RADIENT

Management Discussion & Analysis

Quarter ended December 31, 2020

March 1, 2021

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Management Discussion and Analysis ("MD&A")

The following MD&A is prepared as of March 1, 2021 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 unaudited interim condensed consolidated financial statements and related notes for the three and nine months ended December 31, 2020 and the audited consolidated financial statements for the year ended March 31, 2020 and accompanying MD&A ("Annual MD&A"). The financial statements, Annual MD&A and additional information about Radient, including Radient's Annual Information Form for the year ended March 31, 2020 ("AIF"), 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 interim condensed consolidated financial statements are prepared in accordance with International Accounting Standard ("IAS") 34: "Interim Financial Reporting." The notes to the interim condensed consolidated financial statements are condensed as they do not include all the information required in audited annual financial statements. All dollar amounts are expressed in Canadian currency unless otherwise indicated.

Certain information contained herein includes market and industry data that has been obtained from or is based upon estimates derived from third party sources, including industry publications, reports and websites. Third party sources may state that the information contained therein has been obtained from sources believed to be reliable, but there is no assurance or guarantee as to the accuracy or completeness of included data. Although the data is believed to be reliable, neither the Company nor its agents have independently verified the accuracy, currency, reliability or completeness of any of the information from third party sources referred to in this MD&A or ascertained from the underlying economic assumptions relied upon by such sources. The Company disclaims any responsibility or liability whatsoever in respect of any third-party sources of market and industry data or information.

Non-IFRS Measures

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

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

Forward-Looking Statements

This MD&A offers our assessment of Radient's future plans and operations as of March 1, 2021 and contains "forward-looking statements" and "forward-looking information" within the meaning of applicable securities law (collectively referred to in this MD&A as "forward looking statements"). All such statements and disclosures, other than those of historical fact, which address activities, events, outcomes, results or developments that Radient anticipates or expects may, or will occur in the future (in whole or in part) should be considered forward-looking statements.

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

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

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

Core Business and Strategy

Overview

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

The Company has incurred significant losses to date. The net loss for the three and nine months ended December 31, 2020 were $11,205,613 (2019 - $5,438,335) and $20,045,945 (2019 - $18,671,342) respectively. The net loss includes non-recurring non-cash expenses related to: inventory valuation - $6,600,000, impairment of lease asset - $612,546, share based payments - $362,356, and loss of disposal of assets related to lease impairment - $363,896. As at December 31, 2020 the Company had a deficit of $147,329,354 (March 31, 2020 - $127,283,409). These balances indicate there is material uncertainty about the Company's ability to continue as a going concern.

The Company currently has a working capital deficiency of $33,390,944 (March 31, 2020 - $16,401,248). The deficit balance indicates that there is material uncertainty about the Company's ability to continue as a going concern.

At December 31, 2020, the Company is in arrears with trade creditors, rent, wages, long-term debt, and lease liabilities. Subsequent to December 31, 2020, the Company is continuing to work on several potential financings, notably through issuance of equity to address its working capital deficiency. In addition, through a series of commercial transactions related to the recreational cannabis market in Canada, the Company has been actively growing its sales volumes since September 2020. This coupled with a reduced cost curve is a part of the core strategy of the Company to reverse its working capital deficiency in 2021.

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

During the first quarter of the 2020 calendar year, there was a global pandemic outbreak of COVID-19. The actual and threatened spread of the virus globally has had a material adverse effect on the global economy and; specifically, the regional economies in which the Company operates. The pandemic could continue to have a negative impact on the stock market, including trading prices of the Company's shares and its ability to raise new capital. These factors, among others, could have a significant impact on the Company's operations. Management have given consideration as to the impact of COVID-19 on the Company and concluded that the consolidated financial statements appropriately reflect and disclose management's best estimate and uncertainty regarding the impact of COVID-19 on the Company's future operations and financial results.

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

The head office and research and development lab of Radient is located at 8223 Roper Road NW, Edmonton, Alberta, T6E 6S4 (the "Roper Road Facility") 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.

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

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

The Company had a 50% interest in Natac Solutions S.L. which was incorporated in the year ended March 31, 2020. The Company's interest was terminated on August 13, 2020 for nominal proceeds.

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

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

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

Background

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

In the year ended March 31, 2018, the Company explored opportunities with Aurora Cannabis Inc. (“Aurora”) which culminated in a Master Services Agreement (“MSA”) finalized on November 6, 2017, pursuant to which the Company agreed to perform certain services for Aurora using its proprietary extraction technology, in relation to supply of standardized cannabis extracts. The MSA has an initial term of five years, with an option for Aurora to renew the agreement for an additional five years. As a part of the partnership, Aurora has invested approximately $14.0 million in the Company through a combination of convertible debentures (that converted into equity in fiscal 2018), private placements and warrant exercises. As of December 31, 2020, Aurora held 33,101,542 common shares of Radient representing approximately 9.58% of the issued and outstanding common shares and 7.97% of the issued and outstanding common shares on a fully diluted basis. In connection with the MSA, Radient and Aurora entered into an Investor Rights Agreement that provides Aurora with certain rights to participate in future offerings, providing Aurora with the option to expand its ownership in the Company up to 19.99%. During the quarter ended December 31, 2020, Aurora ceased to have significant influence over the Company and as a result of no longer having a director on the Company board, are no longer a related party.

The Aurora MSA was the precursor of the Company’s entry into the cannabis space and its focus on establishing appropriate production facilities, required licences and human capital to deliver on the MSA.

The Technology

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

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

Compared to conventional extraction methods, Radient’s continuous-flow proprietary extraction and processing technology offers cannabinoid recoveries exceeding 95% for resulting high final product yields.

Management believes this proprietary high efficiency process combined with high throughput capacities and process economics gives Radient a strong competitive advantage over other existing methods.

Business Model

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

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

Corporate Focus

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

Cannabis Activities

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

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

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

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

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

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

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

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

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

Nicotine Reduction Activities

Radient continues to hold significant intellectual property relating to nicotine reduction and the Company is exploring partnerships that would allow for further development and to monetize the research and development work that has been completed. Work done to date demonstrates the ability to significantly reduce nicotine in tobacco. Further research and development will be determined by the extent of any future partnership.

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

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

Cannabis Regulatory Considerations

As at the date of the MD&A, Radient has successfully participated in two virtual Health Canada compliance inspections both resulting in Compliant ratings. The first was a week-long general compliance inspection from December 1, 2020 to December 7, 2020, resulting in one minor observation. The submitted corrective action plan was accepted by the inspectors and the inspection was closed on January 22, 2021. The second inspection, from January 26 and 27, 2021 was a two day sampling and compliance inspection focused on vape products and vaping extracts which resulted in 4 minor observations. Two lots of vape cartridges were selected for testing by Health Canada's test laboratory. The corrective action plan was submitted for the inspectors review on February 23, 2021; the test results from the samples obtained are not expected for several months.

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

Standard Processing Licence

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

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

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

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

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

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

On December 23, 2019, Radient submitted an amendment to Health Canada for the addition of sales to its Standard Processors Licence. This amendment was granted on June 26, 2020. Subsection 17(5) of the Cannabis Regulations allows for the holder of a Standard Processing licence whose licence authorizes the sale of cannabis to conduct the following activities:

- sell and distribute cannabis products to a holder of a licence for sale, or a person that is authorized under a provincial Act, to sell cannabis; and
- send and deliver cannabis products to the purchaser of the products at the request of a person that is authorized under a provincial Act, to sell cannabis or a holder of a licence for sale.

