



## ***Management's Discussion & Analysis***

Three months ended June 30, 2016

Dated August 29, 2016



**August 29, 2016**

This Management Discussion and Analysis ("MD&A") for Radiant Technologies Inc. (the "Company" or "Radiant") should be read in conjunction with Radiant's audited financial statements and related notes for the three months ended June 30, 2016 and 2015. Our financial statements and related notes for three months ended June 30, 2016 and 2015 are prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

All dollar amounts are expressed in Canadian currency unless otherwise indicated. Additional information about Radiant can be found on SEDAR at [www.sedar.com](http://www.sedar.com). Such additional information is not incorporated by reference herein, unless otherwise specified, and should not be deemed to be part of this MD&A.

## **CORE BUSINESS AND STRATEGY**

Radiant Technologies Inc. ("Radiant") was initially incorporated on June 12, 2001 pursuant to the provisions of the Company Act (British Columbia), transitioned pursuant to the provisions of the Business Corporations Act (British Columbia) on July 7, 2004 and was continued under the Canada Business Corporations Act on February 3, 2010. On May 22, 2014, pursuant to a plan of arrangement, Radiant amalgamated with Madison Capital Corporation, a Capital Pool Company ("CPC") as defined pursuant to Policy 2.4 of the TSX Venture Exchange, incorporated pursuant to the provisions of the Alberta Business Corporations Act ("ABCA") on June 13, 2011 and continued under the Canada Business Corporations Act on May 14, 2014, forming a new entity called "Radiant Technologies Inc.". This transaction constituted the qualifying transaction of Madison in accordance with the requirements of the TSX Venture Exchange Policy 2.4 – *Capital Pool Companies*, which is described in more detail in the "Qualifying Transaction" section of this MD&A. Radiant trades on the TSX Venture Exchange under the symbol "RTI".

Radiant manufactures high-value natural ingredients for global customers in the Food and Beverage, Nutrition and Supplements, Pharmaceuticals and Active Care industries. Using a proven, patented technology, Radiant creates these natural ingredients at significantly lower cost and higher quality than competing traditional methods, using a proprietary method of extraction called Microwave Assisted Processing ("MAP™"). MAP™ is Radiant's patented, core technology which yields substantially higher results than conventional natural compound extraction. Additional details on the business and technology follows.

### **Background**

Radiant was founded in 2001 by Dr. Steven Splinter, its current Chief Technology Officer, and Vizon SciTec Inc. ("Vizon"), formerly BC Research Inc., in order to pursue commercial opportunities related to the patented platform Microwave Assisted Process natural product extraction technology for applications in the pharmaceutical, nutraceutical, food and cosmetic industries.

Vizon was a scientific research and development company and technology incubator located in Vancouver, British Columbia, specializing in consulting and applied research and development in the areas of plant biotechnology, health and safety, transportation, specialized chemical analysis and chemical and environmental process development. In 1999, Vizon acquired a license to MAP™ from



Environment Canada giving it the right to use, market and sub-license the technology for the field of industrial-scale extraction processing of organic matter. At the time of Radiant's inception, Dr. Splinter was leading Vizon's activities in the area of chemical and environmental process development.

In 2002, concurrent with an initial seed investment from select angel investors, Radiant entered into an agreement with Vizon to acquire the rights to the MAP™ license Vizon had with Environment Canada. In consideration for rights to the license, other intangible assets and a cash contribution, Radiant issued common shares to Vizon and began operations in laboratory and pilot plant facilities located within an Environment Canada facility in Burlington, Ontario. Access to these facilities was provided under the terms and conditions of the original license agreement between Radiant and Vizon granting a sub-license to Radiant for Radiant to use the MAP™ technology. In 2003, Radiant raised a first round of venture capital financing, led by Foragen Technologies Limited Partnership, a Canadian life-sciences venture capital fund. Additional management and technical personnel were hired, a marketing and sales program was initiated and proofs of concepts and pilot-scale testing of various products were undertaken for third parties, proving the broad scale applicability and scalability of the technology across various natural product classes. In 2005, Radiant signed its first supply agreement with a US-based biopharmaceutical company to supply a purified pharmaceutical raw ingredient extracted and isolated from a natural plant source using the MAP™ technology for use as an intermediate to an experimental oncology drug entering clinical trials.

In 2006, Radiant migrated to its own leased laboratory and pilot plant facilities in North York, Ontario and Whitby, Ontario, respectively. During this period, Radiant continued to successfully commercialize its technology platform to produce the higher value, higher margin pharmaceutical intermediate, while simultaneously continuing to grow the pipeline of prospective customers and demonstrate a higher value proposition of the technology versus conventional processes. From 2003 to 2009, Radiant grew revenues from nil to \$1.8 million and processing demands began to exceed the capacity of its Whitby pilot plant. In 2008, therefore, the decision was made to consolidate operations and scale up production capacity in order to meet customer requirements and to demonstrate the technology at a meaningful industrial scale.

In 2009, Radiant commissioned the design and construction of a new, demonstration-scale MAP™ extraction facility, to be based in Alberta, designed to process up to 5 tonnes of biomass material per day. Alberta was deemed to offer unique infrastructure and expertise that was of strategic interest to Radiant, including access to unique bio-processing research infrastructure, proximity to biomass feedstocks of interest to Radiant's strategic partners and a critical mass of research and processing expertise. Radiant moved into new headquarters and laboratory space in Edmonton and began construction of the Edmonton production facility in late 2010. The Edmonton production facility, housed in a 20,000 sq. ft. building is designed to be Good Manufacturing Process (GMP) and International Organization for Standardization (ISO) compliant for natural health products and is now ready for operations.

### **General**

Radiant manufactures high-value natural ingredients for global customers in the Food and Beverage, Nutrition and Supplements, Pharmaceuticals and Active Care industries. Radiant uniquely combines its patented MAP™ technology with considerable know-how and expertise in downstream purification and isolation of natural products. Together, this combination gives Radiant a sustainable advantage over competing technologies and competitors in the field of natural product separations.



Radiant's unique technology enables a value proposition that offers its customers some or all of the following benefits: improved existing products; lower production costs; and the ability to develop new products.

Radiant is executing a three-pronged commercialization strategy to best align its resources and skills with market opportunities:

- *Contract Manufacturing:* Radiant is leveraging its know-how and infrastructure to produce higher value, higher margin products on behalf of its customers. This also serves to validate and prove to a wider audience the value proposition inherent in the "Radiant Solution". The "Radiant Solution" is a combination of Radiant's MAP™ based extraction process and Radiant's substantial expertise in the critical downstream processing areas of purification and isolation.
- *Licensing:* Radiant will encourage select customers to incorporate all or part of the Radiant Solution in their in-house or supplier's extraction facilities to enhance productivity or efficiency of such plants.
- *Proprietary ('Captive') Products:* Radiant is also evaluating select applications where Radiant is developing captive products distributed through partners/distributors to capture a larger portion of the value chain. Radiant will seek to secure a proprietary position where appropriate on such products, typically through process patents.

