



Radiant Technologies Inc.

Interim Condensed Consolidated Financial Statements

Three and nine months ended December 31, 2021 and 2020
(Unaudited)

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

In accordance with National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the condensed consolidated interim financial statements, they must be accompanied by a notice indicating that an auditor has not reviewed the financial statements.

The accompanying unaudited condensed consolidated interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of condensed interim financial statements by an entity's auditor.

Radiant Technologies Inc.

Interim condensed consolidated statements of financial position

As at	December 31, 2021	March 31, 2021
Assets		
Current assets		
Cash	\$ 1,321,025	\$ 485,544
Accounts receivable	550,115	445,872
Lease receivable	33,398	48,612
Prepays and deposits	882,130	646,965
Inventories	1,242,588	1,393,834
	4,029,256	3,020,827
Non-current assets		
Lease receivable	-	21,008
Long-term prepaids and deposits	169,970	160,224
Lease assets	123,584	643,583
Plant and equipment	24,027,726	24,844,679
Intangible assets	510,331	604,349
	24,831,611	26,273,843
Total assets	\$ 28,860,867	\$ 29,294,670
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	\$ 18,734,995	\$ 15,358,022
Short-term borrowings (Note 5)	1,303,033	1,000,000
Facility construction liabilities	4,566,759	4,566,759
Current portion of long-term debt (Note 6)	10,809,814	9,582,593
Current portion of lease liabilities	1,278,086	947,815
	36,692,687	31,455,189
Non-current liabilities		
Lease liabilities	-	369,355
	-	369,355
	36,692,687	31,824,544
Shareholders' deficit		
Common shares (Note 7)	128,400,865	127,127,480
Contributed surplus	40,145,693	39,891,886
Deficit	(176,378,378)	(169,549,240)
	(7,831,820)	(2,529,874)
Total liabilities and shareholders' deficit	\$ 28,860,867	\$ 29,294,670

See accompanying notes to the interim condensed consolidated financial statements

Approved by the Board of Directors:

Director (signed by) "Harry Kaura"

Director (signed by) "Francesco Ferlaino"

Radiant Technologies Inc.

Interim condensed consolidated statements of operations and comprehensive loss

	Three months ended December 31,		Nine months ended December 31,	
	2021	2020	2021	2020
Revenues				
Manufactured products	\$ 1,576,616	1,806,046	\$ 3,422,985	\$ 1,892,841
Manufacturing services	-	5,430	-	63,772
	1,576,616	1,811,476	3,422,985	1,956,613
Cost of sales				
Manufactured products	1,342,780	1,445,855	2,900,065	1,587,593
Manufacturing services	-	1,773	-	58,761
	1,342,780	1,447,628	2,900,065	1,646,354
	233,836	363,848	522,920	310,259
Expenses				
General and administrative	872,538	1,576,055	1,997,930	5,072,996
Financing fees	365,155	848,074	1,131,577	1,995,615
Depreciation and amortization	409,313	500,282	1,171,561	1,710,184
Production plant	780,907	317,086	1,404,856	779,859
Engineering	6,844	298,326	23,389	919,092
Process development	23,540	170,192	230,782	518,114
Research and development	(34,141)	61,603	80,353	398,175
Quality control and assurance	50,980	7,139	108,409	155,120
Business development	75,206	52,445	181,424	101,593
Corporate development	1,000	-	6,591	33,722
	2,551,342	3,831,202	6,336,872	11,684,470
Loss before other expenses	(2,317,506)	(3,467,354)	(5,813,952)	(11,374,211)
Other income (expenses)				
Impairment of inventory	-	(6,600,000)	-	(6,600,000)
Impairment of lease assets	-	(612,546)	-	(612,546)
Share-based payments (Note 7)	(12,098)	(362,356)	(30,522)	(505,619)
Loss on equity settled payables	-	-	36,139	-
Loss on modification of long-term debt	(465,173)	-	(595,108)	(477,810)
Loss on disposal of property and equipment	(270)	(359,717)	(17,864)	(359,717)
Foreign exchange gain (loss)	88,279	54,270	110,708	103,359
Interest and other income	(34,840)	142,090	(63,223)	149,221
Rental income	-	-	-	35,927
Loss on settlement of long-term debt	-	-	-	(404,549)
Loss on abandonment of lease	(455,317)	-	(455,317)	-
	(879,419)	(7,738,259)	(1,015,187)	(8,671,734)
Net loss and comprehensive loss	\$ (3,196,925)	\$ (11,205,613)	\$ (6,829,139)	\$ (20,045,945)
Basic and diluted loss per common share	\$ (0.01)	\$ (0.03)	\$ (0.02)	\$ (0.06)
Weighted average number of common shares outstanding				
Basic and diluted	432,637,825	328,083,242	432,592,263	314,418,064

See accompanying notes to the interim condensed consolidated financial statements

Radiant Technologies Inc.

Interim condensed consolidated statements of cash flows

For the nine months ended December 31,	2021	2020
Operating Activities		
Net loss	\$ (6,829,139)	\$ (20,045,945)
Adjustments for:		
Impairment of inventories	-	6,600,000
Interest expense and pay-out penalties	-	1,879,089
Depreciation and amortization	1,171,561	1,710,184
Impairment of lease asset	455,317	612,546
Share-based payments	30,522	505,619
Loss on modification of long-term debt	595,108	477,810
Loss on equity settled payables	(36,139)	-
Loss on disposal of property and equipment	17,864	359,717
Finance fee accretion and amortization	-	168,543
Loss on settlement of long-term debt	-	404,549
Accretion of loss on modification of long-term debt	(323,435)	(204,264)
	(4,918,341)	(7,532,152)
Change in non-cash operating working capital	4,321,588	1,302,462
Cash used in operating activities	(596,753)	(6,229,690)
Financing Activities		
Proceeds from brokered placements	1,252,843	5,750,000
Proceeds from private placement	-	905,000
At-the-market share issuance	-	880,605
Government grant received	-	1,428,402
Share issuance costs	-	(890,992)
Repayment of lease liabilities	-	(149,142)
Interest and pay-out penalties	-	(942,121)
Financing costs paid on long-term debt	-	(131,211)
Repayment of long-term debt	(23,062)	(70,000)
Shares for service	21,000	-
Shares for debt	222,827	-
Promissory note repayment	(242,000)	-
Promissory note received	545,033	-
Cash provided by financing activities	1,776,641	6,780,541
Investing Activities		
Purchase of plant and equipment	(334,661)	(717,456)
Decrease (increase) in long-term prepaids and deposits	-	91,709
Proceeds on disposal of plant and equipment	(9,746)	16,237
Cash used in investing activities	(344,407)	(609,510)
Net increase / (decrease) in cash	835,481	(58,659)
Cash, beginning of period	485,544	145,117
Cash, end of the period	\$ 1,321,025	\$ 86,458

