RADIENT

Management Discussion & Analysis

Year ended March 31, 2020

September 11, 2020

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Management Discussion and Analysis ("MD&A")

The following MD&A is prepared as of September 11, 2020 and is intended to assist the understanding of the results of operations and financial condition of Radient Technologies Inc. (the "Company" or "Radient").

This MD&A should be read in conjunction with Radient's audited consolidated financial statements and related notes for the year ended March 31, 2020 and the MD&A and audited consolidated financial statements for the year ended March 31, 2019. The statements and additional information about Radient, including Radient's Annual Information Form for the year ended March 31, 2020, can be found on SEDAR at www.sedar.com. Such additional information is not incorporated by reference herein, unless otherwise specified, and should not be deemed to be part of this MD&A.

The Company's audited consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). All dollar amounts are expressed in Canadian currency unless otherwise indicated.

Non-IFRS Measures

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

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

Forward-Looking Statements

This MD&A offers our assessment of Radient's future plans and operations as of September 11, 2020 and contains "forward-looking statements" and "forward-looking information" within the meaning of applicable securities law (collectively referred to in this MD&A as "forward looking statements"). All such statements and disclosures, other than those of historical fact, which address activities, events, outcomes, results or developments that Radient anticipates or expects may, or will occur in the future (in whole or in part) should be considered forward-looking statements.

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

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

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

Core Business and Strategy

Overview

The Company presents its results on a going concern basis, which assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of operations as they become due. The Company's ability to generate sufficient cash flows to maintain normal operations, if unsuccessful, will result in it not being able to continue as a going concern.

The Company has incurred significant losses to date. The net loss for the year ended March 31, 2020 totalled $37,417,739 (2019 - $27,855,567) and as at March 31, 2020 the Company had a deficit of $127,283,409 (2019 - $89,865,670). These balances indicate there is material uncertainty about the Company's ability to continue as a going concern.

The Company currently has a working capital deficiency of $16,401,248 (March 31, 2019 - $30,134,149 working capital). The change year over year indicates that there is material uncertainty about the Company's ability to continue as a going concern.

At March 31, 2020, the Company is in arrears with rent, long-term debt, lease liabilities and wages. Subsequent to March 31, 2020 the Company closed an equity offering for $5.75M and is currently continuing to work on several potential financings including the previously announced sales leaseback transaction.

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

In conjunction with year-end, there was a global pandemic outbreak of COVID-19. The actual and threatened spread of the virus globally has had a material adverse effect on the global economy and; specifically, the regional economies in which the Company operates. The pandemic could continue to have a negative impact on the stock market, including trading prices of the Company's shares and its ability to raise new capital. These factors, among others, could have a significant impact on the Company's operations. Management have given consideration as to the impact of COVID-19 on the Company and 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.

Radient was initially incorporated on June 12, 2001 pursuant to the provisions of the *Company Act* (British Columbia), transitioned pursuant to the provisions of the *Business Corporations Act* (British Columbia) on July 7, 2004 and was continued under the *Canada Business Corporations Act* on February 3, 2010. On May 22, 2014, pursuant to a plan of arrangement, Radient amalgamated with Madison Capital Corporation ("Madison"), a Capital Pool Company as defined in TSX Venture Exchange ("TSXV") Policy 2.4 – *Capital Pool Companies* ("Policy 2.4"), incorporated pursuant to the provisions of the *Business Corporations Act* (Alberta) on June 13, 2011 and continued under the *Canada Business Corporations Act* on May 14, 2014, forming a new entity called "Radient Technologies Inc." This transaction constituted the qualifying transaction of Madison in accordance with the requirements of Policy 2.4. Radient trades on the TSXV under the symbol "RTI" and on the OTCQX®Best Market ("OTC"), operated by OTC Markets Group under the ticker symbol "RDDTF".

The head office of Radient is located at 9426 – 51 Avenue NW, Edmonton, Alberta, T6E 5A6 and the registered and records office is located at 2900 – 550 Burrard Street, Vancouver, British Columbia, V6C 0A3. Radient also operates a production facility located at 4035 – 101 St NW, Edmonton, Alberta, T6E 0A4 and a research and development lab at 8223 Roper Road NW, Edmonton, Alberta, T6E 6S4 (the "Roper Road Facility").

The subsidiaries of the Company as at March 31, 2020 are as follows:

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

The Company has a 50% interest in Natac Solutions S.L. which was incorporated in the year ended March 31, 2020. There is currently no financial activity in the joint operation.

RTC, which operates the Company's Canadian cannabis business, was incorporated on February 20, 2018 and holds certain of the Company's Canadian cannabis-related licences. Radient owns 100% of 163 Alberta, which is the owner and landlord of various properties, including Radient's Edmonton production facility. Prior to May 3, 2018, Radient owned a 50% interest in 163 Alberta. RII was incorporated on October 12, 2018 and is intended to hold the Company's Canadian generated intellectual property. RTS was incorporated on January 29, 2019 and holds the Company's European investments (including MAG which was incorporated on February 21, 2019). MAG will hold all assets related to the Company's proposed German cannabis related operations.

Radient has historically manufactured high-value natural ingredients for global customers in the food and beverage, nutraceuticals, pharmaceuticals and cosmetics and personal care industries. In the year ended March 31, 2017, the Company expanded its offerings to the fast-growing cannabinoids market utilizing its extraction platform to process and extract cannabinoids, including cannabidiol ("CBD") and tetrahydrocannabinol ("THC"), from cannabis biomass. The Company's core focus is on processing and manufacturing efforts in the cannabis industry for the near and mid-term.

Using the Company's proven extraction and product development platform, Radient extracts these natural ingredients at lower cost, higher quality and at greater throughput than competing methods.

Background

Radient was founded in 2001 by Dr. Steven Splinter, its current Chief Technology Officer, and Vizon SciTec Inc., formerly BC Research Inc., to pursue commercial opportunities related to the patented platform natural product extraction technology 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. As of March 31, 2020, Aurora held 33,101,542 common shares of Radient representing approximately 11.93 % of the issued and outstanding common shares and 10.05% of the issued and outstanding common shares on a fully diluted basis. In connection with the MSA, Radient and Aurora entered into an Investor Rights Agreement that provides Aurora with certain rights to participate in future offerings, providing Aurora with the option to expand its ownership in the Company up to 19.99%. Also, in accordance with the Investor Rights Agreement, Aurora has the right to appoint one director to the Company's Board of Directors (the "Board") who, since February 4, 2019, has been Allan Cleiren, Chief Operating Officer of Aurora.

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.

The Technology

Radient's proprietary extraction and processing technology is based on the use of microwave energy to enhance the extraction of valuable natural compounds from renewable biomass. Using proprietary continuous-flow equipment, Radient is able to precisely control extraction temperature and extraction time, both of which can affect extract purity and extract profile. At the same time, any possible effects associated with excessive heating can be minimized while ensuring that all of the material is extracted for the same time at the same temperature. This careful control of extraction parameters is something that is very difficult to achieve at large scale with conventional methods. The result is a rapid-speed, high-throughput, highly efficient controlled extraction process that does not rely on closed or pressurized batch vessels.

For cannabis, Radient's extraction method can often eliminate additional processing steps required in many conventional methods, such as winterization, which can typically add a half day or more to the extraction process. Winterization can also lead to loss of cannabinoids and other desirous active compounds. In addition, Radient's continuous-flow process is designed so that cannabis biomass does not need to be decarboxylated prior to extraction. By decarboxylating downstream, it is possible to retain many of the active compounds found in the original plant, such as the volatile terpenes and, if desired, to control the degree of decarboxylation and thereby obtain extracts containing a mixture of acidic and neutral cannabinoids.

Compared to conventional extraction methods, Radient's continuous-flow proprietary extraction and processing technology offers cannabinoid recoveries exceeding 95% for resulting high final product yields. Management believes this proprietary high efficiency process combined with high throughput capacities and process economics gives Radient a strong competitive advantage over other existing methods.

Business Model

Radient's core revenue generation activities related to cannabis activities are primarily focused on the following two areas:

1. Manufacturing Services ("tolling fees") – Radient leverages its know-how and infrastructure to produce higher value and higher margin products on behalf of its customers. In these instances, the customer sends its biomass to Radient for processing. Radient will process, for a specified fee, the material into extracts, distillates,concentrates or oils and ship back the finished materials to its customers.
2. Manufactured Products – Radient procures cannabis biomass for the manufacture of cannabis extracts, distillates, concentrates and oils for its own use. Radient inventories the biomass for use in production and then sells the resultant production, which may include cannabinoid oils, formulations or extracts and distillates to holders of a licence for processing ("Licensed Producers") under the *Cannabis Act* (Canada) ("Cannabis Act") and the *Cannabis Regulations* (Canada) ("Cannabis Regulations") for use in their consumer/patient products. As Radient's business matures, this will allow Radient to further expand its opportunities by providing manufactured products to Licensed Producers who may rebrand those products as their own (known as white-labelling).

Corporate Focus

Since its inception in 2001, Radient has completed numerous feasibility and scale studies using its proprietary extraction techniques and has proven the effectiveness of its extraction platform for a broad range of biomass inputs using varying solvent systems. As Canada moved to legalize both medical and adult-use cannabis, Radient foresaw a need for companies with the technical and scientific expertise to perform high quality extraction of cannabinoids. The Company has shifted its focus and resources into developing large scale extraction for cannabis and hemp, and received its standard processing license from Health Canada in early 2019. Building on its proprietary extraction technology and extensive research and development capabilities, Radient is now turning its cannabis extracts into finished consumer products for both the medical and recreational markets.

Cannabis Activities

Radient aims to become a leader in cannabis and hemp extraction through the use of its proprietary technology to deliver the highest levels of scale, quality and consistency. The Company has invested 20 years to develop its proprietary extraction technology and methods. The company has concentrated its efforts over the past two years on optimizing its technology and increasing capacity for the extraction of cannabinoids from cannabis and hemp.

In February 2019, the Company received its Standard Processing Licence from Health Canada and completed its first commercial run in May 2019. Since that time, Radient has processed thousands of kilograms of cannabis biomass for clients, achieving yields consistently in excess of 90% and as high as 99%.

Radient’s industrial-scale extraction facility is expected to be an important resource to the industry, providing capacity to meet anticipated growing demand while also meeting the highest standards of quality and safety. In addition to large-scale capacity, Radient’s platform has demonstrated:

- precise control of extraction time and temperature, ensuring any possible effects of heating can be minimized;
- unique continuously flowing process, allowing for improved extraction efficiency (higher recovery of cannabinoids from biomass) and extract profiles; and
- consistency of extracts and formulations being maintained at industrial scale quantities.

Control of these parameters typically allows for a high-quality product and a broader extract profile. Conventional methods existing in the cannabis industry today do not allow for precise control of parameters at larger scales of production.

With the technology now validated at scale, Radient expanded its operations in Edmonton to meet anticipated growing demand for both extraction services and manufactured cannabis products. A second phase of development (Edmonton II) received the required licensing from Health Canada in the first quarter of calendar 2020.

Understanding that the bulk extraction market was becoming increasingly competitive, and with regulations changing to allow for a greater variety of products, Radient applied for an amendment to its license to allow for the sale of cannabis extracts, edibles and topicals. The Company has done acompleted in-house research on cannabis ingredient and consumer product formulations, and having a sales license enables Radient to provide full white label manufacturing services to clients. Radient received its license amendment in June 2020 and is utilizing space in Edmonton II for product manufacturing. The Company plans to use available space, as well as repurpose space in it's Edmonton I facility to install filling and packaging capacity for new product offerings.

After spending much of fiscal 2020 successfully ramping up capacity and increasing purity of extracts through distillation, Radient is now able to transition its focus to commercializing formulations and white label manufacturing. Radient has the ability to combine its large-scale extraction with an internally developed library of scientifically developed formulations. The past year was spent adding distillation to increase the concentration of the Company's extracts, obtaining license amendments from Health Canada, and building out manufacturing capabilities. The Company expects that these efforts will allow it to significantly add sales and diversify its customer base and product offerings.

Combining technological precision with decades of botanical extraction and science-backed product development experience, Radient can now create unique products and formulations with the highest standards of quality.

Nicotine Reduction Activities

Radient continues to hold significant intellectual property relating to nicotine reduction and the Company is exploring 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. Further research and development will be determined by the extent of any future partnership.