Radiant has built a strong, diversified customer pipeline. Radiant's expanding business development and sales efforts are designed to specifically target high-value sustainable markets and customers. Radiant recognizes that potential customers want to fully validate the MAP™ technology before finalizing purchasing decisions. For this reason, Radiant has designed and is successfully implementing a proven partnership development program that is intended to incrementally establish the credibility and the validation of MAP™ through a three-stage program:

- *Stage 1 Feasibility:* Demonstrates lab-scale proof-of-concept to client-defined product specifications;
- *Stage 2 Scale-up / Process Development:* Demonstrates scalability and optimization via larger scale pilot testing and technology transfer from pilot to commercial production; and
- *Stage 3 Partnership:* Develops commercialization steps for preferential supply agreement, or licensing agreement.

Since its inception, Radiant has completed over 40 feasibility studies and has proven the effectiveness of MAP™ for a very broad range of biomass inputs, including plants (seeds, leaves, stems, roots) and single-cell biomass (algae, fungi) using widely varying solvent systems and for every commercially-relevant class of natural products, including lipids, glycosides, alkaloids, phenolics, terpenes and proteins. The majority of this work has been supported and paid for by industrial clients using customer-sourced biomass and seeking to achieve commercially relevant product and processing technical goals. Scalability has been demonstrated by continuous processing at the pilot scale and the Edmonton



production facility, which will provide final validation for operating MAP™ plants at a scale appropriate to capture immediate value for partners.

### ***The Technology***

Radiant's MAP™ technology is based on a method of transferring energy to a material that is fundamentally different from any other conventional process. MAP™ involves the selective and localized heating of the moisture present in all natural materials using a very familiar energy source: microwaves. This contained in-core heating of the biomass results in a rapid buildup of pressure within cells leading to a pressure-driven enhanced mass transfer of target compounds out of the source material. This mechanism for extraction is unique to MAP™ and results in very fast extraction rates and high extraction yield. In addition, because the microwave energy is selectively deposited in the target biomass and not in the surrounding solvent, the mixture stays cool, leading to energy efficiency and reduced heat degradation of sensitive products.

In general, microwaves interact with materials in three ways:

1. reflective materials such as metals do not heat (i.e. they do not absorb energy, but rather reflect the energy);
2. transparent materials such as non-polar liquids do not heat or reflect. Microwaves pass right through them and are only absorbed to a small extent; and
3. absorptive materials such as water absorb microwaves and are heated.

The ease, or degree by which a particular material will absorb microwave energy is determined by the dielectric properties of the material. Microwaves do not heat, therefore, by the conventional processes of convection, conduction and radiation phenomena through the external material surface but rather by direct molecular interactions with the electromagnetic field via dielectric loss. The dielectric properties of the material (dielectric constant and loss factor) determine how much of the microwave energy is to be absorbed and dissipated as heat. Water, in particular, is a strong absorber of microwave energy. It has a large dielectric constant, meaning it absorbs microwave energy more efficiently than the target compounds and much more efficiently than the surrounding liquid solvent. It is this ability to selectively deposit microwave energy into different parts of a complicated chemical system that is at the core of Radiant's MAP™ technology.

An important element of MAP™ is that the driving force for extraction is not limited to the process of diffusion. Conventional solid-liquid extraction involves soaking, washing or contacting the solid material with usually hot (50°C to 80°C) solvent to extract the target compounds. Extraction occurs by diffusion, meaning that the only driving force for the process is the concentration gradient of the product between the source material and the solvent. With MAP™, the microwave energy is selectively absorbed by the residual water present in the biomass. This creates a very rapid temperature increase within the biomass cells, leading to pressure build-up and, in some cases this can cause cell rupture, forcing the contents out into the surrounding (cool) solvent by a pressure-enhanced mass transfer. This mass transfer may be further enhanced by the fact that the thermal gradient is in the same direction as the mass transfer. In all extraction processes, mass transfer occurs from the inside of the biomass to the outside solvent. In conventional extraction, heat transfer occurs from the outside to the inside of the material. With MAP™, however, there is a volumetric in-core heating of the moisture in the biomass while the solvent remains relatively cool, leading to a heat gradient in the same direction as the mass transfer.



Finally, another key aspect of MAP™ is the fact that Radiant understands that it is the microwave energy density and, more specifically, the electric field strength that can be a very important factor in achieving desired results. The heating rate within the core of the biomass is directly proportional to the energy density of the applied microwave. This energy density is in turn determined by the applied power at the chosen frequency (driven by the microwave generator), by the dielectric properties of the biomass being treated and – importantly – by the electric field strength. The latter is influenced only by proper equipment (microwave cavity) design and control. Much of Radiant's intellectual property is centered around the use of properly focused microwave energy having a generally uniform energy density level to achieve the desired high field control. These features are captured, for example, in Radiant's proprietary large-scale continuous flow MAP™ extractor design.

### ***Competitive Advantages***

When compared to competing conventional extraction methods, Radiant's MAP™ platform offers some combination of the following competitive advantages:

- much faster extraction rates leading to reduced processing time, increased throughput and reduced processing and capital costs;
- efficient "single stage" extraction leading to increased overall recovery / yield of valuable active compounds and reduced solvent and energy usage;
- reduced heat degradation of sensitive molecules leading to improved products;
- improved extraction selectivity and purity leading to novel, differentiated products;
- improved solvent flexibility leading to the potential to replace solvents with more acceptable alternatives;
- ease of commercial scalability; and
- improved customer acceptance of products made through "cleaner, greener" technology.

These technical improvements manifest themselves as distinct product or process advantages and create Radiant's core value proposition of improving existing products, reducing costs, and enabling potential novel, differentiated products while consistently offering improved environmental benefits. Further details with respect to each of these advantages are provided below.

By significantly reducing extraction time, often from hours to minutes, it is possible to increase throughput, thereby reducing plant time and so lowering labour and overhead costs per unit of product produced. At the same time, the reduced plant time required for extraction opens the door to the possibility to use the freed up plant time to perform efficient downstream purification and isolation steps that may not be economical with conventional methods.

Further, conventional diffusion-driven solvent extraction processes are slow and eventually reach an equilibrium point before full exhaustion of the active of interest from the biomass. In order to achieve a reasonable yield, therefore, it is usually necessary to extract in multiple "stages", often with fresh solvent in each stage, leading to high solvent usage, high energy consumption to recover the large amount of solvent from the product, and reduced purity of the active of interest in the final extract. With MAP™, on the other hand, the pressure-driven mass transfer is not as influenced by the equilibrium state. Mass transfer continues as long as energy is applied and so it is often possible to achieve efficient, full



extraction in a single stage, leading to reduced solvent and energy usage and better crude extract properties.