Non-cash transactions (Note 4)

See accompanying notes to the interim condensed consolidated financial statements

Radiant Technologies Inc.

Interim condensed consolidated statements of changes in equity (deficit)

	Common Shares	Contributed Surplus	Deficit	Equity
Balance March 31, 2020	\$ 112,474,761	\$ 33,820,500	\$ (127,283,409)	\$ 19,011,852
Shares issued for brokered placement	5,750,000	-	-	5,750,000
Share-based payments	-	505,619	-	505,619
At-the-market issuance	880,605	-	-	880,605
Warrant issuance	(3,220,000)	3,505,441	-	285,441
Shares issued on private placement	905,000	-	-	905,000
Shares issued for asset purchases	-	-	-	-
Warrant extensions	(610,247)	610,247	-	-
Finders compensation	(384,745)	384,745	-	-
Shares issued for services	322,863	-	-	322,863
Shares for debt	2,929,634	-	-	2,929,634
Share issuance costs	(890,992)	-	-	(890,992)
Net loss	-	-	(20,045,945)	(20,045,945)
Balance December 31, 2020	\$ 118,156,879	\$ 38,826,552	\$ (147,329,354)	\$ 9,654,077
	Common Shares (Note 13)	Contributed Surplus (Note 13)	Deficit	Deficit
Balance March 31, 2021	\$ 127,127,480	\$ 39,891,886	\$ (169,549,239)	\$ (2,529,873)
Share-based payments	-	30,522	-	30,522
Shares issued for services	21,000	-	-	21,000
Shares for debt	222,827	-	-	222,827
Private placement	1,029,558	223,285	-	1,252,843
Net loss	-	-	(6,829,139)	(6,829,139)
Balance December 31, 2021	\$ 128,400,865	\$ 40,145,693	\$ (176,378,378)	\$ (7,831,820)

See accompanying notes to the interim condensed consolidated financial statements

Radiant Technologies Inc.

Notes to the Interim Condensed Consolidated Financial Statements

December 31, 2021

(unaudited)

1. Nature of operations and going concern

Radiant Technologies Inc. was incorporated on June 12, 2001. The principal activities of Radiant Technologies Inc. and its subsidiaries, (collectively, the "Company") are research, development and commercialization of an efficient and environmentally responsible technology for the extraction, isolation and purification of soluble products from a wide range of materials using microwave technology and a customized hydrocarbon extraction platform. The Company is currently focused on the formulation, manufacturing and launching of unique value-added cannabis products. The ordinary shares are listed on the TSXV under the symbol "RTI" and on the OTCQX®Best Market, operated by OTC Markets Group under the ticker symbol "RDDTF". The address of the Company's head office is 8223 Roper Road NW, Edmonton, Alberta T6E 6S4 and its registered office is located at 2900 – 550 Burrard Street, Vancouver, British Columbia V6C 0A3.

These interim condensed consolidated financial statements were prepared 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 has a history of significant operating losses and expects to incur further losses in the development of its business. As such, the Company's status as a going concern is contingent on its ability to increase cash flows or to raise further funds through the issuance of equity or debt. If unsuccessful, the Company will not be able to continue as a going concern.

The Company has incurred significant losses to date. The net loss for the three and nine months ended December 31, 2021 totaled \$3,196,925 and \$6,829,139, respectively (2020 – \$11,205,613 and \$20,045,945, respectively) and as at December 31, 2021 the Company had a deficit of \$176,378,378 (March 31, 2021 - \$169,549,240).

In addition, at December 31, 2021, the Company's current liabilities exceeded its current assets by \$32,663,431 (March 31, 2021 – \$28,434,362). At December 31, 2021, the Company was in arrears with certain trade creditors, rent, wages, long-term debt, and lease liabilities. Certain of the Company's trade creditors are pursuing legal recourse for the amounts outstanding. The Company has been able thus far to negotiate settlements with the trade creditors on a case-by-case basis. These balances and the changes year over year indicate that there are material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern.

Management has been able 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. There can be no assurance that the steps management is taking will be successful.

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 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 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 interim condensed 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 government's COVID-19 programs in the nine months ended December 31, 2021. 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,

Radiant Technologies Inc.

Notes to the Interim Condensed Consolidated Financial Statements

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engineering, quality control and assurance, and business and corporate development on the consolidated statement of operations.

These interim condensed consolidated financial statements, including comparatives, were authorized for issue by the Board of Directors of the Company on February 23, 2021.

2. Basis of presentation

a) Statement of compliance

These interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34: “Interim Financial Reporting”, as issued by the International Accounting Standards Board (IASB). The same accounting policies were followed in the preparation of these interim condensed consolidated financial statements as were followed in the preparation of the annual consolidated financial statements for the year ended March 31, 2021. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company’s financial position and performance since the last annual financial statements.

b) Basis of consolidation

The interim condensed consolidated financial statements of the Company include the financial statements of Radiant Technologies Inc. and its wholly-owned subsidiaries Radiant Technologies (Cannabis) Inc. (“RTC”), Radiant Technologies Innovations Inc. (“RII”), Radiant Technologies (Switzerland) Inc. (“RTS”), 1631807 Alberta Ltd, and MAG Innovation GmbH (“MAG”), which is a wholly-owned subsidiary of RTS.

