

# ***Management Discussion & Analysis***

Quarter ended December 31, 2021

February 23, 2022

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## Management Discussion and Analysis (“MD&A”)

The following MD&A is prepared as of February 23, 2022 and is intended to assist the understanding of the results of operations and financial condition of Radiant Technologies Inc. (the “Company” or “Radiant”).

This MD&A should be read in conjunction with Radiant’s interim condensed consolidated financial statements and related notes for the three and nine months ended December 31, 2021, and the MD&A and audited consolidated financial statements for the year ended March 31, 2021. The statements and additional information about Radiant can be found on SEDAR at [www.sedar.com](http://www.sedar.com). Such additional information is not incorporated by reference herein, unless otherwise specified, and should not be deemed to be part of this MD&A.

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 Radiant’s operations. In addition to the primary measures of net (loss) income and net (loss) income per share in accordance with IFRS, Radiant believes that certain measures not recognized under IFRS assist both Radiant 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 Radiant’s future plans and operations as of December 31, 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 Radiant 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: Radiant’s corporate structure; the Company’s extraction methods; technology and intellectual property; Radiant’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; Radiant’s clients and their product offerings; Radiant’s partnerships and joint ventures; the Company’s regulatory compliance procedures; Radiant’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; Radiant’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 Radiant’s Annual MD&A and the “Risk Factors” and “Introductory Notes – Cautionary Note Regarding Forward-Looking Information” sections of Radiant’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 Radiant will derive from them. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise unless required by law.

## **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 three and nine months ended December 31, 2021, totalled \$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). These balances indicate there is material uncertainty about the Company’s ability to continue as a going concern.

At December 31, 2021, the Company had a working capital deficiency of \$32,663,431 (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 December 31, 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 December 31, 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.

Radiant was initially incorporated on June 12, 2001, pursuant to the provisions of the *Company Act* (British Columbia), transitioned pursuant to the provisions of the *Business Corporations Act* (British Columbia) on July 7, 2004, and was continued under the *Canada Business Corporations Act* on February 3, 2010. On May 22, 2014, pursuant to a plan of arrangement, Radiant amalgamated with Madison Capital Corporation ("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 "Radiant Technologies Inc." This transaction constituted the qualifying transaction of Madison in accordance with the requirements of Policy 2.4. Radiant 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".

In September 2021, the Company consolidated its locations for its head office, research and development lab, and its production facility and as of December 31, 2021, are located at 4035 – 101 St NW, Edmonton, Alberta, T6E 0A4 (the "Roper Road Facility") and the registered and records office is located at 2900 – 550 Burrard Street, Vancouver, British Columbia, V6C 0A3. The Company has re-organized 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 December 31, 2021, are as follows:

Name of entity	Ownership
Radiant Technologies (Cannabis) Inc. ("RTC")	100%
Radiant Technologies Innovations Inc. ("RII")	100%
Radiant 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. Radiant owns 100% of 163 Alberta, which is the owner and landlord of various properties, including Radiant's Edmonton production facility. Prior to May 3, 2018, Radiant 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.

Radiant 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 of scale with white label manufacturing and manufacturing and launching of finished branded retail products.

## Background

Radiant 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, Radiant 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 December 31, 2021, Aurora held 37,643,431 common shares of Radiant representing approximately 8.3% of the issued and outstanding common shares and 7.0% 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 December 31, 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, Radiant'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, Radiant 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 Radiant having an internally developed library of unique products and formulations. During fiscal 2021, Radiant 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 white label manufacturing and manufacturing and launching of finished branded retail products along with bulk extractions based on economic value creation.

### **Corporate Focus**

Since its inception in 2001, Radiant 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, Radiant 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, Radiant 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, Radiant 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, Radiant 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 from bulk extractions to a manufacturing model with its branded products and formulations.

### ***Nicotine Reduction Activities***

Radiant 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, Radiant 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***

Radiant 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 Radiant'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 its 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, Radiant 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 of application. Obtaining a favorable GMP compliance inspection result from an EU competent authority against the EU GMP requirements will allow product manufactured at Radiant 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 Arzneimittel 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 and nine months ended December 31, 2021, Radiant recorded \$1,576,616 and \$3,422,985, respectively (2020 - \$1,806,046 and \$1,892,841, respectively) 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, Saskatchewan, Ontario, Northwest Territories and the Yukon. 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 December 31, 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 Radiant is well positioned to continue to create a market presence and licensing establish brands. During the period, Radiant 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, Radiant 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. Radiant 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.