With MAP™, the microwave energy is selectively deposited in the core of the biomass while the surrounding solvent absorbs less energy and remains relatively cool. Because of this, thermally unstable compounds spend only a brief time at elevated temperature and so, in some cases, less degradation is observed and higher purity final products can be prepared. Similarly, with MAP™, there are more processing variables available to manipulate. In addition to solvent composition, temperature and extraction time, the applied microwave energy and power density, microwave duration and post-microwave diffusional mixing can be varied to, in some cases, achieve more selective extractions leading to different product profiles. In addition, because the extraction step is fast and efficient, alternative processing schemes can be devised, for example extracting a first in one solvent system to first recover compounds of a particular chemical property – or remove unwanted impurities - and then re-extracting the first-extracted biomass in a different solvent system to recover additional valuable compounds, often at a higher purity. Such a scheme is often not economically feasible when the extraction step is long and inefficient.

In any extraction method, the selection of the solvent to be used in the process can be an important factor in the success of the process. With MAP™, however, there is more flexibility and much greater opportunity to effect improved extraction results by proper solvent selection than with any other conventional extraction process. In both conventional and MAP™ processing, the solvent selection depends on the solubility of the compounds of interest along with other properties such as solvent penetration into and its interaction with the biomass. With MAP™, another important aspect not relevant to conventional extraction is the ability of the solvent to absorb and dissipate the microwave energy. The capacity of the solvent to absorb microwave energy is related to its dielectric properties (dielectric constant and dielectric loss). In general, low polarity solvents such as hexane are almost completely transparent to microwave energy while higher polarity solvents such as ethanol can absorb and dissipate more. In this context, there is an opportunity to be more flexible than conventional processes by understanding the impact of dielectric properties on the microwave interaction and using this to advantage. For example, the dielectric properties can be modified when combining different solvents (allowing for varying solvent selectivity for different compounds) or additions of small amounts of water or even salts to the mixture to increase heating rates. These properties can therefore often be manipulated to achieve different results than are possible with conventional processes.

The MAP™ process is also easily scalable to industrial-relevant production requirements. Because the extraction rates are fast, the equipment can be relatively small and therefore capital costs can be relatively low. Further, Radiant's industrial-scale extractor is a continuous flow extractor which comes with several benefits. First, this design allows for increased flexibility with respect to operation. In particular, the contact time between the biomass and solvent before, during and after microwave treatment can be adjusted much more easily and it is possible to precisely control biomass residence time in the microwave zone and – if desired – separate the biomass from the solvent very quickly after treatment, or continue contact for any length of time at any temperature, depending on the desired outcome. Finally, this approach lends itself well to scale-up. The continuous flow approach eliminates the requirement for having geometric similarity between scales (i.e. the equipment shape and dimensions do not have to scale proportionately). Classically, even geometric similarity does not ensure thermal similarity in scaled systems – for example, heat transfer is an interface-controlled process and so the surface area relative to the volume is critical. As volumetric scale increases, the area relative to the volume decreases and the



overall efficiency of heat transfer can decline considerably. There is no thermal inertia with microwaves, on the other hand. Since penetration depth is not an issue with the continuous flow design, the energy is deposited uniformly throughout the mixture resulting in rapid energy transfer and direct "in-core" dielectric heating – hence the thermal inertia inherent to classical methods is not an issue.

Finally, the Radiant Solution is firmly aligned with the principles of "green chemistry", which is concerned with developing processes and products to reduce or eliminate hazardous substances. One of the goals of green chemistry is to prevent pollution at its source, as opposed to dealing with pollution after it has occurred. Radiant's proprietary extraction technology allows for more efficient extraction of starting raw materials, lower temperature processing, the use of more benign solvents and lesser quantities of solvent and energy.

**Licensed Patent Rights, Patents, Patent Applications and Registered Trade-Marks**

A summary of Radiant's licensed patent rights, patents, patent applications and Registered Trade-Marks is as follows:

Title	Jurisdiction	Status	Number	Expiry Date
<u>Licensed IP Rights</u>				
Controlled energy density microwave assisted	USA	Granted	6061926	Nov. 2018
Controlled energy density microwave assisted	Canada	Granted	2287841	Nov. 2019
Trade-mark / Official Mark	Canada	Registered	904932	N/A
Trade-mark / Official Mark	France	Registered	94/512023	N/A
Trade-mark / Official Mark	Italy	Registered	708135	N/A
Trade-mark / Official Mark	USA	Registered	2012278	N/A
<u>Patents and Patent Applications</u>				
Methods for making Cyclopamine	Canada	Granted	2727986	Jul. 2029
Methods for making Cyclopamine	USA	Application	2011/0160457	N/A
Method for direct extraction and concentration of naturally-derived active compounds	Canada	Application	2780578	N/A
Method for direct extraction and concentration of naturally-derived active compounds	USA	Application	13/921850	N/A

As discussed above, Radiant negotiated the right to purchase the MAP™ patents US 6061926 and CA 2287841 from the Government of Canada, and as of May 1, 2014 has completed the purchase of these patents. Part of Radiant's ongoing intellectual property strategy is to file microwave-based product-by-process patents. To-date, Radiant has been granted patent CA 2727986 and has several applications pending. Radiant is also in the process of protecting novel apparatus aspects of its large-scale continuous flow microwave extractor.

**Corporate Structure**

The head office of Radiant is located at 8223 Roper Road NW, Edmonton, Alberta, T6E 6S4 and the registered and records office is located at 2900 – 550 Burrard Street, Vancouver, British Columbia, V6C 0A3. Radiant also operates a production facility located at 4035 - 101 St NW, Edmonton, Alberta, T6E 0A4.

Radiant owns a 50% interest in 1631807 Alberta Ltd., a corporation duly incorporated under the ABCA, which is the owner and landlord of real estate relating to the Edmonton production facility.



