Management Discussion & Analysis

Quarter ended June 30, 2021

October 5, 2021

RADIENT

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Management Discussion and Analysis (“MD&A”)

The following MD&A is prepared as of October 5, 2021 and is intended to assist the understanding of the results of operations and financial condition of Radient Technologies Inc. (the “Company” or “Radient”).

This MD&A should be read in conjunction with Radient’s interim condensed consolidated financial statements and related notes for the three months ended June 30, 2021 and the MD&A and audited consolidated financial statements for the year ended March 31, 2021. The statements and additional information about Radient can be found on SEDAR at 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.

The Company’s interim condensed consolidated financial statements are prepared in accordance with International Accounting Standard (“IAS”) 34: “Interim Financial Reporting.” The notes to the interim condensed consolidated financial statements are condensed as they do not include all the information required in audited annual financial statements. All dollar amounts are expressed in Canadian currency unless otherwise indicated.

Certain information contained herein includes market and industry data that has been obtained from or is based upon estimates derived from third party sources, including industry publications, reports and websites. Third party sources may state that the information contained therein has been obtained from sources believed to be reliable, but there is no assurance or guarantee as to the accuracy or completeness of included data. Although the data is believed to be reliable, neither the Company nor its agents have independently verified the accuracy, currency, reliability or completeness of any of the information from third party sources referred to in this MD&A or ascertained from the underlying economic assumptions relied upon by such sources. The Company disclaims any responsibility or liability whatsoever in respect of any third-party sources of market and industry data or information.

Non-IFRS Measures

In this MD&A, certain terms that are not specifically defined in International Financial Reporting Standards (“IFRS”) are used to analyze Radient’s operations. In addition to the primary measures of net (loss) income and net (loss) income per share in accordance with IFRS, Radient believes that certain measures not recognized under IFRS assist both Radient and the reader in assessing performance and understanding the Company’s results. As a result, the method of calculation may not be comparable with other companies. These measures should not be considered alternatives to net (loss) income and net (loss) income per share as calculated in accordance with IFRS.

Working capital – working capital is calculated as current assets less current liabilities.

Forward-Looking Statements

This MD&A offers our assessment of Radient’s future plans and operations as of June 30, 2021 and contains “forward-looking statements” and “forward-looking information” within the meaning of applicable securities law (collectively referred to in this MD&A as “forward looking statements”). All such statements and disclosures, other than those of historical fact, which address activities, events, outcomes, results or developments that Radient anticipates or expects may, or will occur in the future (in whole or in part) should be considered forward-looking statements.

In some cases, forward-looking statements can be identified by the use of the words "will", "can", "possible", "may", "believe", "expect", "anticipate", "future", "typical", "opportunity", "continue", "should", "intend", "budget", "plan", "potential" and similar expressions. In particular, but without limiting the foregoing, this MD&A contains forward-looking statements pertaining to the following: Radient's corporate structure; the Company's extraction methods; technology and intellectual property; Radient's corporate focus; business model and strategy; the Company's competitive position; predictions regarding competitor extraction technologies; the price of cannabinoids; the demand for cannabis based products; Radient's clients and their product offerings; Radient's partnerships and joint ventures; the Company's regulatory compliance procedures; Radient's research initiatives; the Company's intellectual property strategy; the Company's product offerings and the demand for same; market opportunities; the impact of COVID-19 on the Company's operations; the construction of additional infrastructure and facilities in Edmonton and internationally; the Company's ATM Program; Radient's production capacity and capability; the Company's expansion projects, including the specifications, timing and cost thereof; recurrence of certain expenditures; costs of production for industrial scale volumes; and liquidity and capital resources, including the Company's ability to generate sufficient amounts of cash through operations and financing activities.

This MD&A should be read in conjunction with the risk factors described in the "Risk Factor" section of Radient's Annual MD&A and the "Risk Factors" and "Introductory Notes – Cautionary Note Regarding Forward-Looking Information" sections of Radient's AIF.

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 statements, 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 Radient 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.

Core Business and Strategy

Overview

The Company presents its results on a going concern basis, which assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of operations as they become due. 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 to date. The net loss for the quarter ended June 30, 2021 totalled $1,993,996 (2020 - $5,431,086) and as at June 30, 2021 the Company had a deficit of $171,543,235 (March 31, 2021 - $169,549,259). These balances indicate there is material uncertainty about the Company's ability to continue as a going concern.

At June 20, 2021, the Company had a working capital deficiency of $29,420,949 (March 31, 2021 - $28,434,362). The deficit balance indicates that there is material uncertainty about the Company's ability to continue as a going concern.

At June 30, 2021, the Company was in arrears with certain trade creditors, rent, severance, excise and commodity taxes payable, long-term debt, and lease liabilities. Subsequent to June 30, 2021, the Company has continued to work on increasing revenues through product sales, potential financings, notably through issuance of equity, to address its working capital deficiency. In addition, through a series of commercial transactions related to the recreational cannabis market in Canada, the Company has been actively growing its sales volumes since September 2020. These initiatives, coupled with reducing costs, are a part of the core strategy of the Company to reverse its working capital deficiency in fiscal 2022.

Management 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 continued ability to obtain financing, generate sufficient cash flows through its revenue growth and, ultimately, achieve profitable operations. The consolidated 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 and that such adjustments could be material.

During the 2020 and 2021 calendar year, there continued to be a global pandemic outbreak of COVID-19. The actual and threatened spread of the virus globally has had a material adverse effect on the global economy and; specifically, the regional economies in which the Company operates. The pandemic resulted in a closure of the Company's facility for a period of time during the year and temporary and permanent layoffs of employees. The pandemic could continue to have a negative impact on the stock market, including trading prices of the Company's shares and its ability to raise new capital. These factors, among others, could have a significant impact on the Company's operations. Management has given consideration to the impact of COVID-19 on the Company and has concluded that the consolidated financial statements appropriately reflect and disclose management's best estimate and uncertainty regarding the impact of COVID-19 on the Company's future operations and financial results. The Company has recorded wage subsidies and rent subsidies from the Canadian and Germany governments COVID-19 programs. The rent subsidies were recorded in the general and administrative expense on the consolidated statement of operations and the wage subsidies were recorded proportionately to the salary expenses allocated to each of the cost of sales, general and administrative, production plant, research and process development, engineering, quality control and assurance, and business and corporate development on the consolidated statement of operations.

Radient 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, Radient amalgamated with Madison Capital Corporation ("Madison"), a Capital Pool Company as defined in TSX Venture Exchange ("TSXV") Policy 2.4 – *Capital Pool Companies* ("Policy 2.4"), incorporated pursuant to the provisions of the *Business Corporations Act* (Alberta) on June 13, 2011 and continued under the *Canada Business Corporations Act* on May 14, 2014, forming a new entity called "Radient Technologies Inc." This transaction constituted the qualifying transaction of Madison in accordance with the requirements of Policy 2.4. Radient trades on the TSXV under the symbol "RTI" and on the OTCQX®Best Market ("OTC"), operated by OTC Markets Group under the ticker symbol "RDDTF".

As of June 30, 2021, the head office and research and development lab of Radient is located at 8223 Roper Road NW, Edmonton, Alberta, T6E 6S4 (the "Roper Road Facility") and the registered and records office is located at 2900 – 550 Burrard Street, Vancouver, British Columbia, V6C 0A3. Radient also operates a production facility located at 4035 – 101 St NW, Edmonton, Alberta, T6E 0A4. The Company is looking to re-organize the location of its offices to reduce the overheads related to the research and development lab as a part of its cost reduction initiatives.

The subsidiaries of the Company as at June 30, 2021 are as follows:

Name of entity	Ownership
Radient Technologies (Cannabis) Inc. (“RTC”)	100%
Radient Technologies Innovations Inc. (“RII”)	100%
Radient Technologies (Switzerland) Inc. (“RTS”)	100%
1631807 Alberta Ltd. (“163 Alberta”)	100%
MAG Innovations GmbH (“MAG”) subsidiary of RTS	100%

The Company had a 50% interest in Natac Solutions S.L. which was incorporated in the year ended March 31, 2020. The Company’s interest was terminated on August 13, 2020 for nominal proceeds.

RTC, which operates the Company’s Canadian cannabis business, was incorporated on February 20, 2018 and holds certain of the Company’s Canadian cannabis-related licences. Radient owns 100% of 163 Alberta, which is the owner and landlord of various properties, including Radient’s Edmonton production facility. Prior to May 3, 2018, Radient owned a 50% interest in 163 Alberta. RII was incorporated on October 12, 2018 and is intended to hold the Company’s Canadian generated intellectual property. RTS was incorporated on January 29, 2019 and holds the Company’s European investments (including MAG which was incorporated on February 21, 2019). In July 2021, the Company announced that it was winding down operations in MAG and MAG filed for insolvency for the MAG entity.