Radiant 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 partnerships with Shoppers Drug Mart are 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. Radiant has revenue being generated by products launched in partnership with Tunaaaaroom. Management had earlier estimated revenue guidance in the \$20-\$25M on a gross basis range for fiscal 2022 based on growing sales volumes in Q2 2021, primarily driven by demand for premium cannabis extract products. Management continues to re-iterate these guidance levels by bringing on new initiatives and incorporation of HighGrade concentrates, in particular its product profile from fiscal Q3 2022 onwards. Management will provide guidance accordingly from time to time and make the required adjustments to its guidance if there are any material changes.

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 underutilized 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 transitional period. Mr. Petzel has been a Director of Radiant 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, Radiant 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 Radiant'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 Radiant and has continued to invest in the business to support its turnaround and planned growth trajectory.

On January 28, 2022, the Company announced that Yves Gougoux had resigned as a director of the Company.

#### ***Licensing Agreement with Tunaaaaroom***

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.

Tunaaaa has developed the genetics for over 1000 high-quality cannabis strains containing proprietary terpene profiles. Through this licensing deal, Radiant gained access to Tunaaaa's specific genetics and has engaged Tunaaaa to help drive product development. To date, Radiant 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, Radiant'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 December 31, 2021, Radiant closed a non-brokered private placement of 20,880,714 common shares at a price of \$0.06 per share for gross proceeds of \$1,252,843. Each unit consists of one common share of the Company and one common share purchase warrant, with each warrant entitling the holder to purchase one common share of the Company at \$0.10 per share at any time prior to June 30, 2023. Certain officers and directors of the Company purchased 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.

On October 9, 2020, Radiant closed 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 December 31, 2021. As of the date of this MD&A, \$16.5 million of liabilities with trade creditors are overdue by 120 days or greater. Radiant 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, Radiant is taking a prudent approach to slow capital spending on expansion and focus on white label manufacturing and commercializing its significant formulation library. Radiant 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 and 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, Radiant 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 as a part of the launch of HighGrade products for premium and high concentrate cannabis extracts. 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, Radiant has decided to preserve capital and focus on domestic opportunities by the winding down of the Company's subsidiary, MAG Innovations GmbH, and filing for insolvency for the MAG entity in Germany. The strategic direction of Radiant in Canada has been changing rapidly. What was initially envisioned for MAG is no longer a viable strategy in keeping with Radiant'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, Radiant 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. Radiant 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 nationwide 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 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	December 31, 2021	September 30, 2021	June 30, 2021	March 31, 2021
Revenues	\$1,576,616	\$1,097,147	\$749,222	\$532,770
Loss before other income and expenses	(2,317,506)	(1,492,419)	(2,004,027)	(3,864,680)
Loss per share, before other income and expenses (basic and diluted)	(0.01)	0.00	(0.01)	(0.01)
Net loss	(3,196,925)	(1,638,218)	(1,993,996)	(18,355,205)
Net loss per share (basic and diluted)	(\$0.01)	\$0.00	(\$0.01)	(\$0.07)
Weighted average number of common shares outstanding	432,637,825	432,637,825	432,546,200	358,758,721
Total assets	\$28,860,867	\$28,626,728	\$28,006,086	\$29,294,671
Long term liabilities	-	330,080	342,926	369,355

Quarter ended	December 31, 2020	September 30, 2020	June 30, 2020	March 31, 2020
Revenues	\$1,811,476	\$102,702	\$42,435	\$5,899,177
Loss before other income and expenses	(3,467,354)	(3,458,265)	(4,448,592)	(7,885,220)
Loss per share, before other income and expenses (basic and diluted)	(0.01)	(0.01)	(0.02)	(0.03)
Net loss	(11,205,613)	(3,409,246)	(5,431,086)	(18,746,397)
Net loss per share (basic and diluted)	(\$0.03)	(\$0.01)	(\$0.02)	(\$0.07)
Weighted average number of common shares outstanding	328,083,242	321,442,199	293,501,397	276,268,154
Total assets	\$50,703,827	\$57,397,852	\$59,348,264	\$57,931,694
Long term liabilities	1,139,809	10,737,761	11,063,247	11,044,022

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.

