



Management's Discussion & Analysis

Nine months ended December 31, 2016

February 27, 2017



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This Management Discussion and Analysis ("MD&A") for Radiant Technologies Inc. (the "Company" or "Radiant") should be read in conjunction with Radiant's unaudited financial statements and related notes for the nine months ended December 31, 2016 and the audited financial statements and related notes for the years ended March 31, 2016 and 2015. Our financial statements and related notes for nine month periods ended December 31, 2016 and 2015 are prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

All dollar amounts are expressed in Canadian currency unless otherwise indicated. Additional information about Radiant 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.

CORE BUSINESS AND STRATEGY

Radiant Technologies Inc. ("Radiant") was initially incorporated on June 12, 2001 pursuant to the provisions of the Company Act (British Columbia), transitioned pursuant to the provisions of the Business Corporations Act (British Columbia) on July 7, 2004 and was continued under the Canada Business Corporations Act on February 3, 2010. On May 22, 2014, pursuant to a plan of arrangement, Radiant amalgamated with Madison Capital Corporation, a Capital Pool Company ("CPC") as defined pursuant to Policy 2.4 of the TSX Venture Exchange, incorporated pursuant to the provisions of the Alberta Business Corporations Act ("ABCA") on June 13, 2011 and continued under the Canada Business Corporations Act on May 14, 2014, forming a new entity called "Radiant Technologies Inc.". This transaction constituted the qualifying transaction of Madison in accordance with the requirements of the TSX Venture Exchange Policy 2.4 – *Capital Pool Companies*, which is described in more detail in the "Qualifying Transaction" section of this MD&A. Radiant trades on the TSX Venture Exchange under the symbol "RTI".

Radiant manufactures high-value natural ingredients for global customers in the Food and Beverage, Nutrition and Supplements, Pharmaceuticals and Active Care industries. Using a proven, patented technology, Radiant creates these natural ingredients at significantly lower cost and higher quality than competing traditional methods, using a proprietary method of extraction called Microwave Assisted Processing ("MAPTM"). MAPTM is Radiant's patented, core technology which yields substantially higher results than conventional natural compound extraction. Additional details on the business and technology follows.

Background

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

Vizon was a scientific research and development company and technology incubator located in Vancouver, British Columbia, specializing in consulting and applied research and development in the areas of plant biotechnology, health and safety, transportation, specialized chemical analysis and



chemical and environmental process development. In 1999, Vizon acquired a license to MAPTM from Environment Canada giving it the right to use, market and sub-license the technology for the field of industrial-scale extraction processing of organic matter. At the time of Radiant's inception, Dr. Splinter was leading Vizon's activities in the area of chemical and environmental process development.

In 2002, concurrent with an initial seed investment from select angel investors, Radiant entered into an agreement with Vizon to acquire the rights to the MAPTM license Vizon had with Environment Canada. In consideration for rights to the license, other intangible assets and a cash contribution, Radiant issued common shares to Vizon and began operations in laboratory and pilot plant facilities located within an Environment Canada facility in Burlington, Ontario. Access to these facilities was provided under the terms and conditions of the original license agreement between Radiant and Vizon granting a sub-license to Radiant for Radiant to use the MAPTM technology. In 2003, Radiant raised a first round of venture capital financing, led by Foragen Technologies Limited Partnership, a Canadian life-sciences venture capital fund. Additional management and technical personnel were hired, a marketing and sales program was initiated and proofs of concepts and pilot-scale testing of various products were undertaken for third parties, proving the broad scale applicability and scalability of the technology across various natural product classes. In 2005, Radiant signed its first supply agreement with a US-based biopharmaceutical company to supply a purified pharmaceutical raw ingredient extracted and isolated from a natural plant source using the MAPTM technology for use as an intermediate to an experimental oncology drug entering clinical trials.