Radient has historically manufactured high-value natural ingredients for global customers in the food and beverage, nutraceuticals, pharmaceuticals and cosmetics and personal care industries. In the year ended March 31, 2017, the Company expanded its offerings to the fast-growing cannabinoids market utilizing its extraction platform to process and extract cannabinoids, including cannabidiol (“CBD”) and tetrahydrocannabinol (“THC”), from cannabis biomass. The Company’s core focus is on processing and manufacturing efforts in the cannabis industry for the near and mid-term. During the current year the Company made the strategic decision to move away from the extraction as a service business model and focus exclusively on bulk extractions that is economical and white label manufacturing and manufacturing and launching of finished branded retail products.

Background

Radient was founded in 2001 by Dr. Steven Splinter, its current Chief Technology Officer, and Vizon SciTec Inc., formerly BC Research Inc., to pursue commercial opportunities related to the patented platform natural product extraction technology, MAP™ or “Microwaved Assisted Process, for applications in the pharmaceutical, nutraceutical, food and cosmetic industries.

In the year ended March 31, 2018, the Company explored opportunities with Aurora Cannabis Inc. (“Aurora”) which culminated in a Master Services Agreement (“MSA”) finalized on November 6, 2017, pursuant to which the Company agreed to perform certain services for Aurora using its proprietary extraction technology, in relation to supply of standardized cannabis extracts. The MSA has an initial term of five years, with an option for Aurora to renew the agreement for an additional five years. As a part of the partnership, Aurora has invested approximately $14.0 million in the Company through a combination of convertible debentures (that converted into equity in fiscal 2018), private placements and warrant exercises. In connection with the MSA, Radient and Aurora entered into an Investor Rights Agreement that provides Aurora with certain rights to participate in future offerings, providing Aurora with the option to expand its ownership in the Company up to 19.99%. As of June 30, 2021, Aurora held 37,643,431common shares of Radient representing approximately 8.7% of the issued and outstanding common shares and 7.6% of the issued and outstanding common shares on a fully diluted basis. During the quarter ended December 31, 2020, Aurora ceased to have significant influence over the Company, as a result of no longer having a director on the Company board and their ownership dropping below 10% of the Company and therefore were no longer considered a related party to the Company. As of June 30, 2021, Aurora was not a related party to the Company.

The Aurora MSA was the precursor of the Company's entry into the cannabis space and its focus on establishing appropriate production facilities, required licences and human capital to deliver on the MSA.

Business Model

Until fiscal 2020, Radient's core revenue generation activities related to cannabis activities were primarily focused on two areas 1) extraction services for the extraction of cannabinoids for third parties, and 2) manufacturing of cannabis extracts, concentrates and oils for sale to Licensed Producers. In the previous year, the Company began to transition its focus to the formulation, manufacturing and launching of unique value-added cannabis product SKUs into the cannabis 2.0 market. Understanding that the bulk extraction market was becoming increasingly competitive, and with regulations changing to allow for a greater variety of products, Radient applied for an amendment to its license to allow for the sale of cannabis extracts, edibles and topicals. The amendment was granted on June 26, 2020. The Company therefore began to transition its focus to commercializing formulations and white label manufacturing. Combining technological precision with decades of botanical extraction and science-backed product development experience, resulted in Radient having an internally developed library of unique products and formulations. During fiscal 2021, Radient continued this transition, utilizing space in Edmonton II for product manufacturing, as well as repurposing space in its Edmonton I facility to install filling and packaging capacity for new product offerings.

During the current year, the Canadian cannabis market continued to experience increasing pricing pressure on the sale of bulk cannabis extracts and distillates and an increasing market supply of cannabis resulting in a continued decline in dried cannabis pricing. These latter conditions in particular served to weaken some of the structural advantages of the Company's proprietary continuous-flow extraction technology, namely the ability to deliver very high efficiency extraction of expensive cannabis biomass at large scale throughput capacities. The Company therefore made the strategic decision to move away from the extraction as a service business model and focus exclusively on bulk extractions with the right economics and white label manufacturing and launching of finished branded retail products.

Corporate Focus

Since its inception in 2001, Radient has proven the effectiveness of its MAP extraction platform for a broad range of biomass inputs using varying solvent systems and for all commercially-relevant classes of natural products. As Canada moved to legalize both medical and adult-use cannabis, Radient foresaw a need for companies with the technical and scientific expertise to perform high quality extraction of cannabinoids. The Company therefore shifted its focus and resources into developing large scale extraction for cannabis and hemp and received its Standard Processing License from Health Canada in early 2019. Building on its proprietary extraction technology and extensive research and development capabilities, Radient also focused on turning its cannabis extracts into finished consumer products for both the medical and recreational markets and expanded its presence through a series of partnerships to launch brands and formulations by registering its products and brands in provinces across Canada.

Cannabis Activities

After receiving its Standard Processing Licence from Health Canada in February 2019 and completing its first commercial run in May 2019, Radient validated its technology at scale, processing thousands of kilograms of cannabis biomass for clients, achieving extraction efficiencies consistently in excess of 90% and as high as 99%. The Company initially concentrated much of its efforts on exploiting its structural advantages in terms of high-capacity, high efficiency extraction to meet anticipated growing demand for cannabis and hemp extraction services. With the technology validated at scale, Radient began expansion of its operations in Edmonton, including addition of capacity to increase extract purity through distillation, in order to meet anticipated growing demand for both extraction services and manufactured cannabis products. As the business has evolved and demand for retail cannabis products has grown, the Company has also made a strategic shift to bulk extractions with economic value and to a manufacturing model with its branded products and formulations.

Nicotine Reduction Activities

Radient continues to hold intellectual property relating to nicotine reduction and the Company is continuing to explore partnerships that would allow for further development and to monetize the research and development work that has been completed. Work done to date demonstrates the ability to significantly reduce nicotine in tobacco while retaining its appearance and organoleptic properties. Further research and development will be determined by the extent of any future partnership.

Cannabis Regulatory Considerations

As at the date of this MD&A, Radient has successfully participated in two virtual Health Canada compliance inspections both resulting in Compliant ratings. The first was a week-long general compliance inspection from December 1, 2020 to December 7, 2020, resulting in one minor observation. The submitted corrective action plan was accepted by the inspectors and the inspection was closed on January 22, 2021. The second inspection, from January 26 and 27, 2021 was a two-day sampling and compliance inspection focused on vape products and vaping extracts which resulted in four minor observations. Two lots of vape cartridges were selected for testing by Health Canada’s test laboratory. The corrective action plan was accepted by the inspectors and the inspection report closed on March 17, 2021. The test results from the samples obtained were received on April 23, 2021 and compliance was confirmed.

Canadian Requirements pursuant to the Cannabis Act and Cannabis Regulations (SOR/2018-144)

Standard Processing Licence

Radient was issued a Standard Processing Licence on February 1, 2019 by the Security Division of the Cannabis Legalization and Regulation Branch of Health Canada. This licence along with the amendments outlined below allow the Edmonton I and II facilities to:

- possess cannabis;
- produce cannabis, other than to obtain cannabis by cultivating propagation or harvesting it; and
- sell cannabis, in accordance with subsection 17(5) of the Cannabis Regulations.

Subsection 17(5) of the Cannabis Regulations allows for a standard processor to sell and distribute cannabis to a holder of the licence for processing, analytical testing, research or cannabis drug licence. The licence also allows for conducting research at the Edmonton I and II manufacturing facility so long as this research is within the scope of the current activities being conducted at Edmonton I and II.

With receipt of this licence, commercial processing of cannabis biomass to extract cannabinoids including CBD and THC began in March 2019 at Radient’s Edmonton I manufacturing facility.

On July 14, 2019, Radient submitted an amendment to Health Canada for the addition of a new secure storage area within the existing building perimeter. This amendment was granted on October 15, 2019.

On November 13, 2019, Radient submitted an amendment to Health Canada for the addition of Edmonton II as a cannabis processing site within the existing building perimeter. This amendment was granted on February 1, 2020.

On December 23, 2019, Radient submitted an amendment to Health Canada for the addition of sales to its Standard Processors Licence. This amendment was granted on June 26, 2020. Subsection 17(5) of the Cannabis Regulations allows for the holder of a Standard Processing licence whose licence authorizes the sale of cannabis to conduct the following activities:

- sell and distribute cannabis products to a holder of a licence for sale, or a person that is authorized under a provincial Act, to sell cannabis; and
- send and deliver cannabis products to the purchaser of the products at the request of a person that is authorized under a provincial Act, to sell cannabis or a holder of a licence for sale.