**Consolidated Statements of Operations and Comprehensive Loss**

	Three months ended December 31,		Nine months ended December 31,	
	2021	2020	2021	2020
<b>Revenues</b>				
Manufactured products	\$ 1,576,616	1,806,046	\$ 3,422,985	\$ 1,892,841
Manufacturing services	-	5,430	-	63,772
	<b>1,576,616</b>	<b>1,811,476</b>	<b>3,422,985</b>	<b>1,956,613</b>
<b>Cost of sales</b>				
Manufactured products	1,342,780	1,445,855	2,900,065	1,587,593
Manufacturing services	-	1,773	-	58,761
	<b>1,342,780</b>	<b>1,447,628</b>	<b>2,900,065</b>	<b>1,646,354</b>
	<b>233,836</b>	<b>363,848</b>	<b>522,920</b>	<b>310,259</b>
<b>Expenses</b>				
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
	<b>2,551,342</b>	<b>3,831,202</b>	<b>6,336,872</b>	<b>11,684,470</b>
<b>Loss before other expenses</b>	<b>(2,317,506)</b>	<b>(3,467,354)</b>	<b>(5,813,952)</b>	<b>(11,374,211)</b>
<b>Other income (expenses)</b>				
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)	-
	<b>(879,419)</b>	<b>(7,738,259)</b>	<b>(1,015,187)</b>	<b>(8,671,734)</b>
<b>Net loss and comprehensive loss</b>	<b>\$ (3,196,925)</b>	<b>\$ (11,205,613)</b>	<b>\$ (6,829,139)</b>	<b>\$ (20,045,945)</b>

**Manufactured products**

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

	Quarter ended December 31,		Nine months ended December 31,	
	2021	2020	2021	2020
Revenues	\$ 1,576,616	\$ 1,806,046	\$ 3,422,985	\$ 1,892,841
Cost of sales				
Inventories	951,136	1,063,129	2,077,560	1,114,852
Supplies and materials	13,975	52,494	78,685	94,897
Salaries and benefits	143,324	114,967	318,888	132,294
Overhead allocations	58,744	77,419	103,269	83,400
Third party testing	28,499	15,623	64,568	20,409
Waste removal	-	-	-	8,033
Freight and delivery	-	5,900	-	5,900
Equipment rental	43,648	4,000	43,648	4,000
Consulting	130,762	120,528	221,057	120,528
Transportation	12,192	8,205	31,890	3,280
Total cost of sales	\$ 1,382,280	\$ 1,445,855	\$ 2,939,565	\$ 1,587,593
	\$ 194,336	\$ 360,191	\$ 483,420	\$ 305,248

Revenue for the three and nine months ended December 31, 2021, was \$1,576,616 and \$3,422,985, respectively, which represents a year to date increase compared to the same period in the prior year of \$1,806,046 and \$1,892,841, respectively. The Company has worked throughout the fiscal year to steadily improve sales of its products.

### General and Administrative

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

	Quarter ended December 31,		Nine months ended December 31,	
	2021	2020	2021	2020
Consulting fees	\$ 311,625	\$ 484,310	\$ 661,500	\$ 1,985,985
Salaries and benefits	106,268	253,268	254,315	888,179
Professional fees	119,499	269,012	399,612	572,360
Insurance	165,565	158,600	249,648	463,883
Public company compliance	70,739	86,424	88,181	314,824
Rent and utilities	35,643	124,336	130,160	275,957
Computer software	4,540	76,250	95,660	218,674
Travel	5,930	56,782	14,649	131,872
Office	22,999	24,018	60,478	70,464
Investor relations	(6,388)	-	-	69,000
Directors' fees	21,250	15,125	21,250	45,375
Maintenance	2,670	27,907	9,375	35,893
Promotion	11,240	-	12,144	46
Supplies	907	-	907	453
Other	51	23	51	31
<b>Total general and administrative</b>	<b>\$ 872,538</b>	<b>\$ 1,576,055</b>	<b>\$ 1,997,930</b>	<b>\$ 5,072,996</b>

General and administrative expenses decreased by \$703,517 and \$3,075,066, respectively, for the three and nine months ending December 31, 2021, compared to the same period in the prior year.