In 2006, Radiant migrated to its own leased laboratory and pilot plant facilities in North York, Ontario and Whitby, Ontario, respectively. During this period, Radiant continued to successfully commercialize its technology platform to produce the higher value, higher margin pharmaceutical intermediate, while simultaneously continuing to grow the pipeline of prospective customers and demonstrate a higher value proposition of the technology versus conventional processes. From 2003 to 2009, Radiant grew revenues from nil to \$1.8 million and processing demands began to exceed the capacity of its Whitby pilot plant. In 2008, therefore, the decision was made to consolidate operations and scale up production capacity in order to meet customer requirements and to demonstrate the technology at a meaningful industrial scale.

In 2009, Radiant commissioned the design and construction of a new, demonstration-scale MAPTM extraction facility, to be based in Alberta, designed to process up to 5 tonnes of biomass material per day. Alberta was deemed to offer unique infrastructure and expertise that was of strategic interest to Radiant, including access to unique bio-processing research infrastructure, proximity to biomass feedstocks of interest to Radiant's strategic partners and a critical mass of research and processing expertise. Radiant moved into new headquarters and laboratory space in Edmonton and began construction of the Edmonton production facility in late 2010. The Edmonton production facility, housed in a 20,000 sq. ft. building is designed to be Good Manufacturing Process (GMP) and International Organization for Standardization (ISO) compliant for natural health products and is now ready for operations.

General

Radiant manufactures high-value natural ingredients for global customers in the Food and Beverage, Nutrition and Supplements, Pharmaceuticals and Active Care industries. Radiant uniquely combines its patented MAPTM technology with considerable know-how and expertise in downstream purification and isolation of natural products. Together, this combination gives Radiant a sustainable advantage over competing technologies and competitors in the field of natural product separations.



Radiant's unique technology enables a value proposition that offers its customers some or all of the following benefits: improved existing products; lower production costs; and the ability to develop new products.

Radiant is executing a three-pronged commercialization strategy to best align its resources and skills with market opportunities:

- *Contract Manufacturing*: Radiant is leveraging its know-how and infrastructure to produce higher value, higher margin products on behalf of its customers. This also serves to validate and prove to a wider audience the value proposition inherent in the "Radiant Solution". The "Radiant Solution" is a combination of Radiant's MAP™ based extraction process and Radiant's substantial expertise in the critical downstream processing areas of purification and isolation.
- *Licensing*: Radiant will encourage select customers to incorporate all or part of the Radiant Solution in their in-house or supplier's extraction facilities to enhance productivity or efficiency of such plants.
- *Proprietary ('Captive') Products*: Radiant is also evaluating select applications where Radiant is developing captive products distributed through partners/distributors to capture a larger portion of the value chain. Radiant will seek to secure a proprietary position where appropriate on such products, typically through process patents.

Radiant has built a strong, diversified customer pipeline. Radiant's expanding business development and sales efforts are designed to specifically target high-value sustainable markets and customers. Radiant recognizes that potential customers want to fully validate the MAP™ technology before finalizing purchasing decisions. For this reason, Radiant has designed and is successfully implementing a proven partnership development program that is intended to incrementally establish the credibility and the validation of MAP™ through a three-stage program:

- *Stage 1 Feasibility*: Demonstrates lab-scale proof-of-concept to client-defined product specifications;
- *Stage 2 Scale-up / Process Development*: Demonstrates scalability and optimization via larger scale pilot testing and technology transfer from pilot to commercial production; and
- *Stage 3 Partnership*: Develops commercialization steps for preferential supply agreement, or licensing agreement.

Since its inception, Radiant has completed over 40 feasibility studies and has proven the effectiveness of MAP™ for a very broad range of biomass inputs, including plants (seeds, leaves, stems, roots) and single-cell biomass (algae, fungi) using widely varying solvent systems and for every commercially-relevant class of natural products, including lipids, glycosides, alkaloids, phenolics, terpenes and proteins. The majority of this work has been supported and paid for by industrial clients using customer-sourced biomass and seeking to achieve commercially relevant product and processing technical goals. Scalability has been demonstrated by continuous processing at the pilot scale and the Edmonton



production facility, which will provide final validation for operating MAPTM plants at a scale appropriate to capture immediate value for partners.