The Company had a 50% interest in Natac Solutions S.L. which was incorporated during the year ended March 31, 2020. In February 2021, the Company terminated its joint arrangement with Grupo Natac S.L. through the sale of the shares for nominal consideration.

In July 2021, the Company announced that it was winding up its German operations at MAG. As a wholly owned subsidiary of RTS, MAG was fully consolidated at December 31, 2021.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Company obtains control, and continue to be consolidated until the date that such control ceases. On acquisition, the assets, liabilities and contingent liabilities of a subsidiary are measured at their fair values. If accounted for as a business combination, any excess of the cost over the fair values of the identifiable net assets acquired is recognized as goodwill. If accounted for as a purchase of assets, any excess of the cost over fair value of the identifiable net assets is allocated to the assets purchased.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company using consistent accounting policies. All transactions and balances between the Company and its subsidiaries are eliminated upon consolidation.

Radiant Technologies Inc.

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December 31, 2021

(unaudited)

c) Basis of measurement

The interim condensed consolidated financial statements have been prepared under the historical cost convention, unless otherwise indicated.

d) Functional and presentation currency

Amounts presented in these interim condensed consolidated financial statements and the notes hereto are in Canadian dollars, the parent Company's functional currency, unless otherwise stated.

The Company's German operation's functional currency is Canadian dollars. Foreign currency transactions are translated into the functional currency, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items denominated in foreign currency at year-end exchange rates are recognised in profit or loss. Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

3. Summary of significant accounting policies

Significant estimates

The preparation of interim condensed consolidated financial statements requires management to make critical judgments, estimates and assumptions that affect the reported amounts of certain assets and liabilities and disclosure of contingent assets and liabilities at the date of the interim condensed consolidated financial statements and the reported amounts of revenues and expenses recorded during the reporting period. In making estimates and judgments, management relies on external information and observable conditions where possible, supplemented by internal analysis as required. Actual results may differ from those estimates. Estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

New accounting standards issued but not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for the current period and have not been early adopted. These standards are not expected to have a material effect on the Company in the current or future reporting periods.

Radiant Technologies Inc.
Notes to the Interim Condensed Consolidated Financial Statements
December 31, 2021
(unaudited)

4. Change in non-cash operating working capital

	December 31, 2021	December 31, 2020
Accounts receivable	\$ (68,021)	\$ (993,958)
Prepays and deposits	(235,165)	656,970
Inventories	151,246	(1,303,712)
Facility construction liabilities	-	(20,973)
Accounts payable and accrued liabilities	4,473,528	2,964,135
Net change in non-cash operating working capital	\$ 4,321,588	\$ 1,302,462

Non-cash transactions

Settlement of debt through issuance of shares	\$ 222,827	\$ 2,795,403
Settlement of services payables through issuance of shares	21,000	322,863
Settlement of debenture interest payable through issuance of shares	-	15,123

5. Short-term borrowings

On January 31, 2020, the Company entered into a loan agreement with Akaura Holdings Inc. ("Akaura", a related party) to assist the Company with working capital requirements. The amount funded under the loan agreement was \$2,500,000 and bears interest at 21.0% per annum. \$200,000 was held back by the lender and was recorded as long-term restricted cash. Interest was accrued monthly with the principal balance due on February 28, 2020. With the loan unpaid at February 28, 2020, an additional penalty of \$60,000 was due immediately with a further per diem penalty of \$2,000 per day accruing from February 15, 2020 until all principal, interest and penalties were repaid in full.

At February 2, 2021, the Company owed the original principal of \$2,500,000 less the \$200,000 holdback, and \$981,664 of accrued interest and default fees related to the loan. The Company renegotiated the terms of the loan with Akaura in February 2021. 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 existing debt. The Company reimbursed Akaura for legal and financing fees of \$138,273 relating to the renegotiation.

The new loan agreement allowed an interest free period on the loan until June 1, 2021, at which time the \$1,000,000 was to be paid in full. If the loan was not repaid on June 1, 2021, interest in the amount of 3% per month, retroactive to March 2021 would be charged until payment was received in full.

The Company concluded that the terms of the new agreement were substantially modified from the terms of the original agreement and as such, the renegotiation of the loan was treated as an extinguishment of the original debt and the modified loan was recorded as new debt.

The loan is secured through a mortgage on land and building as well as a general security agreement between Akaura Holdings Inc. and two of the Company's subsidiaries. Akaura retained all rights and security pertaining to the second mortgage under the new debt agreement.

This loan was not repaid on June 1, 2021 and as such, an interest expense of \$90,000 and \$300,000 was recorded in the statement of operations for the three and nine months ended December 31, 2021, respectively, (December 31, 2020 - \$317,910 and \$953,064, respectively) and financing fees of \$nil were presented under financing fees for the three and nine months ended December 31, 2021 (2020 - \$nil).

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The Company entered into \$545,033 in promissory notes during the nine months ended December 31, 2021 and repaid \$242,000 of the promissory notes. The promissory notes mature six months from the date of the promissory note issuance. The outstanding promissory notes mature through March 20, 2022.