Research and Analytical Licences

The Company's Roper Road Facility holds both Research and Analytical Testing Licences and the Edmonton I manufacturing facility holds an Analytical Testing Licence. A Research Licence under the Cannabis Act authorizes the holder, for the purposes of research, to possess, produce, transport, send or deliver cannabis. An amendment was submitted by the Company for it's Research Licence on June 15, 2020 to add administration to and/or testing on humans involving the consumption of cannabis. This amendment was received on November 12, 2020.

The Analytical Testing Licence under the Cannabis Act authorizes the holder to possess cannabis and alter the chemical or physical properties of cannabis for the purposes of testing. This license will allow the Company, should it so choose, to conduct analytical testing for third parties.

Canadian Securities Regulation Regarding U.S. Cannabis Activities

Currently, certain U.S. states permit the use and sale of cannabis (sometimes referred to as marijuana) within state-specific regulatory frameworks notwithstanding that marijuana continues to be listed as a controlled substance under U.S. federal law. This creates a conflict between state and federal law. The U.S. Department of Justice has communicated that it will generally not enforce federal prohibitions on U.S. states that have authorized this conduct if such state has implemented a strong and effective regulatory program. As this federal guidance is subject to change or rescission risk and uncertainty exists for any issuer undertaking U.S. marijuana-related activities with consequences being potentially material and pervasive.

On October 16, 2017, the Canadian Securities Administrators, through Staff Notice 51-352 *Issuers with U.S. Marijuana-Related Activities* announced specific disclosure expectations of issuers that currently have, or are in the process of developing, marijuana-related activities in the U.S. states where such activity has been authorized by such state's regulatory framework.

Further, the Toronto Stock Exchange ("TSX") published Staff Notice 2017-0009 with respect to sections 306 and 325, *Minimum Listing Requirements and Management* and Part VII, *Halting of Trading, Suspension and Delisting of Securities* (collectively, the "Requirements") to provide clarity regarding the application of the Requirements to applicants and listed issuers in the marijuana sector. Although the TSX acknowledges the current state/federal circumstances and the guidance concerning enforcement of the provisions, it concludes that the guidance does not have force of law and can be revoked or amended at any time. As a result, the TSX has stated that issuers with ongoing marijuana-related business activities in the U.S. are not complying with the Requirements of the TSX Company Manual.

At present, Radient is not conducting any U.S. marijuana-related activities and the Company is in full compliance with Canadian securities regulatory requirements.

EU Requirements

Manufacturers, importers and distributors of medicines in the EU must be licensed before they can carry out those activities. Manufacturers listed in the application of a medicine to be marketed in the EU are inspected by an EU competent authority. If the medicinal product is imported from a third country, the application should also include information on GMP inspections of the manufacturing site(s) concerned carried out by European Economic Area competent authorities and/or by competent authorities of countries where a Mutual Recognition Agreement is in operation and should be carried out within two to three years prior to the date or application. Obtaining a favorable GMP compliance inspection result from an EU competent authority against the EU GMP requirements will allow product manufactured at Radient to be imported into Europe.

German Requirements for Processing of Cannabis

The import, processing and distribution of medical cannabis in Germany is legally permitted and is essentially governed under two German Federal acts. To operate in Germany, the Company (or its affiliates) requires a series of permits as detailed below.

Manufacturing Permit

The Company requires a general manufacturing permit for the manufacturer of medicine products under section 13 of the *Medicines Act* (Germany) (Arzneimittelgesetz – "AMG"). Under the AMG, "manufacturing" includes producing, preparing, formulating, treating or processing, filling, packaging, labeling and final release of a medicinal product. The application for the manufacturing permit must contain information regarding personnel, including designating a qualified person (who is responsible for the manufacture and release of medicine products), facilities information, manufacturing equipment and processes to be used as well as testing capabilities and storage.

The manufacturing permit, when granted, is non-transferrable such that it is entity specific and is for specific facilities and premises. It can be limited to specific products or categories of products. The permit is only granted after the competent authority has inspected the facility and has certified that the applicant complies with the principles of GMP as laid out by the EU Commission's guidelines.

Under German law, a manufacturing permit should be granted within three months following the application provided that all necessary documents have been filed with the authorities and are in satisfactory condition. The application for the permit can only be made once the manufacturing facility is ready to operate. The permitting process is a consultative process with the authorities to ensure that the setup of the manufacturing operation will be accomplished in a manner acceptable to the authorities. This facilitates a timely review of the application.

Narcotics Handling Permit

Pursuant to section 3 of the *Narcotics Act* (Germany) (Betäubungsmittelgesetz – "BtMG") the Company requires a permit to handle narcotics from the Federal Institute for Drugs and Medical Devices (Bundesinstitut für Arsneimittel und Medizinprodukte – "BfArM"). Under the BtMG, "handling" includes cultivating, producing, trading, importing, exporting, distribution or producing preparations of narcotics. Medical cannabis with more than 0.2% THC is covered under the BtMG. The application for the permit must contain information regarding the facilities, manufacturing or operating processes to be used including product specifications, testing and quality assurance, personnel (including the qualified person who is responsible for the compliance of regulatory obligations under the permit) and security measures.

Under German law, a narcotics handling permit should be granted within three months following the application once all necessary documents have been filed with the authorities and are in satisfactory condition. The permit granted must describe the kind of narcotics, the premises, expected amounts handled and amounts to be stored. The permit may be subject to terms and conditions which are deemed necessary to ensure the safety and control of narcotics.

Import Permits

Should the Company decide to handle medical cannabis that has not originated from Germany, two kinds of import permits will be required.

First, the Company will need a general permit granted by BfArM to import medicines pursuant to section 72 of the AMG. The application for this permit must specify which products are to be imported as the import of medical cannabis is particularly regulated. Imports are only allowed from countries that are in compliance with the *United Nations Single Convention on Narcotic Drugs of 1961* (the “Single Convention”). The BfArM does not issue a comprehensive list of countries it considers to fulfill the criteria. Instead, it will evaluate an exporting country’s compliance with the Single Convention only when a permit for importing from that country has been applied for. So far, only permits for the import from the Netherlands, Canada and Austria have been granted. Under German law, a general import permit should be granted within three months following the application once all necessary documents have been filed with the authorities and are in satisfactory condition.

Second, each import requires its own permission under section 11 of the BtMG. This application is made on an import by import basis. This shipment specific import permit grants German authorities control over the kind, amount, timing and destination of narcotics imported into Germany. Typical timelines for receipt of an individual import permission can run up to several weeks.

Wholesale Permit

The wholesale of medicines requires a wholesale permit according to section 52a of the AMG. However, if the Company already holds a manufacturing permit or a general import permit, then the wholesale permit is included therein. Only if the Company does not manufacture or import, meaning that it is only an intra-German distributor, will a separate wholesale permit be necessary.

Outlook and Developments

In the three months ended June 30, 2021, Radient recorded $732,400 (2020 - $42,435) of revenue from its manufactured products. Sales volumes in the period were driven by the successful launch of a range of Cannabis 2.0 products in Canada utilizing the Company’s Sales Licenses in the provinces of Alberta, BC, Manitoba and Saskatchewan. This is a part of a broad strategy to introduce Branded retail products in the growing recreational market for Cannabis 2.0 products in Canada. For the period ending June 30, 2021 the sales volumes were driven by the Company’s products in the concentrate and vapes categories. The market for premium concentrates is showing signs of adoption and growth and Radient is well positioned to continue to create a market presence and licensing establish brands. During the period, Radient also continued to restructure its operations through a combination of wide scale cost reductions and the halting of expansion initiatives.

The Company anticipates maximizing the revenue potential of its product pipeline through distribution and sales partnerships with licensed producers and brand owners. As part of its strategic re-focus, Radient has begun to in-license a portfolio of nationally recognized brands of premium cannabis extracts targeting adult-use recreational and medical cannabis consumers in Canada. Radient will focus on manufacturing and distributing these premium cannabis extract and concentrate product offerings, marketed under brands that Canadian cannabis consumers know and trust and that have loyal online and retail followings nationally.

Radient has announced several collaborations and strategic license agreements with legacy brands including Tunaaaaroom, Atomic EH, and HighGrade Supply to target the launch of various adult-use recreational and medicinal cannabis concentrate products including distillate dabs, vapes, BHO extracts, live resin, live resin, THC a diamonds, shatter, caviar, and terp sauce, as well as minor cannabinoid isolates. The Company expects to add additional licensing agreements in the coming quarters. During the year, the Company announced its first shipment of products to Saskatchewan with Tunaaaaroom under the brand name TRX. To date the Company's registrations have been approved in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Nunavut and the Northwest Territories. Future products which the Company expects to have in production include dissolvable powders, including flavored drink juice crystals, hot chocolate and edibles.