## RESULTS OF OPERATIONS

### Selected Annual Information

The following table summarizes key financial data for the years ended March 31, 2015, 2014 and 2013:

	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2014
Revenue	\$626,457	\$ 131,405	\$ 181,090
Net loss, before other income and expenses	(4,035,600)	(6,894,676)	(5,377,003)
Net loss per share, before other income and expenses (basic and diluted)	(0.08)	(0.22)	(0.74)
Net loss	(4,366,665)	(14,137,534)	(5,324,923)
Net loss per share Basic and diluted	(0.09)	(0.45)	(0.74)
Cash dividends declared per common share (1)	0.00	0.00	0.00
Cash used in operating activities	(1,277,995)	(5,916,617)	(3,224,546)
Cash provided by financing activities	(1,718,525)	5,818,031	5,629,480
Cash used in investing activities	(16,956)	\$ (105,501)	\$ (2,266,805)
Weighted average number of common shares outstanding (2)	49,327,549	31,578,767	7,225,011
Total assets	5,220,108	\$ 5,448,630	\$ 12,479,035
Working capital 3	(3,982,244)	(1,715,437)	(8,700,500)
Total non-current liabilities	6,718,530	\$ 6,808,572	\$ 7,071,414

Notes:

1. There were no cash dividends declared or paid, however pursuant to the Arrangement, discussed further in the "Qualifying Transaction" section of this MD&A, the accrued dividends on the preferred A, B and C shares were cancelled and such amounts were converted to common shares
2. Weighted average shares prior to the date of the Qualifying Transaction have been consolidated on the basis of the ratio (29.944:1) set out within the Arrangement.
3. Working capital is a non-IFRS definition. Readers should refer to the "Liquidity and Capital Resources" section of this MD&A for the calculation.

The Company's focus, throughout the year, has been on marketing efforts, construction of the Edmonton production facility, and scaling up operations. The annual loss has increased as a result of increased staff, operating expenses, interest and accretion on debt, professional fees surrounding financings and other efforts, and amortization on an increased asset base and impairment of plant and equipment and leaseholds.

While the Company has completed feasibility and scale up studies through the periods presented, the focus has been on technology, market, and facility development until such time as the Edmonton production facility could be completed at which time commercial revenues can be generated.



### Highlights of the Quarter

The key activities for the Company during the quarter ended June 30, 2016 was the completion of the announced private placement of March 1, 2016 as well as the preparation for the \$7,000,000 private placement announced July 29, 2016.

The following tables summarize key financial data for the quarters ended June 30, 2016 and 2015:

<i>(unaudited, for the three months ended)</i>	<b>June 30, 2016</b>	<b>June 30, 2015</b>
Revenue	-	\$ 27,400
Net loss, before other income and expenses	<b>(911,638)</b>	<b>(1,254,963)</b>
Net loss per share, before other income and expenses		
Basic and diluted	<b>(0.02)</b>	<b>(0.03)</b>
Net loss	<b>(958,862)</b>	<b>(1,263,596)</b>
Net loss per share		
Basic and diluted	<b>(0.02)</b>	<b>(0.03)</b>
Cash dividends declared per common share <sup>1</sup>	<b>0.00</b>	<b>0.00</b>
Cash used in operating activities	<b>(579,380)</b>	<b>(620,008)</b>
Cash provided by financing activities	<b>382,585</b>	<b>655,925</b>
Cash provided by (used in) investing activities	-	\$ (16,957)
Weighted average number of common shares outstanding <sup>2</sup>	<b>57,059,178</b>	<b>44,738,117</b>

<i>(unaudited, as at)</i>	<b>June 30, 2015</b>	
Total assets	<b>\$4,960,703</b>	\$ 5,103,989
Working capital <sup>3</sup>	<b>(4,210,815)</b>	<b>(2,437,807)</b>
Total non-current liabilities	<b>\$6,836,654</b>	\$ 7,240,910

Notes:

4. There were no cash dividends declared or paid, however pursuant to the Arrangement, discussed further in the "Qualifying Transaction" section of this MD&A, the accrued dividends on the preferred A, B and C shares were cancelled and such amounts were converted to common shares
5. Weighted average shares prior to the date of the Qualifying Transaction have been consolidated on the basis of the ratio (29.944:1) set out within the Arrangement.
6. Working capital is a non-IFRS definition. Readers should refer to the "Liquidity and Capital Resources" section of this MD&A for the calculation.



**Three months ended June 30, 2016 and June 30, 2015**

(unaudited for the three months ended)	<b>June 30, 2016</b>		<b>June 30, 2015</b>	
Revenues	\$	-	\$	27,400
Cost of revenues		-		12,600
				<b>14,800</b>
Expenses				
Amortization		112,172		199,779
General and administrative		300,942		359,096
Financing fees		205,561		187,065
Laboratory		93,516		126,288
Marketing		52,800		53,105
Production plant		146,647		289,571
Quality control and assurance		-		15,290
Research and development		-		39,569
		<b>911,638</b>		<b>1,269,763</b>
Loss before other income and expenses		<b>(911,638)</b>		<b>(1,254,963)</b>
Other income (expenses)				
Rental income		31,264		37,540
Equity interest of related company income				5,000
Share based payments		(85,557)		(48,798)
Interest and other income		3,158		186
Foreign exchange (loss) gain		(3,911)		(2,561)
		<b>(47,224)</b>		<b>(8,233)</b>
Net loss and comprehensive loss	\$	<b>(958,862)</b>	\$	<b>(1,263,596)</b>

Explanations of specific variances are discussed in more detail below:

**Revenues**

Plant activities for the three months ended June 30, 2016 were idled. The activities for the prior year focused on production processes and product development.

**Amortization**

Amortization on the Edmonton production facility commenced in January, 2014 when the facility was available for use and scale studies commenced.

**Financing Fees**

A further break-down of the financing fees are as follows:



	Three months ended June 30, 2016	Three months ended June 30, 2015
Long term related company	15,000	\$ 16,547
Long term	18,555	14,297
Promissory notes	10,669	-
Accretion of royalty financial liability	136,959	135,616
Accretion of government contributions	24,165	1,569
Other financing fees	213	19,036
<b>Total interest and financing fees</b>	<b>205,561</b>	<b>187,065</b>

### General and Administrative Expenses

A further break-down of the general and administrative expenses are as follows:

	Three months ended June 30, 2016	Three months ended June 30, 2015
Salaries and benefits	112,269	167,378
Professional fees	25,644	15,878
Director's fees	-	15,375
Rent	49,932	55,852
Public company compliance cost	10,219	11,200
Office	3,919	25,996
Insurance	13,909	11,596
Travel	5,062	321
Consulting fees	79,988	55,500
<b>Total interest and financing fees</b>	<b>\$ 300,942</b>	<b>\$ 359,096</b>

Salaries and benefits have decreased by primarily as a result of reduced staffing due to cost control measures.

Consulting fees have increased by \$24,488 for the three months ended June 30, 2016 as compared to the three months ended June 30, 2015. This is mainly due to certain administrative functions being contracted out.

### Edmonton Laboratory

A further break-down of the Lab expenses are as follows:

<i>(unaudited, for the three month period ended)</i>	June 30, 2016	June 30, 2015
Salaries and benefits	50,043	88,317
Administrative costs	43,473	37,976
<b>Total lab</b>	<b>93,516</b>	<b>126,288</b>

Salaries and benefits decreased as the staff have decreased due to cost reduction efforts.