6. Long-term debt

	December 31, 2021	March 31, 2021
Loan payable bearing interest at 5.80% with monthly payments of \$9,327 maturing October 1, 2021 (Note 11(a))	\$ 141,990	\$ 175,644
Loan payable bearing interest at 4.55% with monthly payments of \$2,586 maturing March 1, 2023 (Note 11(a))	81,482	89,239
Loan payable bearing interest at Bank of Canada policy interest rate plus 3% with variable payments maturing June 1, 2025 (Note 11(b))	657,266	657,266
Mortgage payable bearing interest at the greater of 9.99% or Bank of Nova Scotia prime rate plus 7.54% per annum with monthly interest only payments required and principal maturing on November 1, 2022 (Note 11(c))	9,929,076	-
Mortgage payable bearing interest at the greater of 15% or Bank of Nova Scotia prime rate plus 12.55% per annum with monthly interest only payments required and principal maturing on November 1, 2021 (Note 11(c))	-	8,693,500
Financing costs	-	(33,056)
	10,809,814	9,582,593
Current portion	(10,809,814)	(9,582,593)
	\$ -	\$ -

For the three and nine months ended December 31, 2021, total interest expense related to long-term debt was \$316,562 and \$1,028,449, respectively (\$542,461 and \$1,021,363 for the three and nine months ended December 31, 2020, respectively) and financing fees of \$4,723 and \$33,056, respectively (\$31,277 and \$94,814 for the three and nine months ended December 31, 2020, respectively), with both recorded in financing fees on the consolidated statement of operations.

(a) Agriculture Financial Services Corporation (“AFSC”) loans payable

As at December 31, 2021, the Company was 22 months in arrears on these loans. Arrears interest and penalties owing are \$32,880 (March 31, 2021 - \$5,213) and are included in accounts payable and accrued liabilities. AFSC had provided the Company until February 15, 2021 to cure the payments in arrears as well as the additional arrears interest and penalties. The Company did not pay these arrears to the AFSC by February 15, 2021. On October 27, 2021, the Company received a notice of intention to enforce security in relation to the AFSC loans. Attempts to negotiate a forbearance agreement with AFSC have not been successful and AFSC has indicated its intention to collect Company assets to satisfy the liability. The Company is currently working with AFSC to secure an orderly sale of non-core assets to satisfy its obligation to AFSC.

Radient Technologies Inc.

Notes to the Interim Condensed Consolidated Financial Statements

December 31, 2021

(unaudited)

(b) Ministry of Agriculture and Agri-Foods Canada (“AAFC”) loan payable

As at December 31, 2021, the Company was 19 months in arrears on the AAFC loan with arrears interest owing of \$45,420 (March 31, 2021 - \$26,939) which is included in accounts payable and accrued liabilities.

(c) Moskowitz Capital Mortgage Fund II Inc. (“Moskowitz”)

On May 1, 2021, the Company amended the mortgage with Moskowitz increasing the interest rate to the greater of 15% or Bank of Nova Scotia prime rate plus 12.55% per annum.

On April 29, 2020, the Company amended the mortgage with Moskowitz increasing the interest rate to the greater of 12.5% or Bank of Nova Scotia prime rate plus 10.05% per annum revised from the greater of 8.5% or Bank of Nova Scotia prime rate plus 5.05% per annum. As the terms of the amendment to the mortgage were not substantially different from the terms of the previously existing mortgage, the amendment was determined to be a modification of debt. As a result, a loss on modification of long-term debt with corresponding increase to the value of the debt totalling \$477,810 was recognized. This adjustment is amortized back to the debt over the remaining term of the mortgage. Deferred financing charges of \$85,000 related to the loan amendment fee were recorded and are amortized over the remaining term of the mortgage.

On October 2, 2020, Moskowitz agreed to defer arrears payments owing related to interest and non-interest bearing amendment fees payable to December 31, 2020 for a fee of \$90,000.

On January 15, 2021, the deferral agreement was extended to February 28, 2021 for an additional fee of \$50,000 and 550,000 shares of Radient. The shares were issued to Moskowitz on February 1, 2021.

On May 3, 2021, the Company amended the mortgage with Moskowitz increasing the interest rate to the greater of 15% or Bank of Nova Scotia prime rate plus 12.55% per annum revised from the greater of 12.5% or Bank of Nova Scotia prime rate plus 10.05% per annum. As the terms of the amendment to the mortgage were not substantially different from the terms of the previously existing mortgage, the amendment was determined to be a modification of debt. As a result, a loss on modification of long-term debt with corresponding increase to the value of the debt totalling \$129,935 was recognized. This adjustment is amortized back to the debt over the remaining term of the mortgage. This amendment also included bonus standby interest of \$35,000, to be paid in shares of the Company.

On November 1, 2021, the Company's loan with Moskowitz matured. The Company negotiated a loan renewal with Moskowitz. Under the renewal, outstanding interest of \$1,429,076 was added to the outstanding principal of \$8,500,000 for total principal of \$9,929,076, with an interest rate of the greater of 9.99% or Bank of Nova Scotia prime rate plus 7.54% per annum, and a maturity date of November 1, 2022. The renewal agreement included a renewal fee of \$99,929, payable in three installments of \$33,309 on February 1, 2022, March 1, 2022 and April 1, 2022. Further, the Company will pay bonus interest of 10,000,000 common share purchase warrants, entitling the mortgage holder to purchase one common share of the Company for each warrant at a price of \$0.085, expiring December 1, 2026 as part of the renewal agreement.

The mortgage is secured by the Company's production facility and the adjacent lands.

Radiant Technologies Inc.
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(unaudited)

7. Share capital

a) Common shares

i) Authorized

Unlimited number of common shares without par value

i) Issued and outstanding common shares

	Shares	Amount
Balance, March 31, 2020	277,529,336	\$ 112,474,761
Shares issued under private placement	29,955,000	2,995,500
Shares issued under brokered placement	28,750,000	5,750,000
Shares issued for services	1,798,359	322,863
Shares issued for debt	88,931,105	8,787,087
Units for debt	-	1,208,924
Shares issued under At-the-Market facility	5,582,400	880,605
Finder's units	-	(384,745)
Warrant issuance	-	(3,220,000)
Share issue costs	-	(1,077,268)
Warrant extension	-	(610,247)
Balance, March 31, 2021	432,546,200	\$ 127,127,480
Shares issued for debt	2,488,306	222,827
Shares issued for services	261,133	21,000
Private placement	20,880,714	1,029,558
Balance, December 31, 2021	456,176,353	\$ 128,400,865

b) Placements

The Company completed a private placement on December 31, 2021. The placement consisted of a unit offering with each unit consisting of one common share and one common share purchase warrants. Each common share purchase warrant is exercisable for one common share.

