RADIENT

Management Discussion & Analysis

Year ended March 31, 2019

July 8, 2019

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Management Discussion and Analysis ("MD&A")

The following MD&A is prepared as of July 8, 2019 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, 2019 and the MD&A and audited consolidated financial statements for the year ended March 31, 2018. The statements and additional information about Radient, including Radient's Annual Information Form for the year ended March 31, 2019, 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.

Forward Looking Statements

The MD&A offers our assessment of Radient's future plans and operations as of July 8, 2019 and contains forward-looking statements. This MD&A should be read in conjunction with the "Forward Looking Statements" section as described in Radient's Annual Information Form for the year ended March 31, 2019.

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 information, 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.

Certain statements in this MD&A constitute forward-looking statements, based on management's expectations, estimates and projections. All statements that address expectations or projections about the future, including statements about the Company's strategy for growth, research and development, market position, expected expenditures and financial results are forward-looking statements**.** Forward-looking statements are statements about the future and are inherently uncertain, and actual achievements of the Company and other results and occurrences may differ from those reflected in the forward–looking statements due to a variety of risks, uncertainties and other factors, including, without limitation: the Company's forward-looking statements, including all "Risk Factors" are based on the beliefs, expectations and opinions of management on the date the statements were made, and the Company does not assume any obligation to update forward-looking statements if circumstances of management's beliefs, expectations or opinions should change. For the reasons set forth above, investors should not place undue reliance on forward-looking statements.

Core Business and Strategy

Overview

Radient Technologies Inc. (“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 (“CPC”) as defined pursuant to Policy 2.4 of the TSX Venture Exchange (“TSXV”), incorporated pursuant to the provisions of the Alberta Business Corporations Act (“ABCA”) 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 the TSXV Policy 2.4 – *Capital Pool Companies*. 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 subsidiaries of the Company at March 31, 2019 are:

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.	100%
MAG Innovations GmbH (“MAG”) subsidiary of RTS	100%

RTC was incorporated on February 20, 2018 and holds certain of the Company’s Canadian cannabis related licenses and will hold the Company’s Canadian cannabis operations. Effective May 3, 2018, Radient owns 100% of 1631807 Alberta Ltd., 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 1631807 Alberta Ltd. RII was incorporated on October 12, 2018 and is intended to hold the Company’s Canadian generated intellectual property. RTS was incorporated on February 2, 2019 and will hold the Company’s European investments, including MAG which was incorporated on February 21, 2019. MAG will hold all assets related to the Company’s 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. Since the latter part of fiscal 2017, the Company has expanded its offerings to the fast-growing cannabinoids market utilizing an extraction platform to process and extract cannabinoids including cannabidiol (“CBD”) and tetrahydrocannabinol (“THC”) from cannabis biomass.

Using the Company’s proven MAP™ technology, Radient extracts these natural ingredients at lower cost, higher quality, and at greater throughput than competing methods. MAP™ is Radient’s patented, core technology.

Subsequent to March 31, 2019, the Company has decided to focus its processing and manufacturing efforts on the cannabis industry for the near and mid-term.

Background

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

More recently, throughout calendar 2016 and 2017, 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 has agreed to perform certain services for Aurora using its proprietary MAP™ technology, in relation to supply of standardized cannabis extracts. The agreement 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 $14.0M 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, 2019, Aurora held 37,643,431 common shares and 4,541,889 common share purchase warrants of Radient representing approximately 13.98% of the issued and outstanding common shares and 12.73% of the issued and outstanding common shares on a fully diluted basis. The MSA includes 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 who as of February 4, 2019 was Allan Cleiren, Chief Operating Officer of Aurora. During the year the Company paid $34,550 to Anandia Laboratories Inc., a wholly owned subsidiary of Aurora for performing third party testing of materials and products.

The Aurora MSA was the precursor of the Company's entry into the cannabis space where the Company then began focusing on establishing appropriate production facilities, required licenses and human capital to deliver on the MSA. In the latter half of fiscal 2018, the Company secured two additional MSAs to provide similar services to that outlined in the Aurora MSA. At this time, the Company does not anticipate executing on these two additional MSAs due to customer circumstances unrelated to the Company.

The Technology

Radient's MAP™ technology is based on the use of microwave energy to enhance the extraction of valuable natural compounds from renewable biomass. Microwaves do not heat by conventional processes of convection, conduction and radiation phenomena through external surfaces, but rather by direct interactions of the material with the electromagnetic field via dielectric loss. The dielectric properties of the material (dielectric constant and loss factor) determine how much of the microwave energy is absorbed and dissipated as heat. Because the dielectric properties of different parts of a mixture are different, it is possible to deposit the energy selectively, and so cause selective, controlled heating. For extraction, this can result in a rapid buildup of pressure within biomass cells leading to a pressure-driven enhanced mass transfer of target compounds out of the source material. This mechanism for extraction is unique to MAP™ and results in very fast extraction rates and high extraction yield. In addition, because the microwave energy is selectively deposited in the target biomass and less so in the surrounding solvent, the mixture stays cool, leading to energy efficiency and reduced heat degradation of sensitive products.

Further, the instant volumetric heating of the continuously flowing material possible with MAP™ enables precise control of temperature and extraction time, both of which typically affect purity and extract profile. This careful control of extraction parameters is something that is nearly impossible to achieve at large scale with different techniques. In addition, this volumetric heating ensures that any possible effects associated with excessive heating can be minimized and that all the material is extracted for the same time at the same temperature. Compared to conventional solid-liquid extraction methods, MAP™ offers some combination of increased extraction efficiency, improved extract purity, unique extract profiles, increased processing speed and reduced solvent and energy usage.

Intellectual Property

A summary of Radient's patents and registered trade-marks follows:

Title	Jurisdiction	Status	Number	Expiry Date
Patents and Trade-Marks				
Controlled energy density microwave assisted processes	Canada	Granted	2287841	Nov 2019
Methods for making Cyclopamine	Canada	Granted	2727986	July 2029
Methods for making Cyclopamine	USA	Granted	9000168	July 2029
Trade-mark	Canada	Registered	933950	N/A
Trade-mark	France	Registered	94/512023	N/A
Trade-mark	Italy	Registered	0001601704	N/A
Trade-mark	USA	Registered	2012278	N/A
Trade-mark	Canada	Registered	1861307	N/A
Trade-mark	Canada	Application	1868465	N/A

Radient purchased the MAP™ patent CA 2287841 from the Government of Canada as of May 1, 2014. This patent expires November 2019. In November 2018, the MAP™ patent US 6061926 expired. Radient does not believe that the expiration of these patents will negatively impact the Company's business as the claims for these patents do not include the specifics of how Radient implements the MAP™ technology. The Company has spent over 15 years innovating MAP™ and MAP™-based processes for the extraction and processing of natural ingredients and has developed significant know-how and trade secrets in applying the technology at commercially relevant scales.

Late in fiscal 2018, Radient engaged an intellectual property and innovation consulting firm to help strategically enhance the Company's intellectual property portfolio and install processes to manage and protect the intellectual property which supports Radient's competitive advantage. As a result of this initiative, Radient has identified a number of innovations that have been filed as provisional patent applications. In total, 58 provisional patent applications have been filed with the United States Patent and Trademark Office ("USPTO"). To date, 11 of these provisional patent applications have been combined and filed as 9 Patent Cooperation Treaty ("PCT") patent applications, which claim priority benefit of the 11 provisional applications. The technologies covered in these patent applications relate to:

- methods for obtaining nicotine-depleted tobacco without materially altering certain desirable properties of the tobacco;
- methods, systems and apparatus for improving the efficiency, purity, quality, and yield of biomass extraction, especially biomass related to cannabis, and compositions relating to the same;
- methods and systems for improving the efficiency, accuracy, and security of supply chain tracking for extractable biomass, especially cannabis biomass;
- methods and systems for improving the safety, potency, flavour, and experience of cannabinoid extracts used in the manufacturing of food and beverage products; and
- methods and systems for cannabinoid consumption products and devices.

The provisional applications were filed with the USPTO to establish a priority date and allow for future filings in other selected jurisdictions, as appropriate, including Canada. Provisional applications do not require formal claims and provide a 12-month time period during which subsequent applications, claiming the benefit of the priority date, can be prepared. The Company has elected to pursue international coverage by filing PCT applications with the World Intellectual Property Organization ("WIPO"). This allows the applications to enter national stage in appropriate jurisdictions within chosen PCT countries, including for example Canada, the United States, Australia and European Union ("EU") countries. The Company is on-track filing the relevant PCT applications and claiming benefit of the priority dates of the original filings.

Corporate Focus

Since its inception, Radient has completed numerous feasibility and scale studies and has proven the effectiveness of MAP™ for a broad range of biomass inputs, including plants (seeds, leaves, stems, roots) and single-cell biomasses (algae, fungi) using widely varying solvent systems and for all commercially-relevant classes of natural products, including lipids, glycosides, alkaloids, phenolics, terpenes and proteins.

Scalability has been demonstrated by continuous processing at the Edmonton production facility, which has provided final validation for operating MAP™ at a scale appropriate to capture immediate value for partners. Further, the Edmonton production facility was originally designed to handle up to 5 tonnes per day of input biomass. The facility's current operating capacity is between 1 and 2.5 tonnes per day depending on the type of biomass with the ability to increase operating capacity up to design capacity should business activity warrant.

Radient's corporate focus has previously been classified into three main areas – Cannabis, Health and Wellness and Nicotine Reduction Activities. Through to Q3 fiscal 2019, the Company continued processing natural ingredients for customers in the Food and Beverage, Nutraceuticals, Pharmaceuticals and Cosmetics and Personal Care industries at its Edmonton manufacturing facilities. However, in conjunction with the Company's application for its Standard Processing License, it was determined that the production of cannabis products could not occur in the same facility. The Company made a strategic decision to discontinue processing natural ingredients and instead focus on processing cannabis ingredients and products in the Edmonton manufacturing facilities.