Previously announced partnership with Shoppers Drug Mart is on-going. In February 2021, the Company signed a termination agreement with historical partner Premium 5 Ltd., which was acquired by Heritage Cannabis Holdings Corp. In addition, the previously announced partnership with US-based Dreamy Co. ("Dreamy") to bring Dreamy CBD branded products to the Canadian Market has been put on hold due to the untimely death of the Dreamy founder. Radient has revenue being generated by products launched in partnership with Tunaaaaroom. Management estimates revenue guidance in the $20-$25M range for fiscal 2022 based on growing sales volumes in Q2 2021, primarily driven by demand for premium concentrates and Radient formulated shatter and crystals.

The Company is also exploring white label opportunities for the export of medical cannabis products to authorized jurisdictions.

Management changes

The Board of Directors (the "Board") of the Company announced on September 18, 2020 that it was conducting a strategic review of the Company's operations targeting a path to positive cash flow by evaluating costs and assessing under utilized assets. The Company intended to build on its recent successes in launching white label products and increase its distribution to additional provinces. As a part of the strategic review, the Board named Jan Petzel as Interim President and Chief Executive Officer for a transitionary period. Mr. Petzel has been a Director of Radient since 2016 and has a comprehensive understanding of the Company. The Board also announced the departure of Denis Taschuk, CEO and Mike Cabigon, COO.

Following this transition period, Radient announced the appointment of Harry Kaura as the permanent CEO of the Company effective February 3, 2021. Upon Mr. Kaura's appointment, Jan Petzel stepped down from his role as Interim President and CEO. Mr. Kaura has served as a Director on Radient's Board since 2013 and has significant experience with the Company's business development initiatives and operations. Mr. Kaura is an entrepreneur with over 30 years of experience founding and leading various manufacturing businesses who has developed over $100M in the Edmonton real estate market and who has a deep-seated connection to the community in Edmonton. In addition, Mr. Kaura is one of the longest standing shareholders of Radient, and has continued to invest in the business to support its turnaround and planned growth trajectory.

Licensing Agreement with Tunaaaaroom

On December 8, 2020, the Company announced that it has entered into a licensing agreement with Tunaaaroom ("Tunaaaa") to manufacture and distribute a wide range of premium cannabis extracts targeting cannabis consumers, to be sold across Canada under the Tunaaaaroon Xtracts ("TRX") brand.

Tunnaaaa has developed the genetics for over 1000 high-quality cannabis strains containing proprietary terpene profiles. Through this licensing deal, Radient gained access to Tunaaaa's specific genetics and has engaged Tunaaaa to help drive product development. To date, Radient has successfully launched several TRX-branded distillate dabs and vape extract products with unique terpene profiles into the Canadian marketplace and plans additional launch of retail brands in various product categories, including resin, THCa diamonds, shatter, caviars, live rosin and terp sauce.

Commercialization of New Cannabinoid Ingredients and Formulations

Leveraging its strong natural health product formulation expertise, Radient's product development team has developed a broad range of proprietary cannabinoid-based product formulations for both medical and consumer markets. Attention has been given to the development of formulations that demonstrate evidence-backed physico-chemical stability, ensuring the highest quality and dosing consistency of final forms that will fully meet the industry's current strict regulatory framework. Examples include: cannabis tinctures; water-soluble and water-dispersible formulations for beverage applications; solid and liquid forms suitable for a wide range of cannabis edible products; standardized powders for tablets, capsules, sachets and lozenges; formulated liquids for vaporizing devices; and various topical formulations including creams, ointments, lotions and gels.

Financing Initiatives

On October 9, 2020, Radient announced a proposed non-brokered private placement of up to 40 million common shares at a price of $0.10 per share for potential aggregate gross proceed of up to $4.0 million. As of March 31, 2021, the Company had issued 29,955,000 shares (the "Shares") at a price of $0.10 per share for gross proceeds of $2,995,500. In addition, as a part of restructuring its liabilities, the Company also announced that it has closed the first series of shares for debt arrangements with various creditors for total debt settled under this term is $3.3M at a deemed value of $0.10 per share followed by an additional tranche for shares for debt for total debt settled of approximately $5M at a deemed value of $0.105 per share and an additional tranche for $1.8M at a deemed value of $0.10 per share.

Efforts are underway by the Company to look at a range of options including additional equity issuances and restructuring of its liabilities to provide liquidity to bridge the negative working capital position at June 30, 2021. As of the date of this MD&A, $15.5 million of liabilities with trade creditors are overdue by 120 days or greater. Radient is actively working with its creditors to offset this situation and recognizes the associated liquidity risk to the Company if the financing initiatives do not materialize.

Expansion Projects

The Company has halted work on expansion projects in the near term to focus on building cash positive results from current operating activities. In light of the challenges facing the Canadian cannabis market, Radient is taking a prudent approach to slow capital spending on expansion and focus on white label manufacturing and commercializing its significant formulation library. Radient has put construction on hold in Edmonton and is reviewing the options to restart construction pursuant to the requirement for additional capital. The completion of the Edmonton III plant will be deferred until at least calendar 2022, with the Company able to service its current extraction needs and manufacturing from Edmonton I and II. Edmonton III is expected to serve future growth and any further spending will be directed to increasing product manufacturing capabilities. In July 2021, the Company announced that it was winding down operations in MAG with MAG filing for insolvency for the MAG entity.

Licensed space in Edmonton II is now being utilized for manufacturing and packaging activities, both critical to the Company's white label and branded retail product offerings. Manufacturing space is being designed for flexibility that will allow for multi-use rooms and higher utilization rates. Additional equipment has been installed into the plant for the production of proprietary powder and liquid based formulations, which will allow the Company to offer various types of powder and liquid edible products, including formulations that incorporate nano emulsification and water compatibility. These proprietary formulations have been developed and tested internally. Strategically adding unique product offerings will position the Company for higher margin work and leverage our years of research and development experience. In addition, Radient is now re-tooling its extraction capabilities to add alternative extraction methods, including a customized hydrocarbon extraction platform, to complement its existing proprietary extraction technology. The Company believes that this will provide production flexibility in a highly competitive market and allow it to significantly add sales and diversify its customer base.

Restructuring of European Operations

European cannabis markets and regulation have faced challenges and are experiencing slower than expected growth. After a strategic review process, Radient has decided to preserve capital and focus on domestic opportunities by the winding down of the Company's subsidiary, MAG Innovations GmbH, and MAG filed for insolvency for the MAG entity in Germany. The strategic direction of Radient in Canada has been changing rapidly. What was initially envisioned for MAG is no longer a viable strategy in keeping with Radient's current focus on revenue-generating activities. The Company is reviewing strategic alternatives for establishing a market presence in Europe in the future

Licensing Agreement with Atomic Eh

On May 3rd 2021, Radient signed a definitive licensing agreement with Atomic Eh to launch its first Indigenous cannabis brand and a dedicated product line targeting under-served indigenous communities in the cannabis industry. Radient is working exclusively with Atomic Eh to roll out cannabis 2.0 products, including BHO extracts, vape cartridges, dry flower, edibles, and solventless extracts using Radient's distribution channels. According to the agreement, Radient will manufacture between 25,000 and 50,000 units of product per month, to be sold under the Atomic Eh brand, providing Radient with additional product offerings on retail shelf space. This agreement will result in the distribution of Indigenous brands nation-wide and provide access to high quality cannabis remedies for several Indigenous communities.

Furthermore, this agreement will give Indigenous communities a platform to share their cannabis remedies nationally, forging a symbiotic relationship between the two companies.

Licensing Agreement with HighGrade Concentrates

On May 5, 2021, Radient announced an exclusive licensing and extraction agreement with HighGrade Concentrates ("HighGrade") to manufacture a wide range of premium concentrates for sale into both the medicinal and rapidly growing recreational cannabis markets in Canada. The agreement grants Radient the exclusive rights to the HighGrade technology, HighGrade IP, and an established cannabis culture legacy brand.

Under the terms of the agreement, HighGrade will provide expertise, technical guidance, consultation, labour and knowledge for Radient to produce an array of high-quality cannabis 2.0 products. Radient will in turn make use of its Standard Processing and Sales Licenses with its Quality Systems to rapidly launch products while meeting all of Health Canada's requirements under the Cannabis Act and Cannabis Regulations. The focus will be for Radient to provide a wide range of affordable but top-quality cannabis products to the recreational, medicinal, and wholesale B2B markets.

