



Radiant Technologies Inc.

Interim Condensed Consolidated Financial Statements

Three and six months ended September 30, 2021 and 2020  
(Unaudited)

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

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

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

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

# Radiant Technologies Inc.

## Consolidated Balance Sheets

As at	September 30, 2021	March 31, 2021
<b>Assets</b>		
Current assets		
Cash	\$ 316,049	\$ 485,544
Accounts receivable	974,089	445,872
Lease receivable	45,628	48,612
Prepays and deposits	772,434	646,965
Inventories	1,338,192	1,393,834
	<b>3,446,392</b>	<b>3,020,827</b>
Non-current assets		
Lease receivable	-	21,008
Long-term prepays and deposits	169,970	160,224
Lease assets	522,473	643,583
Plant and equipment	23,946,223	24,844,680
Intangible assets	541,670	604,349
	<b>25,180,336</b>	<b>26,273,844</b>
<b>Total assets</b>	<b>\$ 28,626,728</b>	<b>\$ 29,294,671</b>
<b>Liabilities</b>		
Current liabilities		
Accounts payable and accrued liabilities	\$ 17,733,659	\$ 15,358,022
Short-term borrowings (Note 5)	1,500,033	1,000,000
Facility construction liabilities	4,566,759	4,566,759
Current portion of long-term debt (Note 6)	9,450,687	9,582,593
Current portion of lease liabilities	954,346	947,815
	<b>34,205,484</b>	<b>31,455,189</b>
Non-current liabilities		
Lease liabilities	330,080	369,355
	<b>330,080</b>	<b>369,355</b>
	<b>34,535,564</b>	<b>31,824,544</b>
<b>Shareholders' deficit</b>		
Common shares (Note 7)	127,362,307	127,127,480
Contributed surplus	39,910,310	39,891,886
Deficit	(173,181,453)	(169,549,239)
	<b>(5,908,836)</b>	<b>(2,529,873)</b>
<b>Total liabilities and shareholders' deficit</b>	<b>\$ 28,626,728</b>	<b>\$ 29,294,671</b>

See accompanying notes to the consolidated financial statements

Approved by the Board of Directors:

Director (signed by)           "Harry Kaura"          

Director (signed by)           "Francesco Ferlaino"

# Radiant Technologies Inc.

## Consolidated Statements of Operations and Comprehensive Loss

	Three months ended September 30,		Six months ended September 30,	
	2021	2020	2021	2020
<b>Revenues</b>				
Manufactured products	\$ 1,097,147	44,360	\$ 1,829,547	\$ 86,795
Manufacturing services	-	58,342	16,822	58,342
	<b>1,097,147</b>	<b>102,702</b>	<b>1,846,369</b>	<b>145,137</b>
<b>Cost of sales</b>				
Manufactured products	874,118	76,539	1,557,285	141,738
Manufacturing services	-	56,988	-	56,988
	<b>874,118</b>	<b>133,527</b>	<b>1,557,285</b>	<b>198,726</b>
	<b>223,029</b>	<b>(30,825)</b>	<b>289,084</b>	<b>(53,589)</b>
<b>Expenses</b>				
General and administrative	582,877	1,284,005	1,125,392	3,496,941
Financing fees	342,921	534,963	766,422	1,147,541
Depreciation and amortization	310,474	604,607	762,248	1,209,902
Production plant	216,246	197,946	623,949	462,773
Engineering	2,930	276,241	16,545	620,766
Process development	145,106	141,609	207,242	347,922
Research and process development	54,715	261,264	114,494	336,572
Quality control and assurance	6,658	107,425	57,429	147,981
Business development	53,521	19,379	106,218	49,148
Corporate development	-	-	5,591	33,722
	<b>1,715,448</b>	<b>3,427,439</b>	<b>3,785,530</b>	<b>7,853,268</b>
<b>Loss before other expenses</b>	<b>(1,492,419)</b>	<b>(3,458,264)</b>	<b>(3,496,446)</b>	<b>(7,906,857)</b>
<b>Other income (expenses)</b>				
Share-based payments (Note 7)	(17,013)	73,374	(18,424)	(143,263)
Loss on equity settled payables	36,139	-	36,139	-
Loss on modification of long-term debt	(129,935)	-	(129,935)	(477,810)
Loss on disposal of property and equipment	67,678	-	(17,594)	-
Foreign exchange gain (loss)	(83,569)	(40,310)	22,429	49,089
Interest and other income	(19,099)	6,980	(28,383)	7,131
Rental income	-	8,975	-	35,927
Loss on settlement of long-term debt	-	-	-	(404,549)
	<b>(145,799)</b>	<b>49,019</b>	<b>(135,768)</b>	<b>(933,475)</b>
<b>Net loss and comprehensive loss</b>	<b>\$ (1,638,218)</b>	<b>\$ (3,409,245)</b>	<b>\$ (3,632,214)</b>	<b>\$ (8,840,332)</b>
<b>Basic and diluted loss per common share</b>	<b>\$ -</b>	<b>\$ (0.02)</b>	<b>\$ (0.01)</b>	<b>\$ (0.03)</b>
<b>Weighted average number of common shares outstanding</b>				
Basic and diluted	<b>432,637,825</b>	<b>321,442,199</b>	<b>432,592,263</b>	<b>307,548,139</b>