Since the discontinuance of these manufacturing activities in Edmonton and subsequent to year end, the Company has concluded that its near and mid-term focus should primarily be directed towards Cannabis and Nicotine Reduction Activities.

Cannabis Activities

In February 2019, the Company received its Standard Processing license from Health Canada and began processing dried cannabis biomass to cannabis oil at commercial scale in March 2019.

Radient's MAP™ technology is well positioned to meet the needs of the growing cannabinoids extraction industry. Current methods of extraction using supercritical CO_2 will be constrained by scale limitations of equipment. Radient possesses extraction technology at its Edmonton plant and has proven this technology on a number of different biomasses including cannabis biomass. Radient is currently using its MAP™ technology to extract cannabinoids with higher efficiency and at a high purity level from cannabis while meeting the strict quality assurance standards of the industry amidst current regulatory environment changes. Radient also anticipates the same results from using its technology on hemp in the future.

Compared to conventional extraction technologies, Radient is extracting cannabinoids with a higher efficiency, and foresees developing standardized extracts with specific concentrations of cannabinoids which is of particular interest to the therapeutic industry. Further, Radient's industrial-scale Good Manufacturing Practice ("GMP") extraction facility is an important resource to the industry, providing capacity to meet anticipated growing demand. In addition to large-scale capacity, Radient's MAP™ technology, based on the Company's past extraction activities, typically allows for:

- precise control of temperature;
- control of extraction time of continuously flowing material; and
- retained terpene profiles.

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. Through the Company's relationship with Aurora, in January 2017, a technical assessment of Radient's extraction capabilities, via a third-party independent laboratory, was performed yielding the following results:

- MAP™ has the potential to deliver high quality and broad extraction profiles, while reducing extraction times from several hours to minutes;
- While conventional processes allowed for extraction efficiencies of approximately 80%, MAP™ has the potential for efficiencies in excess of 95%;
- High throughputs of are possible; and
- Extraction profiles indicated near full retention of cannabinoid and terpene profiles unlike other technologies.

The encouraging results of the technical assessment ultimately yielded the MSA that the Company finalized with Aurora later in calendar 2017.

To deliver cannabinoid extracts and refined products at industrial scale while maintaining a high standard of quality and consistency, the Company is establishing the following vehicles under which it intends to commercially execute (or support commercial execution) in the cannabis space:

Edmonton I

The Company expanded its existing manufacturing facility in Edmonton to incorporate a dedicated cannabis (primarily THC) production line. This facility which received its Standard Processing License from Health Canada in February 2019 began production of smaller commercial batches in late March 2019. Following this initial production, batch sizes are expected to scale to approximately 200kgs of input biomass on a daily basis.

Edmonton II

The Company's main facility is currently being retrofitted to accommodate CBD extraction from industrial hemp. The Company expects to be able to process between 1,000 and 1,500 kgs per day of input biomass after the project is completed, which is expected before the end of calendar 2019.

Edmonton III

As announced on November 5, 2018, the Company is building a new manufacturing facility to add over 100,000 square feet dedicated to cannabinoid extraction and product development. Construction has begun on the land adjacent to the Company's existing facilities – Edmonton I and Edmonton II. Edmonton III is expected to be completed in the second half of calendar 2020 and will allow Radient additional extraction capacity and cannabinoid ingredient development capability.

Germany

Also announced on November 5, 2018, the Company plans to construct a large-scale cannabis processing facility in Germany. This facility, which will be a build to suit leased facility, will be comparable in capacity to the Edmonton III facility currently being built in Canada. Designs for the European facility are focused in the near-term on the consistent, industrial-scale delivery of CBD derivatives and formulations, manufactured in the EU GMP environment. In July 2018, the European cannabis market was estimated by the strategic consultancy firm, Prohibition Partners, to be worth €123.0 billion by 2028. For more information, see page 10 of the European Cannabis Report 4th Edition per the Prohibition Partners' website.

Natac Solutions

Radient has entered into a joint arrangement with Grupo Natac S.L. ("Natac") which will operate as Natac Solutions. Natac is an expert in natural extracts from Mediterranean plants with a strong presence in the EU. Natac is focused on plant-based ingredients used as dietary supplements in the food industry, as well as ingredients for the nutraceutical and pharmaceutical industries. Natac will be based in Madrid, Spain. The relationship will leverage Radient's disruptive extraction and downstream technologies and Natac's expertise with clinically validated natural ingredients. The parties intended to begin collaborating on certain natural product opportunities. However, with the Company's refinement of its near and mid-term strategy, the Company and Natac are currently negotiating a revised business strategy for Natac Solutions with a potential focus on cannabis related initiatives.

France

In November 2018, Radient entered into a Facilities Access and Technical Services Agreement ("Agreement") with Processium based in Villeurbanne, France. Processium is a company specializing in process and product design mainly for the chemical, pharmaceutical, and biotech industries. The fixed fee Agreement is for an initial 12-month term and may be terminated at any time by Radient giving 60 days notice. The agreement gives Radient access to laboratory facilities, equipment, expertise in separation and purification processes, and technical and operational support within the Villeurbanne laboratory and pilot plant operations. The Company will also acquire and hold certain of its proprietary equipment at this facility. This agreement provides the Company with a European-based centre for conducting further development and demonstrations of its core MAP™ technology and discovery research on related technologies.

Nicotine Reduction Activities

On July 28, 2017, the FDA announced a new comprehensive plan that places nicotine, and the issue of addiction, at the center of the agency's tobacco regulation efforts. Further on March 16, 2018, the FDA issued an Advanced Notice of Proposed Rulemaking ("ANPRM") to explore a product standard to set the maximum nicotine level for cigarettes, so that cigarette products are minimally addictive or non-addictive.

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. Further to this announcement and given the FDA ANPRM, on June 5, 2018, Radient filed a provisional patent application for reducing nicotine levels in tobacco using its proprietary MAP™ technology. The patent application provides a method to selectively extract nicotine from tobacco via Radient's continuous-flow MAP™ extraction technology and provides a composition of tobacco that is depleted in nicotine but retains its appearance and organoleptic properties.

Radient's patent application discloses the ability of Radient's proprietary MAP™ technology to achieve nicotine depletions of over 95% across multiple cured tobacco types, leaving the reduced nicotine tobacco intact and fit for processing into cigarettes and other combustible tobacco products. The regulation and Radient's patent, position the Company to address an untapped space of minimally addictive or non-addictive cigarettes. Additionally, the patent application also includes methods of recovering and purifying the nicotine as a co-product. Nicotine has commercial value for inclusion in smoking cessation products and in e-liquids for use in e-cigarettes and vaping products. Management believes these purification techniques will allow for a much cheaper alternative over expensive and time-consuming approaches of changing tobacco farming and blending practices or resorting to genetically modified crops.

The Company believes that the successful nicotine reduction research also demonstrates the versatility of Radient's technology and its applicability to a variety of extraction scenarios. The Company has developed and is executing on a marketing strategy that targets tobacco companies, the FDA, advocacy groups and equipment manufacturers to ensure acceptance of the Company's technology in the industry as a viable industrial nicotine reduction technology.

Cannabis Regulatory Considerations

Canadian Requirements

Licenses

Under the Cannabis Act of October 17, 2018, new classifications of licences are required to reflect the activities undertaken by the Company. The Dealers Licence for the Company's Roper Road location (granted March 22, 2018) was transitioned under the new regulations for Research and Analytical Testing Licences (granted February 8, 2019). The Dealers Licence (granted October 10, 2018) for the plant was transitioned under the new regulations to a Research and Analytical Testing Licence (granted March 8, 2019). A Research licence authorizes the holder, for the purposes of research, to possess, produce and transport cannabis. The Analytical Testing licence authorizes the holder to possess cannabis and alter the chemical or physical properties of cannabis for the purposes of testing. The Standard Processing licence for the Plant (granted February 1, 2019), in addition to allowing for the possession, production, and selling of cannabis extracts (as per section 17(5) of the Cannabis Regulations), will also allow for research related to the same format of material (i.e. oil production related activities).

Standard Processing License

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 and conditions allow Radient to:

- possess cannabis;
- produce cannabis, other than obtain it 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.

With receipt of this license, commercial processing of cannabis biomass to extract cannabinoids including CBD and THC began in March 2019 at Radient's Edmonton I manufacturing facility with the first bulk finished product shipped in June 2019.

Canadian Securities Regulation Regarding U.S. Cannabis Activities

Currently, certain U.S. states permit the use and sale of marijuana within state specific regulatory frameworks notwithstanding that marijuana continues to be listed as a controlled substance under U.S. federal law. This clearly creates a conflict between state and federal law where at present 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 the state has implemented a strong and effective regulatory program. As this federal guidance is subject to change, rescission or alteration, risk and uncertainty would exist 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 within a state's regulatory framework.

Further, the TSX published bulletin 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. As a result, the Company is in full compliance with the Canadian 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 in the last 2-3 years by European Economic Area (EEA) competent authorities and/or by competent authorities of countries where a Mutual Recognition Agreement (MRA) is in operation. 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 Federal acts. To operate in Germany, the Company (or its affiliates) will require a series of permits as detailed below.

Manufacturing permit

The Company will require a general manufacturing permit for the manufacturer of medicine products under sec. 13 of the Medicines Act (Arzneimittelgesetz – "AMG""). Under the AMG "manufacturing" includes producing, preparing, formulating, treating or processing, filling, packaging, labeling and final release of a medicine 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 i.e. 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 European Union Commission's guidelines.

Under German law, a manufacturing permit should be granted within three months after the application once all necessary documents have been filed with the authorities and are in satisfactory condition. The application for the permit can only be made at the point that the manufacturing facility is ready to operate. The permitting process is a consultative process with the authorities to ensure that the set up 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 sec. 3 of the Narcotics Act (Betäubungsmittelgesetz – "BtMG"") the Company will require 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 percent 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 after 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 can 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 at the point that the Company's manufacturing facility is ready to operate. The permitting process is a consultative process with the authorities to ensure that the set up 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, the Company will be required to import the material from another country. To do so, the Company would require two kinds of import permits.