The Technology

Radiant's MAPTM technology is based on a method of transferring energy to a material that is fundamentally different from any other conventional process. MAPTM involves the selective and localized heating of the moisture present in all natural materials using a very familiar energy source: microwaves. This contained in-core heating of the biomass results in a rapid buildup of pressure within cells leading to a pressure-driven enhanced mass transfer of target compounds out of the source material. This mechanism for extraction is unique to MAPTM and results in very fast extraction rates and high extraction yield. In addition, because the microwave energy is selectively deposited in the target biomass and not in the surrounding solvent, the mixture stays cool, leading to energy efficiency and reduced heat degradation of sensitive products.

In general, microwaves interact with materials in three ways:

1. reflective materials such as metals do not heat (i.e. they do not absorb energy, but rather reflect the energy);
2. transparent materials such as non-polar liquids do not heat or reflect. Microwaves pass right through them and are only absorbed to a small extent; and
3. absorptive materials such as water absorb microwaves and are heated.

The ease, or degree by which a particular material will absorb microwave energy is determined by the dielectric properties of the material. Microwaves do not heat, therefore, by the conventional processes of convection, conduction and radiation phenomena through the external material surface but rather by direct molecular interactions with the electromagnetic field via dielectric loss. The dielectric properties of the material (dielectric constant and loss factor) determine how much of the microwave energy is to be absorbed and dissipated as heat. Water, in particular, is a strong absorber of microwave energy. It has a large dielectric constant, meaning it absorbs microwave energy more efficiently than the target compounds and much more efficiently than the surrounding liquid solvent. It is this ability to selectively deposit microwave energy into different parts of a complicated chemical system that is at the core of Radiant's MAPTM technology.

An important element of MAPTM is that the driving force for extraction is not limited to the process of diffusion. Conventional solid-liquid extraction involves soaking, washing or contacting the solid material with usually hot (50°C to 80°C) solvent to extract the target compounds. Extraction occurs by diffusion, meaning that the only driving force for the process is the concentration gradient of the product between the source material and the solvent. With MAPTM, the microwave energy is selectively absorbed by the residual water present in the biomass. This creates a very rapid temperature increase within the biomass cells, leading to pressure build-up and, in some cases this can cause cell rupture, forcing the contents out into the surrounding (cool) solvent by a pressure-enhanced mass transfer. This mass transfer may be further enhanced by the fact that the thermal gradient is in the same direction as the mass transfer. In all extraction processes, mass transfer occurs from the inside of the biomass to the outside solvent. In conventional extraction, heat transfer occurs from the outside to the inside of the material. With MAPTM,



however, there is a volumetric in-core heating of the moisture in the biomass while the solvent remains relatively cool, leading to a heat gradient in the same direction as the mass transfer.

Finally, another key aspect of MAPTM is the fact that Radiant understands that it is the microwave energy density and, more specifically, the electric field strength that can be a very important factor in achieving desired results. The heating rate within the core of the biomass is directly proportional to the energy density of the applied microwave. This energy density is in turn determined by the applied power at the chosen frequency (driven by the microwave generator), by the dielectric properties of the biomass being treated and – importantly – by the electric field strength. The latter is influenced only by proper equipment (microwave cavity) design and control. Much of Radiant's intellectual property is centered around the use of properly focused microwave energy having a generally uniform energy density level to achieve the desired high field control. These features are captured, for example, in Radiant's proprietary large-scale continuous flow MAPTM extractor design.

Competitive Advantages

When compared to competing conventional extraction methods, Radiant's MAPTM platform offers some combination of the following competitive advantages:

- much faster extraction rates leading to reduced processing time, increased throughput and reduced processing and capital costs;
- efficient "single stage" extraction leading to increased overall recovery / yield of valuable active compounds and reduced solvent and energy usage;
- reduced heat degradation of sensitive molecules leading to improved products;
- improved extraction selectivity and purity leading to novel, differentiated products;
- improved solvent flexibility leading to the potential to replace solvents with more acceptable alternatives;
- ease of commercial scalability; and
- improved customer acceptance of products made through "cleaner, greener" technology.