See accompanying notes to the consolidated financial statements

# Radiant Technologies Inc.

## Consolidated Statements of Cash Flows

For the nine months ended September 30,	2021	2020
<b>Operating Activities</b>		
Net loss	\$ (3,632,214)	\$ (8,840,332)
Adjustments for:		
Interest expense and pay-out penalties	-	1,010,276
Depreciation and amortization	762,248	1,209,902
Gain on extinguishment of lease asset	-	(4,179)
Share-based payments	18,424	143,263
Loss on modification of long-term debt	129,935	477,810
Loss on equity settled payables	(36,139)	-
Loss on disposal of property and equipment	17,594	-
Finance fee accretion and amortization	-	137,265
Loss on settlement of long-term debt	-	404,549
Accretion of loss on modification of long-term debt	(248,764)	-
	<b>(2,988,916)</b>	<b>(5,461,446)</b>
Change in non-cash operating working capital	<b>2,259,087</b>	<b>1,551,354</b>
<b>Cash used in operating activities</b>	<b>(729,829)</b>	<b>(3,910,092)</b>
<b>Financing Activities</b>		
Proceeds from brokered placements	-	5,750,000
At-the-market share issuance	-	880,605
Share issuance costs	-	(831,665)
Repayment of lease liabilities	-	(326,039)
Interest and pay-out penalties	-	(962,802)
Financing costs paid on long-term debt	-	(85,000)
Repayment of long-term debt	(23,062)	-
Shares for service	12,000	-
Shares for debt	222,827	-
Promissory note received	545,033	-
<b>Cash provided by financing activities</b>	<b>756,798</b>	<b>4,425,099</b>
<b>Investing Activities</b>		
Purchase of plant and equipment	(186,718)	(668,729)
Decrease (increase) in long-term prepaids and deposits	-	197,361
Proceeds on disposal of plant and equipment	(9,746)	9,570
<b>Cash used in investing activities</b>	<b>(196,464)</b>	<b>(461,798)</b>
<b>Net increase / (decrease) in cash</b>	<b>(169,495)</b>	<b>53,209</b>
Cash, beginning of period	<b>485,544</b>	<b>145,117</b>
<b>Cash, end of the period</b>	<b>\$ 316,049</b>	<b>\$ 198,326</b>

Non-cash transactions (Note 4)

See accompanying notes to the consolidated financial statements

# Radiant Technologies Inc.

## Consolidated Statements of Changes in (Deficit) Equity

	Common Shares	Contributed Surplus	Deficit	Equity
Balance March 31, 2020	\$ 112,474,761	\$ 33,820,500	\$ (127,283,409)	\$ 19,011,852
Shares issued for brokered placement	5,750,000	-	-	5,750,000
Share-based payments	-	143,263	-	143,263
At-the-market issuance	880,605	-	-	880,605
Warrant issuance	(3,220,000)	3,220,000	-	-
Warrant extensions	(610,247)	610,247	-	-
Finders compensation	(384,745)	384,745	-	-
Shares issued for services	322,863	-	-	322,863
Shares for debt	220,370	-	-	220,370
Units for debt	1,208,924	285,441	-	1,494,365
Share issuance costs	(831,665)	-	-	(831,665)
Net loss	-	-	(8,840,332)	(8,840,332)
Balance September 30, 2020	\$ 115,810,866	\$ 38,464,196	\$ (136,123,741)	\$ 18,151,321