Acquisition of Tunaaaa Room Xtracts Inc. ("Tunaaaa")

On June 30, 2021, the Company announced that it had signed a binding letter of intent to acquire Tunaaaa to acquire 100% of the issued and outstanding shares of Tunaaaa, a 100% subsidiary of Tunaaaa Room created for the purpose of entering into a licensing agreement with the Company. In consideration for the acquisition, the Company will issue 50 million shares for an aggregate deemed value of $6 million, 15 million common share purchase warrants with an exercise price of $0.15 for a period of 24 months following closing, and 30 million common share purchase warrants with an exercise price of $0.20 for a period of 24 months following closing. The transaction has not closed at the date of filing.

Acquisition of PBR Laboratories Inc. ("PBR Labs")

On July 29, 2021, the Company announced that it had signed a binding letter of intent to acquire 100% of the issued and outstanding shares of PBR Labs. Pursuant to the terms of the letter of intent, in consideration for the acquisition, the Company expects to issue 9 million common shares of the Company pro rata to the current shareholders of PBR Labs for an aggregate deemed value of $1,080,000. The transaction has not closed at the date of filing.

Results of Operations

Summary of Results by Quarter

Quarter ended	June 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020
Revenues	$749,222	$532,770	$1,811,476	$102,702
Loss before other income and expenses	(2,004,027)	(3,864,680)	(3,467,354)	(3,458,265)
Loss per share, before other income and expenses (basic and diluted)	(0.01)	(0.01)	(0.01)	(0.01)
Net loss	(1,993,996)	(18,355,205)	(11,205,613)	(3,409,246)
Net loss per share (basic and diluted)	($0.01)	($0.07)	($0.03)	($0.01)
Weighted average number of common shares outstanding	432,546,200	358,758,721	328,083,242	321,442,199
Total assets	$28,006,086	$29,294,671	$50,703,827	$57,397,852
Long term liabilities	342,926	369,355	1,139,809	10,737,761

Quarter ended	June 30, 2020	March 31, 2020	December 31, 2019	September 30, 2019*
Revenues	$42,435	$5,899,177	$11,205,961	$1,238,350
Loss before other income and expenses	(4,448,592)	(7,885,220)	(4,733,527)	(5,931,706)
Loss per share, before other income and expenses (basic and diluted)	(0.02)	(0.03)	(0.02)	(0.02)
Net loss	(5,431,086)	(18,746,397)	(5,438,335)	(6,882,035)
Net loss per share (basic and diluted)	($0.02)	($0.07)	($0.02)	($0.03)
Weighted average number of common shares outstanding	293,501,397	276,268,154	272,983,882	271,064,804
Total assets	$59,348,264	$57,931,694	$76,044,284	$75,999,601
Long term liabilities	11,063,247	11,044,022	9,950,226	10,128,544

***Restated**: Unaudited interim financial results for the quarter ended September 30, 2019 were restated to reflect the reclassification of a $440,513 loss on extinguishment of long-term debt which was previously classified as finance fees and subsequently classified in other income and expenses. The impact of this change on interim condensed consolidated statements of operations and comprehensive loss was to decrease the loss before other income and expense from $6,372,219 to $5,931,706 and the loss per share, before other income and expenses from $0.03 to $0.02.

The Company ceased plant operations effective March 18, 2020 in response to COVID-19, laying off non-essential staff in order to preserve liquidity and re-opened September 2020.

The quarter ended June 30, 2019 represents the first quarter that the Company recognized cannabis related revenue subsequent to receipt of its Standard Processing Licence with an increase in the quarter ended September 30, 2019 to $1,238,350. During the quarter ended December 31, 2019, operations were scaling up and $11,205,961 of revenue was recognized. In the quarter ending March 31, 2020, revenue of $5,899,177 was recognized which was affected by the shift in operational focus to resin and distillate production as well as the shut down in operations due to the COVID-19 global pandemic. The global pandemic affected revenue through throughout the year. In the quarter ended December 31, 2020, the Company recorded revenue of $1,811,476, compare to the quarter ended March 31, 2021 of $532,770, related predominantly to white labelling and filling activities.

Net loss for the quarter ending June 30, 2021 represents a shift in Company's strategic direction. Revenue is trending upwards when compared to June 30, 2020 as well as the continued efforts towards cost reduction and efficiency. The Company continues to be impacted by the COVID-19 global pandemic and continued to manage the challenges throughout the quarter. In the quarter ended revenue was $749,222 compared to $42,435 in the quarter ended June 30, 2020.

RADIENT

Consolidated Statements of Operations and Comprehensive Loss

For the periods ended March 31	2021	2020
Revenues		
Manufactured products	**$ 732,400**	$ 42,435
Manufacturing services	**16,822**	-
	749,222	42,435
Cost of sales		
Manufactured products	**683,133**	65,198
Manufacturing services	**34**	-
	683,167	65,198
	66,055	(22,763)
Expenses		
General and administrative	**542,515**	2,212,936
Financing fees	**423,501**	612,578
Depreciation and amortization	**451,774**	605,295
Production plant	**407,703**	264,827
Engineering	**13,615**	344,525
Process development	**62,136**	206,313
Research and development	**59,779**	75,308
Quality control and assurance	**50,771**	40,556
Business development	**52,697**	29,769
Corporate development	**5,591**	33,722
	2,070,082	4,425,829
Loss before other expenses	**(2,004,027)**	(4,448,592)
Other income (expenses)		
Share-based payments	**(1,411)**	(216,637)
Loss on modification of long-term debt	**-**	(477,810)
Loss on disposal of property and equipment	**(85,272)**	-
Foreign exchange gain (loss)	**105,998**	89,399
Interest and other income	**(9,284)**	151
Rental income	**-**	26,952
Loss on settlement of long-term debt	**-**	(404,549)
	10,031	(982,494)
Net loss and comprehensive loss	**$ (1,993,996)**	$ (5,431,086)

Manufactured products

A further break-down of Radient's revenues and cost of sales from manufactured products follows:

	Quarter ended June 30	
	2021	2020
Revenues	**$732,400**	$42,435
Cost of sales		
Inventories	**513,890**	23,457
Supplies and materials	**29,646**	14,773
Salaries and benefits	**86,333**	9,767
Freight and delivery	**-**	7,093
Overhead allocations	**22,263**	5,981
Third party testing	**-**	2,842
Equipment and rentals	**1,000**	1,000
Waste removal	**-**	285
Third party services	**16,403**	-
Consulting	**2,385**	-
Transportation	**11,213**	-
Total cost of sales	**683,133**	65,198
	$49,267	($22,763)

Revenue for the quarter ended June 30, 2021 was $732,400 which represents an increase of the same period in the prior year by $689,965. Revenue for the quarter ended June 30, 2020 was affected by COVID-19 as the Company temporarily laid off all non-essential staff and ceased operations at the plant. The pandemic had and continues to result in delays in reaching production capacity. However substantial improvements happened during 2021 resulting in improved results for the Company.

Manufacturing services

A further break-down of Radient's revenues and cost of sales from manufacturing services follows:

	Quarter ended June 30	
	2021	2020
Revenues	**$ 16,822**	$ -
Cost of sales		
Supplies and materials	**34**	-
Total cost of sales	**34**	-
	$16,856	$0

For the period ended June 30, 2021 Radient earned $16,822 in revenue from manufacturing services compared to $nil for June 30, 2020. For the period ended June 30, 2020, Due to COVID19 and liquidity issues, the Company temporarily laid off non-essential staff and ceased operations at the plant.

General and Administrative

A further break-down of Radient's general and administrative expenses are as follows:

	Quarter ended June 30	
	2021	2020
Consulting fees	**$196,119**	$1,381,936
Salaries and benefits	**89,601**	152,233
Professional fees	**57,638**	149,127
Insurance	**62,457**	159,236
Public company compliance	**7,270**	106,070
Rent and utilities	**86,966**	105,076
Computer software	**6,013**	81,680
Travel	**1,409**	12,902
Office	**28,460**	14,789
Investor relations	**-**	34,500
Directors' fees	**-**	15,125
Maintenance	**6,585**	-
Other	**-**	262
Total general and administrative	**$542,518**	$2,212,936

General and administrative expenses decreased by $1,670,418 for the three months ending June 30,2021 compared to the same period in the prior year.

The Company implemented significant cost cutting and control measures during the quarter ended June 30, 2021 as well as temporary lay-offs company wide due to COVID-19, resulting in reductions. In addition, the closure of our German operations also resulted in reduced costs, most notability in consulting and public company compliance costs. The Company expects the cost reductions to remain consistent and will notice the benefits in future periods.