Research and Analytical Licences

The Company's Roper Road Facility holds both Research and Analytical Testing Licences and the Edmonton I manufacturing facility holds an Analytical Testing Licence. A Research Licence under the Cannabis Act authorizes the holder, for the purposes of research, to possess, produce, transport, send or deliver cannabis. An amendment was submitted by the Company for it's Research Licence on June 15, 2020 to add administration to and/or testing on humans involving the consumption of cannabis. This amendment was received on November 12, 2020.

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

Canadian Securities Regulation Regarding U.S. Cannabis Activities

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

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

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

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

EU Requirements

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

German Requirements for Processing of Cannabis

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

Manufacturing Permit

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

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

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

Narcotics Handling Permit

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

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

The application for the permit can only be made once the Company's manufacturing facility is ready to operate. The permitting process is a consultative process with the authorities to ensure that the setup of the manufacturing operation will be accomplished in a manner acceptable to the authorities. This facilitates a timely review of the application. The Company has had ongoing consultations with the BfArM and law enforcement authorities regarding its pending application and, to date, no significant concerns have been raised.

Import Permits

Should the Company decide to handle medical cannabis that has not originated from Germany, two kinds of import permits will be required.

First, the Company will need a general permit granted by BfArM to import medicines pursuant to section 72 of the AMG. The application for this permit must specify which products are to be imported as the import of medical cannabis is particularly regulated. Imports are only allowed from countries that are in compliance with the *United Nations Single Convention on Narcotic Drugs of 1961* (the "Single Convention"). The BfArM does not issue a comprehensive list of countries it considers to fulfill the criteria. Instead, it will evaluate an exporting country's compliance with the Single Convention only when a permit for importing from that country has been applied for. So far, only permits for the import from the Netherlands, Canada and Austria have been granted. Under German law, a general import permit should be granted within three months following the application once all necessary documents have been filed with the authorities and are in satisfactory condition.

Second, each import requires its own permission under section 11 of the BtMG. This application is made on an import by import basis. This shipment specific import permit grants German authorities control over the kind, amount, timing and destination of narcotics imported into Germany. Typical timelines for receipt of an individual import permission can run up to several weeks.

Wholesale Permit

The wholesale of medicines requires a wholesale permit according to section 52a of the AMG. However, if the Company already holds a manufacturing permit or a general import permit, then the wholesale permit is included therein. Only if the Company does not manufacture or import, meaning that it is only an intra-German distributor, will a separate wholesale permit be necessary.

Outlook and Developments

In the three and nine months ended December 31, 2020, Radient recorded $1,806,046 (2019 - $11,205,961) and $1,892,841 (2019 - $12,254,731) respectively of revenue from its manufactured products as a result of extracting cannabinoids at industrial scale at now-validated recovery rates in excess of 90%, and resulting in high final product yield. In the three and nine months ended December 31, 2020, the Company recorded $5,430 (2019 - $nil) and $63,772 (2019 - $250,607) respectively of revenue from its manufacturing services. The Company's Edmonton I facility continued to operate 24 hours a day, 5 days per week until the middle of March 2020 when the Company announced temporary layoffs due to COVID-19, resulting in a halt in production and retaining only those staff who the Company believed were essential to maintaining the safety of day-to-day limited operations. Since September 30, 2020, the Edmonton I ramped up to meet its targeted sales volumes. The growth in sales volumes has been driven by penetration of products backed by the Radient brand servicing the recreational cannabis market in Canada.

Radient has put construction on hold in Edmonton and Germany and is reviewing the options to restart construction pursuant to the requirement for additional liquidity. The Company requires additional capital to execute on such plans. Going forward, production of distillates, resins, oils and emulsions are expected to be the Company's foundation for a product pipeline that includes topicals, vape fluids, formulations for edibles, white label formulations, and other value added products.

The Company anticipates maximizing the revenue potential of this product pipeline through distribution and sales partnerships with licensed producers and brand owners. Radient has now announced several partnerships and collaborations on downstream activities including the production of distillates and isolates, formulations and formulated products with groups such as Tunaaaaroom and Dreamy CBD ("Dreamy") in addition to partnerships with Shoppers Drug Mart, Fluum and Premium 5. The Company expects to add additional white label agreements in the coming quarters. As at the date of this MD&A, the Company signed a termination agreement with Premium 5. In addition to British Columbia, Radient products are now available in Alberta and Saskatchewan through its collaboration with Tunaaaaroom. The Company also announced its first shipment of products to Saskatchewan with Tunaaaaroom under the brand name TRX and will continue to add additional retail brand names under various product categrories related to Cannabis 2.0 products. To date the Company's registrations have been approved in British Columbia, Alberta, Saskatchewan, Manitoba, New Brunswick, Nova Scotia, Nunavut and the Northwest Territories. The vape filling line which had been commissioned in Q2 2021 is fully operational and currently producting cartridges for our clients. Future products which the Company expects to have in production shortly include dissolvable powders, including flavored drink juice crystals, hot chocolate and edibles. The strategy will be to focus on premium concentrates that are expected to be a core part of the recreational cannabis market in Canada.

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

Management Changes

The Board of Directors (the “Board”) of the Company announced on September 18, 2020 that it is conducting a strategic review of the Company’s operations targeting a path to positive cash flow by evaluating costs and under utilized assets. This was to build on its recent successes in launching white label products and increasing its distribution to additional provinces. As a part of the strategic review, the Board named Jan Petzel as Interim President and Chief Executive Officer. Mr Petzel has been a Director of Radient since 2016 and has a comprehensive understanding of the Company. As a part of the management changes, the Board also announced the departure of Denis Taschuk, CEO and Mike Cabigon, COO. Denis Taschuk continues to remain as a strategic advisor to the Board ensuring a smooth transition.

Further to these changes, Radient announced the appointment of Harry Kaura as the CEO of the Company effective February 3, 2021. This was a part of the transition from Jan Petzel as from his role as Interim President and CEO. Harry has served as a Director in Radient’s Board since 2013 and dedicated his time in the Business Development initiatives and in the management of the operations for Radient supporting Jan Petzel. He led the team in the reorganization of the manufacturing unit that is in full ramp up mode since January 2021.

Licensing Agreement with US Based Dreamy CBD

On November 25, 2020, the Company announced that they have entered a licensing agreement with Dreamy, to bring Dreamy CBD products under Radient’s platform to Canada and extend it to other international markets. Under the licensing agreement, Radient will have exclusive rights to the licenses and trademarks for Dreamy CBD brands and will collaborate jointly with Dreamy to produce their CBD products and launch their brands in Canada.

Commercialization of New Cannabinoid Ingredients and Formulations

Leveraging its strong natural health product formulation expertise, Radient’s product development team has developed and continues to develop a broad range of proprietary cannabinoid-based product formulations for both medical and consumer markets. Attention has been given to the development of formulations that demonstrate evidence-backed physico-chemical stability, ensuring the highest quality and dosing consistency of final forms that will fully meet the industry’s current strict regulatory framework. Examples include: cannabis tinctures; water-soluble and water-dispersible formulations for beverage applications; solid and liquid forms suitable for a wide range of cannabis edible products; standardized powders for tablets, capsules, sachets and lozenges; formulated liquids for vaporizing devices; and various topical formulations including creams, ointments, lotions and gels. Radient will be bringing these formulations over the coming months to its customers.