Rent for the Edmonton laboratory has increased due to higher utility costs.



### Marketing

Marketing costs for the three months ended June 30, 2016 were largely unchanged as compared to the three months ended June 30, 2015.

### Production Plant

A further break-down of the production plant expenses are as follows:

<i>(unaudited, for the three month period ended)</i>	<b>June 30, 2016</b>	June 30, 2015
Salaries and benefits	<b>38,636</b>	<b>165,410</b>
Administrative costs	<b>108,011</b>	<b>124,161</b>
<b>Total production plant</b>	<b>146,647</b>	<b>289,571</b>

Salaries and benefits decreased by \$126,774 to \$38,636 for the three months ended June 30, 2016 as compared to the three months ended June 30, 2015. The decrease is due to the idling of the plant facility during the quarter.

### Quality Control and Assurance

A further break-down of the quality control and assurance expenses are as follows:

<i>(unaudited, for the three month period ended)</i>	<b>June 30, 2016</b>	<b>June 30, 2015</b>
Salaries and benefits	-	<b>15,139</b>
Administrative costs	-	<b>151</b>
<b>Total Quality control and assurance</b>	-	<b>15,290</b>

Salaries and benefits and administrative expenses have decreased because the plant facility had been idled during the quarter.

### Research and Development

A further break-down of the research and development expenses are as follows:

<i>(unaudited, for the three month period ended)</i>	<b>June 30, 2016</b>	<b>June 30, 2015</b>
Production materials	-	<b>6,525</b>
Other production costs	-	<b>23,313</b>
Product development	-	<b>9,731</b>
<b>Total research and development</b>	-	<b>39,569</b>

Production materials and other production costs included in research and development has decreased because certain projects were completed.



### Royalty Financial Liability Estimate Adjustment

The AVAC funding is repayable as a royalty on revenues, up to a maximum value. As the funding received is contingently repayable, it constitutes a liability that is recognized initially at fair value and subsequently at amortized cost using the effective interest method. Management updates the estimate of future cash flows required under these agreements at each reporting date.

### Share Based Payments

Share based payments for the three months ended June 30, 2016 were \$85,557 (2015 - \$48,798) have increased as a result of additional vesting of options during the quarter.

## SUMMARY OF QUARTERLY RESULTS

	Quarter Ended (\$)			
	June 30, 2016	March 31, 2016	Dec 31, 2015	Sep 30, 2015
Revenues	-	79,598	520,031	5,500
Loss before other income and expenses	(911,638)	(708,948)	(652,940)	(1,386,301)
Loss per share, before other income and expenses (basic and diluted)	(0.02)	(0.01)	(0.01)	(0.06)
Net loss	(958,862)	(492,607)	(738,593)	(1,833,921)
Net loss per share (basic and diluted)	(0.02)	(0.01)	(0.01)	(0.06)
Weighted average number of common shares outstanding <sup>2</sup>	57,059,178	52,415,920	50,935,740	47,128,995
Total assets	4,960,703	5,220,108	4,634,379	4,850,201
Long term liabilities	6,836,654	6,718,531	6,891,511	6,771,275

	Quarter Ended (\$)			
	June 30, 2015	March 31, 2015	Dec 31, 2014	Sep 30, 2014
Revenues	27,500	(24,646)	112,552	-
Loss before other income and expenses	(1,254,963)	(917,440)	(1,495,413)	(2,163,889)
Loss per share, before other income and expenses (basic and diluted)	(0.04)	(0.17)	(0.04)	(0.14)
Net loss	(1,263,596)	(12,672,072)	(1,465,462)	(2,173,839)
Net loss per share (basic and diluted)	(0.03)	(0.86)	(0.04)	(0.24)
Weighted average number of common shares outstanding <sup>2</sup>	44,738,117	39,308,373	35,789,923	35,304,139
Total assets	5,103,989	5,448,630	11,223,903	12,440,435
Long term liabilities	6,695,532	6,808,572	6,831,746	6,792,737



## LIQUIDITY AND CAPITAL RESOURCES

### *Working Capital*

<i>As at</i>	<b>June 30, 2016</b>	<b>March 31, 2016</b>
Cash and cash equivalents	\$ 228,221	\$ 425,016
Accounts receivable	189,858	159,031
Prepaid and deposits	65,774	47,040
Inventory	33,912	33,912
Accounts payable and accruals	(3,187,972)	(3,114,788)
Current portion of repayable grant	(30,000)	(30,000)
Current portion of long term debt	(132,015)	(148,598)
Repayable government contributions	(779,631)	(755,467)
Current portion of lease obligation	(10,331)	(10,331)
Current portion of due to related company	(50,053)	(50,053)
Promissory notes	(250,000)	(250,000)
Advances from related company	(288,578)	(288,006)
<b>Working Capital (Deficit)</b>	<b>\$ (4,210,815)</b>	<b>(\$ 3,982,244)</b>

Radiant's inability to generate cash flows to maintain normal operations, if unsuccessful, will result in it not being able to continue as a going concern. The Company has incurred significant losses for the three months ended June 30, 2016 of \$958,862 (2015 - \$1,263,596) and has an accumulated deficit of \$44,604,378 (2015 - \$40,542,443) and a working capital deficiency of \$4,210,815 (2015 - \$3,982,244). These balances indicate there is significant uncertainty about the Company's ability to continue as a going concern.

Management has been able, thus far, to finance operations through debt and equity financings and will continue, as appropriate, to seek financing from these and other sources; however, there are no assurances that any such financings can be obtained on favourable terms, if at all. In view of these conditions, the ability of the Company to continue as a going concern is dependent upon its ability to obtain financing, generate sufficient cash flows and, ultimately, achieve profitable operations. The financial statements for the periods presented do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue in business as a going concern.



## CONTINGENCIES AND COMMITMENTS

### ***Contribution agreement***

On August 5, 2004, the Company signed a Contribution Agreement with Sustainable Development Technology Canada (SDTC) to fund the Company's manufacturing facility and its pilot plant expansion. SDTC would contribute 40% of all eligible costs to a maximum of \$1,000,000. That Agreement was amended November 11, 2009.

SDTC requested an audit of the expenses incurred from 2004 to 2010 on the project. As a result of this audit during the year ended March 31, 2014, it was agreed that \$90,000 would be repaid by the Company to SDTC in 18 monthly installments, beginning March 1, 2014. At June 30, 2015, \$30,000 has been recorded as a current repayable grant to SDTC.