Late in calendar 2017, Radient announced the results of over four years of research and development with a leading tobacco manufacturer. Results demonstrated nicotine depletion of over 95% across multiple cured tobacco types, and the potential for nicotine depletion in a continuous-flow system at industrially relevant scales. On June 5, 2018, Radient filed a provisional patent application for reducing nicotine levels in tobacco using its proprietary extraction technology. This patent application provides a method to selectively extract nicotine from tobacco via Radient's continuous-flow extraction technology and provides a composition of tobacco that is depleted in nicotine but retains its appearance and organoleptic properties.

The Company believes that this patent application positions Radient's process as a viable method of nicotine depletion in tobacco should the United States Federal Drug Administration or other regulatory bodies decide to regulate for the mandatory reduction of nicotine in cigarettes to minimally or non-addictive levels.

Cannabis Regulatory Considerations

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

Standard Processing Licence

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

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

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

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

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

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

On December 23, 2019, Radient submitted an amendment to Health Canada for the addition of sales to its Standard Processors Licence. This amendment was granted on June 26, 2020. Subsection 17(5) of the Cananbis 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 to it's Research Licence on June 15, 2020 to add administration to and/or testing on humans involving the consumption of cannabis. This amendment is in final review with Health Canada.

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

Canadian Securities Regulation Regarding U.S. Cannabis Activities

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

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

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

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

EU Requirements

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

German Requirements for Processing of Cannabis

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

Manufacturing Permit

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

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

Under German law, a manufacturing permit should be granted within three months following the application provided that all necessary documents have been filed with the authorities and are in satisfactory condition. The application for the permit can only be made once the manufacturing facility is ready to operate. The permitting process is a consultative process with the authorities to ensure that the setup of the manufacturing operation will be accomplished in a manner acceptable to the authorities. This facilitates a timely review of the application. The Company has had ongoing consultations with the local regional AMG authorities regarding its pending application and, to date, no significant concerns have been raised.

Narcotics Handling Permit

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

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

The application for the permit can only be made once the Company's 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. The Company has had ongoing consultations with the BfArM and law enforcement authorities regarding its pending application and, to date, no significant concerns have been raised.

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 year ended March 31, 2020, Radient recorded $18.0 million of revenue from its manufactured products as a result of extracting cannabinoids at industrial scale at now-validated recovery rates in excess of 90%, and resulting in high final product yield. The Company's Edmonton I facility continued to operate 24 hours a day, 5 days per week until the middle of March when the Company announced temporary layoffs due to COVID-19, resulting in a halt in production and retaining only those staff who the Company believed were essential to maintaining safety of day-to-day limited operations.

The Company has put construction on hold in Edmonton and Germany until the later half of calendar 2021 pursuant to the requirement for additional liquidity and favorable market conditions to complete the projects. The Company requires additional capital to execute on such plans. Going forward, production of distillates, resins, oils and emulsions are expected to be the Company's foundation for a product pipeline that includes topicals, vape fluids, formulations for edibles, white label formulations, and other value added products.

The Company anticipates maximizing the revenue potential of this product pipeline through distribution and sales partnerships with licensed producers and brand owners. Radient has announced partnerships and collaborations on downstream activities including the production of distillates and isolates, formulations and formulated products with groups such as Shoppers Drug Mart, Allied, Fluum and Premium 5 in addition to the ongoing MSA with Aurora. Additionally, the Company expects to add additional white label agreements in the coming quarters.

In support of its white label efforts, the Company has registered to sell products in certain provinces. To date the Company's registrations have been approved in British Columbia, Saskatchewan, Manitoba, Nunavut and the Northwest Territories. The Company has pending Provincial approvals in Ontario and Alberta. These registrations allow for the Company to distribute approved products in the various jurisdictions.

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

$5.75 Million Equity Offering

On May 26, 2020 Radient announced that it had closed its public equity financing initially announced on May 20, 2020. Radient issued 28,750,000 units (the "Units") of the Company (which includes 3,750,000 Units issued pursuant to the exercise in full of the over-allotment option) at a price of $0.20 per Unit (the "Offering Price") for aggregate gross proceeds of $5,750,000 (the "Offering"). Each Unit consisted of one common share in the capital of the Company (a "Common Share") and one Common Share purchase warrant (a "Warrant"). Each Warrant entitles the holder thereof to purchase one Common Share, at an exercise price of $0.30 until May 26, 2023.

The net proceeds of the Offering were for working capital and general corporate purposes.

$9.4 Million At the Market Offering "ATM"

On March 27, 2020 Radient announced that it had established an ATM program. The ATM Program will allow the Company to issue up to $9.4 million worth of common shares from treasury to the public. The net proceeds of the Offering is intended to be used for additional equipment for the Company's Edmonton and German facilities and general corporate purposes. To date, the Company has issued 5,582,400 shares for gross proceeds of $880,606 under the ATM.

Debenture Financings

On February 10, 2020, Radient announced 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"). The offerings of the Notes and Debentures are subject to the approval of the TSXV and the negotiation, execution and delivery of definitive documentation.

On March 4, 2020, Radient announced the closing of the first tranche of Debentures for a principal amount of $1,162,500. The Debentures are unsecured and have an interest rate of 15% per annum. The Debentures will mature on March 3, 2022 (the "Maturity Date"). The Company issued to the Debenture holders 581,250 non-transferable common share purchase warrants (the "Warrants"). Each Warrant has a 24 month term and is exercisable into one common share of the Company at an exercise price of CAD $0.70 per share (each a "Common Share"). All Common Shares will be subject to a hold period expiring on July 4, 2020 in accordance with applicable securities laws.

Supply Agreement with Shoppers Drug Mart

On February 11, 2020, Radient announced it had entered into a supply agreement (the "Shoppers Agreement") with Medical Cannabis by Shoppers, the online medical cannabis platform of leading Canadian pharmacy retailer Shoppers Drug Mart ("Shoppers"). Under the terms of the Shoppers Agreement, Radient will utilize its proprietary extraction and downstream processing platform to create a variety of cannabinoid formulations under a brand that will be sold exclusively to patients of Medical Cannabis by Shoppers. The Shoppers Agreement is for a three-year term, subject to renewal for an additional two years or earlier termination.

On May 21, 2020 Radient announced the launch of of bioU, a scientifically formulated brand exclusively sold to Medical Cannabis by Shoppers™ ("Shoppers"), a subsidiary of Shoppers Drug Mart Inc., and available across Canada.

On June 11, 2020, Radient announced that its recently launched bioU branded products were available through Medical Cannabis by Shoppers, a subsidiary of Shoppers Drug Mart Inc.

Radient and Allied Corp enter into a manufacturing and sales agreement

On March 18, 2020, Radient announced that the Company had entered into a definitive agreement as part of a three way agreement with Allied Corp and the Dhaliwal Group to manage the supply chain, manufacturing and sales of high quality CBD distillate and isolate.

Under the agreement, the Company has agreed to convert Industrial hemp biomass into finished premium quality CBD consumer products for a processing fee.

COVID-19

On May 19, 2020 the Company announced it had filed a provisional patent application covering the use of a combination of cannabinoids, terpenes and zinc (the "Formulations") as a means of preventing infection of coronavirus, mitigating the symptoms of coronavirus, and lowering infectiousness of COVID19 patients, with the goal of reducing hospitalizations and intensive care unit requirements

Radient and Premuim 5 Ltd. Enter into Manufacturing and Service Agreement

On June 30, 2020, Radient announced that the Company had entered into a manufacturing and service agreement with Premium 5 Ltd. ("P5") for multiple products under it's P5 brand of premium concentrates.

On August 13, 2020, Radient announced that the Company had received an order from the BC Liquor Distribution Branch (the "BCLDB ") for 22 of P 5 SKUs, including the first Live Resin and Live ResinX vape cartridges produced under the service agreement announced on June 30, 2020 representing the first sale of 2.0 products by Radient.

Participation in Medical Cannabis Study Led by the University Health Network in Patnership with Shoppers Drug Mart.

On July 17, 2020, Radient announced that bioU products by Radient would be available to patients in the University Health Networks' ("UHN") Medical Cannabis Real-World Evidence Study ("MC-RWE Study") in partnership with Medical Cannabis by Shoppers.

Radient Technologies Inc. and Fluum Inc. Enter Into Multi-Year White Label Deal

On July 27, 2020, Radient announced a five year white-label agreement with Fluum Inc. ("Fluum"), to launch a line of cannabis vape products designed to deliver enhanced experiences at a competitive price. The Company will provide a full suite of services; using its proprietary extraction technology to provide cannabis extracts, along with filling, packaging, and sales distribution.

Commercialization of New Cannabinoid Ingredients and Formulations

Leveraging its strong natural health product formulation expertise, Radient's product development team has developed and continues to develop 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. Radient will be bringing these formulations over the coming months to its customers.

Sale-Leaseback and Equipment Financing Agreement

Following its initial announcement on November 29, 2019, Radient announced on January 14, 2020 that it had signed a binding letter of intent for a sale-leaseback transaction in which 2238502 Alberta Ltd. (the "Purchaser") would purchase from Radient the land and buildings comprising the Company's Edmonton I, II, and III facilities for a total of $20 million (the "Transaction").

This Transaction was a part of an asset-backed financing which also incorporates an additional equipment financing (the "Equipment Financing") that was initially announced on November 29, 2019 between Radient and the Purchaser. Due to the softening of capital markets due to the Covid 19 outbreak, this transaction has been put on hold indefinitely. Radient is working closely with the Purchaser and a wide range of lenders to mitigate this and secure adequate funds to close the asset backed financing that was announced.

Expansion Projects

Edmonton I – Additional Equipment

The Company is primarily producing cannabinoid resins and distillates from this facility, having added additional equipment and made process changes to include these bulk product offerings. Production capacity for "bottle-ready" cannabinoid oils remains unchanged as a result of resin and distillate production.

Edmonton II − Plant Retrofit

In the MD&A for December 31, 2019, the Company announced that its plans to retrofit its main facility to accommodate CBD extraction from hemp had been deferred to the second half of calendar 2020. As of the date of this MD&A, in the interest of preserving capital and in response to a lack of supply of hemp containing adequate high-potency CBD, the Company is deferring the retrofit project indefinitely.

In its place, the Company is continuing to process CBD from both hemp and cannabis using the existing Edmonton I manufacturing line. Furthermore, the Company expects to make optimal use of the EDM II square footage by extending its offerings further "downstream" in the value chain, by adding capability to produce and package white label products, vaping liquids, and non-baked edible cannabinoid products.

Edmonton II − Phase I:

Disclosed	Budget	Revised budget	Reason
July 2018 Short Form Prospectus	$ 3.0 M	$ -	Original budget
June 2019 MD&A	$ 3.0 M	$ 5.0 M	Additional required equipment and refinement of existing equipment and facility space
March 2020 MD&A	$ 5.0 M	$ 5.0 M	No revision

As at March 31, 2020, the total amount spent on this project was approximately $3.6 million which includes $0.5 million of equipment, and $3.1 million of assets under construction (for equipment and construction related costs).

Edmonton III – New Plant

As of the date of this MD&A, continued construction of the new building for Edmonton III has been deferred to at least calendar 2021, in the interest of capital preservation. In the interim, the Company will continue to process material and develop products from its existing Edmonton facility footprint.

Disclosed	Budget	Revised budget	Reason
July 2018 Short Form Prospectus	$ 14.5 M	$ -	Original budget
September 2018 MD&A	$ 14.5 M	$ 18.5 M	Addition of specialized equipment
December 2018 MD&A	$ 18.5 M	$ 24.5 M	Additional site preparation and environmental readiness costs, alterations to the building design and further specialized equipment.
March 2020 MD&A	$ 24.5 M	$ 24.5 M	No revision

As at March 31, 2020, the total amount spent on this project is approximately $20.4 million which includes $0.5 million of equipment, and $19.9 million of assets under construction (including both renovation and equipment related costs).

Germany

In its MD&A for the three and nine months ended December 31, 2019, the Company disclosed the deferral of commissioning its Germany project to the first half of calendar 2021. In the interest of capital preservation and the Company's focus on its domestic operations, the project has been deferred until at least the end of calendar 2021.

As at March 31, 2020, the total amount spent on this project relating to assets under construction is approximately $2.8 million. This relates to scoping, permitting, engineering and consulting services for plant and equipment design, as well as environmental assessments.