Financing Initiatives

On October 9, 2020, Radient announced a proposed non-brokered private placement of up to 40 million common shares at a price of $0.10 per share for potential aggregate gross proceed of up to $4 million. As of December 31, 2020, $905,000 was received and subsequently the Company has received $748,000 in gross proceeds from the equity financing.

Efforts are underway by the Company to look at a range of options including additional equity issuances and restructuring of its liabilities to provide liquidity to bridge the negative working capital position. As of the date of this MD&A, $18.8 million of liabilities with trade creditors are overdue by 120 days or greater.

Radient is actively working with its creditors to offset this situation and recognizes the associated liquidity risk to the Company if the financing initiatives do not materialize.

Expansion Projects

The Company has halted work on expansion projects in the near term to focus on building cash positive results from current operating activities.

Results of Operations

Summary of Results by Quarter

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

Quarter ended	December 31, 2019	September 30, 2019*	June 30, 2019	March 31, 2019
Revenues	$ 11,205,961	$ 1,238,350	$ 61,027	$ -
Loss before other income and expenses	(4,733,527)	(5,931,706)	(5,706,773)	(6,590,995)
Loss per share, before other income and expenses (basic and diluted)	(0.02)	(0.02)	(0.02)	(0.02)
Net loss	(5,438,335)	(6,882,035)	(6,350,972)	(7,410,399)
Net loss per share (basic and diluted)	$ (0.02)	$ (0.03)	$ (0.02)	$ (0.03)
Weighted average number of common shares outstanding	272,983,882	271,064,804	270,249,163	266,815,579
Total assets	$ 76,044,284	$ 75,999,601	$ 80,998,496	$ 61,026,273
Long term liabilities	9,950,226	10,128,544	6,987,198	6,493,082

***Restated**: Unaudited interim financial results for the quarter ended September 30, 2019 were restated to reflect the reclassification of a $440,513 loss on extinguishment of long-term debt which was previously classified as finance fees and subsequently classified in other income and expenses. The impact of this change on interim condensed consolidated statements of operations and comprehensive loss was to decrease the loss before other income and expense from $6,372,219 to $5,931,706 and the loss per share, before other income and expenses from $0.03 to $0.02.

The Company ceased plant operations effective March 18, 2020 in response to COVID-19, laying off non-essential staff in order to preserve liquidity.

In the quarter ended March 31, 2019, $nil revenue was recognized as the Company discontinued health and wellness contracts and commenced analytic testing of cannabis in preparation for receipt of its Standard Processing Licence from Health Canada. The quarter ended June 30, 2019 represents the first quarter that the Company recognized cannabis related revenue subsequent to receipt of its Standard Processing Licence with an increase in the quarter ended September 30, 2019 to $1,238,350. During the quarter ended December 31, 2019, operations were scaling up and $11,205,961 of revenue was recognized. In the quarter ending March 31, 2020, revenue of $5,899,177 was recognized which was affected by the shift in operational focus to resin and distillate production as well as the shut down in operations due to the COVID-19 global pandemic. The global pandemic affected revenue through the quarters ended June 30, 2020 and September 30, 2020. In the quarter ended December 31, 2020, the Company recorded revenue of $1,811,476 related predominantly to white labelling and filling activities.

The quarter ending June 30, 2019 represented a $884,222 reduction in the quarterly loss before other income and expenses as compared to the quarter ended March 31, 2019. The quarter ended March 31, 2019 included some one-time costs that were not expected to be experienced in subsequent quarters, related primarily to intellectual property projects which were not directly associated with patent filings, and therefore expensed. The quarter ended June 30, 2020 reflects a loss before other income and expenses impacted by one-time charges related to the deferral of projects predominately in Germany as well as reductions related to staff lay-offs and the halt of production activities. The losses are offset through the recognition of wages subsidies of $438,639 and rent relief of $27,809. The quarter ended September 30, 2020 reflects the continuation of the halt in production activities and the review of expenditures to determine where cost savings can be realized. Reducing the loss for the quarter ended September 30, 2020 is the recognition of wage subsidies of $435,315 and rent relief of $289,035.

Net loss is most notably affected in the quarter ended March 31, 2020 where the Company recognized impairment losses of $5,800,000 on inventory and $4,500,000 on plant and equipment. Net loss for the quarter ending December 31, 2020 includes non-recurring non-cash expenses related to: inventory valuation - $6,600,000, impairment of lease asset - $612,546, share based payments - $362,356, and loss of disposal of assets related to lease impairment - $363,896. June 30, 2019 recorded an increase in total assets as compared to March 31, 2019 of $19,972,223. $14,432,313 of this increase related to the Company’s purchase of dried cannabis inventory and $5,539,910 was attributable to the Company’s capital expansion projects and progress on the construction of its Edmonton III manufacturing facility. Total assets decreased from December 31, 2019 to March 31, 2020 as the Company recognized impairment losses during the quarter ended March 31, 2020 of $5,800,000 on inventory and $4,500,000 on plant and equipment. Total assets decreased for the quarter ended December 31, 2020 by $6,694,025 resulting predominately from the impairment of the net realizable value on inventory.

Long-term liabilities increased as at September 30, 2019 due to an amendment to the Moskowitz mortgage and again as at March 31, 2020 due to the closing of debenture financing. Long term liabilities decreased significantly in the quarter ended December 31, 2020 as the Moskowitz mortgage is due November 2021 resulting in disclosure as a current liability.

Consolidated Statement of Operations and Comprehensive Loss

	Quarter ended December 31		Nine months ended December 31	
(Unaudited)	**2020**	2019 Note 1	**2020**	2019 Note 1
Revenues				
Manufactured products	**$ 1,806,046**	$ 11,205,961	**$ 1,892,841**	$ 12,254,731
Manufacturing services	**5,430**	-	**63,772**	250,607
	1,811,476	11,205,961	**1,956,613**	12,505,338
Cost of sales				
Manufactured products	**$ 1,445,855**	$ 9,725,332	**$ 1,587,593**	$ 10,703,647
Manufacturing services	**1,773**	-	**58,761**	185,739
	1,447,628	9,725,332	**1,646,354**	10,889,386
	363,848	1,480,629	**310,259**	1,615,952
Expenses				
General and administrative	**1,576,055**	2,206,531	**5,072,996**	6,854,963
Financing fees	**848,074**	174,888	**1,995,615**	448,750
Depreciation and amortization	**500,282**	569,127	**1,710,184**	1,598,284
Engineering	**298,326**	589,947	**919,092**	1,660,460
Research and process development	**231,795**	955,509	**916,289**	2,381,719
Production plant	**317,086**	869,336	**779,859**	2,676,677
Quality control and assurance	**7,139**	408,807	**155,120**	1,130,731
Business and corporate development	**52,445**	440,111	**135,315**	1,236,374
	3,831,202	6,214,156	**11,684,470**	17,987,958
Loss before other income (expenses)	**(3,467,354)**	(4,733,527)	**(11,374,211)**	(16,372,006)
Other income (expenses)				
Impairment of inventory	**(6,600,000)**	-	**(6,600,000)**	-
Impairment of lease assets	**(612,546)**	-	**(612,546)**	-
Share-based payments	**(362,356)**	(706,265)	**(505,619)**	(2,166,506)
Loss on settlement of debt	**-**	-	**(404,549)**	-
Loss on loan modification	**-**	-	**(477,810)**	-
Loss on disposal of assets	**(363,896)**	-	**(359,717)**	-
Loss on loan extinguishment	**-**	-	**-**	(440,513)
Interest and other income	**146,269**	3,179	**149,221**	226,567
Foreign exchange gain (loss)	**54,270**	(3,465)	**103,359**	68,960
Rental income	**-**	1,743	**35,927**	12,156
	(7,738,259)	(704,808)	**(8,671,734)**	(2,299,336)
Net loss and comprehensive loss	**$ (11,205,613)**	$ (5,438,335)	**$ (20,045,945)**	$ (18,671,342)