	Common Shares (Note 13)	Contributed Surplus (Note 13)	Deficit	Deficit
Balance March 31, 2021	\$ 127,127,480	\$ 39,891,886	\$ (169,549,239)	\$ (2,529,873)
Share-based payments	-	18,424	-	18,424
Shares issued for services	12,000	-	-	12,000
Shares for debt	222,827	-	-	222,827
Net loss	-	-	(3,632,214)	(3,632,214)
Balance September 30, 2021	\$ 127,362,307	\$ 39,910,310	\$ (173,181,453)	\$ (5,908,836)

See accompanying notes to the consolidated financial statements

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# Radiant Technologies Inc.

## Notes to the Interim Condensed Consolidated Financial Statements

September 30, 2021  
(unaudited)

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### 1. Nature of operations and going concern

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

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

The Company has incurred significant losses to date. The net loss for the three and six months ended September 30, 2021 totaled \$1,638,218 and \$3,632,214, respectively (2020 – \$3,409,246 and \$8,840,332, respectively) and as at September 30, 2021 the Company had a deficit of \$173,181,453 (March 31, 2021 - \$169,549,240).

In addition, at September 30, 2021, the Company's current liabilities exceeded its current assets by \$30,759,092 (March 31, 2021 – \$28,434,362). At September 30, 2021, the Company was in arrears with certain trade creditors, rent, wages, long-term debt, and lease liabilities. Certain of the Company's trade creditors are pursuing legal recourse for the amounts outstanding. The Company has been able thus far to negotiate settlements with the trade creditors on a case-by-case basis. These balances and the changes year over year indicate that there are material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern.

Management has been able to finance operations through debt and equity financings and will continue, as appropriate, to seek financing from these and other sources; however, there are no assurances that any such financings can be obtained on favourable terms, if at all. There can be no assurance that the steps management is taking will be successful.

The financial statements for the periods presented do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue in business as a going concern and that such adjustments could be material.

During the 2020 and 2021 calendar year, there continued to be a global pandemic outbreak of COVID-19. The actual and threatened spread of the virus globally has had a material adverse effect on the global economy and; specifically, the regional economies in which the Company operates. The pandemic could continue to have a negative impact on the stock market, including trading prices of the Company's shares and its ability to raise new capital. These factors, among others, could have a significant impact on the Company's operations. Management has given consideration to the impact of COVID-19 on the Company and has concluded that the interim condensed consolidated financial statements appropriately reflect and disclose management's best estimate and uncertainty regarding the impact of COVID-19 on the Company's future operations and financial results. The Company has recorded wage subsidies and rent subsidies from the Canadian government's COVID-19 programs in the six months ended September 30, 2021. The rent subsidies were recorded in the general and administrative expense on the consolidated statement of operations and the wage subsidies were recorded proportionately to the salary expenses allocated to each of the cost of sales, general and administrative, production plant, research and process development,



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# **Radiant Technologies Inc.**

## **Notes to the Interim Condensed Consolidated Financial Statements**

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

These interim condensed consolidated financial statements, including comparatives, were authorized for issue by the Board of Directors of the Company on November 26, 2021.

## **2. Basis of presentation**

### **a) Statement of compliance**

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

### **b) Basis of consolidation**

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

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

In July 2021, the Company announced that it was winding up its German operations at MAG. As a wholly owned subsidiary of RTS, MAG was fully consolidated at September 30, 2021.