Results of Operations

Annual Highlights

	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2018
Revenues	$ 18,404,515	$ 214,060	$ 455,827
Loss before other income and expenses	(24,257,226)	(18,236,356)	(7,897,461)
Loss per share, before other income and expenses (basic and diluted)	(0.09)	(0.07)	(0.04)
Net loss and comprehensive loss	(37,417,739)	(27,855,567)	(14,048,317)
Net loss per share (basic and diluted)	(0.14)	(0.11)	(0.07)
Cash used in operating activities	(26,749,782)	(15,322,007)	(8,291,603)
Cash provided by financing activities	6,458,544	38,352,660	23,320,870
Cash used in investing activities	(11,316,497)	(13,106,105)	(1,681,710)
Total assets	57,931,694	61,026,273	30,012,654
Working capital (deficit)[1]	(16,401,248)	30,144,247	22,029,885
Total non-current liabilities	$ 11,044,022	$ 6,482,984	$ 2,124,160
Weighted average number of common shares outstanding (basic and diluted)	272,177,024	251,884,940	188,638,932

During the year ended March 31, 2020, the Company's commenced operational activities and continued its expansion projects. The Company generated revenues of $18.0 million as the Company successfully transitioned from a pre-revenue company to a fully operational entity. However, the Company finished with a working capital deficit of $16.4 million due to delays in securing funds to 1)finance it's expansion projects, predominantly for the build out of Edmonton III and 2)complete it's operational ramp up to secure efficiencies in testing, procuring and processing biomass to meet high quality standards. There was also a collapse in Cannabinoid prices that led to disruption in the supply chain during this period.

During the year ended March 31, 2019, the Company's balance sheet continued to strengthen primarily through a bought deal offering that raised gross proceeds of $24.8 million and through a concurrent private placement that raised $9.4 million. In addition, $5.8 million was raised through exercises of warrants and $0.7 million from the exercise of stock options. These additional funds resulted in a working capital surplus at March 31, 2019 of $30,144,247 in comparison to a surplus of $22,029,885 at March 31, 2018. The funds raised were partially used for the completion of additional cannabis processing capacity at Edmonton I, the upgrade project at Edmonton II for hemp extraction, and for site identification and permitting activities for a cannabis processing facility in Europe. Non-current liabilities as of March 31, 2019 were $6,493,082 compared to $2,124,160 at March 31, 2018. The increase is due to a $5.5 million mortgage from Moskowitz Capital Mortgage Fund II Inc. ("Moskowitz") to complete the real estate transactions related to the purchase of a 100% interest in 1631807 Alberta Ltd., and certain land next to the existing manufacturing facility.

Summary of Results by Quarter

Quarter ended	March 31, 2020	December 31, 2019	September 30, 2019	June 30, 2019
Revenues	$ 5,899,177	$ 11,205,961	$ 1,238,350	$ 61,027
Loss before other income and expenses	(7,885,219)	(4,293,014)	(6,372,219)	(5,706,773)
Loss per share, before other income and expenses (basic and diluted)	(0.03)	(0.02)	(0.03)	(0.02)
Net loss	(18,746,397)	(5,438,335)	(6,882,035)	(6,350,972)
Net loss per share (basic and diluted)	$ (0.07)	$ (0.02)	$ (0.03)	$ (0.02)
Weighted average number of common shares outstanding	272,177,024	272,983,882	271,064,804	270,249,163
Total assets	$ 57,931,694	$ 76,044,284	$ 75,999,601	$ 80,998,496
Long term liabilities	11,044,022	9,950,226	10,128,544	6,987,198

Quarter ended	March 31, 2019	December 31, 2018	September 30, 2018	June 30, 2018
Revenues	$ -	$ -	$ 155,571	$ 58,489
Loss before other income and expenses	(6,590,995)	(5,012,070)	(3,445,784)	(3,187,507)
Loss per share, before other income and expenses (basic and diluted)	(0.02)	(0.02)	(0.01)	(0.01)
Net loss	(7,410,399)	(13,082,768)	(3,817,382)	(3,545,018)
Net loss per share (basic and diluted)	$ (0.03)	$ (0.05)	$ (0.01)	$ (0.02)
Weighted average number of common shares outstanding	266,815,579	264,386,453	249,529,849	226,860,451
Total assets	$ 61,026,273	$ 64,766,988	$ 67,035,138	$ 37,558,954
Long term liabilities	6,493,082	6,527,370	6,573,331	6,618,306

Quarterly revenues while the Company was engaged in health and wellness activities were fairly consistent for the first two quarters noted above. In the following two quarters (ended December 31, 2018 & March 31, 2019), $nil revenue was recognized as the Company discontinued health and wellness contracts and commenced analytic testing of cannabis in preparation for receipt of its Standard Processing Licence from Health Canada. 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. The quarter ended December 31, 2019, operations were scaling up and $11,205,961 of revenue was recognized representing scaling operations for the quarter. 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.

Loss before other income and expenses had consistently increased during the period from March 31, 2018 to March 31, 2019 as the Company discontinued its health and wellness business in preparation for the commencement of production activity related to cannabis extracts and intermediate products. Significant efforts, translating into sizable operating and capital expenditures, had been incurred by Radient to ensure an appropriate level of readiness in anticipation of receipt of the Company’s Standard Processing Licence.

The quarter ending June 30, 2019 represented a $884,222 reduction in the quarterly loss as compared to the quarter ended March 31, 2019. The quarter ended March 31, 2019 included some one-time costs that were not expected to be experienced in subsequent quarters, related primarily to intellectual property projects which were not directly associated with patent filings, and therefore expensed. Business development and corporate development expenses were lower quarter over quarter for the quarter ending September 30, 2019 by approximately $0.3 million as the Company re-assessed its strategic focus and resulting activity was reduced. The quarter ended September 30, 2019 represented a $665,446 increase in quarterly loss as compared to the quarter ended June 30, 2019. While business development and corporate development expenses were lower quarter over quarter for the quarter, the Company amended its mortgage with Moskowitz by increasing the amount borrowed from $5,500,000 to $8,500,000. As the terms of the amended mortgage were substantially different than the terms of the previous mortgage as defined by IFRS 9 *Financial Instruments* ("IFRS 9"), the amendment was determined to be an extinguishment of debt. As a result, a loss on extinguishment totalling $440,513 was recognized in the quarter. The quarter ended December 31, 2019 represented a reduction in loss before other income and expenses from the quarter ending September 30, 2019 of $1,443,700 primarily resulting from scale of operations related to the first full quarter of production. The quarter ended March 31, 2020 represents a increase in loss before other income and expenses due to reduction in revenue for the quarter.

Net loss is most notably affected by share-based payments. During the quarter ended December 31, 2018 share-based payments of $8,265,303 relating to stock options granted in October and November 2018 as well as from prior year grants were recognized. This amount is substantially higher than that recognized through the other seven quarters of comparatives presented. During the year ended, March 31, 2020 the Company recognized impairment losses during the quarter of $5,800,000 on inventory and $4,500,000 on plant and equipment contributing significantly to the increase in losses for the quarter and year.

Total assets increased from June 30, 2018 to September 30, 2018 by $29,476,184 which was directly related to proceeds received from the equity financings that occurred in July 2018. The June 30, 2019 recorded an increase in assets as compared to March 31, 2019 of $19,972,223. $14,432,313 of this increase related to current assets, which was predominantly related to the Company's purchase of dried cannabis inventory and $5,539,910 increase to non-current assets which was largely attributable to the Company's capital expansion projects and progress on the construction of its Edmonton III manufacturing facility. Total assets decreased from December 31, 2019 to March 31, 2020 as the Company recognized impairment losses during the quarter of $5,800,000 on inventory and $4,500,000 on plant and equipment contributing significantly to the increase in losses for the year as well as utilizing inventory in operations.

During the quarter ended June 30, 2018, the Company completed the acquisition of a 100% interest in 163 Alberta followed by 163 Alberta's acquisition of the lands adjacent to Radient's existing manufacturing facility. In conjunction with these transactions, 163 Alberta secured the Moskowitz Mortgage which resulted in an increase in long term liabilities as at June 30, 2018. Long-term liabilities increased as at September 30, 2019 due to an amendment to the Moskowitz mortgage and again as at March 31, 2020 due to the closing of debenture financing.

Consolidated Statement of Operations and Comprehensive Loss

	Quarter ended March 31		Year ended March 31	
(Unaudited)	**2020**	2019	**2020**	2019
Revenues				
Manufactured products	**$ 5,730,610**	$ -	**$ 17,985,341**	$ -
Manufacturing services	**168,567**	-	**419,174**	214,060
	5,899,177	-	**18,404,515**	214,060
Cost of sales				
Manufactured products	**$ 6,930,302**	$ -	**$17,633,949**	$ -
Manufacturing services	**136,880**	-	**322,619**	131,249
	7,067,182	-	**17,956,568**	131,249
	(1,168,005)	-	**447,947**	82,811
Expenses				
General and administrative	**2,183,383**	2,194,082	**9,038,346**	5,502,399
Production plant	**837,708**	1,026,439	**3,514,385**	3,185,009
Research and development	**799,344**	586,677	**1,209,091**	776,962
Process development	**793,198**	586,755	**2,765,170**	1,942,103
Depreciation and amortization	**627,283**	346,001	**2,225,567**	1,128,047
Financing fees	**560,608**	119,723	**1,009,358**	677,836
Engineering	**403,918**	601,458	**2,064,378**	1,266,762
Quality control and assurance	**336,636**	460,281	**1,467,367**	1,055,243
Business development	**100,311**	284,186	**596,376**	1,285,676
Corporate development	**74,826**	385,393	**815,135**	1,499,130
	6,717,214	6,590,995	**24,705,173**	18,319,167
Loss before other income (expenses)	**(7,885,219)**	(6,590,995)	**(24,257,226)**	(18,236,356)
Other income (expenses)				
Share-based payments	**(400,572)**	(1,235,928)	**(2,567,078)**	(10,322,568)
Interest and other income	**3,858**	129,462	**230,426**	444,627
Loss on extinguishment of debt	**-**	-	**(440,513)**	
Loss on disposal of demolition of buildings	**-**	(1,928,637)	**-**	(1,928,637)
Impairment on inventory	**(5,800,000)**	-	**(5,800,000)**	-
(Impairment) reversal of impairment of plant and equipment	**(4,500,000)**	2,209,811	**(4,500,000)**	2,209,811
Foreign exchange (loss) gain	**(177,343)**	708	**(108,383)**	(1,739)
Rental income	**12,879**	5,180	**25,035**	24,327
Allocation of related company loss	**-**	-	**-**	(45,032)
	(10,861,178)	(819,404)	**(13,160,513)**	(9,619,211)
Net loss and comprehensive loss	**$ (18,746,397)**	$ (7,410,399)	**$ (37,417,739)**	$ (27,855,567)

Manufactured products

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

	Quarter ended March 31		Year ended March 31	
	2020	2019	**2020**	2019
Revenues	**$ 5,730,610**	$ -	**$ 17,985,341**	$ -
Cost of sales				
Inventories	**4,403,750**	-	**12,953,098**	-
Third party services	**2,118,398**	-	**3,404,644**	-
Salaries and benefits	**106,290**	-	**404,020**	-
Insurance	**20,975**	-	**45,446**	-
Overhead allocations	**140,001**	-	**290,449**	-
Supplies and materials	**94,225**	-	**349,856**	-
Third party testing	**44,000**	-	**135,129**	-
Waste removal	**(2,700)**	-	**20,838**	-
Transportation	**3,363**	-	**26,479**	-
Equipment and rentals	**2,000**	-	**3,990**	-
Total cost of sales	**6,930,302**	-	**17,633,949**	-
	$ (1,199,692)	$ -	**$ 351,392**	$ -

Revenue for the quarter ended March 31, 2020 was affected by the softening in the market for cannabis products as well as the reduction in operations due to the Global pandemic. The pandemic has resulted in delays in reaching production capacity. The Company anticipates an improvement in the cost of sales as full commercial volume is obtained. The Company has analyzed the cost of sales and is in the process of incorporating the services currently provided by third parties into the production process which will result in an increase in profitability.