The Company completed a non-brokered private placement on March 16, 2021 consisting of the issuance of common shares.

The Company completed a brokered placement on May 26, 2020. The placement consisted of a unit offering with each unit consisting of one common share and one common share purchase warrant. Each common share purchase warrant is exercisable for one common share.

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Details of both placements and the number of units issued during the nine months ended December 31, 2021 and the year ended March 31, 2021, are shown below:

Placement closing date	May 26, 2020	March 16, 2021	December 31, 2021
Issue price per unit	\$ 0.20	\$ 0.10	\$ 0.06
Common shares issued	28,750,000	29,955,000	20,880,714
Warrants issued	28,750,000	-	20,880,714
Warrant exercise price	\$ 0.30	\$ -	\$ 0.10
Warrant term in months	36	-	18
Cash proceeds summary:			
Gross proceeds	\$ 5,750,000	\$ 2,995,500	\$ 1,252,843
Cash issuance costs	(785,837)	(199,915)	-
Net cash proceeds on issuance	\$ 4,964,163	\$ 2,795,585	\$ 1,252,843
Fair value of finders' options	(384,745)	-	-
Fair value on warrant issuance	(3,220,000)	-	(223,285)
Net value allocated to common shares	\$ 1,359,418	\$ 2,795,585	\$ 1,029,558

A summary of the assumptions used for the brokered and private placement is set out below:

Placement closing date	May 26, 2020	December 31, 2021
Common share purchase warrants		
Common share market price	\$ 0.30	\$ 0.05
Risk free interest rate	1.75%	0.99%
Expected dividend yield	-	-
Estimated common share price volatility	114%	87%
Estimated life in months	36	18

Finder's options

As part of the brokered placement on May 26, 2020, the Company also issued finder's options to certain finders that entitled them to acquire 1,630,275 units at an exercise price of \$0.20 for a period of 36 months following the completion of the offering. 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 price of \$0.30 per common share for a period of 36 months.

The common share finders' options were allocated a portion of the gross proceeds based upon their relative fair value at the date of issuance. A total of \$384,745 was recorded as share issue costs as of March 31, 2021 (\$202,154 allocated to common shares and \$182,591 to common share purchase warrants). The Black-Scholes option pricing valuation model was utilized to value the finder's options.

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A summary of the assumptions used for each component of the finder's options is set out below:

	Common Shares	Common Share Purchase Warrants
Finder's Options		
Common share market price	\$ 0.20	\$ 0.30
Risk free interest rate	1.75%	1.75%
Expected dividend yield	-	-
Estimated common share price volatility	114%	114%
Estimated life in years	3	3

The continuity of the Company's outstanding finders' options is as follows:

	Nine months ended December 31, 2021		Year ended March 31, 2021	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding, beginning of period	1,630,275	\$ 0.20	1,624,290	\$ 1.20
Finders' options issued	-	-	1,630,275	0.20
Finders' options expired	-	-	(1,624,290)	1.20
Outstanding, end of period	1,630,275	\$ 0.20	1,630,275	\$ 0.20

There were no finders' options exercised during the nine months ended December 31, 2021 or the year ended March 31, 2021.

During the year ended March 31, 2021, 1,624,290 finders' options expired that if exercised would have included 1,624,290 common shares and 812,145 common share purchase warrants.

If exercised, the options outstanding at December 31, 2021 of 1,630,275 would include 1,630,275 common shares and 1,630,275 common share purchase warrants.

Shares and units issued for debt

During the nine months ended December 31, 2021, the Company issued common shares of the Company to settle amounts owing to certain third-party creditors as well as some directors and officers. Specific details for the transactions are summarized as follows:

Share issue date	July 28, 2021
Issue price per unit / share	\$ 0.105
Common shares issued	2,488,306
Debt amount settled	\$ 261,272
Gain on settlement of debt	(36,139)
Cash issuance costs	(2,306)
Net value allocated to common shares	\$ 222,827

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During the year ended March 31, 2021, the Company issued both common shares and units of the Company to settle amounts owing to certain third-party creditors as well as some directors and officers. Specific details for each transaction are summarized in the table below. Each unit issued consisted of one common share and one-half common share purchase warrant exercisable for one-half common share.

In each of the unit transactions, the common share purchase warrants were allocated a portion of the total amount payable based upon their relative fair value at the date of issuance. The fair values of the common share purchase warrants were determined using a Black-Scholes option pricing valuation model.

Shares issued for debt with an arms length third party were recorded at fair value on the date of issuance. Any difference between the fair value of these shares issued to an arms length third party and the carrying value of the debt is recorded through the consolidated statement of operations.

Share issue date	(1)Jun 8, 2020	(2)Jun 8, 2020	(5)December 16, 2020 & March 16, 2021	(4)March 31, 2021	Total
Issue price per unit / share	\$ 0.165	\$ 0.165	\$ 0.10	\$ 0.105	
Common shares issued	6,716,252	1,224,276	33,190,406	47,800,171	88,931,105
Warrants issued	3,358,126	-	-	-	3,358,126
Warrants exercise price	\$ 0.30	N/A	N/A	N/A	
Warrant term in months	24	N/A	N/A	N/A	
Debt amount settled	\$ 1,108,182	\$ 202,005	\$ 3,319,040	\$ 5,019,017	\$ 9,648,244
Market differential	100,744	18,364	111,762	116,897	347,767
Cash issuance costs	(6,240)	(1,138)	(17,896)	(25,595)	(50,869)
Net value allocated to common shares	\$ 1,202,686	\$ 219,231	\$ 3,529,833	\$ 1,492,037	\$ 9,945,142
Market differential	\$ 100,744	\$ 18,364	\$ 111,762	\$ 116,897	\$ 347,767
Fair value on warrant issuance	285,441	-	-	-	285,441
Loss on settlement of debt ⁽³⁾	\$ 386,185	\$ 18,364	\$ 111,762	\$ 116,897	\$ 633,208

Notes:

(1) 6,716,252 units and shares issued to third party creditors.