The Company implemented significant cost cutting and control measures during the nine months ended December 31, 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 notably 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 Radiant's financing fees are as follows:

	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
	<b>\$ 365,155</b>	<b>\$ 848,074</b>	<b>\$ 1,131,577</b>	<b>\$ 1,995,615</b>

Financing fees for the quarter decreased by \$482,919 and \$864,038, respectively, for the three and nine months ended December 31, 2021, compared to the same period in the prior year. This decrease is mainly due to a reduction in interest on short-term borrowings combined with reduced amortization of financing costs on long-term debt, partially 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 9.99% or prime rate plus 7.54% per annum with monthly interest only payments and principal maturing November 1, 2022; 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 Radiant's engineering expenses are as follows:

	Quarter ended December 31,		Nine months ended December 31,	
	2021	2020	2021	2020
Salaries and benefits	\$(409)	\$223,228	\$8,912	\$606,784
Rent and utilities	6,182	57,089	10,383	228,669
Travel	-	9,578	1,170	30,000
Consulting fees	-	430	-	29,128
Office	-	1,822	-	16,060
Maintenance	145	3,825	145	4,256
Professional fees	-	2,512	-	2,512
Supplies	-	-	-	948
Computer software	926	(158)	2,779	735
<b>Total Engineering</b>	<b>\$6,844</b>	<b>\$298,326</b>	<b>\$23,389</b>	<b>\$919,092</b>

Engineering expenses decreased by \$291,482 and \$895,703, respectively, for the three and nine months ended December 31, 2021, compared to the same period in the prior year. The decrease is due to the lay offs of all non-essential staff as well as cessation of extraction operations in the prior year.

### **Research and Development**

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

	Quarter ended December 31,		Nine months ended December 31,	
	2021	2020	2021	2020
Salaries and benefits	<b>\$(34,141)</b>	46,151	<b>74,342</b>	86,281
Consulting fees	-	42,237	<b>4,841</b>	244,877
Rent and utilities	-	50,145	-	50,643
Travel	-	7,544	<b>1,170</b>	16,374
<b>Total research and development</b>	<b>\$(34,141)</b>	\$61,603	<b>\$80,353</b>	\$398,175

Total research and development expenses decreased by \$95,744 and \$317,822, respectively, for the three and nine months ended December 31, 2021, compared to the same period in the prior year. These decreases were due to reduced reliance on consultants, as well as reduced travel due to the Covid-19 pandemic.

### **Process Development**

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

	Quarter ended December 31,		Nine months ended December 31,	
	2021	2020	2021	2020
Salaries and benefits	<b>\$15,788</b>	\$122,860	<b>\$68,522</b>	\$390,322
Consulting fees	<b>0</b>	-	<b>1,010</b>	28,915
Rent and utilities	<b>1,819</b>	10,886	<b>516</b>	13,541
Maintenance	-	299	<b>6,959</b>	27,380
Supplies	<b>(28,402)</b>	13,276	-	-
Office	-	5	-	1,476
Product development	-	35,394	<b>119,439</b>	41,381
Computer software	-	117	-	-
Third party testing	-	-	-	350
Supplies and safety	<b>34,336</b>	14,749	<b>34,336</b>	14,749
<b>Total process development</b>	<b>\$23,540</b>	\$170,192	<b>\$230,782</b>	\$518,114

Total process development expenses decreased by \$146,652 and \$287,332 for the three and nine months ended December 31, 2021, respectively, compared to the same periods in the prior year. The year-to-date decrease was due to lay-offs and reduced reliance on consultants.

### ***Production Plant***

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

	Quarter ended December 31,		Nine months ended December 31,	
	2021	2020	2021	2020
Salaries and benefits	<b>\$326,518</b>	\$7,284	<b>\$401,807</b>	\$201,428
Computer software	<b>3,773</b>	100,479	<b>11,925</b>	249,186
Rent and utilities	<b>29,766</b>	162,789	<b>26,969</b>	95,842
Maintenance	<b>9,144</b>	16,790	<b>17,180</b>	97,902
Office	<b>(95,391)</b>	24,712	<b>8,657</b>	49,085
Production materials	<b>(1,138)</b>	-	<b>1,467</b>	26,980
Equipment and rentals	-	-	-	24,733
Supplies	<b>70,004</b>	4,258	<b>138,427</b>	20,346
Security	-	498	<b>84.00</b>	13,085
Marketing and sales	<b>101,491</b>	-	<b>451,103</b>	-
Insurance	<b>136,418</b>	-	<b>136,418</b>	-
Professional fees	-	-	<b>8,000</b>	-
Consulting services	<b>154,650</b>	1,255	<b>154,650</b>	1,255
Promotion	<b>9,497</b>	-	<b>9,497</b>	-
Travel	<b>2,925</b>	17	<b>5,422</b>	17
<b>Total production plant</b>	<b>\$747,657</b>	\$317,086	<b>\$1,371,606</b>	\$779,859

Production plant expenses increased by \$430,571 and \$591,747 for the three and nine months ended December 31, 2021, respectively, 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. Salaries increased during the period due to a one time retention bonus paid to an employee.