Manufacturing services

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

	Quarter ended March 31		Year ended March 31	
	2020	2019	**2020**	2019
Revenues	**$ 168,567**	$ -	**$ 419,174**	$ 214,060
Cost of sales				
Salaries and benefits	**58,826**	-	**134,613**	87,307
Supplies and materials	**52,259**	-	**103,399**	37,250
Third party testing	**25,795**	-	**53,980**	-
Consulting	**-**	-	**20,495**	-
Transportation	**-**	-	**5,330**	257
Waste removal	**-**	-	**4,802**	6,435
Total cost of sales	**136,880**	-	**322,619**	131,249
	$ 31,687	$ -	**$ 96,555**	$ 82,811

Manufacturing services represents the tolling fees earned on processing of client biomass. Revenue increase for the quarter and for the year ended March 31, 2020 is a result in tolling revenue from the Company's main client as well as technical studies completed during the year.

General and Administrative

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

	Quarter ended March 31		Year ended March 31	
	2020	2019	**2020**	2019
Consulting fees	**$ 485,888**	$ 705,862	**$ 2,502,819**	$ 1,456,287
Salaries and benefits	**581,632**	473,941	**2,186,551**	1,218,349
Travel	**91,408**	306,578	**923,708**	780,852
Professional fees	**146,459**	84,916	**980,867**	374,367
Public company compliance	**499,714**	249,624	**942,820**	500,650
Insurance	**143,228**	79,052	**434,408**	180,478
Computer software	**84,649**	52,667	**300,402**	125,652
Rent and utilities	**87,132**	93,984	**277,481**	327,735
Investor relations	**34,500**	83,861	**256,910**	250,885
Office	**13,064**	34,160	**131,705**	162,291
Directors' fees	**15,125**	15,308	**75,181**	78,183
Other	**584**	14,129	**25,494**	44,208
Doubtful debts provision	**-**	-	**-**	2,462
Total general and administrative	**$ 2,183,383**	$ 2,194,082	**$ 9,038,346**	$ 5,502,399

General and administrative expenses decreased by $10,699 for the quarter and increased by $3,535,947 year ended March 31, 2020, respectively, compared to the same periods in the prior year with variances in several cost categories.

Consulting fees decreased by $219,974 for the quarter and increased by $1,046,532 for the year ended March 31, 2020. The decrease for the quarter is related to the corporate focus of preserving cash and decreasing non-essential costs in the fourth quarter while the increase year over year is primarily related to the addition of key executive management team members who were added in the fourth quarter of fiscal 2019.

Salaries and benefits increased by $107,691 and $968,202 for the quarter and year ended March 31, 2020, respectively, compared to the same periods in the prior year. The increase is due to the addition of personnel in the finance, investor relations and human resources departments.

Travel costs decreased by $215,170 for the quarter and increased by $142,856 for the year ended March 31, 2020. This decrease for the quarter corresponds to the change in corporate focus to preserve liquidity through the reduction of non-essential travel while the year over year increase is due to activities prior to the quarter related to new business initiatives, alternative financing arrangements that the Company continues to explore, and the Company's European expansion plan.

Professional fees increased by $61,543 and $606,500 for the quarter and year ended March 31, 2020, respectively, compared to the same periods in the prior year. The increase is predominantly due to the German operations that did not exist in the prior year's quarter as well as costs incurred related to exploring new business opportunities in Europe. Further contributing to the increase is accounting and auditing fees related to the preparation of the Company's annual audited financial statements and fees related to tax advisory services.

Public company compliance costs increased by $250,090 and $442,170 the quarter and year ended March 31, 2020, respectively, predominantly driven by costs incurred in the second quarter of the current year. The Company's exploration of capital markets opportunities in Europe was a significant component of the overall variance. Additionally, there were increased fees associated with the Company's new OTC listing and its recent tier graduation on the TSXV.

Insurance expense increased by $64,176 and $253,930 for the quarter and year ended March 31, 2020, respectively, compared to the same periods in the prior year. The increase is due to higher insurance premiums associated new or expanded coverage as a result of the start of revenue generating activities. In addition to the new and enhanced coverages, rate increases were experienced by the Company related to its participation in the emerging cannabis industry.

Computer software increased by $31,982 and $174,750 for the quarter and year ended March 31, 2020 respectively. The increase is primarily attributable to costs related to the enterprise resource planning system implemented in December 2018 as well as the recently implemented stock option, payroll and time reporting and board scheduling software systems. Costs related to these systems will be regular, recurring expenses of the Company.

Production Plant

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

	Quarter ended March 31		Year ended March 31	
	2020	2019	**2020**	2019
Salaries and benefits	**$ 373,066**	$ 360,216	**$ 1,517,655**	$ 1,499,355
Rent and utilities	**187,779**	188,918	**690,563**	549,277
Maintenance	**119,599**	125,085	**580,867**	353,077
Security	**47,001**	79,114	**269,573**	190,317
Supplies	**20,459**	212,226	**164,164**	417,508
Computer software	**59,612**	-	**125,533**	-
Office and other	**19,473**	45,194	**100,884**	128,771
Equipment and rentals	**10,719**	15,596	**65,146**	46,704
Total production plant	**$ 837,708**	$ 1,026,349	**$ 3,514,385**	$ 3,185,009

Production Plant expenses decreased by $188,641 for the quarter and increased by $329,376 for the year ended March 31, 2020, compared to the same periods in the prior year with variances in several cost categories.

Salaries and benefits expense increased by $12,850 for the quarter and $18,300 for the year ended March 31, 2020. The majority of the increase is due to a net increase in the number of staff and new employees working the full year versus a partial year in the prior year based on the timing of their hire date and the cost of two severance packages. This increase is partly offset by employee transfers to Radient's engineering department.

Rent and utilities decreased by $1,139 for the quarter and increased by $141,286 for the year ended March 31, 2020, compared to the same periods in the prior year. The decrease for the quarter is due to an increase in costs allocated to the production process while the increase for the year is primarily related to rental payments related to establishing the Company's German operations and for warehouse rental space in Edmonton. Both short-term leases were entered into in the quarter ended December 31, 2018.

Maintenance costs decreased by $5,486 for the quarter and increased by $227,790 for the year ended March 31, 2020, compared to the same periods in the prior year. Through the commencement of commercial production, the Company incurred a number of service and maintenance related costs associated with refinement of the equipment configuration and operation as production scale-up progressed.

Security costs relate to the Health Canada security requirements in respect of cannabis which resulted in the Company obtaining security services for the plant in the second quarter of fiscal 2019. These fees are approximately $80,000 each quarter and can vary based on actual hours required.

Supply costs decreased by $191,767 for the quarter and $253,344 for the year ended March 31, 2020, compared to the same periods in the prior year. The decrease for the quarter and year is tied to the shift in corporate focus of preserving liquidity.

Computer software increased by $125,533 for the year ended March 31, 2020 over the prior year ended March 31, 2019. The increase is primarily attributable to costs related to the security footage back up charges which commenced with production in Q3 2020.

Process Development

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

	Quarter ended March 31		Year ended March 31	
	2020	2019	**2020**	2019
Salaries and benefits	**$ 411,572**	$ 237,377	**$ 1,553,496**	$ 1,064,719
Rent and utilities	**59,267**	120,165	**272,355**	283,547
Product development	**242,195**	42,924	**257,222**	68,028
Supplies	**14,195**	44,727	**251,963**	166,337
Consulting fees	**42,995**	67,307	**195,235**	183,039
Maintenance	**18,523**	32,624	**120,290**	97,038
Travel	**2,430**	34,298	**91,564**	61,300
Office	**2,021**	7,333	**23,045**	18,095
Total process development	**$793,198**	$ 586,755	**$ 2,765,170**	$ 1,942,103

Process development salaries and benefits increased by $174,195 and $488,777 for the quarter and year ended March 31, 2020, respectively, compared to the same periods in the prior year. The increase includes salary adjustments for existing staff as well as increases in total staff to twenty employees versus thirteen in the prior year. Also contributing to the increase are employees working the full year versus a partial year in the prior year based on the timing of their hire dates.

Product development costs increase $199,271 for the quarter and $189,194 for the year ended March 31, 2020 over the comparative periods in the prior year. This increase is due to the acquisition of hemp biomass for development purposes that was tested in the fourth quarter of 2020.

Rent and utilities decreased by $60,898 for the quarter ended March 31, 2020 over the comparative quarter due to the renegotiation of the leased laboratory facilities in France. The decrease also is affected by the transitional adjustments required under IFRS 16 *Leases* (“IFRS 16”) for the lease contract relating to the laboratory rental space in Edmonton. IFRS 16 requires the recognition of a lease liability and a lease asset for this lease contract. As such, the lease payments for the base rent are no longer recognized as lease payments and are now accounted for as a reduction against the lease liability with interest expense recognized in the statement of operations. The lease asset will be depreciated over the term of the lease with depreciation expense included in the statement of operations.

Depreciation and Amortization

Depreciation and amortization increased by $281,282 and $1,097,520 for the quarter and year ended March 31, 2020, compared to the same periods in the prior year. The increase is mainly driven by significant capital additions occurring in fiscal 2019 which were not amortized until October 2018 when the Edmonton I plant expansion became available for use as well as depreciation associated with the reversal of impairment taken in fiscal 2019. Further contributing is the adoption of IFRS 16 where new lease assets entail additional depreciation expense not experienced in the prior fiscal year.

Engineering

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

	Quarter ended March 31		Year ended March 31	
	2020	2019	**2020**	2019
Salaries and benefits	**$ 288,540**	$ 247,222	**$ 1,362,597**	$ 566,146
Rent and utilities	**73,653**	77,465	**342,466**	161,207
Travel	**37,303**	61,201	**268,764**	145,719
Consulting fees	**(905)**	208,443	**49,840**	383,016
Office and other	**5,327**	7,127	**40,711**	10,674
Total Engineering	**$ 403,918**	$ 601,458	**$ 2,064,378**	$ 1,266,762

As the Company develops and moves its strategic capital expansion projects forward, Radient’s engineering department continues to play a more comprehensive role within the corporate group. Specifically, this is the case as efforts towards the design and build of Edmonton III and the German manufacturing facilities ramp up. As a result, engineering expenses (and prior year figures) have been reclassified from production plant and general and administrative expenses and are now disclosed separately.

Engineering salaries and benefits increased by $41,318 and $796,451 for the quarter and year ended March 31, 2020, respectively. Staff increased from four in the prior year to fourteen in the current year, two of which are located in Germany with one being captured in Consulting fees in the prior year. Salaries and benefits related to the development of equipment have been capitalized to assets under construction and will be added to equipment upon completion.

Consulting fees decreased by $209,348 for the quarter and $333,176 for the year ended March 31, 2020. The decrease for the quarter is related to the corporate focus of preserving cash and decreasing non-essential costs in the fourth quarter as well as the transfer of one individual from consulting to employee in the current year.

Rent and utilities increased by $181,259 for the year ended March 31, 2020. As well, travel expenses increased by $123,045 for the year ended March 31, 2020 compared to the same period in the prior year. These increases are mostly due to the Company's new German operation which did not exist as at December 31, 2018.

Quality Control and Assurance

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

	Quarter ended March 31		Year ended March 31	
	2020	2019	**2020**	2019
Salaries and benefits	**$ 274,421**	$ 232,024	**$ 964,283**	$ 582,224
Consulting fees	**23,700**	45,794	**220,763**	93,544
Third party testing	**5,158**	101,661	**81,594**	173,015
Rent and utilities	**17,449**	32,064	**67,741**	39,815
Supplies	**1,959**	29,501	**56,347**	100,076
Office and other	**3,465**	11,620	**42,149**	29,707
Maintenance	**10,484**	7,617	**34,490**	36,862
Total quality control and assurance	**$ 336,636**	$ 460,281	**$ 1,467,367**	$ 1,055,243

Salaries and benefits increased by $382,059 for the year ended March 31, 2020 over the comparative year ending March 31, 2019. The increase is a result of the net addition of staff during the current year as well as net increase in the number of staff and new employees working the full year versus a partial year in the prior year based on the timing of their hire date.

Consulting fees increased by $127,219 for the year ended March 31, 2020 over the comparative year ended March 31, 2019. Equipment qualification efforts commenced during the fourth quarter of fiscal 2019 and through the first quarter of fiscal 2020 which resulted in increased costs related to these efforts. During the year ended March 31, 2020, the Company augmented its human resources function with the addition of two contractors to provide ongoing senior level services as production ramps up and there are increased demands on the Company's salaried personnel. The Company has increased the staff complement during the first three quarters of fiscal 2020 resulting in increases in placement agency fees for the year.

