

Schafer Edward T
 Form 4
 December 22, 2017

FORM 4

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

OMB APPROVAL

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
 Schafer Edward T

2. Issuer Name and Ticker or Trading Symbol
 BION ENVIRONMENTAL TECHNOLOGIES INC [BNET]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
 1400 31ST AVENUE SW, SUITE 60
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
 11/07/2017

Director 10% Owner
 Officer (give title below) Other (specify below)
 Executive Vice Chairman

MINOT, ND 58701

(City) (State) (Zip)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

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

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)		
				(A) or (D)	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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SEC 1474 (9-02)

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

1. Title of Derivative	2. Conversion	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if	4. Transaction	5. Number of Derivative 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)	
				Code	V	(A)	(D)		Date Exercisable
Options (Right to Buy) <u>(1)</u>	\$ 0.75	11/07/2017	11/07/2017	A		190,000	11/17/2017	12/31/2020	Comm Stock
Convertible Deferred Compensation	\$ 0.72	11/07/2017		J		144,507	<u>(2)</u>	<u>(2)</u>	Comm Stock
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	<u>(2)</u>	<u>(4)</u>	Comm Stock
January 2015 Convertible Note <u>(3)</u>	\$ 1.5	11/30/2017		J		211,334	<u>(2)</u>	<u>(4)</u>	Warran

Reporting Owners

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

Signatures

/s/ Edward T.
Schafer

12/22/2017

**Signature of
Reporting Person

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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(3) 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 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.

(4) 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 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.

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