Note 1

The Company reclassified amounts in the Consolidated Statement of Operations and Comprehensive Loss relating to research and development, product development, business development and corporate development to present these costs consistently with the current fiscal year. The 2019 comparatives have been reclassified as follows:

Quarter ended December 31, 2019	Previously presented	Reclassification	Amount after reclassification
Expenses			
Process development	731,978	223,531	955,509
Research and development	223,531	(223,531)	-
Business development	208,002	232,109	440,111
Corporate development	232,109	(232,109)	-

Nine months ended December 31, 2019	Previously presented	Reclassification	Amount after reclassification
Expenses			
Process development	1,971,972	409,747	2,381,719
Research and development	409,747	(409,747)	-
Business development	496,065	740,309	1,236,374
Corporate development	740,309	(740,309)	-
Financing fees	889,263	(440,513)	448,750
Other income (expenses)			
Loss on extinguishment of long-term debt	-	440,513	440,513

Manufactured products

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

	Quarter ended December 31		Nine months ended December 31	
	2020	2019	**2020**	2019
Revenues	**$ 1,806,046**	$ 11,205,961	**$ 1,892,841**	$ 12,254,731
Cost of sales				
Inventories	**1,063,131**	7,773,878	**1,114,852**	8,549,347
Third party services	**-**	1,286,246	**-**	1,286,246
Salaries and benefits	**114,967**	223,381	**132,294**	297,730
Consulting	**120,528**	-	**120,528**	-
Supplies and materials	**51,239**	209,292	**94,897**	255,631
Overhead allocations	**77,419**	122,332	**83,400**	174,919
Third party testing	**15,623**	69,129	**20,409**	91,129
Waste removal	**-**	19,650	**8,033**	23,538
Freight and delivery	**-**	-	**5,900**	-
Equipment and rentals	**1,000**	1,990	**4,000**	1,990
Transportation	**1,948**	19,434	**3,280**	23,117
Total cost of sales	**1,445,855**	9,725,332	**1,587,593**	10,703,647
	$ 360,191	$ 1,480,629	**$ 305,248**	$ 1,551,084

Revenue for the quarter ended December 31, 2020 is a result of the Company's ramp up related to the white label and packaging initiatives. Revenue for the nine months ended December 31, 2020 was affected by COVID-19 as the Company temporarily laid off all non-essential staff and ceased extraction operations at the plant. The Company continues to analyze costs to improve efficiencies.

Manufacturing services

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

	Quarter ended December 31		Nine months ended December 31	
	2020	2019	**2020**	2019
Revenues	**$ 5,430**	$ -	**$ 63,772**	$ 250,607
Cost of sales				
Consulting	**326**	-	**33,823**	20,495
Salaries and benefits	**-**	-	**18,157**	75,787
Transportation	**1,224**	-	**5,665**	5,330
Third party testing	**-**	-	**975**	28,185
Equipment and rentals	**223**	-	**223**	-
Supplies and materials	**-**	-	**(82)**	51,140
Waste removal	**-**	-	**-**	4,802
Total cost of sales	**1,773**	-	**58,761**	185,739
	$ 3,657	$ -	**$ 5,011**	$ 64,868

Manufacturing services represents the tolling fees earned on processing of client biomass. Due to COVID-19 and liquidity issues, the Company temporarily laid off non-essential staff and ceased extraction operations at the plant. Revenue for the quarter and nine months ended December 31, 2020 relates to a packaging contract and testing services by the Company's laboratory staff.

General and Administrative

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

	Quarter ended December 31		Nine months ended December 31	
	2020	2019	**2020**	2019
Consulting fees	**$ 484,310**	$ 634,531	**$ 1,985,985**	$ 2,016,931
Salaries and benefits	**253,268**	604,100	**888,179**	1,604,919
Professional fees	**269,012**	251,937	**572,360**	834,408
Insurance	**158,600**	116,616	**463,883**	291,180
Public company compliance	**86,424**	70,631	**314,824**	443,106
Rent and utilities	**124,336**	68,259	**275,957**	190,349
Computer software	**76,250**	76,682	**218,674**	215,753
Travel	**56,782**	214,977	**131,872**	832,300
Office	**24,018**	41,144	**70,464**	118,641
Investor relations	**-**	100,781	**69,000**	222,410
Directors' fees	**15,125**	19,174	**45,375**	60,056
Maintenance	**27,907**	1,334	**35,893**	13,356
Promotion	**-**	6,140	**46**	11,084
Supplies	**-**	225	**453**	470
Equipment and rentals	**23**	-	**23**	-
Transportation	**-**	-	**8**	-
Total general and administrative	**$ 1,576,055**	$ 2,206,531	**$ 5,072,996**	$ 6,854,963

General and administrative expenses decreased by $630,476 for the quarter and $1,781,967 for the nine months ended December 31, 2020, respectively with variances in several cost categories.

The Company implemented significant cost cutting and control measures during the quarter and nine months ended December 31, 2020 as well as temporary lay-offs company wide due to COVID-19 resulting in reductions in many cost categories. The notable exceptions where the Company experienced either cost increases or lower than anticipated decreases are detailed below.

Consulting fees decreased by $150,221 for the quarter and by $30,946 for the nine months ended December 31, 2020. The decrease for the quarter is a result of cost cutting measures and lay-offs while the decrease for the nine months is negatively affected by a non-recurring charge incurred to defer the Germany operations of approximately $1.0 million offset by the decrease in the use of consultants over the same period.

Salaries and benefits decreased by $350,832 for the quarter and $716,740 for the nine months ended December 31, 2020. Salaries and benefits were affected by the receipt of wage subsidies of $69,577 for the quarter and $229,061 for the nine months ended December 31, 2020.

Insurance expense increased by $41,984 for the quarter and $172,703 for the nine months ended December 31, 2020 as a result of higher insurance premiums associated with new or expanded coverage as a result of the start of revenue generating activities. In addition to the new and enhanced coverages, rate increases were experienced by the Company related to its participation in the emerging cannabis industry.