Research and Development

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

	Quarter ended March 31		Year ended March 31	
	2020	2019	**2020**	2019
Consulting fees	**$ 761,318**	$ 505,905	**$ 1,037,649**	$ 600,945
Salaries and benefits	**30,584**	52,497	**129,099**	128,010
Travel	**7,173**	9,809	**41,331**	29,541
Professional fees	**-**	18,466	**-**	18,466
Rent and utilities	**269**	-	**1,012**	-
Total research and development	**$ 799,344**	$ 586,677	**$ 1,209,091**	$ 776,962

Total research and development expenses increased by $212,667 for the quarter and $432,129 for the year ended March 31, 2020. The increase is a result of consulting fees related to initial patent work being recorded as expense during the quarter and year.

Financing Fees

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

	Quarter ended March 31		Year ended March 31	
	2020	2019	**2020**	2019
Interest on long-term debt	**$ 165,438**	$ 86,229	**$ 531,654**	$ 428,243
Interest on lease obligations	**24,340**	3,390	**56,666**	11,337
Interest on short term borrowings	**230,426**	-	**230,426**	5,655
Amortization of financing costs on long-term debt	**-**	30,088	**40,117**	106,227
Amortization of financing costs on short term borrowings	**110,593**	-	**110,593**	138,520
Payout penalty on due to related company	**-**	-	**-**	16,414
Other	**14,220**	16	**39,902**	(28,560)
Total financing fees	**$ 545,017**	$ 119,723	**$ 1,009,358**	$ 677,836

Total financing fees increased by $425,294 for the quarter ended and $331,522 for the year ended March 31, 2020 compared to the same periods in the prior year. During the quarter ended December 31, 2019, the Company increased the mortgage by $3,000,000 resulting in increase interest on long term debt. During the quarter ended March 31, 2020, the Company increased short term borrowings with a loan from a related party which recorded $230,426 in interest and $110,593 in deferred finance charges for the quarter.

Corporate Development

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

	Quarter ended March 31		Year ended March 31	
	2020	2019	**2020**	2019
Consulting fees	**$ 36,831**	$ 293,213	**$ 577,759**	$ 1,117,467
Travel	**4,273**	91,093	**134,133**	374,979
Computer software	**33,722**	-	**92,704**	-
Promotion	**-**	1,087	**10,539**	6,684
Total corporate development	**$ 74,826**	$ 385,393	**$ 815,135**	$ 1,499,130

Total corporate development expenses decreased by $310,567 and $683,995 for the quarter and year ended March 31, 2020, respectively, compared to the same periods in the prior year. The overall decrease is mainly due to the shift in the Company's corporate focus towards Canadian cannabis activities requiring less consulting services and travel.

Business Development

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

	Quarter ended March 31		Year ended March 31	
	2020	2019	**2020**	2019
Consulting fees	**$ 32,500**	$ 116,403	**$ 204,783**	$ 671,588
Salaries and benefits	**63,572**	37,722	**251,055**	168,290
Travel	**774**	60,312	**70,933**	287,556
Marketing material	**2,715**	66,781	**63,041**	145,132
Office and other	**750**	2,968	**6,564**	13,110
Total business development	**$ 100,311**	$ 284,186	**$ 596,376**	$ 1,285,676

Total business development expense decreased by $183,875 for the quarter and $689,300 for the year ended March 31, 2020. The Company's change in its strategic focus from health and wellness initiatives to cannabis activities has resulted in significantly reduced discretionary expenses as Radient focuses on scale-up and production.

Share-Based Payments

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

	Quarter ended March 31		Year ended March 31	
Grant date	**2020**	2019	**2020**	2019
February 27, 2020	**$ 139,539**	$ -	**$ 139,539**	$ -
October 23, 2019	**40,640**		**251,891**	
June 5, 2019	**24.088**	-	**299,283**	-
February 27, 2019	**(15,035)**	510,020	**163,520**	510,020
November 28, 2018	**31,829**	132,453	**226,753**	6,116,403
October 1, 2018	**116,156**	344,952	**1,106,269**	2,306,922
June 4, 2018	**63,355**	172,475	**322,528**	834,520
December 6, 2017	**-**	39,268	**49,042**	283,014
August, 2017	**-**	9,689	**7,723**	73,847
April 3, 2017	**-**	27,071	**530**	196,680
April 2014	**-**	-	**-**	1,162
Total share-based payments	**$ 400,572**	$ 1,235,928	**$2,567,078**	$ 10,322,568

Interest and Other Income

Interest and other income have decreased by $125,603 in the quarter and by $214,201 in the year ended March 31, 2020, respectively, over the same periods in the prior year. The decline in interest income is a result in the reduction in cash throughout the year.

Foreign Exchange Gain (Loss)

Foreign exchange gain (loss) decreased by $178,051 for the quarter and $106,644 for the year ended March 31, 2020. Volatility in the foreign currency exchange rates has resulted in significant changes in both the current quarter and the year to date foreign exchange loss recognized.

Liquidity and Capital Resources

		March 31, 2020		March 31, 2019
Non-current assets	$	**46,457,122**	$	27,191,234
Current assets		**11,474,572**		33,835,039
Current liabilities		**(27,875,820)**		(3,690,792)
Total assets less current liabilities	$	**30,055,874**	$	57,335,481
Non-current liabilities		**11,044,022**		6,493,082
Shareholders' equity		**19,011,852**		50,842,399
	$	**30,055,874**	$	57,335,481

During the year ended March 31, 2020, the Company primarily financed its operations, capital expenditures and growth initiatives through the generation of revenue, and the assumption of debt and equity financing. For more information on key cash flows related to operations, investing and financing activities during the quarter, refer to the "Cash Flow Highlights" discussion below.

The Company's objective when managing its liquidity and capital resources is to safeguard its ability to continue as a going concern and maintain sufficient liquidity to support financial obligations when they come due while executing operating and strategic plans. The Company manages liquidity risk by monitoring its operating requirements and preparing budgets and cash flow forecasts to identify cash flow needs for general corporate and working capital purposes. Radient's ability to fund its operating requirements depends on future operating performance and cash flows, which are subject to economic, financial, competitive, business and regulatory conditions, and other factors, some which are beyond Radient's control, such as the potential impact of COVID-19. The Company's primary short-term liquidity needs are to fund its net operating losses, capital expenditures to maintain existing facilities, debt repayments, and lease payments. Radient's medium-term liquidity needs primarily relate to debt repayments and lease payments. The Company's long-term liquidity needs primarily relate to potential strategic plans.

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

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

- Deferred construction of its German manufacturing facility;
- Deferred completion of construction of its Edmonton III facility;
- Streamlined operations to reflect the deferral of it's 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 is continuing to review of operating expenses to determine where economies can be realized.

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 million (refer to the “Contractual Obligations” table below). As of March 31, 2020, the Company has access to the following capital resources available to fund operations and obligations:

- Radient has filed a shelf prospectus providing the Company the ability to raise financing through various forms of equity or debt offerings. The total the Company may raise pursuant to the shelf prospectus is $75 million. Under the shelf prospectus the Company has completed two offerings. The first is its ATM Program that would allow the Company to raise up to $9.4 million. The Company has raised $0.9 million to the date of this MD&A. The second offering was a $5.75 million offering that was successfully completed May 26, 2020. The Company has available room under the shelf prospectus of approximately $68 million as at the date of this MD&A.

- Radient announced on January 14, 2020 that it had signed a binding letter of intent for a sale-leaseback transaction in which 2238502 Alberta Ltd. (the “Purchaser”) would purchase from Radient the land and buildings comprising the Company’s Edmonton I, II, and III facilities for a total of $20 million (the “Transaction”).This Transaction was a part of an asset-backed financing which also incorporates an additional equipment financing (the “Equipment Financing”) that was initially announced on November 29, 2019 between Radient and the Purchaser. Due to the softening of capital markets due to the Covid 19 outbreak, this transaction was put on hold. Radient is working closely with the Purchaser and also a wide range of lenders to mitigate this and secure adequate funds to close the asset backed financing that was announced. Radient is also working closely with alternative asset backed lenders to finance its liquidity needs backed by its real estate and other assets. There can be no assurance that Radient will complete any asset-backed financing.

- Radient has also 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 prior to March 31, 2020. Radient is continuing to actively market this offering to close the balance of the amounts. There can be no assurance that Radient will complete any additional offering of Notes or Debentures.

The Company intends to use the net proceeds from any offerings under the ATM program and/or shelf prospectus to support our short-term liquidity needs, debt repayments, general corporate purposes, working capital requirements and potential acquisitions. Volatility in the cannabis industry, stock market and the Company’s share price may impact the amount and our ability to raise financing under the ATM Program and Shelf Prospectus. If the Company were to draw down its maximum available room under both the ATM program and Shelf Prospectus, this would result in the Company issuing 47,329,972 and 379,829,972 common shares, respectively, based on the March 31, 2020 closing price of $0.18.

The Company is working on securing additional financing to support its activities. Notably, the Company is pursuing long term, asset backed, lending alternatives. Specifically, the Company is looking to complete its sale/leaseback transaction or restructure its mortgages on its land and buildings and to generate additional capital from an equipment backed debt facility.

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 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 March 31, 2020, has an unpaid amount of $8.4million to its general contractor for the construction of its Edmonton III facility. 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.

Going Concern Uncertainty

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

Cash Flow Highlights

The table below summarizes the Company's cash flows for the year ended March 31, 2020 and the year ended March 31, 2019:

		March 31, 2020		March 31, 2019
Cash used in operating activities	**$**	(26,749,782)	$	(15,322,007)
Cash provided by financing activities		6,458,544		38,352,660
Cash used in investing activities		(11,316,497)		(13,106,105)
Net (decrease) increase in cash during the year		(31,607,735)		9,897,548
Cash, end of year	**$**	145,117	$	31,752,852

Cash used in operating activities for the year ended March 31, 2020 was $26.7 million an increase of $11.4 million as compared to the year ended March 31, 2019. This was primarily attributable to 1) the Company increasing its operating expenses due to the Company readying its Edmonton I facility for operations including conducting process validation and GMP validation runs in advance of commercial production, 2) a $5.5 million increase in non-cash operating working capital items primarily due to $14.2 million for purchase of inventory and $0.6 million increase in accounts receivable offset by $8.1 million increase in trade payables and $1.3 million net decrease in prepaids, and 3) international market development efforts that included its European operations.

Cash used in investing activities for the year ended March 31, 2020 was $11.3 million, a decrease of $1.8 million as compared to the year ended March 31, 2019. The principle use of cash for investing activities was the purchase of plant and equipment, similar to the previous year with the decrease primarily attributable to reductions of $1.2 million in purchases and $0.6 million in expenditures on intangible assets.

Cash provided by financing activities for the year ended March 31, 2020 was $6.5 million, a decrease of $31.9 million as compared to the year ended March 31, 2019. The decrease was primarily attributable to the Company not conducting any equity placements (a decrease of $34.2 million) and lower warrant exercises (a decrease of $4.1 million), offset by increases in short term borrowings of $2.5 million and long term borrowings of $4.4 million .

Capital Expenditures

The Company's major capital expenditures for the year ended March 31, 2020 mainly consisted of $0.5 million for production equipment and $19.9 million for facility construction for Edmonton III. However, the Company decided to defer until 2021 construction activities related to its Edmonton II retrofit, Edmonton III manufacturing facility and its German manufacturing facility, in an effort to preserve capital resources. Completion of these projects will be subject to the Company securing adequate project financing.