These technical improvements manifest themselves as distinct product or process advantages and create Radiant's core value proposition of improving existing products, reducing costs, and enabling potential novel, differentiated products while consistently offering improved environmental benefits. Further details with respect to each of these advantages are provided below.

By significantly reducing extraction time, often from hours to minutes, it is possible to increase throughput, thereby reducing plant time and so lowering labour and overhead costs per unit of product produced. At the same time, the reduced plant time required for extraction opens the door to the possibility to use the freed up plant time to perform efficient downstream purification and isolation steps that may not be economical with conventional methods.

Further, conventional diffusion-driven solvent extraction processes are slow and eventually reach an equilibrium point before full exhaustion of the active of interest from the biomass. In order to achieve a reasonable yield, therefore, it is usually necessary to extract in multiple "stages", often with fresh solvent in each stage, leading to high solvent usage, high energy consumption to recover the large amount of solvent from the product, and reduced purity of the active of interest in the final extract. With MAPTM, on



the other hand, the pressure-driven mass transfer is not as influenced by the equilibrium state. Mass transfer continues as long as energy is applied and so it is often possible to achieve efficient, full extraction in a single stage, leading to reduced solvent and energy usage and better crude extract properties.

With MAPTM, the microwave energy is selectively deposited in the core of the biomass while the surrounding solvent absorbs less energy and remains relatively cool. Because of this, thermally unstable compounds spend only a brief time at elevated temperature and so, in some cases, less degradation is observed and higher purity final products can be prepared. Similarly, with MAPTM, there are more processing variables available to manipulate. In addition to solvent composition, temperature and extraction time, the applied microwave energy and power density, microwave duration and post-microwave diffusional mixing can be varied to, in some cases, achieve more selective extractions leading to different product profiles. In addition, because the extraction step is fast and efficient, alternative processing schemes can be devised, for example extracting a first in one solvent system to first recover compounds of a particular chemical property – or remove unwanted impurities - and then re-extracting the first-extracted biomass in a different solvent system to recover additional valuable compounds, often at a higher purity. Such a scheme is often not economically feasible when the extraction step is long and inefficient.

In any extraction method, the selection of the solvent to be used in the process can be an important factor in the success of the process. With MAPTM, however, there is more flexibility and much greater opportunity to effect improved extraction results by proper solvent selection than with any other conventional extraction process. In both conventional and MAPTM processing, the solvent selection depends on the solubility of the compounds of interest along with other properties such as solvent penetration into and its interaction with the biomass. With MAPTM, another important aspect not relevant to conventional extraction is the ability of the solvent to absorb and dissipate the microwave energy. The capacity of the solvent to absorb microwave energy is related to its dielectric properties (dielectric constant and dielectric loss). In general, low polarity solvents such as hexane are almost completely transparent to microwave energy while higher polarity solvents such as ethanol can absorb and dissipate more. In this context, there is an opportunity to be more flexible than conventional processes by understanding the impact of dielectric properties on the microwave interaction and using this to advantage. For example, the dielectric properties can be modified when combining different solvents (allowing for varying solvent selectivity for different compounds) or additions of small amounts of water or even salts to the mixture to increase heating rates. These properties can therefore often be manipulated to achieve different results than are possible with conventional processes.