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

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

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# **Radiant Technologies Inc.**

## **Notes to the Interim Condensed Consolidated Financial Statements**

September 30, 2021

(unaudited)

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### **c) Basis of measurement**

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

### **d) Functional and presentation currency**

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

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

## **3. Summary of significant accounting policies**

### ***Significant estimates***

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

### **New accounting standards issued but not yet effective**

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

**Radiant Technologies Inc.**  
**Notes to the Interim Condensed Consolidated Financial Statements**  
September 30, 2021  
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**4. Change in non-cash operating working capital**

	September 30, 2021	September 30, 2020
Accounts receivable	\$ (504,225)	\$ (446,115)
Prepays and deposits	(125,469)	247,302
Inventories	55,642	149,136
Facility construction liabilities	-	(345,035)
Accounts payable and accrued liabilities	2,833,139	1,946,066
Net change in non-cash operating working capital	<u>\$ 2,259,087</u>	<u>\$ 1,551,354</u>

**Non-cash transactions**

Settlement of debt through issuance of shares	\$ 222,827	\$ 1,714,736
Settlement of services payables through issuance of shares	12,000	322,863

**5. Short-term borrowings**

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

At February 2, 2021, the Company owed the original principal of \$2,500,000 less the \$200,000 holdback, and \$981,664 of accrued interest and default fees related to the loan. The Company renegotiated the terms of the loan with Akaura in February 2021. As a result of the renegotiation, the Company issued 20,952,381 shares of the Company to Akaura to settle \$2,200,000 of the Company's outstanding debt with Akaura. Akaura extended \$1,000,000 of the outstanding liability under a new agreement with the Company and forgave \$219,937 of the Company's existing debt. The Company reimbursed Akaura for legal and financing fees of \$138,273 relating to the renegotiation.

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

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

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

This loan was not repaid on June 1, 2021 and as such, an interest expense of \$90,000 and \$210,000 was recorded in the statement of operations for the three and six months ended September 30, 2021, respectively, (September 30, 2020 - \$318,741 and \$635,154, respectively) and financing fees of \$nil were presented under financing fees for the three and six months ended September 30, 2021 (2020 - \$nil and \$73,729, respectively).

**Radiant Technologies Inc.**  
**Notes to the Interim Condensed Consolidated Financial Statements**  
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The Company entered into \$500,033 in promissory notes during the six months ended September 30, 2021. The promissory notes have a maturity date of six months from the date of the promissory note issuance. The maturity dates of the various promissory notes are between December 23, 2021 and March 20, 2022. The promissory notes have associated fees of \$41,670, due on the maturity date. The Company repaid \$242,000 of the promissory notes subsequent to September 30, 2021.

**6. Long-term debt**

	<b>September 30, 2021</b>	March 31, 2021
Loan payable bearing interest at 5.80% with monthly payments of \$9,327 maturing October 1, 2021 (Note 11(a))	<b>\$ 141,990</b>	\$ 175,644
Loan payable bearing interest at 4.55% with monthly payments of \$2,586 maturing March 1, 2023 (Note 11(a))	<b>81,482</b>	89,239
Loan payable bearing interest at Bank of Canada policy interest rate plus 3% with variable payments maturing June 1, 2025 (Note 11(b))	<b>657,266</b>	657,266
Mortgage payable bearing interest at the greater of 15% or Bank of Nova Scotia prime rate plus 12.55% per annum with monthly interest only payments required and principal maturing on November 1, 2021 (Note 11(c))	<b>8,574,671</b>	8,693,500
Financing costs	<b>(4,722)</b>	(33,056)
	<b>9,450,687</b>	9,582,593
Current portion	<b>(9,450,687)</b>	(9,582,593)
	<b>\$ -</b>	\$ -

For the three and six months ended September 30, 2021, total interest expense related to long-term debt was \$358,482 and \$711,887, respectively (\$165,322 and \$335,062 for the three and six months ended September 30, 2020, respectively) and financing fees of \$14,166 and \$28,333, respectively (\$31,278 and \$63,537 for the three and six months ended September 30, 2020, respectively), with both recorded in financing fees on the consolidated statement of operations.