Rent and utilities expense increased by $56,077 for the three months and $85,608 for the nine months ended December 31, 2020 as a result of additional leases over the prior year creating higher operating costs for the Company over the previous year

Financing Fees

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

	Three months ended December 31		Nine months ended December 31	
	2020	2019	**2020**	2019
Interest on long-term debt	**$ 416,566**	$ 151,263	**$ 877,523**	$ 366,216
Interest on short-term borrowings	**317,910**	-	**953,064**	-
Interest on lease obligations	**7,503**	13,416	**48,502**	32,326
Amortization of financing costs on long-term debt	**31,277**	-	**94,814**	40,117
Amortization of financing costs on short-term borrowings	**-**	-	**73,729**	-
Amortization of loss on extinguishment of long-term debt	**(78,369)**	-	**(204,264)**	-
Other	**153,187**	10,109	**152,247**	10,091
	$ 848,074	$ 174,788	**$ 1,995,615**	$ 448,750

Total financing fees increased for the quarter and nine months ended December 31, 2020 by $673,286 and $1,546,865 respectively, compared to the same period in the prior year. During the quarter ended June 30, 2020, the Company amended the mortgage with Moskowitz increasing the interest rate to the greater of 12.5% or Bank of Nova Scotia prime rate plus 10.05% per annum from the greater of 8.5% or Bank of Nova Scotia prime rate plus 5.05% per annum. Interest on long-term debt increased for the quarter and nine months ended December 31, 2020 by $265,303 and $511,307 respectively. Interest on short-term borrowings relates to the Company's loan from a related party with interest charged of $317,910 (2019 - $nil) for the quarter ended December 31, 2020 and $953,064 for the nine months ended December 31, 2020 (2019 - $nil).

Engineering

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

	Quarter ended December 31		Nine months ended December 31	
	2020	2019	**2020**	2019
Salaries and benefits	**$ 223,228**	$ 381,173	**$ 606,784**	$ 1,074,057
Rent and utilities	**57,089**	88,921	**228,669**	268,813
Travel	**9,578**	81,687	**30,000**	231,461
Consulting fees	**430**	19,245	**29,128**	50,745
Office	**1,822**	17,388	**16,060**	30,817
Maintenance	**3,825**	-	**4,256**	-
Professional fees	**2,512**	-	**2,512**	-
Supplies	**-**	52	**948**	393
Computer software	**(158)**	1,481	**735**	4,174
Total Engineering	**$ 298,326**	$ 589,947	**$ 919,092**	$ 1,660,460

Engineering expenses decreased by $291,621 for the quarter and $741,368 for the nine months ended December 31, 2020, compared to the same period in the prior year with variances in several cost categories. Due to the temporary lay-offs of all non-essential staff as well as cessation of extraction operations as a result, the decrease across cost categories is expected.

Research and Process Development

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

	Quarter ended December 31		Nine months ended December 31	
	2020	2019	**2020**	2019
Salaries and benefits	**$ 169,011**	$ 476,486	**$ 476,605**	$ 1,240,439
Consulting fees	**-**	244,038	**273,792**	428,571
Rent and utilities	**18,794**	63,244	**64,183**	213,831
Product development	**35,394**	-	**41,381**	15,027
Maintenance	**(299)**	41,884	**27,380**	101,767
Travel	**7,412**	51,771	**16,374**	123,292
Supplies	**1,472**	77,946	**14,747**	237,768
Office	**148**	5,700	**1,497**	18,462
Third party testing	**-**	-	**350**	-
Computer software	**(137)**	813	**(20)**	2,562
Promotion	**-**	(6,373)	**-**	-
Total research and process development	**$ 231,795**	$ 955,509	**$ 916,289**	$ 2,381,719

Research and process development expenses decreased by $723,714 for the quarter and $1,465,430 for the nine months ended December 31, 2020, compared to the same periods in the prior year with variances in several cost categories. Due to the temporary lay-offs of all non-essential staff as well as cessation of extraction operations as a result, the decrease across cost categories is expected.

Production Plant

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

	Quarter ended December 31		Nine months ended December 31	
	2020	2019	**2020**	2019
Salaries and benefits	**$ 7,284**	$ 320,315	**$ 201,428**	$ 1,144,589
Computer software	**100,479**	41,451	**249,186**	65,921
Rent and utilities	**162,789**	162,309	**95,842**	502,784
Maintenance	**16,790**	196,953	**97,902**	461,268
Office	**24,712**	23,623	**49,085**	66,540
Production materials	**-**	1,681	**26,980**	5,613
Equipment and rentals	**-**	7,877	**24,733**	54,427
Supplies	**4,258**	44,415	**20,346**	143,705
Security	**(498)**	65,076	**13,085**	222,572
Consulting	**1,255**	-	**1,255**	3,135
Travel	**17**	5,636	**17**	6,123
Total production plant	**$ 317,086**	$ 869,336	**$ 779,859**	$ 2,676,677

Production plant expenses decreased by $552,250 for the quarter and $1,896,818 for the nine months ended December 31, 2020, compared to the same periods in the prior year with variances in several cost categories. During the quarter ended December 31, 2020, the Company increased activities for the white labelling and packaging initiatives which results in the reclassification of costs to cost of goods sold for the quarter ended December 31, 2020. In addition, due to the temporary lay-offs of all non-essential staff and resulting cessation of extraction operations at the plant there are expected decreases across all expense categories. Rent and utilies reductions reported for the nine months ended December 31, 2020 are a result of rent concessions received in Germany with respect to leases.

Quality Control and Assurance

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

	Quarter ended December 31		Nine months ended December 31	
	2020	2019	**2020**	2019
Salaries and benefits	**$ (8,505)**	$ 249,582	**$ 111,664**	$ 689,862
Supplies	**3,121**	23,206	**19,744**	54,388
Rent and utilities	**11,155**	16,026	**12,271**	50,292
Maintenance	**463**	7,348	**7,639**	24,006
Travel	**21**	11,317	**2,823**	20,571
Office	**466**	6,436	**1,205**	16,028
Computer software	**(74)**	(64)	**(21)**	780
Production materials	**-**	555	**121**	1,305
Consulting fees	**-**	73,700	**60**	197,063
Third party testing	**492**	20,701	**(386)**	76,436
Total quality control and assurance	**$ 7,139**	$ 408,807	**$ 155,120**	$ 1,130,731

Quality control and assurance expenses decreased for the quarter and nine months ended December 31, 2020 by $401,668 and $975,611 respectively, compared to the same periods in the prior year with variances in several cost categories. During the quarter ended December 31, 2020, the Company increased activities for the white labelling and packaging initiatives which results in the reclassification of costs to cost of goods sold for the quarter ended December 31, 2020. Due to the temporary lay-offs of all non-essential staff as well as cessation of extraction operations in addition to the reclassification of costs to cost of goods sold for the quarter ended December 31, 2020, there are expected decreases across most cost categories.

Business and Corporate Development

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

	Quarter ended December 31		Nine months ended December 31	
	2020	2019	**2020**	2019
Salaries and benefits	**$ 50,574**	$ 81,828	**$ 85,007**	$ 187,483
Computer software	**-**	34,322	**33,812**	60,168
Consulting fees	**-**	225,480	**14,625**	713,211
Promotion	**1,871**	8,376	**1,871**	10,388
Travel	**-**	38,836	**-**	200,019
Marketing materials	**-**	50,751	**-**	60,326
Rent and utilities	**-**	466	**-**	2,318
Office	**-**	52	**-**	2,461
Total business and corporate development	**$ 52,445**	$ 440,111	**$ 135,315**	$ 1,236,374

Total business and corporate development expenses decreased by $387,666 for the quarter and $1,101,059 for the nine months ended December 31, 2020 compared to the same periods in the prior year. The overall decrease is mainly due to the shift in the Company's corporate focus towards Canadian cannabis activities requiring less consulting services and travel.

Impairment of Inventory

For the quarter and nine months ended December 31, 2020, the Company reviewed current market information and determined that impairment indicators existed at December 31, 2020 requiring the assessment of the net realizable value of the inventory on hand at December 31, 2020. Based on the assessment and analysis, the Company has recorded a inventory valuation allowance of $6,600,000 for the quarter and nine months ended December 31, 2020.