Financing Fees

A further break-down of Radient's financing fees are as follows:

For the three months ended June 30,	2021	2020
Amortization of financing costs on short term borrowings	$ **-**	$ 73,729
Amortization of financing costs on long-term debt	**51,859**	32,259
Interest on long-term debt	**331,851**	169,740
Interest on lease liabilities	**-**	20,437
Interest on short-term borrowings	**120,000**	316,413
Accretion of interest	**(81,759)**	-
Other	**1,550**	-
	$ 423,501	$ 612,578

Financing fees for the quarter decreased by $189,077 for the three months ended June 30, 2021 compared to the same period in the prior year. This decrease is mainly due to a reduction in interest on short-term borrowings, offset by interest on long-term debt.

The Company has loans with various lenders; a Mortgage with the Bank of Nova Scotia bearing interest at the greater of 15% or prime rate plus 12.55% per annum with monthly interest only payments and principal maturing November 1, 2021; a loan bearing interest at the Bank of Canada policy interest rate plus 3% with variable payments maturing June 1, 2025; a loan bearing interest at 5.80% with monthly payments of $9,327 maturing October 1, 2021; and a loan payable bearing interest at 4.55% with monthly payments of $2,586 maturing March 1, 2023.

Engineering

A further break-down of Radient's engineering expenses are as follows:

	Quarter ended June 30	
	2021	2020
Salaries and benefits	**$12,838**	$197,860
Rent and utilities	**(150)**	98,221
Travel	**-**	11,572
Consulting fees	**-**	28,698
Office	**-**	8,174
Computer software	**927**	-
Total Engineering	**$13,615**	$344,525

Engineering expenses decreased by $330,910 for the quarter compared to the same period in the prior year. Due to the lay-offs of all non-essential staff as well as cessation of extraction operations in the prior year, the decrease is expected.

Research and Development

A further break-down of Radient's research and development expenses are as follows:

	Quarter ended June 30	
	2021	2020
Salaries and benefits	**$53,767**	$24,088
Consulting fees	**4,842**	46,264
Rent and utilities	**-**	71
Travel	**1,170**	4,885
Total research and development	**$59,779**	$75,308

Total research and development expenses decreased by $15,529 for the quarter ended June 30, 2021 compared to the same period in the prior year. Due the reduced reliance on consultants, as well as reduced travel due to the Covid-19 pandemic, the decrease across cost categories is expected. As the company began to resume operations salaries increased by $29,679.

Process Development

A further break-down of Radient's process development expenses are as follows:

	Quarter ended June 30	
	2021	2020
Salaries and benefits	**$36,710**	$116,842
Consulting fees	**-**	26,249
Rent and utilities	**(3,053)**	38,587
Maintenance	**3,479**	15,484
Supplies	**1,416**	4,015
Office	**-**	5,136
Depreciation and Amortization	**23,584**	-
Promotion	**-**	-
Total process development	**$62,136**	$206,313

Total process development expenses decreased by $144,177 for the quarter ended June 30, 2021 compared to the same period in the prior year. Due to lay-offs, reduced reliance on consultants the cost reductions were expected.

Production Plant

A further break-down of Radient's production plant expenses are as follows:

	Quarter ended June 30	
	2021	2020
Salaries and benefits	**$8,230**	$65,336
Computer software	**4,380**	-
Rent and utilities	**146,078**	64,374
Maintenance	**-**	27,957
Office	**54,259**	10,519
Production materials	**1,044**	-
Equipment and rentals	**-**	8,821
Supplies	**6,130**	9,906
Security	**84**	77,915
Marketing and Sales	**162,172**	
Professional fees	**8,000**	
Depreciation and amortization	**15,995**	-
Travel	**1,331**	-
Total production plant	**$407,703**	$264,828

Production plant expenses increased by $142,875 for the quarter ended June 30, 2021, compared to the same period in the prior year with variances in several cost categories. As the company began to increase operations, utility costs increased, along other overhead costs. Marketing and sales costs were incurred to help expand the sales and production opportunities.

Quality Control and Assurance

A further break-down of Radient's quality control and assurance expenses are as follows:

	Quarter ended June 30	
	2021	2020
Salaries and benefits	**$4,593**	$39,112
Supplies	**1,189**	1,353
Rent and utilities	**5,398**	5,695
Maintenance	**865**	4,586
Office	**1,725**	140
Consulting fees	**30,000**	-
Third party testing	**-**	(10,330)
Total quality control and assurance	**$43,770**	$40,556

Quality control and assurance expenses increased by $3,214 for the quarter ended June 30, 2021, compared to the same period in the prior year with variances in several cost categories. Lay-offs of staff resulted in lower salary and benefit costs but increased reliance on consultants, the company continues to monitor costs in these areas.

Business Development

A further break-down of Radient's business development expenses are as follows:

	Quarter ended June 30	
	2021	2020
Salaries and benefits	**$42,873**	$15,054
Consulting fees	**-**	14,625
Promotion	**990**	-
Travel	**3,705**	-
Other	**5,129**	90
Total business development	**$52,697**	$29,769

Business development expenses decreased by $29,769 for the quarter ended June 30, 2021, compared to the same period in the prior period. Due to the Covid-19 pandemic and the Company's shift in strategic focus, business development efforts were refocused in other areas of the Company.

Corporate Development

A further break-down of Radient's corporate development expenses are as follows:

	Quarter ended June	
	2021	2020
Computer software	**-**	33,722
Travel	**-**	-
Promotion	**4,419**	-
Office and other	**-**	-
Consulting fees	**1,172**	-
Total corporate development	**$5,591**	$33,722

Total development expenses decreased by $28,131 for the quarter ended June 30, 2021, compared to the same period in the prior year, mainly due to a onetime cost in computer software in the prior period.

Share-Based Payments

Share-based payments include vested amounts which relate to stock option grants previously approved as well as amounts related to new grants approved during the period as those grants begin to vest. The following chart details the expense as it arises from each grant summarized by grant date.

	Quarter ended June 30	
Grant date	**2021**	2020
February 11, 2021	**$1,411**	-
October 9, 2020	**-**	-
February 27, 2020	**-**	-
May 28, 2020	**-**	125,508
October 23, 2019	**-**	27,981
June 5, 2019	**-**	9,081
February 27, 2019	**-**	13,749
November 28, 2018	**-**	3,338
October 1, 2018	**-**	116,156
June 4, 2018	**-**	(79,176)
Total share-based payments	**$1,411**	$216,637

Liquidity and Capital Resources

		30-Jun-21		30-Jun-20
Non-current assets	**$**	**2,804,516**	$	46,284,897
Current assets		**25,201,570**		13,063,367
Current liabilities		**(32,553,772)**		(26,824,807)
Total assets less current liabilities	**$**	**(4,547,686)**	$	32,523,457
Non-current liabilities		**342,926**		11,063,247
Shareholders' (deficiency) equity		**(4,890,612)**		21,460,210
	$	**(4,547,686)**	$	32,523,457

For more information on key cash flows related to operations, investing and financing activities during the quarter, refer to the "Cash Flow Highlights" discussion below.

The Company's objective when managing its liquidity and capital resources is to safeguard its ability to continue as a going concern and maintain sufficient liquidity to support financial obligations when they come due while executing operating and strategic plans. The Company manages liquidity risk by monitoring its operating requirements and preparing budgets and cash flow forecasts to identify cash flow needs for general corporate and working capital purposes. Radient's ability to fund its operating requirements depends on future operating performance and cash flows, which are subject to economic, financial, competitive, business and regulatory conditions, and other factors, some which are beyond Radient's control, such as the potential impact of COVID-19. The actual and threatened spread of the virus globally has had a material adverse effect on the global economy and; specifically, the regional economies in which the Company operates. The pandemic could continue to have a negative impact on the stock market, including trading prices of the Company's shares and its ability to raise new capital. These factors, among others, could have a significant impact on the Company's operations. The Company's primary short-term liquidity needs are to fund its net operating losses, capital expenditures to maintain existing facilities, debt repayments, and lease payments. Radient's medium-term liquidity needs primarily relate to debt repayments and lease payments. The Company's long-term liquidity needs primarily relate to potential strategic plans.

Radient's business is subject to risks and uncertainties that could significantly impair Radient's ability to raise funds or to generate profits sufficient to meet future obligations, operational, or development needs. See "Risk Factors" in this MD&A for information on the risks and uncertainties that could have a negative effect on Radient's liquidity.