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

As at September 30, 2021, the Company was 19 months in arrears on these loans. Arrears interest and penalties owing are \$23,442 (March 31, 2021 - \$5,213) and are included in accounts payable and accrued liabilities. AFSC had provided the Company until February 15, 2021 to cure the payments in arrears as well as the additional arrears interest and penalties. The Company did not pay these arrears to the AFSC by February 15, 2021.

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

As at September 30, 2021, the Company was 16 months in arrears on the AAFC loan with arrears interest owing of \$39,183 (March 31, 2021 - \$26,939) which is included in accounts payable and accrued liabilities.

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# Radiant Technologies Inc.

## Notes to the Interim Condensed Consolidated Financial Statements

September 30, 2021

(unaudited)

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

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

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

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

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

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

As at September 30, 2021, the total arrears owing was \$1,306,495 (March 31, 2021 - \$773,152) which is comprised of \$35,000 in accrued interest recorded in accounts payable and accrued liabilities (\$50,000 of non-interest bearing amendment fees payable and \$723,152 of accrued interest – March 31, 2021).

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

**Radiant Technologies Inc.**  
**Notes to the Interim Condensed Consolidated Financial Statements**  
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**7. Share capital**

**a) Common shares**

i) Authorized

Unlimited number of common shares without par value

i) Issued and outstanding common shares

	<b>Shares</b>	<b>Amount</b>
Balance, March 31, 2020	277,529,336	\$ 112,474,761
Shares issued under private placement	29,955,000	2,995,500
Shares issued under brokered placement	28,750,000	5,750,000
Shares issued for services	1,798,359	322,863
Shares issued for debt	88,931,105	8,787,087
Units for debt	-	1,208,924
Shares issued under At-the-Market facility	5,582,400	880,605
Finder's units	-	(384,745)
Warrant issuance	-	(3,220,000)
Share issue costs	-	(1,077,268)
Warrant extension	-	(610,247)
Balance, March 31, 2021	432,546,200	\$ 127,127,480
Shares issued for debt	<b>2,488,306</b>	<b>222,827</b>
Shares issued for services	<b>129,685</b>	<b>12,000</b>
<b>Balance, September 30, 2021</b>	<b>435,164,191</b>	<b>\$ 127,362,307</b>

**b) Placements**

There were no placements completed during the six months ended September 30, 2021.

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

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

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

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

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

<b>Placement closing date</b>	May 26, 2020
<b>Common share purchase warrants</b>	
Common share market price	\$ 0.30
Risk free interest rate	1.75%
Expected dividend yield	-
Estimated common share price volatility	114%
Estimated life in months	36

**Finder's options**

As part of the brokered placement on May 26, 2020, the Company also issued finder's options to certain finders that entitled them to acquire 1,630,275 units at an exercise price of \$0.20 for a period of 36 months following the completion of the offering. If exercised, these units would include 1,630,275 common shares and 1,630,275 common share purchase warrants entitling the holder to subscribe for additional common shares at a price of \$0.30 per common share for a period of 36 months.

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

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

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

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

	<b>Six months ended September 30, 2021</b>		<b>Year ended March 31, 2021</b>	
	<b>Number of options</b>	<b>Weighted average exercise price</b>	<b>Number of options</b>	<b>Weighted average exercise price</b>
Outstanding, beginning of period	<b>1,630,275</b>	<b>\$ 0.20</b>	1,624,290	\$ 1.20
Finders' options issued	-	-	1,630,275	0.20
Finders' options expired	-	-	(1,624,290)	1.20
Outstanding, end of period	<b>1,630,275</b>	<b>\$ 0.20</b>	1,630,275	\$ 0.20

There were no finders' options exercised during the six months ended September 30, 2021 or the year ended March 31, 2021.

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

If exercised, the options outstanding at September 30, 2021 of 1,630,275 would include 1,630,275 common shares and 1,630,275 common share purchase warrants.

**Shares and units issued for debt**

During the six months ended September 30, 2021, the Company issued common shares of the Company to settle amounts owing to certain third-party creditors as well as some directors and officers. Specific details for the transaction is summarized as follows:

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



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

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

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

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

Notes:

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

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

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

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

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

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

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

During the year ended March 31, 2020, the Company issued 406,271 common shares for debt. 213,364 of these common shares were issued on December 4, 2019 at a share price of \$0.465 to an arm's length third party creditor, to settle outstanding debt of \$99,215 and 192,907 common shares were issued on January 10, 2020 at a share price of \$0.410 to an arm's length third party creditor, to settle outstanding debt of \$79,092. Share issue costs include \$1,193 of costs incurred related to the issuance of these shares.