The MAPTM process is also easily scalable to industrial-relevant production requirements. Because the extraction rates are fast, the equipment can be relatively small and therefore capital costs can be relatively low. Further, Radiant's industrial-scale extractor is a continuous flow extractor which comes with several benefits. First, this design allows for increased flexibility with respect to operation. In particular, the contact time between the biomass and solvent before, during and after microwave treatment can be adjusted much more easily and it is possible to precisely control biomass residence time in the microwave zone and – if desired – separate the biomass from the solvent very quickly after treatment, or continue contact for any length of time at any temperature, depending on the desired outcome. Finally, this approach lends itself well to scale-up. The continuous flow approach eliminates the requirement for having geometric similarity between scales (i.e. the equipment shape and dimensions do not have to scale proportionately). Classically, even geometric similarity does not ensure thermal similarity in scaled



systems – for example, heat transfer is an interface-controlled process and so the surface area relative to the volume is critical. As volumetric scale increases, the area relative to the volume decreases and the overall efficiency of heat transfer can decline considerably. There is no thermal inertia with microwaves, on the other hand. Since penetration depth is not an issue with the continuous flow design, the energy is deposited uniformly throughout the mixture resulting in rapid energy transfer and direct "in-core" dielectric heating – hence the thermal inertia inherent to classical methods is not an issue.

Finally, the Radiant Solution is firmly aligned with the principles of "green chemistry", which is concerned with developing processes and products to reduce or eliminate hazardous substances. One of the goals of green chemistry is to prevent pollution at its source, as opposed to dealing with pollution after it has occurred. Radiant's proprietary extraction technology allows for more efficient extraction of starting raw materials, lower temperature processing, the use of more benign solvents and lesser quantities of solvent and energy.

CANNABINOID INITIATIVE

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

The medical marijuana industry is showing a very rapid rate of growth. According to Arcview Research, legal cannabis sales rose 17% to (USD) \$5.4 billion in 2015. By 2020, the industry is expected to grow to \$21.8 billion. In Canada, as of the end of September 2016, around 100,000 patients had registered with Health Canada for the use of medical cannabis. Radiant expects to use its patented Microwave-Assisted Processing (MAP™) technology to extract cannabinoids with higher efficiency and purity from both marijuana and hemp and meet the strict Quality Assurance standards of the industry as the regulatory environment changes.

Furthering the Company's initiative in the Cannabinoid space, the Company has signed a Memorandum of Understanding (MoU) with Aurora Cannabis Inc. (Aurora) to evaluate an exclusive partnership for the Canadian market with regard to the joint development and Commercialization of superior and standardized cannabinoid extracts.

Licensed Patent Rights, Patents, Patent Applications and Registered Trade-Marks

A summary of Radiant's licensed patent rights, patents, patent applications and Registered Trade-Marks is as follows:



Title	Jurisdiction	Status	Number	Expiry Date
<u>Licensed IP Rights</u>				
Controlled energy density microwave assisted processes	USA	Granted	6061926	Nov. 2018
Controlled energy density microwave assisted processes	Canada	Granted	2287841	Nov. 2019
Trademark / Official Mark	Canada	Registered	904932	N/A
Trademark / Official Mark	France	Registered	94/512023	N/A
Trademark / Official Mark	Italy	Registered	708135	N/A
Trademark / Official Mark	USA	Registered	2012278	N/A
<u>Patents and Patent Applications</u>				
Methods for making Cyclopamine	Canada	Granted	2727986	Jul. 2029
Methods for making Cyclopamine	USA	Application	2011/0160457	N/A
Method for direct extraction and concentration of naturally-derived active compounds	Canada	Application	2780578	N/A
Method for direct extraction and concentration of naturally-derived active compounds	USA	Application	13/921850	N/A

As discussed above, Radiant negotiated the right to purchase the MAP™ patents US 6061926 and CA 2287841 from the Government of Canada, and as of May 1, 2014 has completed the purchase of these patents. Part of Radiant's ongoing intellectual property strategy is to file microwave-based product-by-process patents. To-date, Radiant has been granted patent CA 2727986 and has several applications pending. Radiant is also in the process of protecting novel apparatus aspects of its large-scale continuous flow microwave extractor.

Corporate Structure

The head office of Radiant is located at 8223 Roper Road NW, Edmonton, Alberta, T6E 6S4 and the registered and records office is located at 2900 – 550 Burrard Street, Vancouver, British Columbia, V6C 0A3. Radiant also operates a production facility located at 4035 - 101 St NW, Edmonton, Alberta, T6E 0A4.