In an effort to manage liquidity prudently while the Company moves toward profitability and positive cash flow, Radient has taken the following steps to re-position Radient for long term success:

- Winding down its German entity and operations;
- Deferred completion of construction of its Edmonton III facility;
- Streamlined operations to reflect the deferral of its major construction projects and to support the Company's increased focus on white label products;
- Focused its business development efforts on adding customers requiring contract manufacturing/white label products; and
- The Company continues to review operating expenses to determine where economies can be realized with significant reductions having taken place as at the date of this MD&A.

These initiatives are expected to provide the Company with increased liquidity and flexibility to meet its financial commitments, including its near-term obligations of $31.9 million (refer to the "Contractual Obligations" table below).

As of June 30, 2021, the Company has access to the following capital resources available to fund operations and obligations:

- Radient has filed a shelf prospectus providing the Company the ability to raise financing through various forms of equity or debt offerings. The total the Company may raise pursuant to the shelf prospectus is $75 million. Under the shelf prospectus the Company has completed two offerings:
    - An ATM Program allowing the Company to raise up to $9.4 million. The Company has raised $0.9 million through the ATM Program through the date of this MD&A.
    - A $5.75 million offering that was successfully completed on May 26, 2020.

  The Company has available room under the shelf prospectus of approximately $59.85 million as at the date of this MD&A.
- Asset backed financing options:
    - Radient is working with a wide range of conventional lenders and with alternative asset backed lenders to finance its liquidity needs with backing from its real estate and other assets. There can be no assurance that Radient will complete any asset-backed financing.
- Radient has been working on a total financing package of up to $15.4 million through the issuance of up to $10.4 million of unsecured convertible notes (the "Notes") and up to $5 million of

unsecured debentures (the “Debentures”). A total of $1.2 million of unsecured debentures were issued during the year ended March 31, 2020. Radient converted these into common shares at $0.10 as a part of the conversion of its outstanding debt to equity in March 2021.

- Radient announced a private placement of up to $4 million on October 9, 2020 at $0.10 a share on a non-brokered basis. As of June 30, 2021, the Company has issued 29,955,000 common shares at a price of $0.10 per share for gross proceeds of $2,995,500.

The Company is working on securing additional financing to support its activities. Notably, the Company is pursuing long-term, asset backed lending alternatives backed by real estate and equipment, with efforts also being made to secure funding options backed by trade receivables.

Significant uncertainty exists in the Canadian cannabis industry. This uncertainty revolves around the introduction of cannabis 2.0 products, industry inventory levels and difficult public markets restricting the ability of industry participants to raise equity. Additionally, COVID-19 introduced further uncertainties in both public equity markets and traditional lending markets. Both have negatively impacted the Company’s operations and the Company’s ability to raise additional financing.

The Company has deferred the completion of Edmonton III. The Company, as at June 30, 2021, has an unpaid amount of $ 4.5 million to its general contractor for the construction of its Edmonton III facility, further to the conversion of $3.3 million owed in payables into equity. In support of the Company and its efforts to secure additional financing the general contractor has been granted security on the Company’s Edmonton I/II facility and its Edmonton III facility.

In addition to the financing initiatives, efforts are underway to look at a range of options including additional equity issuances and restructuring of liabilities to provide liquidity to bridge the negative working capital position. As of the date of this MD&A, $16.5 million of balances owed to trade creditors are overdue by 120 days or greater. Certain of the Company’s creditors are pursuing legal recourse for the amounts outstanding. The Company has been able thus far to negotiate settlements with the creditors on a case-by-case basis.

Going Concern Uncertainty

The Company's consolidated financial statements were prepared on a going concern basis, however, Radient currently has insufficient cash to fund its operations for the next 12 months. Whether and when the Company can attain profitability and positive cash flows is uncertain. These uncertainties cast significant doubt upon the Company's ability to continue as a going concern. See “Core Business and Strategy – Overview”.

Cash Flow Highlights

The table below summarizes the Company’s cash flows for the period ended:

		June 30, 2021		June 30, 2020
Cash, beginning of year	**$**	**485,544**	$	145,117
Cash used in operating activities		**(348,204)**		(3,687,372)
Cash provided by financing activities		**13,013**		5,405,796
Cash used in investing activities		**(9,746)**		5,330
Net increase (decrease) in cash during the period		**(344,937)**		1,723,754
Cash, end of period	**$**	**140,607**	$	1,868,871

Cash used in operating activities for the period ended June 30, 2021 was $348,204 representing a decrease of $3,339,168 compared to the prior period. This decrease is mainly a result of the improvement in the net loss for the company due to cost reductions and one-time expenses in the prior period.

Cash provided by financing activities for the period ended June 30, 2021 was $13,013, representing a decrease of $5,392,783 compared to the prior period. The decrease is mainly due to a $5,750,000 brokered placement that took place in the prior period.

Cashed used in investing activities for the period ended June 30, 2021 was $9,746 a decrease of $15,076 compared to the prior period. The change is mainly due to proceeds of $9,570 from the disposal of plant and equipment in the prior year.

Capital Expenditures

The Company's did not have any capital expenditures for the period ended June 30, 2021.

Contractual Obligations and Commitments

As at June 30, 2021, the Company had the following contractual obligations:

	<1 year	1 to 3 years	4 to 5 years	>5 years	Total
Accounts payable and accrued liabilities	$ 16,527,060	$ -	$ -	$ -	$ 16,527,060
Facility construction liabilities	4,566,759	-	-	-	4,566,759
Short-term borrowings	1,000,000	-	-	-	1,000,000
Long-term debt	9,501,984	-	-	-	9,501,984
Lease liabilities	259,224	1,336,974	-	-	1,596,198
Balance June 30, 2021	$ 31,855,027	$ 1,336,974	$ -	$ -	$ 33,192,001
Accounts payable and accrued liabilities	$ 15,358,022	$ -	$ -	$ -	$ 15,358,022
Facility construction liabilities	4,566,759	-	-	-	4,566,759
Short-term borrowings	1,000,000	-	-	-	1,000,000
Long-term debt	9,582,593	-	-	-	9,582,593
Lease obligations	259,224	1,336,974	-	-	1,596,198
Balance March 31, 2021	$ 30,766,598	$ 1,336,974	$ -	$ -	$ 32,103,572

The Company has entered into various non-cancellable commitments with contract terms ranging between one and five years as follows:

	June 30, 2021	March 31, 2021
Capital expansion projects	$ **1,340,542**	$ 1,340,542
Leases not yet commenced	**130,500**	130,500
Variable lease payments for lease liabilities	**1,383,675**	1,496,297
Network services contracts	**53,562**	143,108
Purchase and retrofitting of equipment	**89,083**	89,083
Maintenance contracts	**12,567**	12,567
Direct materials	**570,000**	570,000
	$ **3,579,929**	$ 3,782,097

Working Capital

Working capital is current assets less current liabilities. As at June 30, 2021, Radient had a working capital deficit of $29,420,949 as compared to a working capital deficit of $28,434,362 as at March 31, 2021. The $986,587 increase in working capital deficit is primarily related to the increase in accounts payable of $1,169,038 offset by higher inventory of $153,704, higher accounts receivable of $239,540 and lower cash of $344,934.

Working capital is a non-IFRS measure. See “Non-IFRS Measures”.

Related Party Transactions

The Company’s related parties are its Board of Directors, key management: Chief Executive Officer – Harry Kaura (CEO), Chief Financial Officer – Prakash Hariharan (CFO) and Chief Technology Officer – Steven Splinter (CTO), as well as any companies controlled by key management personnel or directors. Transactions conducted with related parties took place in the normal course of operations and are measured at the amount of consideration established and agreed to by the related parties.

Balances and transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not included in the details of the related party transactions which follow.

Key Management Personnel and Director Remuneration

The remuneration of directors and key management personnel follows:

	Three months ended June 30	
	2021	2020
Compensation	**$73,875**	$240,425
Short-term benefits	**-**	48,634
Share-based compensation	**-**	116,156
	$73,875	$405,215

Compensation includes key management salaries, severance, consulting fees and director’s fees.

As at June 30, 2021, $672,395 (March 31, 2021 - $562,083) was included in accounts payable and accrued expenses for amounts owing to key management personnel, directors and companies controlled by key management personnel or directors.

Equity transactions

During the year ended March 31, 2021

During the year ended March 31, 2021 certain directors and officers were issued 6,125,427 shares for settlement of debts outstanding of $667,245. Certain officers participated in the brokered placement on May 26, 2020 and were issued 300,000 units for gross proceeds of $55,000. The officers were also issued 300,000 warrants under the terms of the placement.

Services provided

A property management company owned by a director received $223,920 (2020 - $222,168) during the year ended March 31, 2021 for rental lease payments and operating costs associated with the rental of a warehouse required by the Company. The current period amounts are net of Canadian emergency commercial rent assistance of $310,556

Cash advances

During the period ended June 30, 2021, there were no related party cash advances.