First, the Company needs a general permit granted by BfArM to import medicines pursuant to sec. 72 of the AMG. The application must specify which products are to be imported as the import of medical cannabis is particularly regulated. Imports are only allowed from countries fulfilling certain criteria, namely complying with the United Nations Single Convention on Narcotic Drugs of 1961 ("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. Other countries are being reviewed currently and may be admitted later in 2019. Under German law, a general import permit should be granted within three months after 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 sec. 11 BtMG and the application is made on an import by import basis. This shipment specific import permission has the purpose to grant the authorities the 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 sec. 52a of the AMG. However, if the Company already holds a manufacturing permit, which is currently the Company's intention, 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 a mere intra-German distributor, a separate wholesale permit will be necessary.

Annual Developments

Significant activities undertaken by the Company in fiscal 2019 are discussed below.

Licensing

On February 1, 2019, the Company received its Standard Processing license from Health Canada for its Edmonton I manufacturing facility. This allows the Company to possess, produce, and sell cannabis extracts to other Standard Processing license holders.

Commercial Production of Cannabis Extracts

Prior to the end of fiscal 2019, the Company began extracting cannabinoids from dried cannabis biomass at a commercial scale. The first commercial batch of finished cannabis extracts was delivered to the Company's partner Aurora in Q1 2020.

Financing

On July 31, 2018, the Company completed a bought deal offering and issued 20,700,000 units of the Company at $1.20 per unit for total gross proceeds of $24,840,000. The Company also completed a private placement and issued 7,802,299 units at $1.20 per unit for gross proceeds of $9,362,759. The net proceeds of the offerings will be used for the addition of cannabis processing capacity in Edmonton, to upgrade the main Edmonton manufacturing facility hemp extraction line, site identification and permitting activities for a cannabis processing facility in Europe, general corporate and working capital purposes.

Corporate Structure

On May 3, 2018, the Company completed the acquisition of a 100% interest in 1631807 Alberta Ltd. (the "JV Company") from the Amnor Group Inc. (previously 1396730 Alberta Ltd.). Amnor Group Inc. is controlled by Harry Kaura, a director of the Company. The JV Company owns the land and building that contains the 23,000 sq. ft manufacturing facility in Edmonton, Canada operated by Radient. Immediately subsequent to the acquisition, the JV Company completed a real estate transaction with Amnor Group Inc. to purchase two parcels of land, including an existing warehouse and office building (the "Adjacent Lands") adjacent to Radient's production facility. In January of 2019 these buildings were demolished, and the Company commenced construction of "Edmonton III", its planned 100,000 sq. ft manufacturing facility.

During the year the Company also incorporated RII to hold the Company's Canadian intellectual property, RTS to hold the Company's European investments, and MAG, a subsidiary of RTS to hold the assets related to the Company's German cannabis operations.

As disclosed in the Company's July 2018 short form prospectus, $0.5M which was increased to $0.8M in the December 31, 2018 MD&A, was budgeted to establish the German operation including identification of a viable site for the Company's German cannabis operation. To March 31, 2019, the Company has completed this identification exercise, incurring approximately $0.7M in operating costs and a small amount of capital related to computers and office equipment for the team as they prepare to move into the more detailed planning and construction phases.

Board of Directors

The Company appointed Allan Cleiren (February 4, 2019) to Radient's Board of Directors. Concurrently, directors Terry Booth and Jith Veeravalli stepped down from Radient's Board of Directors. Jocelyne F. Lafreniere (April 17, 2019), and Yves Gougoux (April 17, 2019) were appointed, subject to receipt of Health Canada security clearances that are still pending, to Radient's Board of Directors.

Allan Cleiren is the Chief Operating Officer for Aurora and a director for Hempco Food & Fiber Ltd. He has more than 30 years of leadership experience working with private and public companies on the execution of strategic business operations. He has extensively been involved with Radient over the past couple of years as the Company progressed to become licensed and will be a valuable addition as the Company moves forward with the commercial production of cannabinoid extracts and products, along with the global expansion of its operations.

Ms. Lafrenière is the President & Chief Executive Officer of JFL International Inc., a management consulting firm. She is a retired partner of KPMG with more than 35 years of audit and consulting experience and has served as an advisor to a broad spectrum of public and private companies, non-profit organizations, government departments and agencies, crown corporations and United Nations agencies.

Mr. Gougoux has more than 40 years in the field of advertising and marketing. He currently serves as a non-executive Chairman on the Board of Publicis Canada and on the Board of Directors of the Mira Foundation, a non-profit organization that trains and supplies service dogs to blind and handicapped persons as well as children with autism.

Listings

TSXV Status Upgrade

Effective October 29, 2018, the Company was approved for graduation from the TSXV Tier 2 status to TSXV Tier 1 status. Tier 1 is reserved for the Exchange's most advanced issuers with significant financial resources. Tier 1 status gives companies access to a more favorable regulatory environment, decreased filing requirements and increased opportunity for participation by institutional investors. This enables the Company to have a broader investor reach with the goal of enhanced liquidity. The Company's successful capital raises throughout this fiscal year coupled with improvement in its market capitalization over the last 18 months were favorable factors that facilitated the Company's graduation.

OTC Listing

Effective December 19, 2018, the Company's common shares commenced trading on the OTC in the United States, under the trading symbol RDDTF. The OTC is operated by the OTC Markets Group in New York, and is reserved for established, investor-focused U.S. and international companies. Radient believes that listing on this platform will increase its visibility and accessibility amongst investors in the U.S., while also helping the Company to build liquidity.

Expansion Projects

Edmonton I - Plant Expansion (Cannabis Processing Line)

In March 2019, Radient began processing cannabis biomass at initial commercial scale from its 23,000 square foot Manufacturing Facility (the "Facility") located at 4035 101 St. in Edmonton, Alberta. Production is anticipated to scale further to full capacity over the next two to three quarters. Capital expenditures related to the expansion project is now complete. Remaining expenditures will relate to any required replacement or maintenance of production assets.

Disclosed	Budget	Revised budget	Reason
June 2017 MD&A	$ 1.5 - 2.0 M	$ -	Original budget
September 2017 MD&A	$ 1.5 - 2.0 M	$ 3.5 - 4.0 M	Additional equipment modifications required
December 2017 MD&A	$ 3.5 - 4.0 M	$ 6.0 - 7.0 M	3000 sq. ft building addition, rather than modifications only
June 2018 MD&A	$ 6.0 - 7.0 M	$ 8.0 M	Accelerated commissioning, shipping, and overtime costs as well as additional equipment purchases
September 2018 MD&A	$ 8.0 M	$ 8.0 M	No revision
December 2018 MD&A	$ 8.0 M	$ 8.0 M	No revision
March 2019 MD&A	$ 8.0 M	$ 8.0 M	No revision

As at March 31, 2019 the total amount spent on this project is $8.1M. Approximately $3.2M relates to renovation related costs and $4.9M for equipment.

Edmonton II - Plant Retrofit (Hemp Processing Line)

The Company is currently upgrading its main Edmonton extraction line for dedicated hemp extraction. The project encompasses equipment refurbishment, plant renovations, and new equipment installation expected to be completed before December 31, 2019. The budget of $3.0M disclosed in the Company's Short Form Prospectus dated July 24, 2018 has not been revised. As of March 31, 2019, $41K has been spent on deposits for equipment and $674K has been incurred for equipment and construction related costs.

Edmonton III – New Plant

The Company's 100,000 square foot new manufacturing facility is underway with funding for this project from the bought deal equity offering that closed on July 31, 2018 as well as the concurrent private placement. As of the date of this MD&A, the existing buildings have been demolished, and accommodations for the new structure has begun including grading and surface preparation for footings and foundation. Furthermore, the lead construction and project management firm has been engaged.

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 2019 MD&A	$	24.5 M	$	24.5M	No revision

The increase in the December budget relates to the inclusion of additional GMP compliant processing areas to allow for further extract refinement up to and including final customer packaging as well as costs associated with the redesign and incorporation of additional laboratory space, suitable for quality assurance purposes. Further specialized equipment anticipated to support new product development both internally and through the use of third-party technologies has also been added. In addition, there have been increased costs associated with preparation of the site and ensuring environmental readiness.

As at March 31, 2019, the total amount spent on this project is approximately $3.9M which includes $278K of equipment deposits, $928K of equipment and $2.7M of assets under construction (including both renovation and equipment related costs).

Germany

The development phase of the large-scale cannabis processing facility project in Germany is now moving beyond site selection and permitting. Design and engineering for EU GMP compliant production has begun, along with architectural and landscaping designs, activities which require immediate-term funding. The Company expects this design phase to cost approximately $3.7M, funded by capital raised during fiscal 2019. Third-party process engineering, architectural and utility designs and environmental assessments are expected to benefit the Company's German manufacturing facility as well as Edmonton III which is currently underway.

France

Radient's Facilities Access and Technical Services Agreement ("Agreement") with Processium, Lyon, France commenced November 2018. The agreement is for an initial 12-month term. The fixed fee Agreement gives Radient access to laboratory facilities, equipment, expertise in separation and purification processes, and technical and operational support within its Villeurbanne (Lyon) laboratory and pilot plant operations. The Company has acquired and setup two microwave lines in a dedicated modern laboratory space within these facilities. The equipment is representative of the industrial equipment already developed for Edmonton I and II and will be mainly used for innovative R&D projects, project development, and to support the activities of Edmonton's product development team. The Company's initial capital budget disclosed in the Q2 MD&A was $0.5M to which there have been no changes. These capital expenditures will be in addition to the monthly fees paid to Processium. To March 31, 2019, approximately $162K of operating expenses and $126K of equipment purchases have been made.

Spain

The Company is currently in the process of finalizing the joint arrangement with Natac and specific terms and as a result, estimates of operating expenses and capital expenditures have not been finalized.