Radiant owns a 50% interest in 1631807 Alberta Ltd., a corporation duly incorporated under the ABCA, which is the owner and landlord of real estate relating to the Edmonton production facility.

RESULTS OF OPERATIONS

Selected Annual Information

The following table summarizes key financial data for the years ended March 31, 2016, 2015 and 2014:

	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2014
Revenue	\$ 626,457	\$ 131,405	\$ 181,090
Net loss, before other income and expenses	(4,035,600)	(6,894,676)	(5,487,216)
Net loss per share, before other income and expenses (basic and diluted)	(0.08)	(0.22)	(22.74)
Net loss	(4,227,911)	(14,137,534)	(5,324,923)



Net loss per share Basic and diluted	(0.09)	(0.45)	(22.07)
Cash dividends declared per common share 1	0.00	0.00	0.00
Cash used in operating activities	(1,277,995)	(5,916,617)	(3,224,546)
Cash provided by financing activities	1,718,525	5,818,031	5,629,480
Cash used in investing activities	\$ (16,956)	\$ (105,501)	\$ (2,266,805)
Weighted average number of common shares outstanding 2	49,327,549	31,578,767	7,225,011
Total assets	\$ 5,358,862	\$ 5,448,630	\$ 12,479,035
Working capital 3	(3,982,243)	(1,715,437)	(8,700,500)
Total non-current liabilities	\$ 6,718,531	\$ 6,808,572	\$ 7,071,414

Notes:

1. There were no cash dividends declared or paid, however pursuant to the Arrangement, discussed further in the "Qualifying Transaction" section of this MD&A, the accrued dividends on the preferred A, B and C shares were cancelled and such amounts were converted to common shares
2. Weighted average shares prior to the date of the Qualifying Transaction have been consolidated on the basis of the ratio (29.944:1) set out within the Arrangement.
3. Working capital is a non-IFRS definition. Readers should refer to the "Liquidity and Capital Resources" section of this MD&A for the calculation.

The Company's focus, throughout the year, has been on marketing efforts, restarting of the Edmonton production facility, and scaling up operations. The annual loss has increased as a result of increased staff, operating expenses, interest and accretion on debt, professional fees surrounding financings and other efforts, and amortization on an increased asset base and impairment of plant and equipment and leaseholds.

While the Company has completed feasibility and scale up studies through the periods presented, the focus has been on technology, market, and facility development until such time as the Edmonton production facility could be completed and at which time commercial revenues can be generated.

Highlights of the Quarter

The following tables summarize key financial data for the quarters ended December 31, 2016 and 2015:

(unaudited, for the three months ended)	December 31, 2016	December 31, 2015
Revenue	\$ 116,235	\$ 520,031
Net loss, before other income and expenses	(1,091,034)	(652,940)
Net loss per share, before other income and expenses Basic and diluted	(0.01)	(0.01)
Net loss	(1,161,550)	(738,593)
Net loss per share Basic and diluted	(0.01)	(0.01)

Cash dividends declared per common share ¹	0.00	0.00
Cash used in operating activities	(4,030,818)	66,592
Cash provided by financing activities	6,504,871	130,556
Cash provided by (used in) investing activities	\$ (3,209)	\$ 10,909
Weighted average number of common shares outstanding ²	84,032,547	50,935,740

(unaudited, as at)	December 31, 2016	December 31, 2015
Total assets	\$ 8,077,320	\$ 4,634,379
Working capital ³	\$ 580,498	\$ (3,266,903)

Notes:

1. There were no cash dividends declared or paid, however pursuant to the Arrangement, discussed further in the "Qualifying Transaction" section of this MD&A, the accrued dividends on the preferred A, B and C shares were cancelled and such amounts were converted to common shares
2. Weighted average shares prior to the date of the Qualifying Transaction have been consolidated on the basis of the ratio (29.944:1) set out within the Arrangement.
3. Working capital is a non-IFRS definition. Readers should refer to the "Liquidity and Capital Resources" section of this MD&A for the calculation.