Impairment of Lease Assets

For the quarter and nine months ended December 31, 2020, the Company terminated four of the current leases resulting in an impairment of lease assets of $612,546. Of this amount $619,551 of the net impairment relates to a building that was vacated and the Company is barred from re-entering. The impairment is affected by the sublet of one of the properties where an additional impairment is recorded of $14,243 representing the elimination of the original asset offset against the net investment in lease receivable. The Company was released from the remaining two leases in Germany resulting in the derecognition of both the lease asset and the lease obligation which results in a net impairment reversal of $21,248.

Share-Based Payments

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

	Quarter ended December 31		Nine months ended December 31	
Grant date	**2020**	2019	**2020**	2019
October 9, 2020	**$ 246,625**	$ -	**$ 246,625**	$ -
May 28, 2020	**29,366**	-	**209,376**	-
October 23, 2019	**(1,881)**	211,251	**46,636**	211,251
June 5, 2019	**6,710**	34,043	**17,290**	275,195
February 27, 2019	**5,371**	39,775	**28,412**	178,555
November 28, 2018	**4,038**	45,334	**18,289**	194,924
October 1, 2018	**57,014**	288,709	**8,083**	990,113
June 4, 2018	**15,113**	80,846	**(69,092)**	259,173
December 6, 2017	**-**	6,307	**-**	49,042
August, 2017	**-**	-	**-**	7,723
April 3, 2017	**-**	-	**-**	530
Total share-based payments	**$ 362,356**	$ 706,265	**$ 505,619**	$ 2,166,506

Loss on Settlement of Debt

Loss on settlement of debt of $404,549 for the nine months ended December 31, 2020 was as a result of the Company's settlement of outstanding amounts payable to vendors with share units, which consisted of one share and one-half common share purchase warrant. Each warrant is convertible to one share at a share exercise price of $0.30 and expires 24 months following the grant of such warrant.

Loss on Modification of Long-Term Debt

For the nine months ended December 31, 2020, the Company amended the mortgage with Moskowitz increasing the interest rate to the greater of 12.5% or Bank of Nova Scotia prime rate plus 10.05% per annum from the greater of 8.5% or Bank of Nova Scotia prime rate plus 5.05% per annum. As the terms of the amendment to the mortgage were not substantially different from the terms of the previously existing mortgage, the amendment was determined to be a modification of debt. As a result, a loss on modification of long-term debt totalling $477,810. Deferred financing charges of $136,886 related to the loan amendment fees were recorded and will be amortized over the remaining term of the mortgage.

Loss on Disposal of Assets

During the quarter ended December 31, 2020, in conjunction with the termination of a number of the Company's leased assets, a review of related leasehold improvements and assets and under construction was conducted. As a result, any related plant and equipment was written off resulting in a total loss on disposal of assets of $363,896 being recorded in the quarter.

Liquidity and Capital Resources

		December 31, 2020		March 31, 2020
Non-current assets	$	**44,184,830**	$	46,457,122
Current assets		**6,518,997**		11,474,572
Current liabilities		**(39,909,941)**		(27,875,820)
Total assets less current liabilities	$	**10,793,886**	$	30,055,874
Non-current liabilities		**1,139,809**		11,044,022
Shareholders' equity		**9,654,077**		19,011,852
	$	**10,793,886**	$	30,055,874

During the nine month ending December 31, 2020, the Company primarily financed its operations, and growth initiatives through equity financing. For more information on key cash flows related to operations, investing and financing activities during the quarter, refer to the "Cash Flow Highlights" discussion below.

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

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

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

- Deferred construction of its German manufacturing facility;
- Deferred completion of construction of its Edmonton III facility;
- Streamlined operations to reflect the deferral of its major construction projects and to support the Company's increased focus on white label products;
- Focused its business development efforts on adding customers requiring contract manufacturing/white label products; and
- The Company continues to review operating expenses to determine where economies can be realized with significant reduction having taken place as at the date of this MD&A.

These initiatives are expected to provide the Company with increased liquidity and flexibility to meet its financial commitments, including its near-term obligations of $40.7 million (refer to the "Contractual Obligations" table below).

As of December 31, 2020, the Company has access to the following capital resources available to fund operations and obligations:

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

  The Company has available room under the shelf prospectus of approximately $59.85 million as at the date of this MD&A.

- Asset backed financing options:
    - Sales/Leaseback: Radient announced on January 14, 2020 that it had signed a letter of intent for a sale-leaseback transaction in which 2238502 Alberta Ltd. (the "Purchaser") would purchase from Radient the land and buildings comprising the Company's Edmonton I, II, and III facilities for a total of $20 million (the "Transaction"). This Transaction was part of an asset-backed financing which also incorporates an additional equipment financing (the "Equipment Financing") that was initially announced on November 29, 2019 between Radient and the Purchaser. Due to the softening of capital markets and due to the Covid 19 outbreak, this transaction was put on hold. As at December 31, 2020 there have been no futher deveopments to report on this transaction.
    - Asset backed financing: Radient is working closely with the Purchaser and also a wide range of lenders to mitigate this and secure adequate funds to close the asset backed financing that was announced. Radient is also working closely with alternative asset backed lenders to finance its liquidity needs backed by its real estate and other assets. There can be no assurance that Radient will complete any asset-backed financing.

- Radient has also been working on a total financing package of up to $15.4 million through the issuance of up to $10.4 million of unsecured convertible notes (the "Notes") and up to $5 million of unsecured debentures (the "Debentures"). A total of $1.2 million of unsecured debentures were issued prior to March 31, 2020. Radient is continuing to actively market this offering to close the balance of the amounts. There can be no assurance that Radient will complete any additional offering of Notes or Debentures.

- Radient announced a private placement of up to $4 million on October 09, 2020 at $0.10 a share on a non-brokered basis. As of March 1, 2021, $1,653,000 has been received and efforts are underway to close the private placement.

The Company intends to use the net proceeds from any offerings under the ATM program and/or shelf prospectus to support our short-term liquidity needs, debt repayments, general corporate purposes, working capital requirements and potential acquisitions. Volatility in the cannabis industry, stock market and the Company's share price may impact the amount and our ability to raise financing under the ATM Program and Shelf Prospectus.

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

Significant uncertainty exists in the Canadian cannabis industry. This uncertainty revolves around the introduction of cannabis 2.0 products, industry inventory levels and difficult public markets restricting the ability of industry participants to raise equity. Additionally, COVID-19 introduced further uncertainties in both public equity markets and traditional lending markets. Both have impacted the Company's operations and the Company's ability to raise additional financing.

The Company has deferred the completion of Edmonton III. The Company, as at December 31, 2020, has an unpaid amount of $7.5 million to its general contractor for the construction of its Edmonton III facility. In support of the Company and its efforts to secure additional financing the general contractor has been granted security on the Company's Edmonton I/II facility and its Edmonton III facility.

In addition to the financing initiatives, efforts are underway to look at a range of options including additional equity issuances and restructuring of liabilities to provide liquidity to bridge the negative working capital position. As of the date of this MD&A, $18.8 million of balances owed to trade creditors are overdue by 120 days or greater. Certain of the Company's trade creditors are pursuing legal recourse for the amounts outstanding. The Company has been able thus far to negotiate settlements with the trade creditors on a case-by-case basis.