(2) Common shares issued include 841,585 common shares issued to certain officers and directors in exchange for debt settlement of \$138,861 owed by the Company to such individuals. The remainder is for debt settlement of \$63,144 owed to a third-party creditor.

(3) Loss on settlement of debt includes the market differential plus the fair value of the warrants as deemed price of the unit and shares were below the market price on the date they were issued.

(4) Common shares issued include 24,162,500 common shares issued to a creditor controlled by an officer in exchange for debt settlement of \$2,537,062. The remainder is for debt settlement of \$2,481,955 owed to third-parties.

(5) Common shares issued include 4,326,376 common shares issued to certain officers and directors in exchange for debt settlement of \$432,636 owed by the Company to such individuals. The remainder is for debt settlement of \$2,886,403 owed to a third-party creditor.

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A summary of the assumptions used to value the warrants issued on June 8, 2020 is set out below:

	June 8, 2020
Common share purchase warrants	
Common share market price	\$ 0.30
Risk free interest rate	0.25%
Expected dividend yield	0%
Estimated common share price volatility	114%
Estimated life in years	2

During the nine months ended December 31, 2021, the Company recognized a gain on equity settled payables of \$36,139 (nine months ended December 31, 2021 – loss of \$404,549). Shares issued for debt with related parties are recorded at the value of the debt settled with no gain or loss recorded through the consolidated statement of operations.

Shares for services

The Company had approved a shares for service agreement with a third party in exchange for consulting services. Pursuant to the terms of the agreement the Company will issue common shares in exchange for a maximum amount of services provided of \$3,000 per month. Per the terms of the agreement on March 4, 2021, the issue price of these shares will be the closing price on the last business day of the month. The agreement was approved by the TSXV and is subject to approval for each successive 2-year renewal term.

There were 261,133 common shares of the Company issued during the nine months ended December 31, 2021 (no common shares issued as at March 31, 2021) related to the shares for service agreement described above.

The Company had previously approved a shares for service agreement with a third party in exchange for consulting services. Pursuant to the terms of the agreement the Company issued common shares in exchange for a maximum amount of services provided. Per the terms of the agreement on January 1, 2019, the number of shares were issued monthly and the issue price of these shares was the greater of (i) the 15-day VWAP share trading price of the shares on the TSXV on the last financial trading day of the relevant month; (ii) the “Discounted Market Price” (as defined in the policies of the TSXV) on the last financial trading day of the relevant month. The agreements were approved by the TSXV and were subject to approval for each successive 2-year renewal term.

As of December 31, 2021, the Company no longer has services provided under the January 1, 2019 agreement, as the agreement was terminated.

Details of the agreements and the number of shares issued during the year ended March 31, 2021 are shown below:

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Shares issued for the year ended March 31, 2021

Agreement issue date	Jan 1, 2019
Maximum services amount	\$ 585,000 GBP
Common shares issued	1,798,359
Value of services (contract currency)	\$ 186,250 GBP
Value of services (CAD)	\$ 322,863 CAD
Weighted average issue price per common share	\$ 0.18 CAD
Balance included in accounts payable and accrued liabilities	
Contract currency	\$ nil GBP
CAD	\$ nil CAD

There were no share issue costs recorded in relation to the shares for services during the nine months ended December 31, 2021 (\$nil during the year ended March 31, 2021).

At-the-Market (ATM) Facility

Previously, the Company entered into a Controlled Equity Offering Sales Agreement with National Bank Financial Inc. (National Bank) pursuant to which the Company sold common shares through ATM offerings with National Bank acting as sales agent. Pursuant to Canadian securities rules, the Company is limited to raising \$9,400,000 under this specific ATM offering.

The ATM is no longer active and no transactions were recorded during the nine months ended December 31, 2021. Activity during the year ended March 31, 2021 is as follows:

	Year ended March 31, 2021
Common shares issued	5,582,400
Gross proceeds	\$ 880,605
Share issue costs	
2% commission	\$ 17,612
Professional and filing fees	\$ 22,265
Total share issue costs	\$ 39,877

Warrants

The continuity of the Company's outstanding warrants is as follows:

	Nine months ended December 31, 2021		Year ended March 31, 2021	
	Number of warrants	Weighted average exercise price	Number of warrants	Weighted average exercise price
Outstanding, beginning of period	42,683,781	\$ 0.29	24,826,803	\$ 0.98
Warrants issued	20,880,714	0.10	32,108,127	0.30
Warrants expired	(9,994,404)	0.25	(14,251,149)	1.50
Outstanding, end of period	53,570,091	\$ 0.23	42,683,781	\$ 0.29

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Warrants issued during the year ended March 31, 2021 relate to the May 26, 2020 placement and units issued for debt on June 8, 2020.

Warrants issued during the nine months ended December 31, 2021 relate to the December 31, 2021 placement. The warrants have an exercise price of \$0.10 and are exercisable any time prior to June 30, 2023.