### ***Head Office***

The Company is party to a facilities lease in Edmonton, Alberta which called for minimum monthly lease payments of \$12,216 plus monthly operating costs of approximately \$7,500 commencing on October 1, 2014 through September 30, 2019.

### ***Production Facility***

On September 1, 2011, the Company entered into a 10 year lease with 1396730 Alberta Ltd. for the property at 4035 - 101 Street, Edmonton, AB. This lease was transferred on December 14, 2011 to 1631807 Alberta Ltd., a related party through 50% ownership. Base rent under the lease is:

Years 1 – 3	\$186,435 per annum payable in equal monthly instalments
Years 4 – 6	\$222,687 per annum payable in equal monthly instalments
Years 7 – 9	\$238,223 per annum payable in equal monthly instalments
Year 10	\$268,259 per annum payable in equal monthly instalments

In addition to the above base rent, the Company is responsible to pay \$25,344 per annum in equal monthly instalments commencing September 1, 2012 for the balance of the term as additional rent in respect of landlord capital improvements and to pay additional rent to cover operating costs and property taxes.

### **Facility leases**

The Company is party to a facilities lease in Edmonton, Alberta which called for minimum monthly lease payments of \$12,216 plus monthly operating costs of approximately \$7,500 commencing on October 1, 2014 through September 30, 2019.

The Company is party to a facilities lease for the Edmonton production facility.

The Company has operating lease commitments in the following amounts: 2017- \$36,774, 2018 - \$26,474 and 2019 - \$5,850.



### **Claim for amounts owing**

During the year a utility provider to the Company commenced a civil claim against the Company for unpaid amounts of \$205,304, including an early termination fee of \$127,797, for the early termination of a supply contract. The Company has requested the utility provider to withdraw its claim in exchange for a restructured payment arrangement for which the Company is awaiting a response. The Company has fully provided for the claim amount

## **OFF-BALANCE SHEET ARRANGEMENTS**

There are no off-balance sheet arrangements.

## **RELATED PARTY TRANSACTIONS**

### **Related party transactions**

There are no other related party transactions other than those discussed below. These transactions are in the normal course of operations and are measured at the amount of consideration established and agreed to by the related parties.

For the three months ended June 30, 2016 key management salaries, short-term benefits, consulting fees and director fees were \$167,000 (2015 - \$182,375).

For the three months ended June 30, 2016 share based compensation expense was \$53,654 (2015 – \$48,798) for key management personnel.

On June 15, 2015, the Company received a bridge loan from one of its directors for \$100,000. The loan was repaid by the Company on June 23, 2015.

## **SUBSEQUENT EVENTS**

On August 4, 2015, the Company received a bridge loan from one of its officers for \$50,000. The loan is to be repaid September 18, 2015.

On August 4, 2015, the Company received a bridge loan from one of its shareholders for \$200,000. The loan is to be repaid September 18, 2015.

On August 11, 2015, the Company announced a non-brokered private placement of up to 3,000,000 units and the com On July 29, 2016, the Company announced a non-brokered private placement of the Company's shares for up to \$7,000,000. Up to 70,000,000 common shares are issuable along with 35,000,000 warrants. The warrants are exercisable for a period of 42 months from the time of issue and have an exercise price of \$0.25.

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## **FUTURE CHANGES IN ACCOUNTING POLICIES**

The following are new IFRS pronouncements that have been issued, that are not yet effective, that have not been early adopted, and that may have an impact on the Group in the future, as discussed below.

IFRS 9 - Financial Instruments replaces the current standard IAS 39 - Financial Instruments: Recognition and Measurement, replacing the current classification and measurement criteria for financial assets and liabilities with only two classification categories: amortized cost and fair value. The previously mandated effective date of January 1, 2015 has been removed. The Company will evaluate the impact of the change to its financial statements based on the characteristics of its financial instruments at the time of adoption. IFRS 9 has a tentative mandatory effective date of January 1, 2018.

IFRS 15 - Revenue from Contracts with Customers, replaces IAS 11 – Construction Contracts, IAS 18 – Revenue and IFRIC 13 – Customer Loyalty Programmes. This standard outlines a single comprehensive model for entities to account for revenue arising from contracts with customers. IFRS 15 is to be applied retrospectively with early adoption permitted. The IASB recently voted to publish an exposure draft proposing a one-year deferral of the effective date of IFRS 15 to annual periods beginning on or after January 1, 2018.

IFRS 16 – Leases, replaces IAS 17 – Leases. IFRS 16 eliminates the classification of leases as either operating or finance leases and requires the recognition of assets and liabilities for all leases, unless the lease term is twelve months or less or the underlying asset has a low value. The Company has not yet evaluated the impact of IFRS 16 on the financial statements.

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## **FINANCIAL INSTRUMENTS AND MARKET RISK**

The fair value of cash and cash equivalents, accounts receivable, advances to related company, repayable grant and accounts payable and accruals approximate their carrying amount due to their short-term nature. The fair value of long-term debt; short term debt, convertible promissory note and convertible debt are estimated to approximate its carrying value because the interest rate does not differ significantly from current interest rates for similar types of borrowing arrangements (level 2).

Repayable government contributions are recorded at the amount drawn under the agreement discounted using a market rate of, which represents the estimated fair value of the obligation. The fair value of the repayable government contributions are not materially different from their carrying amounts as funding received has been discounted using an estimate of a market rate of interest and is being accreted back to its nominal amount (level 2).

The royalty financial liability was estimated using a discount rate that results from the estimated future repayment of that obligation which is based on expected sales. As the estimated discount rate also approximates the company's estimated cost of capital for similar borrowing arrangements, management believes the carrying amount of this obligation does not differ significantly from its fair value (level 3).

The Company has exposure to credit, liquidity and market risk as follows:



### Credit Risk

Credit risk is the risk that the counterparty to a financial asset will default, resulting in the Company incurring a financial loss. The Company is exposed to credit risk on its cash and cash equivalents, accounts receivable and advances to related company to a maximum of the carrying value of the aforementioned items at the reporting date.

The Company mitigates its exposure to credit risk by maintaining its Canadian domiciled bank accounts with a Canadian Chartered Bank.

The Company's accounts receivables are with recognized, creditworthy third parties and its receivables from such third parties are monitored on an ongoing basis for impairment.

### Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulties in meeting its financial obligations. In January, 2014 the Company commenced scale operations at the Edmonton Plant with the Plant ready for commercial production in late calendar 2014. The Company, during the second half of the year, completed development on two proprietary extract products that the Company launched in May, 2015.

The Company manages its liquidity risk by forecasting cash flow requirements for its planned development, production and corporate activities and anticipating investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of annual budgets and significant expenditures and commitments.