Going Concern Uncertainty

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

Cash Flow Highlights

The table below summarizes the Company's cash flows for the nine months ended:

		December 31, 2020		December 31, 2019
Cash, beginning of period	**$**	**145,117**	$	31,752,852
Cash used in operating activities		**(6,229,690)**		(23,251,365)
Cash provided by financing activities		**6,780,541**		2,787,262
Cash used in investing activities		**(609,510)**		(10,736,016)
Net increase (decrease) in cash during the period		**(58,659)**		(31,200,119)
Cash, end of period	**$**	**86,458**	$	552,733

Cash used in operating activities for the nine months ended December 31, 2020 was $6.2 million, representing a decrease of $17.0 million as compared to the nine months ended December 31, 2020. The decrease was primarily a result of non-cash working capital adjustments related to the allowance taken on inventory during the quarter of $6.6 million and interest expense and pay-out penalties which are $1.5 million higher than the comparable period last year. As well, with the cessation of extraction operations at the plant and resulting lay-offs and related activity, non-cash working capital changes were $10.3 million.

Cash provided by financing activities for the nine months ended December 31, 2020 was $6.8 million, which is positively impacted by gross proceeds of $7.5 million from equity placements during the nine months and the receipt of $1.4 million in government grants. This is offset by share issuance costs of $0.9 million, interest and financing costs of $1.1 million.

Cash used in investing activities for the nine months ended December 31, 2020 was $0.6 million, representing a decrease of $10.1 million as compared to the nine months ended December 31, 2019. This is primarily attributable to the cessation of work on the Company's capital projects.

Capital Expenditures

The Company's capital expenditures for the nine months ended December 31, 2020 were $0.9 and relate mainly to the capitalization of interest related to the mortgage on the plant and interest related to amounts owing on the Edmonton III plant under construction. As disclosed in the Company's year ended March 31, 2020 MD&A, the Company has decided to defer construction activities related to its Edmonton II retrofit, Edmonton III manufacturing facility and its German manufacturing facility, in an effort to preserve capital resources. Completion of these projects will be subject to the Company securing adequate project financing.

Contractual Obligations and Commitments

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

	<1 year	1 to 3 years	4 to 5 years	>5 years	Total
Accounts payable and accrued liabilities	$ 18,192,480	$ -	$ -	$ -	$ 18,192,480
Facility construction liabilities	7,548,367	-	-	-	7,548,367
Short-term borrowings	3,004,517	-	-	-	3,004,517
Long-term debt	11,657,002	-	-	-	11,657,002
Lease liabilities	269,229	758,187	558,740	-	1,586,156
Balance December 31, 2020	**$ 40,671,595**	**$ 758,187**	**$ 558,740**	**$ -**	**$ 41,988,522**

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

		December 31, 2020		March 31, 2020
Capital expansion projects	**$**	**1,340,542**	$	1,766,241
Leases not yet commenced		**130,500**		130,500
Variable lease payments for lease liabilities		**1,539,014**		1,827,003
Network services contracts		**143,108**		202,198
Purchase and retrofitting of equipment		**89,083**		144,616
Maintenance contracts		**12,567**		18,088
	$	**3,254,814**	$	4,088,646

Working Capital

Working capital is current assets less current liabilities. As at December 31, 2020, Radient had a working capital deficit of $33,390,944 as compared to a working capital deficit of $16,401,248 as at March 31, 2020. The $16,989,696 increase in working capital deficit is primarily related to the reclassification of previously reported long-term debt to current coupled with the inventory impairment adjustment of $6,600,000 recorded in the current quarter which directly reduces the Company's current assets.

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

Related Party Transactions

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

Balances and transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not included in the details of the related party transactions which follow.

Key Management Personnel and Director Remuneration

The remuneration of directors and key management personnel follows:

	Three months ended December 31				Nine months ended December 31			
		2020		2019		**2020**		2019
Compensation	**$**	**228,627**	$	244,425	**$**	**1,009,477**	$	735,907
Short-term benefits		**2,913**		12,133		**26,242**		36,397
Share-based compensation		**172,468**		290,880		**123,537**		1,007,390
	$	**404,008**	$	547,438	**$**	**1,159,256**	$	1,779,694
Number of stock options issued		**3,000,000**		-		**3,000,000**		-
Weighted average exercise price	**$**	**0.10**	$	-	**$**	**0.10**	$	-

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

As at December 31, 2020, $1,108,384 (March 31, 2020 - $457,751) was included in accounts payable and accrued expenses for amounts owing to key management personnel, directors and companies controlled by key management personnel or directors.

Aurora

During the quarter ended December 31, 2020, Aurora ceased to have significant influence over the Company as it no longer has a director on the Company's board. As at December 31, 2020, Aurora held 33,101,542 (March 31, 2020 – 33,101,542) shares in the Company resulting in an effective ownership of 9.6% (March 31, 2020 – 11.9%) of all issued and outstanding shares. As at March 31, 2020, $480,042 was included in accounts receivable and as at December 31, 2020, $nil was included. As at December 31, 2020, $3,346,681 (March 31, 2020 - $3,187,315) was included in accounts payable for amounts owing to Aurora.

Equity transactions

During the nine months ended December 31, 2020

During the nine months ended December 31, 2020 certain directors and officers were issued 1,492,818 shares for settlement of debts outstanding of $203,984. Certain officers participated in the brokered placement on May 26, 2020 and were issued 300,000 units for gross proceeds of $55,000. The officers were also issued 300,000 warrants under the terms of the placement.

During the nine months ended December 31, 2019 a director and a key management personnel exercised 500,000 warrants for total gross proceeds of $125,000.

Services provided

A property management company owned by a director received $49,130 (2019 - $54,516) for the three months and $165,520 (2019 - $366,216) for the nine months ended December 31, 2020 for rental lease payments and operating costs associated with the rental of a warehouse required by the Company. The current period amounts are net of Canadian emergency commercial rent assistance.

Cash advances

During the nine months ended December 31, 2020, five directors and officers have advanced cash for a cumulative total of $277,000 which is included accounts payable and accrued liabilities. The advances are unsecured with no repayment terms and bear no interest. There were no related party cash advances during the nine months ended December 31, 2019.

Short-term borrowings

A Company owned by a director of the Company advanced $2,500,000 to the Company during the year ended March 31, 2020. The loan is secured by a second charge on the land and property of the Company and bears interest at 21.0%. Total interest of $317,910 (2019 - $nil) and $953,064 (2019 - $nil) was recorded in the three and nine months ended December 31, 2020 respectively.

Financial Instruments and Related Risk

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

Financial liabilities are initially recognized at fair value and are subsequently measured at amortized cost using the effective interest method. The Company's financial liabilities include short-term borrowings, facility construction liabilities, accounts payable and accrued liabilities, long-term debt, and lease liabilities.

The fair value of cash, accounts receivable, deposits, short-term borrowings and accounts payable and accrued liabilities approximate their carrying amount due to their short-term nature. The fair values of long-term debt, facility construction liabilities, and lease liabilities are estimated to approximate their carrying value because the interest rates do not differ significantly from current interest rates for similar types of borrowing arrangements.

The Company has exposure to credit, interest rate, liquidity, foreign exchange and credit risk as follows:

Credit Risk

Credit risk is the risk that the counterparty to a financial asset will default, resulting in the Company incurring a financial loss. The Company is exposed to credit risk on its cash, and accounts receivable and to a maximum of the carrying value of the items at the reporting date.