Contractual Obligations and Commitments

As at March 31, 2020, the Company had the following contractual obligations:

	<1 year	1 to 3 years	4 to 5 years	>5 years	Total
Accounts payable and accrued liabilities	$ 15,341,446	$ -	$ -	$ -	$ 15,341,446
Facility construction liabilities	8,569,340	-	-	-	8,569,340
Short term borrowings	2,300,000	-	-	-	2,300,000
Long-term debt	4,338,093	9,017,500	-	-	13,355,593
Lease liabilities	460,601	420,693	73,293	-	954,587
Balance March 31, 2020	**$ 31,009,480**	**$ 9,438,193**	**$ 73,293**	**$ -**	**$ 40,520,966**

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

	March 31, 2020	March 31, 2019
Capital expansion projects	**$ 1,766,241**	$ 16,098,096
Leases not yet commenced	**130,500**	130,500
Variable lease payments for lease liabilities	**1,827,003**	430,610
Network services contracts	**202,198**	468,368
Short-term lease commitments for rental space	**-**	387,795
Purchase and retrofitting of equipment	**144,616**	178,059
Maintenance contracts	**18,088**	74,190
	$ 4,088,646	$ 17,767,618

Working Capital

Working Capital is comprised of:

	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2018
Cash	$ 145,117	$ 31,752,852	$ 21,855,304
Accounts receivable	846,899	199,136	244,438
Prepaids and deposits	1,591,779	1,472,203	1,915,683
Inventories	8,890,777	410,848	30,829
	11,474,572	33,835,039	24,046,254
Accounts payable and accrued liabilities	(15,341,446)	(3,069,750)	(1,669,206)
Facility construction liabilities	(8,569,340)	(463,176)	-
Short term borrowings	(2,426,271)	-	-
Current portion of long-term debt	(1,049,649)	(69,324)	(166,335)
Current portion of lease liabilities	(489,114)	(98,640)	(99,488)
Due to related company	-	-	(81,340)
	(27,875,820)	(3,700,890)	(2,016,369)
Working capital(deficit)	(16,401,248)	30,144,149	22,029,885

During the year ended March 31, 2020, the Company's working capital decreased by $46.5M shifting from working capital to a working capital deficit. This decrease resulted from the company using $38.1M in cash to fund operations, acquisition of additional capital assets further to its expansion plans while increasing inventory by $8.5M. The Company obtained a net $6.5M of increased financing to offset the use of cash during the year. Commencement of operations as well as increase sales taxes related to operating expenditures resulted in an increase in accounts receivable of $0.6M for the year. Additionally, the Company had increases in accounts payable and accrued liabilities and facility construction liabilities for the year of $20.4M related to accrued costs from operations, and capital additions including a construction liability for Edmonton III of $8.6M and assets under construction in Germany of $2.7M. The Company further increased current liabilities with a $2.5M short term borrowings, proceeds of which were used to fund shortfalls in operations.

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

Non-Current Assets

Non-current assets increased by $19,265,888 as at March 31, 2020, as compared to March 31, 2019, which is attributable to long term prepaids and deposits, lease assets, plant and equipment, intangible assets and current assets as discussed below.

Long-Term Prepaids and Deposits

Long-term prepaids and deposits increased by $421,365 related to various patent update initiatives. Upon notification of a successful patent application, the associated costs are added to the Company's intangible non-current assets.

Lease Assets

The transition to IFRS 16 resulted in an adjustment to lease assets of $687,241 and a transfer of assets with a carrying amount of $425,487 from plant and equipment to lease assets. During the year ended March 31, 2020, lease assets of $1,360,382 were added. Depreciation of $143,473 for the quarter and $386,909 for the year ended March 31, 2020 was recorded.

Plant and Equipment

Plant and equipment increased by $ 16,553,985 from March 31, 2019. The increase is due to $ 24,281,252 of additions mostly related to the Company's capital expansion projects, partially offset by the $425,487 IFRS 16 transitional adjustment to lease assets and asset impairment of $4,500,000. Disposals of assets, along with depreciation of $ 1,700,568 for the year ended March 31, 2020, also offset the increase in plant and equipment.

Intangible Assets

Intangible assets increased by $ 20,963 from March 31, 2019, predominantly due to additions of computer software offset by depreciation.

Current Assets

Current assets decreased by $22,360,467 as at March 31, 2020 as compared to March 31, 2019, with notable variances in cash, accounts receivable, prepaids and deposits and inventories as discussed below:

Cash

The Company's cash balance decreased by $31,607,735 due to cash requirements for operating activities of $26,749,782, cash purchases of plant and equipment of $11,066,701, patent initiatives of $421,365, investment in intangible assets of $159,051, interest and pay-out penalties of $726,556, financing costs paid on new long-term debt of $534,571, repayment of lease liabilities $273,552 and $5,741,352 for the repayment of long-term debt. The decrease was partly offset by proceeds received from the exercise of warrants of $1,639,366, $101,520 from the exercise of stock options, $7,715 from the ATM offering, interest received of $230,426, proceeds from long-term debt of $9,860,000, proceeds on short term debt of $2,500,000, and $100,194 from the disposal of plant and equipment.

Accounts Receivable

Accounts receivable increased by $647,763 at March 31, 2020 compared to March 31, 2019. Contributing to this increase are outstanding receivables from clients of $480,042 and substantially higher GST refunds related to the construction of the Edmonton III manufacturing facility as well as higher trade receivables.

Prepaids and Deposits

The increase in prepaids and deposits as compared to March 31, 2019 is $119,576. The increase is primarily due to a number of annual costs which have been renewed (e.g. insurance).

Inventories

Inventories increased by $8,479,929 from March 31, 2019. The majority of the increase is due to the procurement of dried cannabis biomass for the extraction of cannabinoids offset by the impairment of inventory of $5,800,000.

Current Liabilities

Current liabilities increased by $24,174,930 compared to the balance as at March 31, 2019. This increase is predominantly driven by:

- increase in the Company's trade accounts payable of $12,271,696 which includes procurement of dried cannabis biomass which represents an amount owing of $3,273,760 as at March 31, 2020;
- additional payables of $8,569,340 related to the Company's capital expansion projects;
- short term borrowings $2,426,271
- the current portion of lease liabilities due to the adoption of IFRS 16 which represents an increased current liability of $390,474;
- the reclassification of long-term debt default to current of $704,126; and
- the increase of $276,200 in the current portion of long-term debt which is due to the extinguishment of the existing Moskowitz mortgage and recognition of the remaining deferred financing charges as a loss on extinguishment of debt as well as the addition of the Amended Mortgage's fees which are repayable monthly commencing August 1, 2019 through to February 1, 2021.

Non-Current Liabilities

The adoption of IFRS 16 results in an increase in lease liabilities of $1,472,197 which would previously have been expensed as operating leases. Also contributing to the increase in non-current liabilities is the extinguishment of the previous Moskowitz mortgage and the addition of the new Amended Mortgage which accounts for of the $3,178,029 increase in long-term debt with an additional $1,162,500 resulting from the Debenture close on March 4, 2022. This is partially offset by the reclassification of long-term debt to current on default of certain loans of $704,126.

Shareholders' Equity

Shareholders' equity decreased by $31,830,547 as compared to the balance as at March 31, 2019. This is primarily due to the recognition of a net loss of $37,417,739 for the year ended March 31, 2020. The decrease was partly offset by share-based payments of $2,567,078, the exercise of 6,237,613 warrants for total proceeds of $1,639,366, the exercise of 147,000 options for total proceeds of $101,520, an issuance of 1,860,309 common shares related to shares issued for $1,176,557 worth of services rendered and an issuance of 406,271 common shares related to shares issued for $178,307 worth of debt repayment.

Related Party Transactions

The Company's related parties are its Board, key management personnel (President and Chief Executive Officer – Denis Taschuk (CEO), Chief Operating Officer – Mike Cabigon (COO), Chief Financial Officer – Prakash Hariharan (CFO) and Chief Technology Officer – Steven Splinter (CTO) and Aurora 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.

Details of the related party transactions follow:

Key Management Personnel and Director Remuneration

The remuneration of directors and key management personnel follows:

	Three months ended March 31		Year ended March 31	
	2020	2019	**2020**	2019
Compensation	**$ 240,043**	$ 237,409	**$ 975,950**	$ 921,784
Short-term benefits	**12,237**	6,935	**48,634**	25,740
Share-based compensation	**255,695**	556,567	**1,263,085**	6,609,518
	$ 507,975	$ 800,911	**$ 2,287,669**	$ 7,557,042

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

As at March 31, 2020, $457,751 (March 31, 2019 - $109,804) 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.

Aurora Cannabis Inc. "Aurora"

On November 6, 2017, the Company entered into a Master Services Agreement (MSA) with Aurora. The term of the MSA is 5 years, with an option for Aurora to extend an additional 5 years. The terms of the MSA include certain requirements around pricing for extraction services related to cannabis to parties other than Aurora, within a specified geographic territory. Additionally it provides Aurora with priority for extraction services, and certain first right of refusal to acquire certain cannabis related intellectual property, and sets pricing for the extraction services currently provided to Aurora. In addition to the MSA, the Company and Aurora entered into an Investor Rights Agreement on the same date, 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%, and appoint one director to the board of directors of the Company.

As at March 31, 2020, Aurora held 33,101,542 shares in the Company resulting in a effective ownership of 11.9 % of all issued and outstanding shares. Aurora has representation on the Company's board of directors and accounts for 98% of all revenue for the year ended March 31, 2020. The Company has determined that a related party relationship with Aurora exists as at March 31, 2020 through their ability to exert significant influence over the Company. During the year ended March 31, 2020, the Company purchased $24,604,773 of cannabis and recognized revenue of $18,120,586 in relation to transactions with Aurora. As at March 31, 2020, $480,042 was included in accounts receivable and $3,187,315 in accounts payable for amounts owing from/to Aurora.

Equity Transactions

During the year ended March 31, 2020

A director and a key management personnel exercised 500,000 warrants for total gross proceeds of $125,000.

A director exercised 1,644,335 warrants for total gross proceeds of $411,084.

A director and a key management personnel purchased $125,000 of the debentures issued during the year.

During the year ended March 31, 2019

Pursuant to the private placement that closed on July 31, 2018, a key management personnel and two directors participated directly or indirectly in the placement for total proceeds of $1,309,920.

625,000 common shares were issued to a director and a key management personnel of the Company for warrants exercised for total proceeds of $312,500.

Services Provided

During the year ended March 31, 2020

A property management company owned by a director received $222,168 for the year ended March 31, 2020 for rental lease payments and operating costs associated with the rental of a warehouse required by the Company.

During the year ended March 31, 2019

A property management company owned by a director received $103,668 for the year ended March 31, 2020 for rental lease payments and operating costs associated with the rental of a warehouse required by the Company. Further, a construction company owned by a director received $95,000 for the year ended March 31, 2020 for site clearing and preparation services related to the Company's Edmonton capital expansion.

Loans and cash advances

During the year ended March 31, 2020

A director of the company advanced a $2,500,000 demand loan to the Company. The loan is secured by a second charge on the land and property of the Company and bears interest at 21.0%

A director and officer of the company advanced cash to the Company in the amount of $65,000. A director and officer of the company advanced cash to the company in the amount of $75,000. The advances are unsecured and bear no interest.

New Accounting Standard

Effective April 1, 2019 the Company adopted IFRS 16 using the modified retrospective approach and did not restate comparative information. Comparative information is still reported under IAS 17 *Leases* ("IAS 17") and IFRIC 4 *Determining Whether an Arrangement Contains a Lease* ("IFRIC 4").

IFRS 16 eliminates the classification of leases as either operating or finance leases and requires the recognition of assets and liabilities for all leases unless the lease term is twelve months or less or the underlying asset has a low value. The lease asset will be depreciated over the term of the lease with depreciation expense included in the income statement. The lease liability will result in interest expense being recorded in the income statement.

On initial adoption, the Company has adopted the following practical expedients permitted under the standard:

- applied the recognition exemption for short-term leases (less than twelve months) and leases for which the underlying asset is of low value. These continue to be recognized as operating expenses on a straight-line basis over the lease term;
- grandfathered at the date of initial adoption, previous assessments of whether a contract was or contained a lease under IAS 17 and IFRIC 4;
- excluded initial direct costs from the measurement of the lease asset at the date of initial application;
- used the Company's previous assessments under IAS 37 *Provisions, Contingent Liabilities and Contingent Assets for onerous contracts*, instead of reassessing the leased assets for impairment on April 1, 2019; and
- the Company elected to measure the lease asset at an amount equal to the lease liability adjusted for any prepaid or accrued lease payment that existed at the date of transition.

Leases previously classified as operating leases under IAS 17 with a lease term greater than twelve months are recognized as lease assets and lease liabilities. This increased the amount of total assets by $687,241 and total liabilities by $687,241 as at April 1, 2019. There was no impact to the Company's opening retained earnings. On transition to IFRS 16 the weighted average incremental borrowing rate applied to the lease liability recognized under IFRS 16 was 5.41%.

