015 Convertible Note" by 210,635 at November 7, 2017 including interest accruals through November 30, 2017 (with future increase due to subsequent interest accruals). The Potential future "exercise bonus" for these warrants (and all other options and warrants owned by Mr. Schafer (and his donees)/assignees) was increased to 75% from 50%. See Notes 7, 9 & 10 Financial Statements Form 10Q for quarter ended 9/30/17.
 - Outstanding "January 2015 Convertible Note" (as defined in Form 10-Q Financial Statements, Note 7 and other SEC filings) has a balance (principal plus accrued interest) of approximately \$421,270 as of November 30, 2017. The note is convertible at \$.50 per unit into
- (4) units consisting of 1 share of common stock and 1/2 warrant ((842,540 Units consisting of 842,540 shares of common stock and 421,270 warrants, in aggregate). See Note 3 above. (See Notes 7, 9 & 10 Financial Statements, Form 10 Q for quarter ended 9/30/17. The number of Units will increase as interest accrues.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.