Extension of Warrants

During the year ended March 31, 2021, the Company extended the expiry date of certain warrants by an additional 12 months. The Black-Scholes Option Pricing model was used to determine the fair value immediately prior to and immediately after the extension. This resulted in a change in fair value of \$610,247 which is reflected in equity. A summary of the assumptions used as follows:

Immediately prior to extension	1,070,712 warrants expiring April 14, 2020	3,051,310 warrants expiring June 2, 2020	5,872,382 warrants expiring June 22, 2020
Common share price	\$ 0.17	\$ 0.19	\$ 0.19
Exercise price	0.25	0.25	0.25
Expected term	0.04	0.082	0.082
Risk free interest rate	1.50%	1.50%	1.50%
Expected dividend yield	-	-	-
Estimated common share price volatility	109%	109%	109%
Immediately after extension			
Common share price	\$ 0.17	\$ 0.19	\$ 0.19
Exercise price	0.25	0.25	0.25
Expected term	1.04	1.082	1.082
Risk free interest rate	1.50%	1.50%	1.50%
Expected dividend yield	-	-	-
Estimated common share price volatility	109%	109%	109%

Issuance of Warrants on Debenture

Previously, the Company issued 581,250 warrants as part of a debenture financing. These warrants remain outstanding as at December 31, 2021 following the settlement of the debentures in March 2021. The fair value of the warrants of \$90,675 was determined using a Black-Scholes option pricing valuation model with the following assumptions:

	March 4, 2020
Warrants	
Common share market price	\$ 0.34
Risk free interest rate	1.5%
Expected dividend yield	0%
Estimated common share price volatility	119.7%
Estimated life in years	2

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The following table summarizes information about warrants outstanding as at December 31, 2021 and March 31, 2021.

December 31, 2021			March 31, 2021		
Exercise price	Number of warrants	Remaining contractual life (years)	Exercise Price	Number of warrants	Remaining contractual life (years)
0.25	-	-	0.25	1,070,712	0.0
0.25	-	-	0.25	3,051,310	0.2
0.25	-	-	0.25	5,872,382	0.2
0.70	581,250	0.2	0.70	581,250	0.9
0.30	3,358,127	0.4	0.30	3,358,127	1.2
0.30	28,750,000	1.4	0.30	28,780,000	2.1
0.10	20,884,714	1.5	-	-	-
\$ 0.23	53,570,091	1.4	\$ 0.29	42,683,781	1.6

d) Stock option plan

The Company's stock option plan (the "Stock Option Plan") provides that the Board of Directors of the Company may from time to time, in its discretion, grant to directors, officers, employees and consultants of the Company non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance under the Stock Option Plan shall not exceed ten percent (10%) of the issued and outstanding common shares exercisable for the period of up to ten (10) years.

In addition, the number of common shares reserved for issuance to any one person shall not exceed five percent (5%) of the issued and outstanding common shares and the number of common shares reserved for issuance to any one consultant will not exceed two percent (2%) of the issued and outstanding common shares. The Board of Directors determines the price per common share and the number of common shares which may be allocated to each director, officer, employee and consultant and all other terms and conditions of the option, subject to the rules of the TSXV. Options have been issued with vesting periods of immediate to 4 years with terms between 2 and 10 years.

The continuity of the Company's outstanding and exercisable stock options is as follows:

	Nine months ended December 31, 2021		Year ended March 31, 2021	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding, beginning of period	29,838,447	\$ 0.58	24,417,025	\$ 1.00
Options granted	-	-	16,125,000	0.13
Options expired	(4,420,524)	0.80	-	-
Options forfeited	(1,534,375)	0.12	(10,703,578)	0.86
Outstanding, end of period	23,883,548	\$ 0.58	29,838,447	\$ 0.58
Exercisable, end of period	23,352,298	\$ 0.59	26,962,205	\$ 0.63

There were no stock options granted during the nine months ended December 31, 2021.

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The following tables summarize information about stock options granted during the year ended March 31, 2021. The weighted average grant date fair value was estimated using the Black Scholes option pricing model using the following grant date assumptions:

Options granted for the year ended March 31, 2021

Original grant date	May 28, 2020	October 9, 2020	February 11, 2021	Total
Options granted:				
Options granted	2,125,000	6,100,000	7,900,000	16,125,000
Exercise price	\$ 0.175	\$ 0.10	\$ 0.15	
Weighted average grant date fair value	\$ 0.137	\$ 0.077	\$ 0.115	
Assumptions used:				
Grant date stock price	\$ 0.175	\$ 0.10	\$ 0.15	
Risk free interest rate	0.5%	0.5%	0.25%	
Expected dividend yield	-	-	-	
Estimated common share price volatility	109%	107%	106%	
Estimated forfeiture rate	3.33%	8.19%	0%	
Estimated life in years	5	5	5	

The Company issued an additional 2,000,000 options to a director of the Company on February 11, 2021 that will vest based on performance milestones. The milestones for these options had not been defined as at December 31, 2021 and therefore, the options are not considered to be granted.

For stock options granted, the Company records compensation expense using the fair value method. Fair values are determined using the Black-Scholes Option pricing model. Compensation costs are recognized over the vesting period as an increase to share based payments expense and contributed surplus. When stock options are subsequently exercised, the fair-value of such stock options in contributed surplus is credited to share capital.

The estimated volatility is based on the Company's historic volatility since May 22, 2014.

There were no stock options exercised during the nine months ended December 31, 2021 or the year ended March 31, 2021.

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The following table summarizes information about stock options outstanding as at December 31, 2021 and March 31, 2021:

December 31, 2021			March 31, 2021		
Exercise price	Number of options	Remaining contractual life (years)	Exercise price	Number of options	Remaining Contractual life (years)
\$ -	-	-	\$ 1.00	51,428	0.6
0.66	3,170,548	0.3	0.66	3,392,769	1.0
-	-	-	0.50	150,000	1.4
1.82	518,000	0.9	1.82	778,000	1.7
1.20	150,000	1.4	1.20	750,000	2.2
1.82	2,600,000	1.8	1.82	2,600,000	2.5
0.87	4,025,000	1.9	0.87	5,215,000	2.7
-	-	-	0.93	946,875	3.9
0.93	70,000	2.4	0.93	370,000	3.2
0.75	400,000	2.5	0.75	550,000	3.2
0.58	150,000	2.8	0.58	150,000	3.6
0.37	500,000	3.2	0.37	500,000	3.9
0.175	400,000	3.4	0.175	1,350,000	4.2
0.10	4,000,000	3.8	0.10	5,556,250	4.5
0.15	7,900,000	4.1	0.15	7,900,000	4.9
\$ 0.58	23,883,548	2.8	\$ 0.58	29,838,447	3.5

The total share-based payments recognized during the three and nine months ended December 31, 2021 of \$12,098 and \$50,522, respectively, and the three and nine months ended December 31, 2020 of \$362,356 and \$505,619, respectively, were recorded as an expense.