Results of Operations

Annual Highlights

	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2017
Revenues	**$ 214,060**	$ 455,827	$ 293,447
Loss before other income and expenses	**(18,236,356)**	(7,897,461)	(4,352,900)
Loss per share, before other income and expenses (basic and diluted)	**(0.07)**	(0.04)	(0.05)
Net loss and comprehensive loss	**(27,855,567)**	(14,048,317)	(4,316,270)
Net loss per share (basic and diluted)	**(0.11)**	(0.07)	(0.05)
Cash used in operating activities	**(15,322,007)**	(8,291,603)	(5,062,554)
Cash provided by financing activities	**38,352,660**	23,320,870	13,542,851
Cash used in by investing activities	**(13,106,105)**	(1,681,710)	(397,566)
Total assets	**61,026,273**	30,012,654	15,107,628
Working capital [1]	**30,144,247**	22,029,885	6,723,110
Total non-current liabilities	**$ 6,493,082**	$ 2,124,160	$ 6,597,174
Weighted average number of common shares outstanding (basic and diluted)	**251,884,940**	188,638,932	85,862,057

Notes:

1. *Working capital is a non-IFRS term defined as current assets less current liabilities.*

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 towards the completion of additional cannabis processing capacity at Edmonton 1, 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 the Adjacent Lands next to the existing manufacturing facility.

During the year ended March 31, 2018, the Company's balance sheet continued strengthening through a combination of financings and restructuring of debt. $6.2 million was raised via a private placement with Aurora, $13.5 million through exercises of warrants and $1.7 million from exercise of stock options. The Company settled the royalty financial liability with AVAC Ltd ("AVAC") and the convertible debenture with Aurora through a conversion to shares of the Company. As well, the Company successfully restructured its repayable government contribution with Agriculture and Agri-Food Canada ("AAFC") to a long-term debt repayable over an 8-year term. The additional funds along with the reduced liabilities resulted in a working capital surplus at March 31, 2018 of $22,029,885 in comparison to a surplus of $6,723,110 at March 31, 2017. The fiscal 2018 working capital surplus was partially used to fund the $8 million Edmonton I plant expansion project which was completed on August 28, 2018.

Summary of Results by Quarter

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

Quarter ended	March 31, 2018	December 31, 2017	September 30, 2017	June 30, 2017
Revenues	$ 117,304	$ 138,899	$ 103,702	$ 95,922
Loss before other income and expenses	(2,470,325)	(1,957,276)	(1,734,433)	(1,735,427)
Loss per share, before other income and expenses (basic and diluted)	(0.01)	(0.01)	(0.01)	(0.01)
Net loss	(2,768,047)	(3,541,287)	(2,102,361)	(5,636,622)
Net loss per share (basic and diluted)	$ (0.01)	$ (0.01)	$ (0.01)	$ (0.04)
Weighted average number of common shares outstanding	223,367,719	197,549,414	175,147,455	158,923,114
Total assets	$ 30,012,654	$ 30,835,344	$ 14,651,260	$ 16,634,789
Long term liabilities	2,124,160	2,196,646	7,509,318	7,434,920

Consolidated Statement of Operations and Comprehensive Loss

(Unaudited)	Quarter ended March 31 2019	Quarter ended March 31 2018	Year ended March 31 2019	Year ended March 31 2018 Note 1
Revenues	$ -	$ 117,304	$ 214,060	$ 455,827
Cost of revenues	-	60,290	131,249	260,715
	-	57,014	82,811	195,112
Expenses				
General and administrative	2,194,082	810,051	5,502,399	2,827,056
Production plant	1,026,439	486,808	3,185,009	1,415,233
Process development	586,755	368,574	1,942,103	919,034
Corporate development	385,393	218,523	1,499,130	526,988
Business development	284,186	199,070	1,285,676	656,155
Engineering	601,458	74,914	1,266,762	243,374
Depreciation and amortization	346,001	173,756	1,128,047	539,888
Quality control and assurance	460,281	119,195	1,055,243	368,238
Research and development	586,677	36,084	776,962	142,541
Financing fees	119,723	40,364	677,836	454,066
	6,590,995	2,527,339	18,319,167	8,092,573
Loss before other income (expenses)	(6,590,995)	(2,470,325)	(18,236,356)	(7,897,461)
Other income (expenses)				
Reversal of impairment losses	2,209,811	-	2,209,811	-
Interest and other income	129,462	53,514	444,627	66,252
Rental income	5,180	9,812	24,327	87,716
Share-based payments	(1,235,928)	(339,934)	(10,322,568)	(6,187,910)
Loss on demolition of buildings	(1,928,637)	-	(1,928,637)	-
Allocation of related company loss	-	(15,963)	(45,032)	(75,133)
Foreign exchange gain (loss)	708	(5,151)	(1,739)	(28,435)
Other expenses	-	-	-	(13,346)
	(819,404)	(297,722)	(9,619,211)	(6,150,856)
Net loss and comprehensive loss	$ (7,410,399)	$ (2,768,047)	$ (27,855,567)	$ (14,048,317)

Note 1

The Company reclassified amounts in the Consolidated Statement of Operations and Comprehensive Loss relating to salary, consulting fees, travel, maintenance and rent and utilities to present these costs consistently with the current fiscal year. The 2018 comparatives have been reclassified as follows:

Year ended March 31, 2018	Previously presented	Reclassification	Amount after reclassification
Cost of revenues			
Contract manufacturing	$ 269,915	$ (9,200)	$ 260,175
Expenses			
General and administrative	3,112,138	(285,082)	2,827,056
Production plant	1,506,866	(91,633)	1,415,233
Corporate development	-	526,988	526,988
Business development	1,183,143	(526,988)	656,155
Engineering	-	243,374	243,374
Research and development	-	142,541	142,541

Revenues

	Quarter ended March 31		Year ended March 31	
	2019	2018	**2019**	2018
Contract manufacturing	**$ -**	$ 117,304	**$ 214,060**	$ 451,450
Technical assessments	**-**	-	**-**	4,377
Total revenues	**$ -**	$ 117,304	**$ 214,060**	$ 455,827

In preparation of receiving the Standard Processing license during the quarter, contract manufacturing services were not provided to clients as the Company's production facility was being used to conduct analytical testing of cannabis. With the receipt of the license on February 1, 2019, the Company commenced cannabis extraction activities prior to the end of its fiscal year however revenue was not recognized as the quality control process was not complete.

Cost of Revenues

A further break-down of the cost of revenue expenses are as follows:

	Quarter ended March 31		Year ended March 31	
	2019	2018	**2019**	2018
Contract manufacturing				
Salaries and benefits	**$ -**	$ 27,532	**$ 87,307**	$ 117,585
Supplies and materials	**-**	21,029	**37,250**	102,603
Waste removal	**-**	1,051	**6,435**	16,844
Transportation fees	**-**	1,495	**257**	9,041
Equipment and rentals	**-**	5,727	**-**	7,005
Product development	**-**	3,456	**-**	7,637
Total cost of revenues	**$ -**	$ 60,290	**$ 131,249**	$ 260,715

Total cost of revenue decreased by $129,466 for the year ended March 31, 2019 which directly relates to the decrease in revenue for the same period.

General and Administrative

A further break-down of the general and administrative expenses are as follows:

	Quarter ended March 31		Year ended March 31	
	2019	2018	**2019**	2018
Consulting fees	**$ 705,862**	$ 244,585	**$ 1,456,287**	$ 834,923
Salaries and benefits	**473,941**	183,417	**1,236,825**	495,772
Salaries and benefits capitalized	**-**	-	**(18,476)**	-
Travel	**306,578**	91,592	**780,852**	348,782
Public company compliance	**249,624**	32,741	**500,650**	146,542
Professional fees	**84,916**	90,529	**374,367**	282,813
Rent and utilities	**93,984**	42,922	**327,735**	163,677
Investor relations	**83,861**	51,426	**250,885**	211,926
Insurance	**79,052**	15,969	**180,478**	59,626
Office	**34,160**	24,657	**162,291**	76,296
Computer software	**52,667**	6,197	**125,652**	15,117
Directors' fees	**15,308**	17,375	**78,183**	80,750
Maintenance	**12,605**	8,311	**41,172**	44,815
Supplies	**1,524**	330	**3,036**	330
Doubtful debts provision	**-**	-	**2,462**	65,687
Total general and administrative	**$ 2,194,082**	$ 810,051	**$ 5,502,399**	$ 2,827,056

General and administrative increased by $1,384,031 and $2,675,343 for the quarter and the year ended March 31, 2019, respectively, compared to the same periods in the prior year with variances in several cost categories.

Consulting fees increased by $461,277 and $621,364 for the quarter and year ended March 31, 2019. The Company incurred approximately $420,000 during the quarter for the addition of key members to its management team which also impacts the year to date variance. As well, significant IT services were required to support the Company's expanded organizational infrastructure and to set-up the new in-house IT department which accounts for $129,441 of the year to date variance.

Salaries and benefits increased by $290,524 and $741,053 for the quarter and year ended March 31, 2019, compared to the same periods in the prior year. The quarterly and year to date increases are due to new hires in finance as well as newly created in-house support teams for human resources, IT, and investor relations. These staff are required to support the growing organizational infrastructure. Salaries and benefits directly related to the implementation of the new enterprise resource planning system ("ERP") have been capitalized and included in intangible assets.

Travel costs increased by $214,986 and $432,070 for the quarter and year ended March 31, 2019. This is due to increasing activity related to new business initiatives, alternative financing arrangements that the Company continues to explore, and the Company's European expansion plan.

Public company compliance costs increased by $216,883 and $354,108 compared to the same periods in the prior year. This increase is predominantly due to preparation work performed related to compliance requirements to list on the European market. Additionally, the year to date increases are also driven by fees associated with the Company's new OTC listing, increased TSXV fees and increased costs incurred related to hosting the Company's annual general meeting with an increased base of shareholders.