On June 25, 2015, the Company completed a previously announced private placement of the Company's shares for gross proceeds of \$359,000. 3,590,000 common shares were issued along with 1,795,000 warrants. The warrants are exercisable for a period of 42 months from the time of issue and have an exercise price of \$0.50.

The Company is in advanced discussions with a number of parties regarding a larger financing in sufficient size to meet the Company's longer term working capital requirements



The following are the contractual maturities of the Company's financial liabilities and obligations as at June 30, 2016:

	<1 year	1 to 3 years	4 to 5 years	>5 years	Total
Accounts payable and accruals	3,187,972	-	-	-	<b>3,187,972</b>
Promissory Note	250,000	-	-	-	<b>250,000</b>
Long term debt	165,064	424,451	200,127	23,273	<b>812,915</b>
Royalty financial liability	293,491	2,283,261	2,166,844	4,886,492	<b>9,630,088</b>
Repayable government contributions	487,125	292,506	-	-	<b>779,631</b>
Due to related company	50,053	150,159	100,106	833,935	<b>1,134,253</b>
Repayable grant	30,000	-	-	-	<b>30,000</b>
	<b>4,463,705</b>	<b>3,150,377</b>	<b>2,467,077</b>	<b>5,743,700</b>	<b>15,824,859</b>

The following are the contractual maturities of the Company's financial liabilities and obligations as at March 31, 2016:

	<1 year	1 to 3 years	4 to 5 years	>5 years	Total
Accounts payable and accruals	3,114,787	-	-	-	<b>3,114,787</b>
Promissory Note	250,000	-	-	-	
Long term debt	132,015	455,481	227,741	31,030	<b>846,267</b>
Royalty financial liability	170,463	2,135,434	2,166,844	5,123,227	<b>9,595,968</b>
Repayable government contributions	407,210	348,256	-	-	<b>755,466</b>
Due to related company	50,053	150,159	100,106	833,935	<b>1,134,253</b>
Repayable grant	30,000	-	-	-	<b>30,000</b>
	<b>4,154,528</b>	<b>3,089,330</b>	<b>2,494,691</b>	<b>5,988,193</b>	<b>15,476,742</b>



### Interest Rate Risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate as a result of changes in the market interest rates. The Company has minimal interest rate risk on its long term debt agreements as all are at fixed rates.

### Market Risk

Market risk is composed of interest rate risk and foreign currency risk. The Company earns certain revenues and incurs certain operating expenses and capital expenditures in U.S. dollars and EUROS. Accordingly, the fluctuations in the exchange rate between the U.S. and Canadian dollar and the EURO and the Canadian dollar can have an effect on the Company's reported results. The current period fluctuation was minimal.

## **RISK FACTORS**

Readers are cautioned that the following is a summary only of certain risk factors and is not exhaustive and is qualified in its entirety by reference to, and must be read in conjunction with the additional information on these and other factors that could affect the Company's operations and financial results that are may be accessed through the Company's profile on SEDAR ([www.sedar.com](http://www.sedar.com)), including the Management Information Circular dated April 15, 2014.

### ***Going Concern***

Certain conditions may cast significant doubt upon the validity of the Company to continue on a going concern:

- The Company has a limited commercial operating history, and no recent significant revenues to provide ongoing operating capital;
- Radiant may encounter unforeseen difficulties or delays in its operations and the development of its market, which will dictate the timing and quantum of such financings;
- Until sufficient cash flows from operations are generated on a consistent basis, Radiant will be reliant on debt and equity financing to sustain operations;
- Management has been able, thus far, to finance operations through debt and equity financings and will continue, as appropriate, to seek financing from these and other sources; however, there are no assurances that any such financings can be obtained on favourable terms, if at all.

The Company's ability to generate sufficient cash flows to maintain normal operations, if unsuccessful, will result in it not being able to continue as a going concern.

The Company has incurred significant losses for the three months ended June 30, 2016 of \$958,862 (2015 - \$1,263,596) and has an accumulated deficit of \$44,604,378 (2015 - \$40,542,443) and a working capital deficiency of \$4,210,815 (2015 - \$2,437,807). These balances indicate there is significant uncertainty about the Company's ability to continue as a going concern.



These balances indicate there is a significant uncertainty about the Company's ability to continue as a going concern.

Management has been able, thus far, to finance operations through debt and equity financings and will continue, as appropriate, to seek financing from these and other sources; however, there are no assurances that any such financings can be obtained on favourable terms, if at all. In view of these conditions, the ability of the Company to continue as a going concern is dependent upon its ability to obtain financing, generate sufficient cash flows and, ultimately, achieve profitable operations. The financial statements for the periods presented do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue in business as a going concern.

The Company completed their go-public transaction as well as two private placements, Additionally in January, 2014 the Company commenced scale-up operations at the Edmonton production plant with the plant ready for commercial production in late 2014. Through the fiscal 2016 year, the company raised capital through four rounds of private placements and announced a \$7,000,000 non-brokered private placement in July 2016.

### ***Limited Operating History***

Radiant has a limited commercial operating history and no recent, significant revenues. The likelihood of the success of Radiant must be considered in light of the risks, costs, complications and delays frequently encountered in the establishment of a new technology and product. Radiant may encounter unforeseen difficulties or delays in its operations and the development of its market.

### ***Ability to Implement Business Plan***

Radiant's business and financial plan focuses on a relatively new technology and are therefore untested in its anticipated markets. There can be no assurance that Radiant will successfully market its technology and earn sufficient revenue to permit the level of research and development spending required to maintain the stream of new technological advances and product development. Radiant's success will depend upon market acceptance of its technology and products, its ability to enhance its existing technology and products and its ability to introduce new products and features that meet customer requirements. There can be no assurance that Radiant will be successful in developing, manufacturing, marketing or enhancing its technology and products. Radiant's business would be adversely affected if it incurs delays in developing its technology, products or enhancements or if such technology, products or enhancements do not gain market acceptance. In addition, there can be no assurance that products or technologies developed by others will not render Radiant's technology or products non-competitive or obsolete.

Radiant's sales and marketing plan or its professional sales and marketing function have not yet progressed significantly past a pilot scale, and is based on a number of assumptions which may or may not prove to be accurate. Poor market acceptance of Radiant's technology, products or other unanticipated events may result in lower revenues than anticipated.



### ***Cost Control***

Success will largely be predicated upon Radiant's ability to use its technology to develop, sell and distribute consistent, high quality, products at competitive prices, and at a commercial scale. There can be no assurance that Radiant will be able to develop, sell and distribute its products and technology at competitive prices. Failure to do so will result in smaller profit margins or losses.

### ***Technology Scale-Up***

Radiant has successfully completed a number of scale-up studies in a pilot plant environment, but has yet to implement its technology significantly on a commercial scale, in a plant environment. The success of Radiant's business will be largely dependent on the ability to replicate its technology, and its inherent benefits on a commercial scale. Failure to do so will result in an inability to secure commercial contracts.