Short-term borrowings

A director of the Company advanced $2,500,000 of demand loan to the Company during the year ended March 31, 2020. The loan is secured by a second charge on the land and property of the Company and bear interest at 21.0%. The Company renegotiated the terms of the loan with Akaura in February 2021, at which time principal of $2,500,000 (2020 - $2,500,000) and accrued interest and penalties of $951,187 (2020 - $150,000) were outstanding under the agreement. As a result of the renegotiation, the Company issued 20,952,381 shares of the Company to Akaura to settle $2,200,000 of the Company's outstanding debt with Akaura. Akaura extended $1,000,000 of the outstanding liability under a new agreement with the Company and forgave $219,937 of the Company's remaining debt. The Company reimbursed Akaura for legal and financing fees of $138,273 relating to the renegotiation. The restricted cash of $200,000 was included in this settlement.

Financial Instruments and Related Risk

Cash, accounts receivable and deposits are classified as financial assets at amortized cost. Financial assets are measured at amortized cost using the effective interest method, less any impairment losses.

Financial liabilities are initially recognized at fair value and are subsequently measured at amortized cost using the effective interest method. The Company's financial liabilities include short-term borrowings, facility construction liabilities, accounts payable and accrued liabilities, long-term debt, and lease liabilities.

The fair value of cash, accounts receivable, deposits, short-term borrowings and accounts payable and accrued liabilities approximate their carrying amount due to their short-term nature. The fair values of long-term debt, facility construction liabilities, and lease liabilities are estimated to approximate their carrying value because the interest rates do not differ significantly from current interest rates for similar types of borrowing arrangements.

The Company has exposure to credit, interest rate, liquidity, foreign exchange and credit 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 accounts receivable and to a maximum of the carrying value of the items at the reporting date.

The Company mitigates its exposure to credit risk related to its cash by holding funds with reputable financial institutions.

The Company's trade receivables are monitored on an ongoing basis for impairment.

As at June 30, 2021, the Company had $586,168 (March 31, 2021 - $315,120) of trade accounts receivable balances. Credit risk is limited with respect to trade accounts receivable and all amounts receivable from customers were received subsequent to June 30, 2021.

Sales tax of $nil (March 31, 2021 - $31,402) and VAT of $99,244 (March 31, 2021 - $99,350) represent the other receivables balance of $99,244 as at June 30, 2021, (March 31, 2021 - $130,752) and are consistently received subsequent to filing of applicable returns.

Interest Rate Risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. The Company has interest rate risk in respect of its variable rate long-term debt.

As at June 30, 2021, the increase or decrease in annual net income for each one percent change in interest rate on the variable rate long-term debt would amount to $92,690 (March 31, 2021 - $92,732).

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulties in meeting its financial obligations.

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 are actively involved in the review, planning and approval of annual budgets and significant expenditures and commitments.

The Company could encounter difficulty in meeting its financial obligations if certain risks were to occur. See the Risk Factors section of this MD&A for additional related discussion and details. The Company's contractual liabilities and obligations are as follows:

		<1 year		1 to 3 years		4 to 5 years		>5 years		Total
Accounts payable and accrued liabilities	$	16,527,060	$	-	$	-	$	-	$	16,527,060
Facility construction liabilities		4,566,759		-		-		-		4,566,759
Short-term borrowings		1,000,000		-		-		-		1,000,000
Long-term debt		9,501,984		-		-		-		9,501,984
Lease liabilities		259,224		1,336,974		-		-		1,596,198
Balance June 30, 2021	$	31,855,027	$	1,336,974	$	-	$	-	$	33,192,001
Accounts payable and accrued liabilities	$	15,358,022	$	-	$	-	$	-	$	15,358,022
Facility construction liabilities		4,566,759		-		-		-		4,566,759
Short-term borrowings		1,000,000		-		-		-		1,000,000
Long-term debt		9,582,593		-		-		-		9,582,593
Lease obligations		259,224		1,336,974		-		-		1,596,198
Balance March 31, 2021	$	30,766,598	$	1,336,974	$	-	$	-	$	32,103,572

The contractual liabilities and obligations included in the tables above include both principal and interest cash flows.

As of the date of this MDA, $16.5 million of obligations with trade creditors are overdue by 120 days or more. The Company is also in arrears with rent, long-term debt and lease liabilities. Radient is actively working with its creditors to offset this situation and recognizes the associated liquidity risk to the Company if the financing initiatives do not materialize.

Foreign Exchange Risk

Foreign exchange risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

The Company operates on an international basis and is subject to foreign exchange risk related to financial assets and liabilities denominated in a foreign currency. The Company's objective with respect to foreign exchange risk, is to minimize the impact of the volatility where possible, through effective cash flow management. The following table provides an indication of the Company's exposure to changes in the value of foreign currencies relative to the Canadian dollar as at June 30, 2021. The analysis is based on financial assets and liabilities denominated in Euro ("EUR"), British Pound ("GBP"), US Dollar ("USD") and Swiss Franc ("CHF").

	(EUR)	(GBP)	(USD)
Cash	-	-	255
Accounts receivable	66,405	-	-
Accounts payable and accrued liabilities	(835,392)	(81,500)	(1,092,940)
Net balance sheet exposure	(768,987)	(81,500)	(1,092,685)
Translation rate at June 30, 2021	1.4801	1.7123	1.2741
Net income impact of 10% rate change	(76,899)	(8,150)	(109,269)

The estimated net income impact of a 10% rate change assumes other variables remain unchanged. The timing and volume of foreign currency denominated transactions as well as the timing of their settlement could impact the sensitivity analysis.

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 may be accessed through the Company's profile on SEDAR (www.sedar.com), including Radient's AIF and Annual MD&A.

Financial History and Capital Requirements

The Company has incurred operating losses and not had a corresponding increase in revenues to offset these losses. The operations of the Company and execution on the business opportunities will depend on its ability to generate operating revenues through additional customers and to procure financing. The Company had a cumulative deficit of $171,543,235 as of June 30, 2021 with a working capital deficiency of $29,420,949. 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, including offerings of Notes or Debentures, can be obtained on terms favourable to Radient or on any terms. Failure to raise the necessary funds in a timely fashion may also limit Radient's ability to move its programs forward in a timely and satisfactory manner, or cause it 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.

Impact of the COVID-19 Pandemic

Since March 31, 2020, the outbreak of the novel strain of coronavirus, specifically identified as COVID-19, has resulted in governments worldwide, including Canada, the United States and several European countries enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Such events may result in a period of business disruption, and in reduced operations, any of which could have a material adverse impact on the Company's profitability, results of operations, financial condition and the trading price of the Company's securities.

Governments and central banks have reacted to the COVID-19 pandemic with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 pandemic is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company and its operating subsidiaries in future periods.

To date, a number of businesses have suspended or scaled back their operations and development as cases of COVID-19 have been confirmed, for precautionary purposes or as governments have declared a state of emergency or taken other actions. If the operation or development of one or more of the Company's properties is suspended or scaled back, it may have a material adverse impact on the Company's profitability, results of operations, financial condition and the trading price of the Company's securities.

To the extent that the Company's management or other personnel are unavailable to work due to the COVID-19 pandemic, whether due to illness, government action or otherwise, it may have a material adverse impact on the Company's profitability, results of operations, financial condition and the trading price of the Company's securities.

The breadth of the impact of the COVID-19 pandemic on investors, businesses, the global economy and financial and commodity markets may also have a material adverse impact on the Company's profitability, results of operations, financial conditions, ability to raise additional capital and the trading price of the Company's securities. The Company has experienced delays in financing, reduction in plant operations, layoff of staff, reduction in discretionary costs and deferral of projects to manage cash flows.

Outstanding Share Data

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

Common shares issued and outstanding: 435,164,191

Fully diluted common share capital: 499,846,315

Stock Options

28,732,197 stock options of the Company are issued and outstanding with a weighted average exercise price of $0.63. Each stock option entitles its holder to purchase one common share of the Company with varying expiry dates up to February 18, 2026.

Finders' Options

1,630,275 finders' options with a weighted average exercise price of $0.20 are issued and outstanding. Each option entitles its holder to purchase one unit of the Company with an expiry date of May 23, 2023. If exercised, these units would include 1,630,275 common shares and 1,630,275 common share purchase warrants entitling the holder to subscribe for additional common shares at a weighted average price of $0.30 per common share with an expiry date of May 23, 2023.

Warrants

32,689,377 are issued and outstanding with a weighted average exercise price of $0.31. Each warrant entitles its holder to purchase one common share of the Company with varying expiry dates up to June 8, 2022.