The Company mitigates its exposure to credit risk related to its cash by holding funds with reputable financial institutions.

The Company's trade receivables are monitored on an ongoing basis for impairment.

As at December 31, 2020, the Company had $1,133,051 (March 31, 2020 - $480,042) of trade accounts receivable balances. Credit risk is limited with respect to trade accounts receivable, as the majority of the outstanding balance at December 31, 2020 is with government bodies.

GST of $338,436 (March 31, 2020 - $239,352), VAT of $140,615 (March 31, 2020 - $127,505) and wage subsidy benefits receivable both domestic and in Germany of $228,754 (March 31, 2020 - $ nil), represent the other receivables balance of $707,805 as at December 31, 2020, (March 31, 2020 - $366,857) and are consistently received subsequent to filing of applicable returns.

Interest Rate Risk

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

As at December 31, 2020, the increase or decrease in annual net income for each one percent change in interest rate on the variable rate long-term debt would amount to $91,641 (March 31, 2020 - $91,314).

Liquidity Risk

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

The Company manages its liquidity risk by forecasting cash flow requirements for its planned development, production and corporate activities and anticipating investing and financing activities. Management and the Board are actively involved in the review, planning and approval of annual budgets and significant expenditures and commitments.

The Company could encounter difficulty in meeting its financial obligations if certain risks were to occur. See the Risk Factors section of this MD&A for additional related discussion and details. The Company's contractual liabilities and obligations are as follows:

	<1 year	1 to 3 years	4 to 5 years	>5 years	Total
Accounts payable and accrued liabilities	$ 18,192,480	$ -	$ -	$ -	$ 18,192,480
Facility construction liabilities	7,548,367	-	-	-	7,548,367
Short-term borrowings	3,004,517	-	-	-	3,004,517
Long-term debt	11,657,002	-	-	-	11,657,002
Lease liabilities	269,229	758,187	558,740	-	1,586,156
Balance December 31, 2020	**$ 40,671,595**	**$ 758,187**	**$ 558,740**	**$ -**	**$ 41,988,522**
Accounts payable and accrued liabilities	$ 15,191,446	$ -	$ -	$ -	$ 15,191,446
Facility construction liabilities	8,569,340	-	-	-	8,569,340
Short-term borrowings	2,376,271	-	-	-	2,376,271
Long-term debt	2,125,367	10,341,476	-	-	12,466,843
Lease obligations	460,601	420,693	73,293	-	954,587
Balance March 31, 2020	$ 28,723,025	$ 10,762,169	$ 73,293	$ -	$ 39,558,487

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

As of the date of this MDA, $18.8 million of obligations with trade creditors are overdue by 120 days or more. The Company is also in arrears with rent, wages, long-term debt and lease liabilities. Radient is actively working with its creditors to offset this situation and recognizes the associated liquidity risk to the Company if the financing initiatives do not materialize.

Foreign Exchange Risk

Foreign exchange risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

The Company operates on an international basis and is subject to foreign exchange risk related to financial assets and liabilities denominated in a foreign currency. The Company's objective with respect to foreign exchange risk, is to minimize the impact of the volatility where possible, through effective cash flow management. The following table provides an indication of the Company's exposure to changes in the value of foreign currencies relative to the Canadian dollar as at December 31, 2020. The analysis is based on financial assets and liabilities denominated in Euro ("EUR"), British Pound ("GBP"), US Dollar ("USD") and Swiss Franc ("CHF").

	December 31, 2020			
	EURO	**GBP**	**USD**	**CHF**
Cash	$ 7,082	$ -	$ 1,339	$ 14,540
Accounts receivable	89,250	-	12,500	-
Prepaids and deposits	20,000	-	-	-
Accounts payable and accrued liabilities	(1,427,103)	(81,500)	(905,643)	-
Net balance sheet exposure	**$ 1,310,771**	**$ (81,500)**	**$ (891,804)**	**$ 14,540**
Translation rate at December 31, 2020	1.5941	1.7637	1.2963	1.4684
Net income impact of a 10% rate change	**$ 208,949**	**$ 14,374**	**$ 115,604**	**$ 2,135**

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

Risk Factors

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

Financial History and Capital Requirements

The Company has incurred operating losses and not had a corresponding increase in revenues to offset these losses. The operations of the Company and execution on the business opportunities will depend on its ability to generate operating revenues through additional customers and to procure financing. The Company had a cumulative deficit of $147,329,354 as of December 31, 2020 with a working capital deficit of $33,390,944. The continued operation of the Company will be dependent upon its ability to generate operating revenues and to procure additional financing. There can be no assurance that additional financing, including offerings of Notes or Debentures, can be obtained on terms favourable to Radient or on any terms. Failure to raise the necessary funds in a timely fashion may also limit Radient's ability to move its programs forward in a timely and satisfactory manner, or cause it to abandon the programs or force it to pursue alternative strategic options; any of which would harm its business, financial condition and results of operations, or affect its ability to continue operating.

Impact of the COVID-19 Pandemic

Since March 31, 2020, the outbreak of the novel strain of coronavirus, specifically identified as COVID-19, has resulted in governments worldwide, including Canada, the United States and several European countries enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Such events may result in a period of business disruption, and in reduced operations, any of which could have a material adverse impact on the Company's profitability, results of operations, financial condition and the trading price of the Company's securities.

Governments and central banks have reacted to the COVID-19 pandemic with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 pandemic is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company and its operating subsidiaries in future periods.

To date, a number of businesses have suspended or scaled back their operations and development as cases of COVID-19 have been confirmed, for precautionary purposes or as governments have declared a state of emergency or taken other actions. If the operation or development of one or more of the Company's properties is suspended or scaled back, it may have a material adverse impact on the Company's profitability, results of operations, financial condition and the trading price of the Company's securities.

To the extent that the Company's management or other personnel are unavailable to work due to the COVID-19 pandemic, whether due to illness, government action or otherwise, it may have a material adverse impact on the Company's profitability, results of operations, financial condition and the trading price of the Company's securities.

The breadth of the impact of the COVID-19 pandemic on investors, businesses, the global economy and financial and commodity markets may also have a material adverse impact on the Company's profitability, results of operations, financial conditions, ability to raise additional capital and the trading price of the Company's securities. The Company has experienced delays in financing, reduction in plant operations, layoff of staff, reduction in discretionary costs and deferral of projects to manage cash flows.

Outstanding Share Data

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

Common shares issued and outstanding: 345,654,017

Fully diluted common share capital: 425,683,781

Stock Options

33,869,697 stock options of the Company are issued and outstanding with a weighted average exercise price of $0.55. Each stock option entitles its holder to purchase one common share of the Company with varying expiry dates up to February 18, 2026.

Finders' Options

1,630,275 finders' options with a weighted average exercise price of $0.20 are issued and outstanding. Each option entitles its holder to purchase one unit of the Company with varying expiry dates up to May 23, 2023. If exercised, these units would include 1,630,275 common shares and 1,630,275 common share purchase warrants entitling the holder to subscribe for additional common shares at a weighted average price of $0.30 per common share with varying expiry dates up to May 23, 2023.

Warrants

42,683,781 are issued and outstanding with a weighted average exercise price of $0.29. Each warrant entitles its holder to purchase one common share of the Company with varying expiry dates up to June 8,