Rent and utilities increased by $51,062 and $164,058 for the quarter and year ended March 31, 2019, compared to the same periods in the prior year. During the quarter and year to date the increase is due to rental costs related to the new office space in Toronto (April 1, 2018), new head office space in Edmonton (November 1, 2018) and property taxes incurred related to the new buildings purchased from the Amnor Group Inc. (May 3, 2018).

Insurance expense increased by $63,083 and $120,852 respectively, compared to the same periods in the prior year. The Company's insurance policy was renewed and renegotiated as of September 2018. As a result, there were limit increases, rate increases, and several new coverages added. The Company also obtained coverage for the buildings purchased in Q1 2019 from Amnor Group Inc. which contributed to the increase.

Computer software increased by $46,470 and $110,535 for the quarter and the year ended March 31, 2019. This increase is primarily attributable to costs related to the recently implemented ERP, the new stock option and the payroll and time reporting systems.

Production Plant

A further break-down of the production plant expenses are as follows:

	Quarter ended March 31		Year ended March 31	
	2019	2018	**2019**	2018
Salaries and benefits	**$ 360,216**	$ 215,087	**$ 1,499,355**	$ 639,502
Rent and utilities	**188,918**	149,794	**549,277**	487,094
Supplies	**212,226**	14,307	**417,508**	24,172
Maintenance	**125,085**	91,783	**353,077**	236,199
Security	**79,114**	-	**190,317**	-
Office	**38,758**	12,432	**96,201**	21,889
Equipment and rentals	**15,596**	-	**46,704**	890
Travel	**6,938**	3,405	**21,941**	5,169
Consulting fees	**(502)**	-	**10,629**	-
Product development	**-**	-	**-**	318
Total production plant	**$ 1,026,349**	$ 486,808	**$ 3,185,009**	$ 1,415,233

During the year, the Company focused on preparing for cannabis oil extraction activities which commenced just prior to year end. As a result, total production plant salaries and benefits expense increased by $145,129 and $859,853 for the quarter and year ended March 31, 2019, respectively. In the prior year there were twelve plant employees compared to twenty plant employees as at March 31, 2019.

Supplies expense increased $197,919 and $393,336 in the quarter and the year ended March 31, 2019, respectively. The increase is due to production runs related to cannabis testing which required additional purchases of supplies and related consumables.

Maintenance expense increased by $33,302 and $116,878 for the quarter and the year ended March 31, 2019. The Company has acquired a significant amount of new equipment through its capital expansion initiative and to keep this highly specialized equipment in optimal performance condition, an ongoing preventative maintenance program has been put in place related to the production equipment portfolio. There were also costs incurred for service and maintenance related to preparation activities for cannabis oil production.

Security costs relate to the Health Canada security requirements surrounding cannabis which resulted in the Company obtaining security services for the plant effective in late Q2 2019. These fees are approximately $80,000 each quarter and can vary based on actual hours required.

Process Development

A further break-down of the process development expenses are as follows:

	Quarter ended March 31		Year ended March 31	
	2019	2018	**2019**	2018
Salaries and benefits	**$ 355,058**	$ 208,038	**$ 1,182,400**	$ 598,069
Salaries and benefits capitalized	**(117,681)**	-	**(117,681)**	-
Salary recovery - IRAP	**-**	-	**-**	(18,000)
Rent and utilities	**120,165**	36,232	**283,547**	137,722
Consulting fees	**67,307**	24,260	**183,039**	26,208
Supplies	**44,727**	23,162	**166,337**	41,751
Maintenance	**32,624**	43,120	**97,038**	63,464
Product development	**42,924**	29,122	**68,028**	35,547
Travel	**34,298**	(420)	**61,300**	15,447
Office	**4,660**	633	**15,069**	5,138
Computer software	**2,673**	-	**2,673**	-
Equipment and rentals	**-**	533	**353**	9,071
Production materials	**-**	3,894	**-**	4,617
Total process development	**$ 586,755**	$ 368,574	**$ 1,942,103**	$ 919,034

Process development salaries and benefits increased by $147,020 and $584,331 for the quarter and the year ended March 31, 2019, respectively, compared to the same periods in the prior year. The increase includes bonuses and salary adjustments for existing staff as well as increases in total staff to seventeen employees versus twelve in the prior year. Salaries and benefits related to the development of patents have been capitalized to long-term prepaids and deposits and will be added to intangible assets upon notification of successful patent applications.

Rent and utilities increased by $83,933 and $145,825 for the quarter and year ended March 31, 2019, respectively. The increase primarily relates to the Company's usage of Processium's laboratory facilities in France to further develop the Company's core MAP™ technology and other research related technologies.

Consulting fees were $43,047 and $156,831 greater than the same three and twelve month periods last year. The increase in the year to date cost is due to the engagement of technical consulting services related to equipment setup, equipment purchasing, and training staff on operating the equipment. Further contributing to the increase were costs directly related to activities undertaken at the Processium laboratory which did not exist last year.

Supplies expense has increased by $21,565 and $124,586 for the quarter and the year ended March 31, 2019. The increase relates to increased process and product development activities to support the continued development of intellectual property and efforts focused on converting provisional patent applications into full utility patent applications.

Corporate Development

A further break-down of the corporate development expenses are as follows:

	Quarter ended March 31		Year ended March 31	
	2019	2018	**2019**	2018
Consulting fees	**$ 293,213**	$ 159,831	**$ 1,117,467**	$ 396,975
Travel	**91,093**	58,692	**374,979**	130,013
Promotion	**1,087**	-	**6,684**	-
Total corporate development	**$ 385,393**	$ 218,523	**$ 1,499,130**	$ 526,988

To support the Company's efforts in actively pursuing strategic corporate initiatives and opportunities, the corporate development team was formed in Q1 2018 and has experienced consistent growth since that time. The initiatives of this department also include technical services and support building a platform for the Company's unique MAP technology. Significant travel costs have been incurred related to these opportunities and initiatives.

Business Development

A further break-down of the business development expenses are as follows:

	Quarter ended March 31		Year ended March 31	
	2019	2018	**2019**	2018
Consulting fees	**$ 116,403**	$ 97,168	**$ 671,588**	$ 320,426
Travel	**60,312**	56,086	**287,556**	176,320
Salaries and benefits	**37,722**	33,842	**168,290**	140,371
Salary recovery - IRAP	**-**	-	**-**	(12,000)
Marketing material	**66,781**	8,435	**145,132**	22,807
Utilities	**2,416**	1,350	**7,706**	3,605
Office	**552**	2,189	**5,287**	4,626
Supplies	**-**	-	**117**	-
Total business development	**$ 284,186**	$ 199,070	**$ 1,285,676**	$ 656,155

Business development expenses increased by $85,116 and $629,521 for the quarter and year ended March 31, 2019, compared to the same periods in the prior year. To support the Company's efforts in actively pursuing new business initiatives and opportunities, the business development consulting team has doubled over the last twelve months. Further impacting the increase is significant travel related to European operations and the nicotine and health and wellness initiatives. The development of marketing materials was also incurred pursuing these opportunities and initiatives.

Engineering

A further break-down of the engineering expenses are as follows:

	Quarter ended March 31		Year ended March 31	
	2019	2018	**2019**	2018
Salaries and benefits	**$ 247,222**	$ 57,660	**$ 566,146**	$ 212,276
Consulting fees	**208,443**	-	**383,016**	-
Rent and utilities	**77,465**	408	**161,207**	648
Travel	**61,201**	16,846	**145,719**	30,450
Computer software	**2,105**	-	**5,652**	-
Office	**3,573**	-	**3,573**	-
Maintenance	**1,449**	-	**1,449**	-
Total engineering	**$ 601,458**	$ 74,914	**$ 1,266,762**	$ 243,374

As the Company develops and moves its strategic, capital expansion projects forward, the 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.

Notably, engineering salaries and benefits increased by $189,562 and $353,870 for the quarter and year ended March 31, 2019, as staff increased from two in the prior year to nine at March 31, 2019. Related to the Company's new German operation, $337,531 of consulting fees, $157,526 of rent and utilities and $68,270 of travel for the fiscal year to date account for the majority of the remaining variances within engineering expenses.

Depreciation and Amortization

Depreciation and amortization increased by $172,245 and $588,159 for the quarter and year ended March 31, 2019, respectively, compared to the same periods in the prior year. The increase is due to depreciation associated with additions related to the Company's capital expansion initiatives. Additions for the fiscal year total $21,867,632 including the assets acquired through 1631807 Alberta Ltd. compared to a depreciable asset base of $13,435,820 as at March 31, 2018.

Quality Control and Assurance

A further break-down of the quality control and assurance expenses are as follows:

	Quarter ended March 31		Year ended March 31	
	2019	2018	**2019**	2018
Salaries and benefits	**$ 232,024**	$ 101,971	**$ 801,115**	$ 337,871
Salaries and benefits capitalized	**-**	-	**(218,891)**	-
Third party testing	**101,661**	-	**173,015**	-
Supplies	**29,501**	5,730	**100,076**	6,756
Consulting fees	**45,794**	-	**93,544**	-
Rent and utilities	**32,064**	-	**39,815**	-
Maintenance	**7,617**	8,155	**36,862**	18,097
Office	**4,702**	3,028	**15,196**	5,057
Travel	**6,771**	311	**10,809**	457
Production materials	**-**	-	**3,555**	-
Computer software	**147**	-	**147**	-
Total quality control and assurance	**$ 460,281**	$ 119,195	**$ 1,055,243**	$ 368,238

The Company began building the quality control and assurance team in fiscal 2018 focusing on developing a robust, qualified team to fulfill quality control, regulatory, and assurance requirements related to cannabis extraction. Through the current fiscal, the primary focus of the department was preparation for live production of cannabis oil extraction which commenced in the fourth quarter with the receipt of the Company's Standard Processing license. Salaries and benefits related to the licensing initiative have been capitalized and included in the intangible license asset.

Salaries and benefits increased by $130,053 and $463,244 for the three months and year ended March 31, 2019 as staff increased from eight employees to twelve. With the increase in activity related to reaching production readiness, additional supplies and third-party laboratories were utilized to test material and products, and ensure a thorough, fully compliant production process. Consulting fees incurred in the year relate to recruiting staff and services associated with testing equipment.