### ***Quality Control and Assurance***

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

	Quarter ended December 31,		Nine months ended December 31,	
	2021	2020	2021	2020
Salaries and benefits	<b>\$29,290</b>	\$(8,505)	<b>\$7,724</b>	\$111,664
Supplies	<b>(15,619)</b>	3,121	<b>2,182</b>	19,744
Rent and utilities	<b>24,000</b>	11,155	<b>23,845</b>	12,271
Maintenance	-	463	<b>1,124</b>	7,639
Travel	-	21	-	2,823
Office	<b>544</b>	466	<b>2,469</b>	1,205
Consulting fees	<b>0</b>	(74)	<b>50,000</b>	60
Third party testing	<b>11,694</b>	492	<b>19,994</b>	(386)
Production materials	<b>1,071</b>	-	<b>1,071</b>	100
<b>Total quality control and assurance</b>	<b>\$50,980</b>	\$7,139	<b>\$108,409</b>	\$155,120

Quality control and assurance expenses increased by \$43,841 for the three months ended December 21, 2021 and decreased by \$46,711 for the nine months ended December 31, 2021, compared to the same period in the prior year. The year-to-date decrease was primarily driven by lay-offs of staff resulted in lower salary and benefit costs partially offset by increased reliance on consultants. The company continues to monitor costs in these areas.

### **Business Development**

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

	Quarter ended December 31,		Nine months ended December 31,	
	2021	2020	2021	2020
Salaries and benefits	\$ 58,702	\$ 50,574	\$ 147,514	\$ 85,007
Consulting fees	-	-	3,750	14,625
Promotion	820	1,871	3,766	1,871
Travel	15,684	-	26,394	-
Other	0	-	-	90
<b>Total business development</b>	<b>\$ 75,206</b>	<b>\$ 52,445</b>	<b>\$ 181,424</b>	<b>\$ 101,593</b>

Business development expenses increased by \$22,761 and \$79,831 for the three and nine months ended December 31, 2021, compared to the same period in the prior period. These increases were due to the Company's efforts to expand its sales to new areas and grow its revenues.

### **Corporate Development**

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

	Quarter ended December 31,		Nine months ended December 31,	
	2021	2020	2021	2020
Computer software	\$ -	\$ -	\$ -	\$ 33,722
Promotion	-	-	4,419	-
Professional fees	-	-	1,172	-
Consulting fees	1,000	-	1,000	-
<b>Total corporate development</b>	<b>\$ 1,000</b>	<b>\$ -</b>	<b>\$ 6,591</b>	<b>\$ 33,722</b>

Total development expenses decreased by \$27,131 for the nine months ended December 31, 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.

Grant date	Quarter ended December 31,		Nine months ended December 31,	
	2021	2020	2021	2020
Friday, October 9, 2020	\$ 6,765	\$ 246,625	\$ 10,296	\$ 246,625
Thursday, May 28, 2020	3,495	29,365	9,570	209,376
Wednesday, October 23, 2019	1,838	1,882	5,515	46,636
Wednesday, June 5, 2019	-	6,710	1,508	17,290
Wednesday, February 27, 2019	-	5,371	-	28,412
Wednesday, November 28, 2018	-	4,038	-	18,289
Monday, October 1, 2018	-	57,015	-	8,083
Monday, June 4, 2018	-	15,114	3,633	69,092
<b>Total share-based payments</b>	<b>12,098</b>	<b>362,356</b>	<b>30,522</b>	<b>505,619</b>

### Liquidity and Capital Resources

	31-Dec-21	31-Mar-21
Non-current assets	\$ 24,831,611	\$ 26,273,843
Current assets	4,029,256	3,020,827
Current liabilities	(36,692,687)	(31,455,189)
Total assets less current liabilities	\$ (7,831,820)	\$ (2,160,519)
Non-current liabilities	-	369,355
Shareholders' deficiency	(7,660,737)	(2,529,874)
	\$ (7,660,737)	\$ (2,160,519)

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. Radiant'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 Radiant'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. Radiant'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.

Radiant's business is subject to risks and uncertainties that could significantly impair Radiant'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 Radiant's liquidity.