For the six months ended September 30, 2021, the Company recognized a gain on equity settled payables of \$36,139 (six months ended September 30, 2021 – loss of \$404,549). Shares issued for debt with related parties are recorded at the value of the debt settled with no gain or loss recorded through the consolidated statement of operations.

**Shares for services**

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

There were 129,685 common shares of the Company issued during the six months ended September 30, 2021 (no common shares issued as at March 31, 2021) related to the shares for service agreement described above. The balance included in accounts payable and accrued liabilities as at September 30, 2021 was \$9,000 to be issued at a future date.

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

As of September 30, 2021, the Company no longer has services provided under the agreement January 1, 2019 as the agreement was terminated.

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

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**Shares issued for the year ended March 31, 2021**

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

There were no share issue costs recorded in relation to the shares for services during the six months ended September 30, 2021 (\$nil during the year ended March 31, 2021).

**At-the-Market (ATM) Facility**

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

The ATM is no longer active and no transactions were recorded during the six months ended September 30, 2021. Activity during the year ended March 31, 2021 is as follows:

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

**Warrants**

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

	Six months ended September 30, 2021		Year ended March 31, 2021	
	Number of warrants	Weighted average exercise price	Number of warrants	Weighted average exercise price
Outstanding, beginning of period	42,683,781	\$ 0.29	24,826,803	\$ 0.98
Warrants issued	-	-	32,108,127	0.30
Warrants exercised	-	-	-	-
Warrants expired	(9,994,404)	0.25	(14,251,149)	1.50
Outstanding, end of period	32,689,377	\$ 0.31	42,683,781	\$ 0.29

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

There were no warrants exercised during the six months ended September 30, 2021 or the year ended March 31, 2021.

**Extension of Warrants**

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

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

**Issuance of Warrants on Debenture**

Previously, the Company issued 581,250 warrants as part of a debenture financing. These warrants remain outstanding as at September 30, 2021 following the settlement of the debentures in March 2021. The fair value of the warrants of \$90,675 was determined using a Black-Scholes option pricing valuation model with the following assumptions:

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

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The following table summarizes information about warrants outstanding as at September 30, 2021 and March 31, 2021.

September 30, 2021			March 31, 2021		
Exercise price	Number of warrants	Remaining contractual life (years)	Exercise Price	Number of warrants	Remaining contractual life (years)
0.25	-	-	0.25	1,070,712	0.0
0.25	-	-	0.25	3,051,310	0.2
0.25	-	-	0.25	5,872,382	0.2
0.70	581,250	0.7	0.70	581,250	0.9
0.30	3,358,127	0.9	0.30	3,358,127	1.2
0.30	28,750,000	1.9	0.30	28,780,000	2.1
<b>\$ 0.29</b>	<b>32,689,377</b>	<b>1.8</b>	<b>\$ 0.29</b>	<b>42,683,781</b>	<b>1.6</b>

**d) Stock option plan**

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

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

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

	Six months ended September 30, 2021		Year ended March 31, 2021	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding, beginning of period	29,838,447	\$ 0.58	24,417,025	\$ 1.00
Options granted	-	-	16,125,000	0.13
Options expired	(2,088,125)	0.10	-	-
Options forfeited	(1,359,375)	0.12	(10,703,578)	0.86
Outstanding, end of period	26,390,947	\$ 0.58	29,838,447	\$ 0.58
Exercisable, end of period	25,481,572	\$ 0.60	26,962,205	\$ 0.63

There were no stock options granted during the six months ended September 30, 2021.

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

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**Options granted for the year ended March 31, 2021**

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

The Company issued an additional 2,000,000 options to a director of the Company on February 11, 2021 that will vest based on performance milestones. The milestones for these options had not been defined as at September 30, 2021 and therefore, the options are not considered to be granted.