Research and Development

A further break-down of the research and development expenses are as follows:

	Quarter ended March 31		Year ended March 31	
	2019	2018	**2019**	2018
Consulting fees	**$ 505,905**	$ -	**$ 600,945**	$ -
Salaries and benefits	**52,497**	23,077	**128,010**	117,692
Travel	**9,809**	13,007	**29,541**	24,849
Professional fees	**18,466**	-	**18,466**	-
Total quality control and assurance	**$ 586,677**	$ 36,084	**$ 776,962**	$ 142,541

Research and development expenses were $550,593 and $634,421 greater than the quarter and year ended March 31, 2019 respectively, with the majority of these amounts related to consulting fees which were $505,905 for the quarter and $600,945 for year ended March 31, 2019. The consulting fees relate to services for the research and development of patents as well as documenting, completing an inventory and creating a registry for the Company's trade secrets.

Financing Fees

A further break-down of the financing fees are as follows:

	Quarter ended March 31		Year ended March 31	
	2019	2018	**2019**	2018
Amortization of financing costs on due to related company	**$ -**	$ 2,357	**$ 138,520**	$ 9,428
Amortization of financing costs on long-term debt	**30,088**	-	**106,227**	-
Amortization of financing costs on convertible debenture	**-**	-	**-**	10,170
Adjustment of convertible debenture to fair value	**-**	-	**-**	(43,868)
Interest on long-term debt	**86,229**	20,081	**428,243**	56,381
Interest on lease obligations	**3,390**	1,822	**11,337**	3,177
Interest on loan due to related company	**-**	16,104	**5,655**	62,569
Interest on convertible debenture	**-**	-	**-**	64,692
Interest on repayable gov't contributions	**-**	-	**-**	7,998
Payout penalty on due to related party	**-**	-	**16,414**	-
Accretion of royalty financial liability	**-**	-	**-**	281,816
Accretion of convertible debenture	**-**	-	**-**	1,703
Other	**16**	-	**(28,560)**	-
Total financing fees	**$ 119,723**	$ 40,364	**$ 677,836**	$ 454,066

Total financing fees increased $79,359 and $223,770 for the quarter and year ended March 31, 2019 compared to the same periods in the prior year.

The Company's acquisition of its 100% interest in 1631807 Alberta Ltd. followed by 1631807 Alberta Ltd.'s acquisition of the Adjacent Lands has resulted in financing activity related to both transactions:

- On May 3, 2018, Radient repaid the loan payable to 1631807 Alberta Ltd. (loan due to related company) in full. Remaining unamortized financing costs were recognized and a payout penalty of $16,414 owing to the Business Development Corporation (BDC) was paid.
- 1631807 Alberta Ltd. secured a new $5,500,000 mortgage with proceeds used to discharge the previous BDC Canada mortgage as well as the existing mortgage on the newly purchased assets. Finance costs of $236,608 were incurred on this transaction including related amendment fees and will be amortized over the 24-month life of the mortgage with $30,088 and $106,227 of the amount amortized in the quarter and year ended March 31, 2019. The interest rate on the new debt is calculated at the greater of 8.5% or the Bank of Nova Scotia Prime Rate plus 5.05% per annum (March 31, 2019 – 9.0%). The portion not capitalized was $73,144 for the three months and $371,051 for the year ended March 31, 2019. This is the primary driver in the overall increase in interest on long-term debt compared to the same period of the prior year.

Included in the quarter and the year ended March 31, 2018 are costs related to the:

- convertible debenture which was converted to common shares of the Company on July 28, 2017;
- royalty financial liability which was converted to common shares of the Company on October 2, 2017; and
- repayable government contributions which was converted to long-term debt on May 18, 2017.

As a result of these conversions, there are no corresponding expenses in the current fiscal year.

Reversal of Impairment Losses

The Company recorded a reversal of impairment losses on plant and equipment of $2,209,811. During the year ended March 31, 2015, due to concern regarding the Company's ability to generate sufficient cash flows to maintain normal operations, the Company performed impairment tests on plant and equipment. The Company determined the recoverable amount for its leasehold improvements and equipment on the basis of fair value less costs of disposal ("FVLCD") and concluded that as the carrying amount was higher than the recoverable amount, a provision for impairment was required. Impairment losses of $2,248,173 was recorded against equipment and $3,223,918 was recorded against the Company's leasehold improvements.

For the year ended March 31, 2019, as a result of the new cannabis market and the acquisition of the production facility during the year, there was a change in the highest and best use of the plant and equipment, resulting in the FVLCD being greater than prior years. This supports the reversal of impairment losses on leasehold improvements (transferred to buildings and improvements) and equipment. The Company determined the recoverable amount as the FVLCD based on an estimate determined by an independent third-party appraisal of its production facility (including equipment). The key assumptions used in determining the fair value include comparable market data and fixed depreciation rates. The fair value measurement of the Company's plant and equipment is designated Level 3 on the fair value hierarchy.

As a result, $2,209,811 of the previously recognized impairment losses on plant and equipment were reversed which represents the lesser of the FVLCD and the carrying amount of the assets that would have been determined had no impairment loss been previously recognized.

Interest and Other Income

Interest and other income have increased over the prior year. The increase is due to interest earned on excess cash which has been invested in short-term, readily converted investments.

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.

Share based payments were $1,235,928 and $10,322,568 for the quarter and year ended March 31, 2019, respectively. New stock option grants for the year ended March 31, 2019 were:

- On June 4, 2018, the Company granted 1,475,000 stock options to certain employees and consultants with an exercise price of $1.20 and vesting terms quarterly over three years. The share-based payments recognized on this new grant are $172,475 for the three months and $834,520 for the year ended March 31, 2019.

- On October 1, 2018, the Company granted 3,900,000 stock options to certain directors and officers with an exercise price of $1.82. Of these options, 1,950,000 vested December 2018 and as a result, share based payments on this grant are $344,952 for the three months and $2,306,922 for the year ended March 31, 2019.
- On November 28, 2018, the Company granted 9,090,000 stock options to directors, officers, employees and consultants with an exercise price of $0.87. Of these options, 8,445,000 vested immediately. The share-based payments recognized on this grant are $132,453 for the three months and $6,116,403 for the year ended March 31, 2019.
- On February 27, 2019, the Company granted 1,025,000 stock options to a director and certain employees with an exercise price of $0.93. Of these options, 637,501 vested immediately and as a result a total of $510,020 was recognized in the three months and year ended March 31, 2019.

Share based payments were $339,934 and $6,187,910 for the quarter and the year ended March 31, 2018, respectively. Stock option grants for the year ended March 31, 2018 were:

- On April 3, 2017, the Company granted 8,517,765 stock options to certain directors, officers, employees and consultants with an exercise price of $0.66. Of these options, 6,455,544 vested immediately. The share-based payments recognized on this grant are $16,512 for the three months and $203,000 for the year ended March 31, 2019.
- On August 28, 2017, the Company granted 700,000 stock options to certain employees and consultants with an exercise price of $0.50. The share-based payments recognized on this grant are $9,689 for the three months and $73,847 for the year ended March 31, 2019.
- On December 6, 2017, the Company granted 1,278,000 stock options to certain directors, officers, and consultants with an exercise price of $1.82. Of these options, 889,000 vested immediately. The share-based payments recognized on this grant were $39,268 for the three months ended and $283,014 for the year ended March 31, 2018.

Loss on Demolition of Buildings

In January 2019, the Company demolished the warehouse and office building adjacent to Radient's production facility. Subsequent to the demolition the Company commenced construction of Edmonton III, its planned 100,000 square foot manufacturing facility anticipated to be operational in the second half of calendar 2020. Although the demolition of the buildings resulted in a loss on disposal, the strategic purchase and demolition of these properties provides the Company with controlled access to its production facility as well as necessary expansion capacity.

Liquidity and Capital Resources

		March 31, 2019		March 31, 2018
Non-current assets	**$**	**27,191,234**	$	5,966,400
Current assets		**33,835,039**		24,046,254
Current liabilities		**(3,690,792)**		(2,016,369)
Total assets less current liabilities	**$**	**57,335,481**	$	27,996,285
Non-current liabilities		**6,493,082**		2,124,160
Shareholders' equity		**50,842,399**		25,872,125
	$	**57,335,481**	$	27,996,285

Non-Current Assets

Non-current assets increased by $21,224,834 at March 31, 2019, as compared to March 31, 2018, which is attributable to:

Plant and Equipment

Plant and equipment increased $21,066,407 from March 31, 2018. This increase is related to assets acquired from 1631807 Alberta Ltd. of $4,413,129 and additional land and building purchased from the Amnor Group Inc. of $4,220,000 of which $1,960,000 was subsequently disposed. The increase was also due to $13,234,503 of additions related to the Company's capital expansion projects and other corporate capital requirements. Further contributing to the positive variance, a reversal of impairment losses previously recorded on plant and equipment of $2,209,811 was recorded in the current fiscal year. Plant and equipment were depreciated by $1,082,399 during the year ended March 31, 2019.

Long-Term Prepaids and Deposits

Long-term prepaids and deposits increased by $515,150 related to various patent update initiatives which commenced in fiscal 2018 and continued through the current fiscal year. Upon notification of successful patent application, the costs will be added to the Company's intangible non-current assets.

Intangible Assets

Additions to intangible assets of $807,940 include investment in the Company's recently implemented ERP system, a new corporate website, software additions, the Company's Research and Analytical Testing Licenses (formerly known as the Dealers License) and the Standard Processing License from Health Canada for the manufacturing facility.

The increases noted above are partly offset by a decrease of $1,119,015 in investment in related company which subsequent to May 3, 2018 is eliminated on consolidation as the Company acquired the remaining 50% interest in 1631807 Alberta Ltd.