The following is a reconciliation of total operating lease commitments and finance lease obligations disclosed in the Company's March 31, 2019 annual consolidated financial statements to the lease liabilities recognized as at April 1, 2019:

Total operating lease commitments disclosed as at March 31, 2019	$	1,624,628
Leases with remaining lease terms of less than 12 months		(387,795)
Variable lease payments not recognized		(442,826)
Operating lease commitments before discounting		794,007
Discounted using incremental borrowing rate		(106,766)
Total lease liability recognized on transition to IFRS 16	$	687,241

The application of IFRS 16 requires significant judgments and estimations to be made. Areas that require judgment include identifying whether a contract (or part of a contract) includes a lease, determining whether it is reasonably certain that an extension or termination option will be exercised, determining whether variable payments are in substance fixed, establishing whether there are multiple leases in an arrangement and, for certain leases, determining the stand-alone selling price for lease and non-lease components. Other sources of estimation uncertainty in the application of IFRS 16 include estimating the lease term, determining the appropriate discount rate to apply to lease payments and assessing whether a right-of use asset is impaired.

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, lease obligations and due to related company.

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 finance lease obligations 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. During the years ended March 31, 2019 and 2018, the Company assessed that a receivable from its subtenant was impaired and an allowance for the impairment was made in each year. During the year ended March 31, 2019 the allowance for doubtful debts balance was written off.

As at March 31, 2020, the Company had $480,042 (March 31 - nil) of trade accounts receivable balances. Credit risk is limited with respect to trade accounts receivable, as the outstanding balance at March 31, 2020 is with a client that is a well-established publically traded company and has been collected at the date of this MD&A. GST of $239,352 (March 31, 2019 - $157,287) and VAT of $127,505 (March 31, 2019 - $ nil) represents the other receivables balance of $366,857 as at March 31, 2020 (March 31, 2019 - $199,137) and is consistently received subsequent to filing of applicable returns.

Interest Rate Risk

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

For the year ended March 31, 2020, 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 $91,314 (March 31, 2019 - $61,972).

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	$ 15,341,446	$ -	$ -	$ -	$ 15,341,446
Facility construction liabilities	8,569,340	-	-	-	8,569,340
Short term borrowings	2,300,000	-	-	-	2,300,000
Long-term debt	4,338,093	9,017,500	-	-	13,355,593
Lease liabilities	460,601	420,693	73,293	-	954,587
Balance March 31, 2020	**$ 31,009,480**	**$ 9,438,193**	**$ 73,293**	**$ -**	**$ 40,520,966**
Accounts payable and accrued liabilities	$ 3,064,502	$ -	$ -	$ -	$ 3,064,502
Facility construction liabilities	458,326	-	-	-	458,326
Long-term debt	733,950	5,971,912	222,982	376,939	7,305,783
Lease liabilities	105,394	91,053	-	-	196,447
Balance March 31, 2019	$ 4,362,172	$ 6,062,965	$ 222,982	$ 376,939	$ 11,025,058

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

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 March 31, 2020. The analysis is based on financial assets and liabilities denominated in USD, Euro ("EUR") and British Pound ("GBP").

		USD		EUR		GBP
Cash	$	5,218	$	51,081	$	-
Accounts receivable		-		81,890		-
Prepaids and deposits		-		99,097		-
Accounts payable and accrued liabilities		(1,172,307)		(1,664,431)		(234,961)
Net balance sheet exposure	**$**	**(1,167,089)**	**$**	**(1,432,363)**	**$**	**(234,961)**
Translation rate at December 31, 2019		1.4340		1.5570		1.7723
Net income impact of a 10% rate change	**$**	**167,362**	**$**	**223,023**	**$**	**41,643**

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

Risk Factors

Readers are cautioned that the following is a summary only of certain risk factors and is not exhaustive and is qualified in its entirety by reference to and must be read in conjunction with the additional information on these and other factors that could affect the Company's operations and financial results that may be accessed through the Company's profile on SEDAR (www.sedar.com), including Radient's AIF and Annual MD&A.

Financial History and Capital Requirements

The Company has incurred operating losses and not had a corresponding increase in revenues to offset these losses. The operations of the Company and execution on the business opportunities will depend on its ability to generate operating revenues through additional customers and to procure financing. The Company had a cumulative deficit of $127,283,409 as of March 31, 2020 with a working capital deficit of $16,401,248. The continued operation of the Company will be dependent upon its ability to generate operating revenues and to procure additional financing. There can be no assurance that additional financing, including offerings of Notes or Debentures, can be obtained on terms favourable to Radient or on any terms. Failure to raise the necessary funds in a timely fashion may also limit Radient's ability to move its programs forward in a timely and satisfactory manner, or cause it to abandon the programs or force it to pursue alternative strategic options; any of which would harm its business, financial condition and results of operations, or affect its ability to continue operating.

Impact of the COVID-19 Pandemic

Since December 31, 2019, 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 capitaland 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.

Forward-Looking Statements May Prove Inaccurate

Shareholders are cautioned not to place undue reliance on forward-looking statements. By their nature, forward-looking statements involve numerous assumptions, known and unknown risks and uncertainties, of both a general and specific nature, that could cause actual results to differ materially from those suggested by the forward-looking statements or contribute to the possibility that predictions, forecasts or projections will prove to be materially inaccurate. Additional information on the risks, assumptions and uncertainties are found in this AIF under the heading "*Forward-Looking Statements*".

Price Volatility of Common Shares

The market price of the Common Shares has in the past been, and may in the future be, subject to large fluctuations which may result in losses for investors. The market price of the Common Shares may increase or decrease in response to a number of events and factors, including:

- Radient's operating performance and the performance of competitors and other similar entities;
- the public's reaction to Radient's press releases, other public announcements and filings with the various securities regulatory authorities;
- changes in earnings estimates or recommendations by research analysts who track Radient's securities;
- the operating and share price performance of other entities that investors may deem comparable;
- changes in general economic and/or political conditions;
- the arrival or departure of key personnel;
- acquisitions, strategic alliances or joint ventures involving Radient or its competitors;
- the number of Common Shares sold on any one day or in the aggregate pursuant to the Company's ATM Program (as defined herein).

In addition, the market price of the Common Shares is affected by many variables not directly related to the success of Radient and not within Radient's control, including other developments that affect the market for all cannabis sector securities or the equity markets generally, the breadth of the public market for the Common Shares, and the attractiveness of alternative investments. These variables may adversely affect the prices of the Common Shares regardless of Radient's operating performance.

Realizing Growth Targets

Radient's ability to meet projected production targets, and its ability to increase production capacity as planned, may be affected by a number of factors, including plant design errors, non-performance by third party contractors, increases in material or labor costs, construction performance falling below expectations, contractor or operator errors, breakdowns, aging or failure of equipment or processes, labor disputes, as well as the potential impacts of major incidents or catastrophic events on its facility, such as fires, explosions or storms. Should Radient's production not meet its projections, and if it cannot increase production capacity as planned, there could be a material adverse effect on its business, results of operations and financial condition.

Global Political and Economic Instability

The Company could be affected by political or economic instability in the jurisdictions where it expands and/or operates. The risks include, but are not limited to, terrorism, military repression, extreme fluctuations in currency exchange rates and high rates of inflation. Changes in the relevant regulatory environments or shifts in political attitude in countries in which the Company operates may adversely affect its business. Operations could be affected to varying degrees by government regulation with respect to restrictions on production, distribution, price controls, income taxes, expropriation of property, maintenance of assets, environment regulation and land use, among other things. The effect of these factors cannot be accurately predicted.

Expanding Operations Outside Canada

As Radient continues to pursue operations and opportunities in foreign jurisdictions, there may be new or unexpected risks or significantly increased exposure to one or more existing risk factors including economic instability, changes in laws and regulations and the effects of additional competition. These factors may limit the Company's ability to successfully expand its operations and may have a material adverse effect on its business, financial condition and results of operations.

Expansion Efforts May Not Be Successful

There is no guarantee that the Company's intentions to expand and construct additional production capacity in Canada and abroad and to expand the Company's marketing and sales efforts will be completed in a timely manner or at all. Failure to successfully execute Radient's expansion strategy (including receiving applicable regulatory approvals and permits) could adversely affect the Company's business, financial condition and results of operations and may result in failure to meet anticipated or future demand for the Company's products and services, when and if that demand arises.

In addition, the construction of Edmonton III and the proposed German manufacturing facility are subject to various potential problems and uncertainties, and may be delayed or adversely affected by a number of factors beyond the Company's control, including regulatory approvals, permits, delays in the delivery or installation of equipment, difficulties in integrating new equipment with existing components, shortages in materials or labour, defects in design or construction, diversion of management resources, insufficient funding or other resource constraints. Moreover, actual costs for construction may exceed budgets. As a result of construction delays, cost overruns, changes in market circumstances or other factors, the Company may not be able to achieve the intended economic benefits from the construction of the new facilities which, in turn, may materially and adversely affect its business, prospects, financial condition and results of operations.

Inability to Meet Customer Requirements

In a manufacturing environment, products may be subject to return, for a variety of reasons, including defects, such as contamination, unintended interactions with other substances, inappropriate packing causing spoilage and other reasons. If any of the products processed by Radient are returned due to alleged defects or for any other reason, the Company could incur unexpected expenses of recall and re-processing and any legal proceedings that may arise in connection with such recall and re-processing. Significant sales could be lost and the Company may be unable to replace those sales at an acceptable margin or at all. Although the Company has detailed procedures in place for testing incoming product as well as finished products, there can be no assurance that any quality, potency or contamination problems will be detected in time to avoid unforeseen returns, regulatory action or lawsuits, whether frivolous or otherwise. Recalls or returns could affect the Company's reputation and decrease demand for Radient's products resulting in material adverse effects on the business, financial condition and results of operations. Further issues of this nature may lead to increased scrutiny of the Company's operations by Health Canada or other regulatory agencies, requiring further management attention, increased compliance costs and potential legal fees, fines, penalties and other expenses and sanctions.

Product Liability

As a manufacturer of products designed to be inhaled or ingested by humans, the Company faces inherent risk of exposure to product liability claims, regulatory action and potential litigation if its manufacturing process is alleged to have caused significant loss or injury. In addition, manufacture and ultimate sale of cannabis end-user products involves the risk of injury to consumers due to tampering by unauthorized third parties or product contamination. Previously unknown adverse reactions resulting from human consumption of cannabis products along or in combination with other medications or substances may occur. Product liability claims or regulatory action against the Company could result in increased costs, may affect the Company's reputation and could have a material adverse effect on Radient's business, financial condition and results of operations.

Uninsured or Uninsurable Risks

Radient may be subject to liability for risks against which it cannot insure or against which it may elect not to insure due to the high cost of insurance premiums or other factors. The payment of any such liabilities would reduce the funds available for normal business activities. Payment of liabilities for which the Company does not carry insurance may have a material adverse effect on Radient's financial position and operations.

Potential Litigation

The Company may become party to regulatory proceedings, litigation, mediation and/or arbitration from time to time in the ordinary course of business which could adversely affect the business. Monitoring and defending against legal actions, whether or not meritorious, can be time-consuming, divert management's attention and resources and cause significant expenses. While Radient has insurance that may cover the costs and awards of certain types of litigation, the amount of such coverage may not be sufficient. Substantial litigation costs may adversely impact the Company's business, operating results or financial condition.

Manufacturing Scale Up

The Company anticipates producing larger individual batch sizes on a continuous or near continuous basis. Commensurate increases in product loss due to contamination, or for any other reason, can expose the Company to increased manufacturing costs. As well, the Company may not be able to replace lost product in a timely manner, at an acceptable margin or at all, in some cases. Running continuous, large scale batches may have a number of implications that the Company has not previously experienced or is not fully of aware of or able to anticipate. The useful life of equipment and/or parts may be much shorter than anticipated with an increased need for replacement. Similarly, there is increased risk of equipment failure at higher inputs. As equipment and parts are highly customized and generally require advance orders with significant lead times, there may be significant delays in receiving the equipment and/or parts from suppliers. Depending on the severity and the impact of continuous use on the Company's equipment and production processes, unplanned shutdowns may be required which would result in production delays. Should the Company be unable to scale up as anticipated, there could be a material adverse effect on the business, results of operations, customer relationships and the financial condition of the Company.