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

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

There were no stock options exercised during the six months ended September 30, 2021 or the year ended March 31, 2021.

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The following table summarizes information about stock options outstanding as at September 30, 2021 and March 31, 2021:

September 30, 2021			March 31, 2021		
Exercise price	Number of options	Remaining contractual life (years)	Exercise price	Number of options	Remaining Contractual life (years)
\$ 1.00	51,428	0.1	\$ 1.00	51,428	0.6
0.66	3,367,769	0.5	0.66	3,392,769	1.0
0.50	93,750	0.9	0.50	150,000	1.4
1.82	518,000	1.2	1.82	778,000	1.7
1.20	500,000	1.7	1.20	750,000	2.2
1.82	2,600,000	2.0	1.82	2,600,000	2.5
0.87	4,615,000	2.2	0.87	5,215,000	2.7
0.93	25,000	2.4	0.93	946,875	3.9
0.93	220,000	2.7	0.93	370,000	3.2
0.75	550,000	2.7	0.75	550,000	3.2
0.58	150,000	3.1	0.58	150,000	3.6
0.37	500,000	3.4	0.37	500,000	3.9
0.175	900,000	3.7	0.175	1,350,000	4.2
0.10	4,400,000	4.0	0.10	5,556,250	4.5
0.15	7,900,000	4.4	0.15	7,900,000	4.9
<b>\$ 0.58</b>	<b>26,390,947</b>	<b>3.0</b>	<b>\$ 0.58</b>	<b>29,838,447</b>	<b>3.5</b>

The total share-based payments recognized during the three and six months ended September 30, 2021 of \$17,013 and \$18,424, respectively, and the three and six months ended September 30, 2020 of \$73,374 and \$143,263, respectively, were recorded as an expense.

**8. Commitments for expenditures**

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

	September 30, 2021	March 31, 2021
Capital expansion projects	\$ 1,340,542	\$ 1,340,542
Leases not yet commenced	130,500	130,500
Variable lease payments for lease liabilities	1,283,554	1,496,297
Network services contracts	28,796	143,108
Purchase and retrofitting of equipment	89,083	89,083
Maintenance contracts	12,567	12,567
Direct materials	570,000	570,000
	<b>\$ 3,455,042</b>	<b>\$ 3,782,097</b>

**9. Related party transactions**

The Company's related parties are its Board of Directors, and key management personnel (President and Chief Executive Officer, Chief Operating Officer, Chief Financial Officer and Chief Technology Officer), as well as any companies controlled by key management personnel or directors. Transactions conducted with related parties took place in the normal course of operations and are measured at the amount of consideration established and agreed to by the related parties.

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Balances and transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

**a) Key management personnel and director remuneration**

The remuneration of directors and key management personnel follows:

	Three months ended September 30,		Six months ended September 30,	
	2021	2020	2021	2020
Compensation	\$ 73,875	\$ 679,759	\$ 147,750	\$ 920,184
Short-term benefits	6,465	11,040	6,465	23,329
Share-based compensation	-	(165,087)	-	(48,931)
	<b>\$ 80,340</b>	<b>\$ 525,712</b>	<b>\$ 154,215</b>	<b>\$ 894,582</b>

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

As at September 30, 2021, \$667,376 (March 31, 2021 - \$562,083) was included in accounts payable and accrued expenses for amounts owing to key management personnel, directors and companies controlled by key management personnel or directors.

**b) Loans and cash advances**

**i) During the six months ended September 30, 2021**

A director of the company advanced \$2,500,000 of demand loan to the Company. The loan is secured by a second charge on the land and property of the Company and bear interest at 21.0%. The Company renegotiated the terms of the loan with Akaura in February 2021. As a result of the renegotiation, the Company issued 20,952,381 shares of the Company to Akaura to settle \$2,200,000 of the Company's outstanding debt with Akaura. Akaura extended \$1,000,000 of the outstanding liability under a new agreement with the Company and forgave \$219,937 of the Company's existing debt. The Company reimbursed Akaura for legal and financing fees of \$138,273 relating to the renegotiation.