Current Assets

Current assets increased by $9,788,785 at March 31, 2019 as compared to March 31, 2018, with notable variances as follows:

Cash

The Company's cash balance increased by $9,897,548, primarily due to proceeds received from the brokered and private placements of $34,202,759, net cash received on long-term debt of $5,263,392, proceeds received from the exercise of warrants of $5,779,704, proceeds from the exercise of stock options of $738,864, and interest received of $444,627. This increase is partly offset by cash requirements for operating activities of $15,322,077, cash purchases of plant and equipment of $12,296,038, the repayment of debt associated with the purchase of the Amnor Group Inc. assets of $2,218,614, the repayment of debt associated with the acquisition of 1631807 AB Ltd. of $1,388,691, repayment of the loan due to related company of $996,471, share issuance costs of $2,378,803, patent initiatives of $540,150, interest and pay-out penalties of $445,643, and the investment in intangible assets of $807,940.

Prepaids and Deposits

Prepaids and deposits decreased by $443,480 during the year ended March 31, 2019. This is primarily due to a reduction on production equipment deposits. In the prior year, as the Company was preparing for bringing the Edmonton I plant expansion online, there were a number of significant pieces of equipment with long lead-times that required deposits in advance.

Inventory

Contributing to the increase in current assets was an increase of $380,019 in inventory. The majority of this increase is due to materials purchased in preparation for cannabis oil extraction activities which commenced prior to the end of the fiscal year given the receipt of the Company's Standard Processing License granted in February 2019. In addition, due to the length of the time required to order and source customized parts for equipment, the Company has purchased spare parts to have on hand.

Current Liabilities

Current liabilities increased by $1,674,423 compared to the balance at March 31, 2018. This increase is predominantly driven by an increase in accounts payable and accrued liabilities of $1,853,622 due to a continued increase in activities related to the Company's preparation for growth expected as cannabis extraction production continues in the coming quarters. Offsetting the increase is a decrease in the current portion of long-term debt which is less than the prior year by $97,011.

Non-Current Liabilities

Non-current liabilities increased by $4,368,922 which is mostly attributable to the Moskowitz loan which accounts for an increase of $5,489,971 of which $5,500,000 is the principle portion net of $10,029 long-term deferred finance costs associated with the loan's acquisition. This increase is offset by a reduction in due to related company of $758,623, the previous loan owed to 1631807 Alberta Ltd. which was fully discharged in the first quarter of fiscal 2019 as well as a reduction in finance lease obligations of $98,640 as the leases near the end of their term.

Shareholders' Equity

Shareholders' equity increased by $24,970,274 as compared to the balance at March 31, 2018. This is primarily due the issuance of 20,700,000 common shares for the proceeds of $24,840,000 from the brokered placement, the issuance of 7,802,299 common shares for the proceeds of $9,362,759 from the private placement, the exercise of 11,773,693 warrants for total proceeds of $5,779,704, an issuance of 2,799,639 common shares related to assets purchased of $3,883,886, the exercise of 1,081,870 options for total proceeds of $738,864, and an issuance of 169,155 common shares related to shares issued for $212,594 of services rendered. As well, the Company recorded share-based compensation of $10,322,568. These increases were offset by share issuance costs of $2,378,803 and the recognition of a net loss of $27,855,567 for the year ended March 31, 2019.

Contingencies and Commitments

Operating Lease Arrangements

The Company has entered into non-cancellable operating lease agreements for office and warehouse space. Future minimum lease payments payable are as follows:

		March 31, 2019
Within one year	$	**612,674**
After one year but not more than five years		**899,515**
Later than five years		**112,439**
	$	**1,624,628**

Commitments for Expenditures

The Company has entered into various contracts for the construction of Edmonton III manufacturing facility and the purchase and retrofitting of equipment related to its planned capital expansion projects. As at March 31, 2019, the remaining commitments related to these contracts are $16,098,096 for assets under construction and $178,059 for equipment (2018 - $2,118,092 for leasehold improvements and $1,053,060 for equipment).

In addition, the Company has entered into a contract for the maintenance of certain assets as well as a contract for network services with a remaining commitment of $468,368 being required. Contract terms range between one and five years.

Off-Balance Sheet Arrangements

There are no off-balance sheet arrangements.

Related Party Transactions

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

Balances and transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation.

Details of the related party transactions follow:

Key Management Personnel and Director Remuneration

The remuneration of directors and key management personnel follows:

		Quarter ended March 31				Year ended March 31		
		2019		2018		**2019**		2018
Compensation	**$**	**237,409**	$	222,875	**$**	**921,784**	$	920,100
Short-term benefits		**6,935**		6,121		**25,740**		24,483
Share-based compensation		**556,567**		147,047		**6,609,518**		4,060,547
	$	**800,911**	$	376,043	**$**	**7,557,042**	$	5,005,130
Number of stock options issued		**250,000**		-		**9,675,000**		6,589,102
Weighted average exercise price	**$**	**0.93**	$	-	**$**	**1.25**	$	0.80

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

As at March 31, 2019, $109,804 (March 31, 2018 - $106,895) was included in accounts payable and accrued expenses for amounts owing to key management personnel, directors and companies controlled by key management personnel or directors.

Equity Transactions

During the year ended March 31, 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. These officers and directors included Francesco Ferlaino ($600,000), Jan Petzel ($660,000) and the CEO ($49,920).

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. $62,500 was received from the CEO and $250,000 from Francesco Ferlaino, a director of the Company.

During the Year Ended March 31, 2018

460,973 common shares were issued to certain directors and key management personnel of the Company for warrants exercised for total proceeds of $103,777. These officers and directors included the CEO ($75,000), CFO ($12,500), two directors Dimitris Tzanis ($7,974) and Jan Petzel ($8,303).

The COO and one director, Jan Petzel, exercised 406,250 options for total proceeds of $103,125 and $165,000 respectively.

Services Provided

During the year ended March 31, 2019

Akaura Holdings Inc., owned by Harry Kaura, a director of the Company, received $103,668 for rent and operating costs associated with the rental of a warehouse required by the Company. Further, Amnor Group Inc., also owned by Harry Kaura received $95,000 for site clearing and preparation services related to the Company's Edmonton III capital expansion project.

During the year ended March 31, 2018

ITW – Global GmbH owned by Dimitris Tzanis, a director of the Company, received $11,605 for providing design services to the Company.

New Accounting Standards

The following new IFRS accounting standards have been adopted by the Company and are further discussed below.

IFRS 9 - Financial Instruments

In 2014, the International Accounting Standards Board (IASB) issued the final version of IFRS 9 to replace IAS 39 – *Financial Instruments: Recognition and Measurement.* The Company adopted IFRS 9 retrospectively on April 1, 2018. The adoption of this standard did not have a significant impact to the consolidated financial statements. The new standard introduces extensive changes to IAS 39's guidance on the classification and measurement of financial assets and introduces a new "expected credit loss" model for the impairment of financial assets. IFRS 9 also provides new guidance on the application of hedge accounting.

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities. The adoption of IFRS 9 has not had a significant effect on the Company's accounting policies related to financial liabilities.

IFRS 9 has eliminated the previous IAS 39 categories for held to maturity, loans and receivables and available for sale financial assets. A financial asset is now classified as measured at: amortized cost; fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVPTL). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. Derivatives embedded in contracts where the host is a financial asset in the scope of the new standard are never separated. Instead the hybrid financial instrument as a whole is assessed for classification. The Company's financial assets which consist of cash, accounts receivable, deposits and advances to/from related company are classified as financial assets at amortized cost. Financial assets are measured at amortized cost using the effective interest method, less any impairment losses.

IFRS 9 results in a single impairment model being applied to all financial instruments measured at amortized cost or at fair value through other comprehensive income. This expected credit loss impairment model requires more timely recognition of expected credit losses. Specifically, the new standard requires entities to account for expected credit losses from when financial instruments are first recognized and to recognize full lifetime expected losses on a timelier basis. The adoption of IFRS 9 had no material impact to the financial statements.

IFRS 15 - Revenue from Contracts with Customers

The Company adopted IFRS 15 – *Revenue from Contracts with Customers* on April 1, 2018 using the modified retrospective approach where the cumulative impact of adoption would be recognized in retained earnings as of April 1, 2018 and comparatives would not be restated. IFRS 15 replaced IAS 18 - *Revenue* in its entirety. The standard contains a single model that applies to contracts with customers and two approaches to recognize revenue: at a point in time or over time. This single model sets out a five-step framework to determine whether, how much and when revenue is recognized.

The Company derives revenue from contracts with customers to extract natural compounds from a range of biological materials for health and wellness and cannabis products. The accounting policy under IAS 18 described in the Company's 2018 annual consolidated financial statements states that all income relating to the sale of processing services is recognized as revenue when the amount of revenue can be measured reliably, economic benefits are probable, the stage of completion at the balance sheet date can be measured reliably, and the costs related to the transaction can be measured reliably. When all these criteria have not been met, the revenue will only be recognized to the extent of the expenses recognized that are recoverable. The Company considers delivery of the extracted compounds to have occurred upon shipment when the significant risks and rewards of ownership have been transferred to the customer. Under IFRS 15's new guidelines, revenues from extraction services are recognized when the performance obligations in each contract are met.

The Company applied IFRS 15 retrospectively to all contracts that were not complete on April 1, 2018, the date of initial application to determine if a restatement was required for prior periods presented. The Company performed a comprehensive review of existing contracts, control processes and revenue recognition methodology. In evaluating the impact of the standard on previously reported comparative figures, the Corporation determined that there was no change required as the existing revenue recognition practices met the requirements of IFRS 15. Consequently, there was no adjustment to the opening balance of retained earnings as at April 1, 2018, no change to the classification and timing of revenue recognition, the measurement of contract costs or the recognition of contract assets (costs in excess of billings) and contract liabilities (deferred revenue).

Future Changes in Accounting Standards

The following are the new IFRS pronouncements that have been issued, that are not yet effective, that have not been early adopted, and that may have an impact on the Company in the future, as discussed below.