8. Commitments for expenditures

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

	December 31, 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	1,183,003	1,496,297
Network services contracts	18,182	143,108
Purchase and retrofitting of equipment	89,083	89,083
Maintenance contracts	12,567	12,567
Direct materials	570,000	570,000
	\$ 3,343,877	\$ 3,782,097

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9. Related party transactions

The Company's related parties are its Board of Directors, and key management personnel (President and Chief Executive Officer, Chief Operating Officer, Chief Financial Officer and Chief Technology Officer), 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 disclosed in this note.

a) Key management personnel and director remuneration

The remuneration of directors and key management personnel follows:

	Three months ended December 31,		Nine months ended December 31,	
	2021	2020	2021	2020
Compensation	\$ 28,125	\$ 228,627	\$ 175,875	\$ 1,009,477
Short-term benefits	-	2,913	6,465	26,242
Share-based compensation	-	172,468	-	123,537
	<u>\$ 28,125</u>	<u>\$ 404,008</u>	<u>\$ 182,340</u>	<u>\$ 1,159,256</u>

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

As at December 31, 2021, \$365,082 (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.

b) Loans and cash advances

i) During the nine months ended December 31, 2021

A director of the company advanced \$2,500,000 of demand loan to the Company. 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. 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 existing debt. The Company reimbursed Akaura for legal and financing fees of \$138,273 relating to the renegotiation.

The new loan agreement allows an interest free period on the loan until June 1, 2021, at which time the \$1,000,000 was expected to be paid in full. The loan was not repaid on June 1, 2021, and as a result, interest in the amount of 3% per month, retroactive to March 2021 has been charged and will continue to be charged until payment is received in full. The Company recorded interest expense of \$300,000 in the nine months ended December 31, 2021 associated with this loan.

During the nine months ended December 31, 2021, the Company received \$45,000 in advances from directors of the Company and \$125,000 from a related company. The Company repaid \$125,000 to the related party during the nine months ended December 31, 2021. These advances are non-interest bearing, have no fixed repayment terms and are payable on demand.

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c) Equity transactions

During the nine months ended December 31, 2021

During the nine months ended December 31, 2021, certain directors and officers were issued 12,014,988 units as part of this private placement for gross proceeds of \$720,899. All securities issued in connection with the private placement are subject to a statutory hold period expiring on May 1, 2022.

10. Financing fees

	Three months ended December 31,		Nine months ended December 31,	
	2021	2020	2021	2020
Amortization of financing costs on short-term borrowings	\$ -	\$ -	\$ -	\$ 73,729
Amortization of financing costs on long-term debt	4,723	31,277	33,056	94,814
Interest on long-term debt	316,562	542,461	1,028,449	877,523
Interest on lease liabilities	10,258	7,503	51,536	48,502
Interest on short-term borrowings	102,183	317,910	331,810	953,064
Accretion of interest	(74,671)	(204,264)	(323,435)	(204,264)
Other	6,100	153,187	10,161	152,247
	\$ 365,155	\$ 848,074	\$ 1,131,577	\$ 1,995,615

11. Financial instruments

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 of Directors are actively involved in the review, planning and approval of annual budgets and significant expenditures and commitments. The Company has disclosed (Note 1) that continuation as a going concern is dependent on obtaining sufficient funds to discharge contractual liabilities as well as funding continuing operations.

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	\$ 18,734,995	\$ -	\$ -	\$ -	\$ 18,734,995
Facility construction liabilities	4,566,759	-	-	-	-
Short-term borrowings	1,303,033	-	-	-	1,303,033
Long-term debt	10,809,814	-	-	-	10,809,814
Lease liabilities	1,278,086	-	-	-	1,278,086
Balance December 31, 2021	\$ 36,692,687	\$ -	\$ -	\$ -	\$ 32,125,928
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 liabilities	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.

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12. Employee salaries and benefits

	Three months ended December 31,		Nine months ended December 31,	
	2021	2020	2021	2020
Included in:				
Cost of revenues	\$143,324	\$114,967	\$318,888	\$150,451
General and administrative	106,268	253,268	254,315	888,179
Production plant	326,519	7,284	401,807	201,428
Research and process development	-18,352	169,012	142,864	476,605
Engineering	10,371	223,228	8,912	606,784
Quality control and assurance	-27,575	-8,505	7,724	111,664
Business and corporate development	58,702	50,574	147,514	85,007
Total employee salaries and benefits	\$599,257	\$809,828	\$1,282,024	\$2,520,118

13. Subsequent Events

Tunaaaaroom Xtracts (“Tunaaaa”) acquisition

On January 29, 2022, the Company announced that it had successfully completed its acquisition of 100% of the common shares of Tunaaaaroom Xtracts Inc. In consideration for the acquisition, the Company issued 70,000,000 common shares at a deemed price of \$0.12 per share, along with 15,000,000 common share purchase warrants. Each warrant is exercisable at a price of \$0.15 for a period of two years following the acquisition. The common shares are subject to a four month and one day hold period expiring May 29, 2022. As additional consideration, the Company has agreed to issue up to an additional 25,000,000 common shares at a deemed price of \$0.12 per common share upon the satisfaction of certain performance targets. The Company will also pay royalties of 1% of all revenue generated by the Company from sales of certain products subject to certain conditions and limitations.

Shares for debt

On January 29, 2022, the Company announced that it had settled \$281,500 of debt by issuing 4,691,668 common shares, all of which are subject to a four month and one day hold period expiring May 29, 2022.