The new loan agreement allows an interest free period on the loan until June 1, 2021, at which time the \$1,000,000 was expected to be paid in full. The loan was not repaid on June 1, 2021, and as a result, interest in the amount of 3% per month, retroactive to March 2021 has been charged and will continue to be charged until payment is received in full. The Company recorded interest expense of \$120,000 in the six months ended September 30, 2021 associated with this loan.

During the six months ended September 30, 2021, the Company received \$45,000 in advances from directors of the Company and \$125,000 from a related company. These advances are non-interest bearing, have no fixed repayment terms and are payable on demand.



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**10. Financing fees**

	Three months ended September 30,		Six months ended September 30,	
	2021	2020	2021	2020
Amortization of financing costs on short-term borrowings	\$ -	\$ -	\$ -	\$ 73,729
Amortization of financing costs on long-term debt	14,166	31,278	28,333	63,537
Interest on long-term debt	358,482	165,322	711,887	335,062
Interest on lease liabilities	25,140	20,562	41,278	40,999
Interest on short-term borrowings	109,627	318,741	229,627	635,154
Accretion of interest	(167,005)	-	(248,764)	-
Other	2,511	(940)	4,061	(940)
	<b>\$ 342,921</b>	<b>\$ 534,963</b>	<b>\$ 766,422</b>	<b>\$ 1,147,541</b>

**11. Financial instruments**

**Liquidity risk**

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

The Company manages its liquidity risk by forecasting cash flow requirements for its planned development, production and corporate activities and anticipating investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of annual budgets and significant expenditures and commitments. The Company has disclosed (Note 1) that continuation as a going concern is dependent on obtaining sufficient funds to discharge contractual liabilities as well as funding continuing operations.

The Company's contractual liabilities and obligations are as follows:

	<1 year	1 to 3 years	4 to 5 years	>5 years	Total
Accounts payable and accrued liabilities	\$ 17,733,659	\$ -	\$ -	\$ -	\$ 17,733,659
Short-term borrowings	1,500,033	-	-	-	1,500,033
Long-term debt	9,450,687	-	-	-	9,450,687
Lease liabilities	261,158	1,023,269	-	-	1,284,427
<b>Balance September 30, 2021</b>	<b>\$ 28,945,537</b>	<b>\$ 1,023,269</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 29,968,806</b>
Accounts payable and accrued liabilities	\$ 15,358,022	\$ -	\$ -	\$ -	\$ 15,358,022
Facility construction liabilities	4,566,759	-	-	-	4,566,759
Short-term borrowings	1,000,000	-	-	-	1,000,000
Long-term debt	9,582,593	-	-	-	9,582,593
Lease liabilities	259,224	1,336,974	-	-	1,596,198
<b>Balance March 31, 2021</b>	<b>\$ 30,766,598</b>	<b>\$ 1,336,974</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 32,103,572</b>

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

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**12. Employee salaries and benefits**

	Three months ended September 30,		Six months ended September 30,	
	2021	2020	2021	2020
<b>Included in:</b>				
<b>Cost of revenues</b>	<b>\$89,231</b>	<b>\$25,717</b>	<b>\$175,564</b>	<b>\$35,484</b>
<b>General and administrative</b>	<b>58,446</b>	<b>482,678</b>	<b>148,047</b>	<b>634,911</b>
<b>Production plant</b>	<b>-54,471</b>	<b>128,808</b>	<b>75,288</b>	<b>194,144</b>
<b>Research and process development</b>	<b>70,080</b>	<b>166,663</b>	<b>161,216</b>	<b>307,593</b>
<b>Engineering</b>	<b>-14,927</b>	<b>185,696</b>	<b>-1,459</b>	<b>383,556</b>
<b>Quality control and assurance</b>	<b>30,706</b>	<b>81,057</b>	<b>35,299</b>	<b>120,169</b>
<b>Business and corporate development</b>	<b>45,810</b>	<b>19,379</b>	<b>88,812</b>	<b>34,433</b>
<b>Total employee salaries and benefits</b>	<b>\$224,875</b>	<b>\$1,089,998</b>	<b>\$682,767</b>	<b>\$1,710,290</b>