IFRS 16 – Leases, replaces IAS 17 – Leases, IFRIC 4 – Determining whether an arrangement contains a lease, SIC 15 – Operating Leases and SIC 27 – Evaluating the substance of transactions involving the legal form of a lease. 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. Lessor accounting is substantially unchanged from IAS 17. IFRS 16 is effective for annual periods beginning on or after January 1, 2019.

The following changes are anticipated as a result of the implementation of IFRS 16:

- Leases previously classified as operating leases under IAS 17 with a lease term greater than 12 months will be recognized as right-of-use assets and financial liabilities. This will increase the amount of total assets and total liabilities in the consolidated balance sheets.
- The depreciation expense from the right-of-use assets and interest expense from the financial liabilities will be recorded in the consolidated income statement. These operating leases were previously recorded as operating expenses. Any payments such as utilities, common area maintenance costs, property tax, or any additional service payment associated with the leases will continue to be recorded in the income statement as operating expenses.
- As a result of adopting the new standard, the Company has estimated as at April 1, 2019 that property, plant, and equipment will increase by approximately $687,241, long-term debt will increase by $687,241, and there will be no cumulative impact to the Company's opening retained earnings. The above amounts are based on lease information gathered and evaluated to date and are subject to change.

The Company expects to implement the standard using the modified retrospective approach which would result in any cumulative effect of adoption being recognized as an adjustment to the opening retained earnings at April 1, 2019. The Company expects to adopt the practical expedient to account for leases with a remaining term of less than 12 months as at April 1, 2019 as short-term leases and to grandfather previous assessments of whether a contract was or contained a lease under IAS 17 and IFRIC 4 at the date of initial application.

Financial Instruments and Related Risk

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

Accounts payable and accrued liabilities approximate their carrying amount due to their short-term nature. The fair value of loans and borrowings are classified as financial liabilities for valuation purposes under IFRS 9. Financial liabilities are measured initially at fair value and subsequently at amortized cost using the effective interest method.

The Company has exposure to credit, liquidity, interest rate and foreign exchange 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, accounts receivable and advances to related company 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, 2019, the Company had $nil trade accounts receivable balances. GST of $180,483 (2018 - $76,235) comprises the majority of the other receivables balance 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 on its variable rate long-term debt.

For the period ended March 31, 2019, 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 $61,972 (2018 - $7,568).

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 could encounter difficulty in meeting its financial obligations if certain risks were to occur. See the risk factors section 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	$ 3,522,828	$ -	$ -	$ -	$ 3,522,828
Long-term debt	733,950	5,971,912	222,982	376,939	7,305,783
Lease obligation	105,394	91,053	-	-	196,447
Balance March 31, 2019	**$ 4,362,172**	**$ 6,062,965**	**$ 222,982**	**$ 376,939**	**$ 11,025,058**
Accounts payable and accrued liabilities	$ 1,669,206	$ -	$ -	$ -	$ 1,669,206
Long-term debt	220,950	479,400	317,195	438,737	1,456,282
Lease obligation	110,784	189,633	-	-	300,417
Due to related company	108,488	207,967	195,955	1,087,006	1,599,416
Balance March 31, 2018	$ 2,109,428	$ 877,000	$ 513,150	$ 1,525,743	$ 5,025,321

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

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, 2019. The analysis is based on financial assets and liabilities denominated in US Dollar ("USD"), Euro ("EUR"), British Pound ("GBP"), and Swiss Franc ("CHF") ("balance sheet exposure").

	March 31, 2019			
	(USD)	(Euro)	(GBP)	(CHF)
Cash	$ 451,320	$ 46,923	$ -	$ 100,000
Accounts receivable	-	9,734	-	-
Accounts payable and accrued liabilities	(364,902)	(155,975)	(170,750)	-
Net balance sheet exposure	**$ 86,418**	**$ (99,318)**	**$ (170,750)**	**$ 100,000**
Translation rate at March 31, 2019	1.3768	1.5262	1.8144	1.3859
Net income impact of a 10% rate change	**$ 11,898**	**$ 15,158**	**$ 30,981**	**$ 13,859**

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 Annual Information Form for the year ended March 31, 2019.

Ability to Implement Business Plan

There can be no assurance that Radient will successfully market its technology and earn sufficient revenue to permit the level of research and development spending required to maintain the stream of new technological advances and product development. Radient's success will depend upon market acceptance of its technology and products, its ability to enhance its existing technology and products and its ability to introduce new products and features that meet customer requirements. There can be no assurance that Radient will be successful in developing, manufacturing, marketing or enhancing its technology and products. Radient's business would be adversely affected if it incurs delays in developing its technology, products or enhancements or if such technology, products or enhancements do not gain market acceptance. In addition, there can be no assurance that products or technologies developed by others will not render Radient's technology or products non-competitive or obsolete.

Radient's sales and marketing plan and its professional sales and marketing function have not yet progressed significantly into commercial scale and are based on several assumptions which may or may not prove to be accurate. Poor market acceptance of Radient's technology, products or other unanticipated events may result in lower revenues than anticipated.

Limited Operating History

Radient has a limited commercial operating history and no recent, significant revenues. The likelihood of the success of Radient must be considered in light of the risks, costs, complications and delays frequently encountered in the establishment of a new technology and product. Radient may encounter unforeseen difficulties or delays in its operations and the development of its market.

Technology Scale-Up

Radient has successfully completed scale-up of its technology to commercial scale. The success of Radient's business will be largely dependent on the ability to replicate its technology, and its inherent benefits on a commercial scale for different biomasses. Failure to do so will result in an inability to secure commercial contracts.

Cost Control

Success will largely be predicated upon Radient's ability to use its technology to develop, sell and distribute consistent, high quality, products at competitive prices, and at a commercial scale. There can be no assurance that Radient will be able to develop, sell and distribute its products and technology at competitive prices. Failure to do so will result in smaller profit margins or losses.

Cannabis Industry

In late calendar 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 Dealers license 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, 2019, Aurora holds a 13.98% interest in the Company and has the right to vote for the election of directors to the Company's 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

While the Radient MAP™ technology is potentially disruptive in the marketplace, the industrial technology industry is intensely competitive in all its phases, and Radient will compete with many companies that have substantially greater financial and technical resources.

New technology may be developed, and new advances may significantly reduce the value of Radient's MAP™ technology. In recent history, Radient has not sold its technology on a commercial scale, and it will compete against more established companies, some of which have greater financial, marketing and other resources than that of Radient.

There can be no assurance that potential competitors of Radient, which may have greater financial, R&D, sales and marketing and personnel resources than Radient, are not currently developing, or will not in the future develop, products and strategies that are equally or more effective and/or economical as any products or strategies developed by Radient or which would otherwise render its products or strategies obsolete.

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.

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.

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 large volumes of customers but instead on a small number of high-volume customers. As Radient expects to have a small number of customers, the loss of any one could have a material adverse effect on its revenues and financial results.

Volatile Market Price

Securities markets have a high level of price and volume volatility, and the market price of securities of many companies experience wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. Factors unrelated to the financial performance or prospects of the Company include macroeconomic developments in North America and globally, and market perceptions of the attractiveness of particular industries. As a result of any of these factors, the market price of the securities of the Company at any given point in time may not accurately reflect the long-term value of the Company.

Additional Financing

Radient has not generated significant revenues in its recent history. As a growing business, Radient's need for operational capital will also grow. 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 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 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.

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 licenses. 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: 270,735,995

Fully diluted capital: 331,772,785

Stock Options

24,645,150 are issued and outstanding with a weighted average exercise price of $1.03. Each stock option entitles its holder to purchase one common share of the Company with varying expiry dates up to June 23, 2024. Additionally, on June 5, 2019, the Company approved to issue 470,000 incentive stock to certain employees and consultants in which 50% vests immediately and 50% quarterly over two years at an exercise price of $0.93. Each stock option entitles its holder to purchase one common share of the Company until June 5, 2024.

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

33,955,205 are issued and outstanding with a weighted average exercise price of $0.97. Each warrant entitles its holder to purchase one common share of the Company with varying expiry dates up to July 31, 2020.

Shares Issued for Services

During the year ended March 31, 2019 and the year ended March 31, 2018, 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 $379,000 USD, $585,000 GBP and $96,000 CAD 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 2-year renewal term. Common shares with a value of $146,250 GBP and $5,630 USD have been issued as of the date of this MD&A for services rendered during the year ended March 31, 2019. Common shares with a value of $97,500 GBP have been issued as of the date of this MD&A for services rendered for April and May 2019.

Other Shareholder Information

Directors

Denis Taschuk, CA (Board Member, Compensation Governance & Nominating Committee) (Non-Independent)
Harry Kaura (Board Member, Health & Safety Committee)
Mike Cabigon (Board Member, Health & Safety Committee) (Non-Independent)
Steve Dauphin (Board Member, Audit Committee (Chairman) Compensation Governance & Nominating Committee)
Francesco Ferlaino (Board Member (Chairman), Audit Committee, Compensation Governance & Nominating Committee (Chairman))
Dimitris Tzanis (Board Member)
Jan Petzel (Board Member, Audit Committee)
Steven Splinter (Board Member) (Non-Independent)
Allan Cleiren (Board Member) (Non-Independent)

Officers

Denis Taschuk, CA (President and Chief Executive Officer)
Mike Cabigon (Chief Operating Officer)
Steven Splinter, PhD (Chief Technology Officer and Corporate Secretary)
Prakash Hariharan, (Chief Financial Officer)

Corporate Counsel

Fasken Martineau DuMoulin LLP, 2900 – 550 Burrard Street, Vancouver BC

Auditors

Grant Thornton LLP, Chartered Professional Accountants, 1701 Scotia Place 2, 10060-Jasper Avenue, Edmonton AB

Trust Agent

Odyssey Trust Company (Canada), 350 – 300 5th Avenue S.W., Calgary, AB

Contacts (780-465-1318)

Corporate & Strategic – Denis Taschuk
Investor Relations – Bill Wasson
Administration & Finance – Prakash Hariharan