Inventory

The Company holds cannabis biomass and finished goods in inventory and its inventory has a shelf life. The Company's inventory may reach its expiration and not be sold. Even though on a regular basis, management reviews the amount of inventory on hand, reviews the remaining shelf life, and estimates the time required to manufacture and sell such inventory, write-downs of inventory may still be required. Write-downs in inventory value or losses on inventory purchase commitments depend on various factors, including those related to customer demand, economic and competitive conditions, technological advances or new product introductions by the Company or its customers that vary from its current expectations. Any such write-down of inventory could have a material adverse effect on the Company's business, financial condition, and results of operations.

Operational Dependence

The successful operation of Radient is dependent on third parties. Due to the novel regulatory landscape for regulating cannabis in Canada and the variability surrounding the regulation of cannabis in the United States, Radient's third party suppliers, manufacturers and contractors may elect, at any time, to decline or withdraw services necessary for the Company's operations. Loss of these suppliers, manufacturers and contractors, including for noncannabis based products coming from the United States, may have a material adverse effect on Radient's business, financial condition, results of operations and prospects. In addition, any significant interruption, negative change in the availability or economics of the supply chain or increase in the prices for the products or services provided by any such third party suppliers, manufacturers and contractors could materially impact Radient's business, financial condition, results of operations and prospects. Any inability to secure required supplies and services or to do so on appropriate terms could have a materially adverse impact on Radient's business, financial condition, results of operations and prospects.

Cannabis Industry

In November 2016, the Company entered into the Cannabinoids market by applying for the relevant accreditation and permits from the Canadian government for conducting research and the eventual commercial production of standardized cannabinoids extracts. The Company's initial application for a Controlled Drugs and Substances Dealer's Licence was prepared for submission at that time.

Licensing

On February 4, 2019, the Company announced that it received its Standard Processing License from Health Canada under the new *Cannabis Act* regulations which came into force on October 17, 2018. The receipt of this license is a key factor in the Company's operational viability. The license permits Radient to legally process, sell and distribute cannabis materials to other federal cannabis license holders. Processing of cannabis biomass to extract cannabinoids including CBD and THC commenced at the Edmonton I manufacturing facility during the 4th quarter of fiscal 2019. The existing facility is capable of processing approximately 200 kg of cannabis biomass per day. As the Company has successfully obtained the License, the risk of receipt no longer exists.

Any failure to comply with the terms of the licenses, or to renew the licenses after their expiry dates, could have a material adverse impact on the financial condition and operations of the business of the Company. Achievement of the Company's business objectives are contingent, in part, upon compliance with the regulatory requirements, including those imposed by Health Canada and other government authorities and obtaining all regulatory approvals, where necessary, for its cannabis related activities. Radient cannot predict the time required to secure all appropriate regulatory approvals for its activities, or the extent of testing and documentation that may be required by government authorities. Any delays in obtaining, or failure to obtain regulatory approvals would significantly delay the development of markets and products and could have a material adverse effect on the Company's business, results of operation and financial condition.

Radient's business will be subject to a variety of laws, regulations and guidelines relating to marketing, acquisition, manufacture, management, transportation, storage, sale and disposal of cannabis but is also subject to laws and regulations relating to health and safety, the conduct of operations and the protection of the environment. Changes to such laws, regulations and guidelines may cause adverse effects to the Company's operations.

On October 16, 2017, the TSX issued guidance stating that issuers with ongoing marijuana-related business activities in the U.S. would not be complying with the requirements of the TSX company manual and therefore could be subject to a delisting review at the discretion of the TSX. At present, the Company is not conducting any U.S. marijuana-related activities and further has no plans to do so. As a result, the Company is in full compliance with the Canadian regulatory requirements.

Medical Cannabis

The success of the medical cannabis industry may be significantly influenced by the public's perception of cannabis's medicinal applications. Medical cannabis is a controversial topic, and there is no guarantee that future scientific research, publicity, regulations, medical opinion and public opinion relating to medical cannabis will be favourable. The medical cannabis industry is an early-stage business that is constantly evolving with no guarantee of viability. The market for medical cannabis is uncertain, and any adverse or negative publicity, scientific research, limiting regulations, medical opinion and public opinion relating to the consumption of medical cannabis may have a material adverse effect on our operational results, consumer base and financial results.

Should the size of the medical cannabis market increase as projected the demand for products will increase as well, and for the Company to be competitive, it will need to invest significantly in research and development, marketing, production expansion and further amendments to its Standard Processors License. If the Company is not successful in obtaining sufficient resources to invest in these areas or receive the necessary license amendments, if and when required, the Company's ability to compete in the market may be adversely affected, which could materially and adversely affect the Company's business, its financial condition and operations.

The Company's Relationship with Aurora

Aurora's Shareholdings and Conflicts of Interest with Aurora

As at March 31, 2020, Aurora holds a 11.93% interest in the Company and has the right to vote for the election of directors to the Company's board of directors and has one seat on the board of directors.

The Company's relationship with Aurora does not impose any duty on Aurora or its affiliates to act in the best interest of the Company. The Company's ownership structure involves a number of relationships that may give rise to conflicts of interest between the Company and the Company's shareholders, on the one hand, and Aurora, on the other hand. In certain instances, the interests of Aurora may differ from the interests of the Company and its shareholders, including with respect to future acquisitions or strategic decisions involving the Company's business. It is possible that conflicts of interest may arise between the Company and Aurora, and that such conflicts may not be resolved in a manner that is in the best interests of the Company or its shareholders. Additionally, Aurora and its affiliates will have access to material confidential information respecting the Company.

Future Changes in Relationship with Aurora

The arrangements between the Company and Aurora do not require Aurora, either directly or indirectly, to maintain any ownership level in the Company. Accordingly, Aurora may transfer all or a substantial portion of its interest in the Company to a third party, including in a merger or consolidation or sale of the common shares, without the consent of the Company or its shareholders, but subject to market conditions, Aurora's requirements for capital or other circumstances that may arise in the future. The interests of a transferee of the common shares may be different from Aurora's and may not align with those of other shareholders. The Company cannot predict with any certainty the effect that any such transfer would have on the trading price of the common shares or the Company's ability to raise capital in the future. As a result, the future of the Company would be uncertain and the Company's business and financial condition may suffer.

Government Regulation

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

Environmental

Safety, health and environmental laws and regulations affect nearly all aspects of the Company's operations, including product development, working conditions, waste disposal, emission controls, the maintenance of air and water quality standards and land reclamation, and, with respect to environmental laws and regulations, impose limitations on the generation, transportation, storage and disposal of solid and hazardous waste.

Continuing to meet GMP standards, which the Company follows voluntarily, requires satisfying additional standards for the conduct of its operations and subjects the Company to ongoing compliance inspections in respect of these standards. Compliance with safety, health and environmental laws and regulations can require significant expenditures, and failure to comply with such safety, health and environmental laws and regulations may result in the imposition of fines and penalties, the temporary or permanent suspension of operations, the imposition of clean-up costs resulting from contaminated properties, the imposition of damages and the loss of or refusal of governmental authorities to issue permits or licenses to us or to certify our compliance with GMP standards.

Exposure to these liabilities may arise in connection with the Company's existing and future operations as well as its historical operations. The Company could also be held liable for worker exposure to hazardous substances and for accidents causing injury or death. There can be no assurance that the Company will always be in compliance with all safety, health and environmental laws and regulations notwithstanding the Company's attempts to comply with such laws and regulations.

Changes in applicable safety, health and environmental standards may impose stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. The Company is not able to determine the specific impact that future changes in safety, health and environmental laws and regulations may have on the Company's industry, operations and/or activities and its resulting financial position; however, the Company anticipates that capital expenditures and operating expenses will increase in the future as a result of the implementation of new and increasingly stringent safety, health and environmental laws and regulations. Further changes in safety, health and environmental laws and regulations, new information on existing safety, health and environmental conditions or other events, including legal proceedings based upon such conditions or an inability to obtain necessary permits in relation thereto, may require increased compliance expenditures by the Company.

Competition

Radient operates within competitive markets and the Company believes that it has adopted a competitive business strategy. However, Radient's business, results, operations and financial condition could be materially adversely affected by the actions of its competitors (including their marketing and pricing strategies and product and services). Radient may be forced to change the nature of its business as a result of competitive factors and there is no assurance that Radient will be able to compete successfully in the marketplace in which it seeks to operate. See "*Description of the Business – Competitive Conditions*".

Customer Concentration

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

Dependence on Key Personnel

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

Risks Related to Intellectual Property

Radient's success and ability to compete effectively will depend, in part, on its ability to maintain the proprietary nature of its technology and manufacturing processes, the ability to secure and protect its patents, trade secrets, trademarks and other intellectual property rights either developed internally or acquired, and to operate without infringing on the proprietary rights of others or having third parties circumvent the rights that it owns or licences. There can be no assurance that any of Radient's patents will be sufficiently broad to protect the Company's technology or that they will not be challenged or found to be invalid. Moreover, there can be no assurance that the numerous patent applications that the Company has filed will become successful patents or that the claims made in the various applications will remain intact even if the applications become patents.

Outstanding Share Data

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

Common shares issued and outstanding: 321,600,623

Fully diluted common share capital: 373,280,886

Stock Options

24,417,025 stock options of the Company are issued and outstanding with a weighted average exercise price of $1.00. Each stock option entitles its holder to purchase one common share of the Company with varying expiry dates up to February 27, 2025.

Finders' Options

1,624,290 finders' options with a weighted average exercise price of $1.20 are issued and outstanding. Each option entitles its holder to purchase one unit of the Company with varying expiry dates up to July 31, 2020. If exercised, these units would include 1,624,290 common shares and 812,145 common share purchase warrants entitling the holder to subscribe for additional common shares at a weighted average price of $1.50 per common share until July 31, 2020.

Warrants

24,826,803 are issued and outstanding with a weighted average exercise price of $0.96. Each warrant entitles its holder to purchase one common share of the Company with varying expiry dates up to July 31, 2020.

ATM

During the year ended March 31, 2020, the Company entered into a Controlled Equity Offering Sales Agreement with National Bank Financial Inc. (National Bank) pursuant to which the Company sold common shares through ATM offerings with National Bank acting as sales agent. Common shares of 5,582,400 shares have been issued under this agreement for gross proceeds of $880,606 as of the date of this MD&A.

Equity Offering

On May 26, 2020 Radient announced that it had closed its public equity financing initially announced on May 20, 2020, issuing 28,750,000 units (the "Units") of the Company (which includes 3,750,000 Units issued pursuant to the exercise in full of the over-allotment option) at a price of $0.20 per Unit (the "Offering Price") for aggregate gross proceeds of $5,750,000 (the "Offering"). Each Unit consisted of one common share in the capital of the Company (a "Common Share") and one Common Share purchase warrant (a "Warrant"). Each Warrant entitles the holder thereof to purchase one Common Share, at an exercise price of $0.30 until May 26, 2023.

Shares Issued for Services

During the year ended March 31, 2020 and the year ended March 31, 2019, the Company approved multiple shares for service agreements with third parties in exchange for corporate development, business development and consulting services. Pursuant to the terms of the agreements the Company may issue common shares in exchange for a maximum of USD$379,000, £585,000 and $96,000 of services provided in the fiscal year at the option of the third party. The number of shares issued and the share price will be based on the terms of the agreements. The agreements were approved by the TSXV and will be subject to approval for each successive two-year renewal term. Common shares with a value of £48,750 have been issued as of the date of this MD&A for services rendered during the quarter ended March 31, 2020. Common shares with a value of £137,500 have been issued as of the date of this MD&A for services rendered for April and May 2020.

Shares Issued for Debt

3,781,073 share units were issued for the settlement of $1,108,182 amounts owed by the Company. Each unit entitles the debt holder to one common share and on-half of one common share purchase warrant. Each warrant will be exercisable at $0.30 into one Radient common share for a period of 24 months from the date of debt settlement. The transaction was approved by the TSX Venture Exchange on June 2, 2020 with the shares issued on June 8, 2020.

1,224,276 shares units were issued for the settlement of $202,005 amounts owed by the Company. Of these shares, 841,585 were issued to insiders of the company. The transaction was approved by the TSX Venture Exchange on June 2, 2020 with the shares issued on June 8, 2020.