In an effort to manage liquidity prudently while the Company moves toward profitability and positive cash flow, Radiant has taken the following steps to re-position Radiant 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 December 31, 2021, the Company has access to the following capital resources available to fund operations and obligations:

- Radiant 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:
  - Radiant 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 Radiant will complete any asset-backed financing. Radiant is continuing with these efforts and is also actively working with its current mortgage lender to restructure its mortgage obligations to reduce its interest costs and debt obligations.

- Radiant 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. Radiant converted these into common shares at \$0.10 as a part of the conversion of its outstanding debt to equity in March 2021. This financing is now closed and no longer active currently.
- Radiant 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 December 31, 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. This financing is now closed and no longer active currently.

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 December 31, 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, Radiant 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:

	December 31, 2021	December 31, 2020
Cash, beginning of year	\$ 485,544	\$ 145,117
Cash used in operating activities	(596,753)	(3,910,092)
Cash provided by financing activities	1,776,641	4,425,099
Cash used in investing activities	(344,407)	(461,798)
Net increase (decrease) in cash during the period	835,481	53,209
Cash, end of period	\$ 1,321,025	\$ 198,326

Cash used in operating activities for the period ended December 31, 2021, was \$596,753 representing a decrease of \$5,632,937 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 December 31, 2021, was \$1,776,641, representing a decrease of \$2,648,458 compared to the prior period. The decrease is mainly due to a \$5,750,000 brokered placement that took place in the prior period, partially offset by a private placement in the current year with net proceeds of \$1,029,558.

Cashed used in investing activities for the period ended December 31, 2021, was \$344,407, a decrease of \$117,391 compared to the prior period. The change is primarily due to lower spending on equipment purchases in the current year.

## Capital Expenditures

The Company's purchased \$334,661 of equipment in the nine months ended December 31, 2021 (2020 – \$668,729) for the period ended December 31, 2021.

## Contractual Obligations and Commitments

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	1,283,554	1,496,297
Network services contracts	28,796	143,108
Purchase and retrofitting of equipment	89,083	89,083
Maintenance contracts	12,567	12,567
Direct materials	570,000	570,000
	\$ 3,455,042	\$ 3,782,097

## Working Capital

Working capital is current assets less current liabilities. As at December 31, 2021, Radiant had a working capital deficit of \$32,663,431 as compared to a working capital deficit of \$28,434,362 as at March 31, 2021. The \$4,229,069 increase in working capital deficit is primarily related to the increase in accounts payable of \$3,376,973, increased current lease liabilities of \$330,271, increased current portion of long-term debt of \$1,227,221, decreased inventories by \$151,246, partially offset by increased receivables of \$104,243, increased prepaids of \$235,165, and increased cash of \$835,481.

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 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
	<b>\$ 28,125</b>	<b>\$ 404,008</b>	<b>\$ 182,340</b>	<b>\$ 1,159,256</b>

Compensation includes key management salaries, severance, 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.

## 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.

**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 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 nine months ended December 31, 2021, the Company received \$170,000 from related party in the form of promissory notes. \$125,000 of these promissory notes were repaid in the period.

**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 December 31, 2021, the Company had \$519,406 (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 December 31, 2021.

## 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 December 31, 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 \$108,098 (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	\$ 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
<b>Balance December 31, 2021</b>	<b>\$ 36,692,687</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 32,125,928</b>
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
<b>Balance March 31, 2021</b>	<b>\$ 30,766,598</b>	<b>\$ 1,336,974</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 32,103,572</b>

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. Radiant 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 December 31, 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)	(CHF)	(USD)
Accounts receivable	66,405	-	-
Accounts payable and accrued liabilities	(1,227,966)	(79,000)	(844,846)
Net balance sheet exposure	<u>(1,161,561)</u>	<u>(79,000)</u>	<u>(844,846)</u>
Translation rate at September 30, 2021	1.4801	1.7123	1.2741
Net income impact of 10% rate change	<u>(116,156)</u>	<u>(7,900)</u>	<u>(84,485)</u>

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](http://www.sedar.com)), including Radiant'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 \$176,378,378 as of December 31, 2021, with a working capital

deficiency of \$32,663,431. 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 Radiant or on any terms. Failure to raise the necessary funds in a timely fashion may also limit Radiant's ability to move its programs forward in a timely and satisfactory manner or 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: 530,868,021

Fully diluted common share capital: 536,890,542

### Stock Options

23,883,548 stock options of the Company are issued and outstanding with a weighted average exercise price of \$0.58. 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

68,570,091 are issued and outstanding with a weighted average exercise price of \$0.20. Each warrant entitles its holder to purchase one common share of the Company with varying expiry dates up to January 27, 2024.