### ***Competition***

While the Radiant MAP™ technology is potentially disruptive in the marketplace, the industrial technology industry is intensely competitive in all of its phases, and Radiant will compete with many companies that have substantially greater financial and technical resources.

New technology may developed, and new advances may significantly reduce the value of Radiant's MAP™ technology. In recent history, Radiant has not sold its technology on a commercial scale, and it will compete against more established companies, some of which have greater financial, marketing and other resources than that of Radiant.

### ***Customer Concentration***

Although Radiant has not generated any significant revenue in recent history, nor is there any assurance thereof, its marketing strategy is not to rely on volume sales but instead on a small number of larger sales. Because of this, Radiant expects to have a small number of customers, the loss of any one of whom could have a material adverse effect on its revenues and financial results.

### ***Dependence on Key Personnel***

The success of Radiant depends upon attracting and retaining the services of its management team as well as Radiant's ability to attract and retain a sufficient number of other qualified personnel to run the business. There is substantial competition for qualified personnel in the biotechnology industry, as well as the Alberta marketplace. As most key personnel devote their full time to the business, the loss of any member of Radiant's management team or other key person could have a material adverse effect on its business. As Radiant's level of business activity grows, it will require additional key administrative and marketing personnel. There can be no assurance that the Company will be successful in hiring such personnel.

### ***Volatility in the Capital Markets***

Under present market conditions, publicly traded securities in the industrial technology industry are subject to price volatility. The market for securities of industrial technology companies may be subject to



market trends regardless of the success of Radiant. A volatile capital market may impede the ability to undertake future financings, strategic alliances and acquisitions.

### ***Need for Additional Financing***

Radiant has not generated any significant revenues in its recent history. As a growing business, Radiant will likely need more capital than is available to it. The continued operation of the Company will be dependent upon its ability to generate operating revenues and to procure additional financing. There can be no assurance that additional financing can be obtained on terms favourable to Radiant or on any terms. Failure to raise the necessary funds in a timely fashion may also limit Radiant's ability to move its programs forward in a timely and satisfactory manner, or to abandon the programs or force it to pursue alternative strategic options; any of which would harm its business, financial condition and results of operations, or affect its ability to continue operating.

### ***Government Regulation***

If Radiant, or any future marketing collaborators or contract manufacturers, fail to comply with applicable regulatory requirements, the Company may be subject to sanctions including fines, product recalls or seizures and related publicity requirements, injunctions, total or partial suspension of production, civil penalties, suspension or withdrawals of previously granted regulatory approvals, warning or untitled letters, refusal to approve pending applications for marketing approval of new products, import or export bans or restrictions, and criminal prosecution and penalties. Any of these penalties could delay or prevent the promotion, marketing or sale of Radiant products and product candidates.

### ***Risks Related to Intellectual Property***

Radiant's success and ability to compete effectively will depend, in part, on its ability to maintain the proprietary nature of its technology and manufacturing processes, the ability to secure and protect its patents, trade secrets, trademarks and other intellectual property rights either developed internally or acquired, and to operate without infringing on the proprietary rights of others or having third parties circumvent the rights that it owns or licenses. There can be no assurance that any of Radiant's patents will be sufficiently broad to protect the Company's technology or that they will not be challenged or found to be invalid.

## **OUTSTANDING SHARE DATA**

As at the date of this MD&A, the Company has:

Common shares issued and outstanding: 72,814,544.

Stock options 2,156,362 outstanding with a weighted average exercise price of \$0.76. Each stock option entitles its holder to purchase one common share of the Company.



Warrants 19,416,171 outstanding with a weighted average exercise price of \$0.32. Each warrant entitles its holder to purchase one common share of the Company with varying expiry dates up to December 29, 2019.

The fully diluted capital of the Company, including common shares, options and warrants is 94,387,077 common shares as at the date of this MD&A.

## **FORWARD LOOKING STATEMENTS**

The MD&A offers our assessment of Radiant's future plans and operations as of August 26, 2014 and contains forward-looking statements. By their nature, forward-looking statements are subject to numerous risks and uncertainties, including those discussed below. You are cautioned that the assumptions used in the preparation of forward-looking information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking statements. Actual results, performance or achievements could differ materially from those expressed in, or implied by, these forward-looking statements. No assurance can be given that any of the events anticipated will transpire or occur, or if any of them do so, what benefits Radiant will derive from them. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise unless required by law.

Certain statements in this MD&A constitute forward-looking statements, based on management's expectations, estimates and projections. All statements that address expectations or projections about the future, including statements about the Company's strategy for growth, research and development, market position, expected expenditures and financial results are forward-looking statements. Forward-looking statements are statements about the future and are inherently uncertain, and actual achievements of the Company and other results and occurrences may differ from those reflected in the forward-looking statements due to a variety of risks, uncertainties and other factors, including, without limitation: the Company's forward-looking statements, including all "Risk Factors" are based on the beliefs, expectations and opinions of management on the date the statements were made, and the Company does not assume any obligation to update forward-looking statements if circumstances of management's beliefs, expectations or opinions should change. For the reasons set forth above, investors should not place undue reliance on forward-looking statements.

## **OTHER SHAREHOLDER INFORMATION**

### **Directors:**

Armand Lavoie (Board Member (Chairman), Audit Committee, Compensation Committee, Governance Nominating Committee)  
Denis Taschuk (Board Member)  
Harry Kaura (Board Member, Health & Safety Committee)  
Mike Cabigon (Board Member, Health & Safety Committee)  
Steve Dauphin (Board Member, Compensation Committee, Governance & Nominating Committee)  
Francesco Ferlaino (Board Member)



Dimitris Tzanis (Board Member)  
Jith Veeravalli (Board Member)

**Officers:**

Denis Taschuk, CA (President and Chief Executive Officer)  
Mike Cabigon (Chief Operating Officer)  
Steven Splinter, PhD (Chief Technology Officer and Corporate Secretary)  
Prakash Hariharan, (Interim Chief Financial Officer)

**Corporate Counsel:**

Fasken Martineau DuMoulin LLP, 2900 – 550 Burrard Street, Vancouver BC

**Auditors:**

Grant Thornton LLP, Chartered Accountants, 1701 Scotia Place 2, 10060-Jasper Avenue, Edmonton AB

**Trust Agent:**

CST Trust Company, 600 Dome Tower, 333-7th Avenue S.W., Calgary, AB

**Contacts (780-465-1318):**

Corporate & Strategic – Denis Taschuk  
Investor Relations – Mike Cabigon  
Administration & Finance – Prakash Hariharan