The following highlights key activities, milestones and initiatives undertaken in the quarter ended December 31, 2016:

- The Company, in October 2016, closed the third and final tranche of its previously announced non-brokered private placement of up to 70 million units of the Corporation at \$0.10 per unit for gross proceeds of upto \$7 million. Under the third tranche of the offering, the Company issued and sold 6,520,158 units for gross proceeds \$652,015
- The Company also announced a shares for debt transaction in which it proposed to issue up to 4,276,190 common shares at a price of \$0.105 per share to certain directors and officers towards the settlement of an aggregate of up to \$449,000 of debt relating to unpaid directors fees, management fees and management salaries in October 2016
- The Company announced a non-brokered private placement of up to 47,619,048 units at a price of \$0.105 for aggregate proceeds of \$5 million. Each unit was made of one common share and one half Common Share purchase warrant (each whole warrant, a "Unit Warrant"), with each whole Unit Warrant entitling the holder to subscribe for one additional Common Share at a price of \$0.25 per Common Share until the date that is 42 months from the date of issuance. It completed this private placement on December 22, 2016.
- In November 2016, the Company announced it was entering into the Cannabinoids market by applying for the relevant accreditation and permits from the Canadian Government for conducting research and the eventual commercial production of standardized cannabinoids extracts. The Company's application for a Controlled Drugs and Substances Dealers license was prepared for submission.
- In November, the Company also announced a fourth manufacturing agreement with a global leader in the development, manufacturing and marketing of innovative ingredients for the cosmetic and personal care industry.
- On December 14, 2016 the company signed a MoU for a joint venture for exclusive collaboration to apply breakthrough extraction technologies for cannabis with Aurora. The MoU covers an exclusive partnership for the Canadian market for the joint development and commercialization of superior and standardized cannabinoid extracts. As part of the MoU, Aurora will, subject to certain conditions precedent being satisfied, invest up to \$2 million into Radiant by means of a convertible debenture. Aurora, is one of the largest licensed



producers of medical cannabis under Health Canada's Access to Cannabis for Medical Purposes Regulations (ACMPR).

- On December 23, 2016, the Company appointed Jan Petzel of Eldon Capital, an investment and advisory firm focused on international growth investments and buy-out opportunities to the Board of Directors

Three months ended (unaudited)	December 31, 2016	December 31, 2015
Revenues	\$ 116,235	\$ 520,031
Cost of revenues	39,482	136,989
	76,753	383,042
Expenses		
Amortization	116,600	240,349
General and administrative	422,871	304,857
Financing fees	198,748	177,081
Edmonton laboratory	138,499	72,439
Marketing	52,231	35,200
Edmonton production plant	238,587	179,700
Quality control and assurance	91	8,175
Research and development	-	18,181
	1,167,787	1,035,982
Loss before other income and expenses	(1,091,034)	(652,640)
Other income (expenses)		
Royalty financial liability estimate adjustment		-
Rental income (loss)	20,078	(7,463)
Equity interest of related company income	-	72
Share based payments	(89,394)	(163,701)
Interest income		-
Foreign exchange (loss) gain	(1,200)	85,439
Transaction costs		-
	(70,516)	85,653
Net loss and comprehensive loss	\$ (1,161,550)	\$ (738,593)

Explanations of specific variances are discussed in more detail below:

Revenues

Activities for the three months ended December 31, 2016 were focused on production processes and product development. The activities for the prior year also focused on completion of a significant and product development project.

Amortization

Amortization on the Edmonton production facility commenced in January, 2014 when the facility was available for use and scale studies commenced. Amortization for the three months ended December 31, 2016 decreased by \$123,749 as a result of impairment of the assets that were recognized as of years ended March 31, 2016 and March 31, 2015.



Financing Fees

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

<i>(unaudited)</i>	Three months ended Dec 31, 2016	Three months ended Dec 31, 2015	Nine months ended Dec 31, 2016	Nine months ended Dec 31, 2015
Long term due to related company	15,000	16,000	45,000	48,867
Long term debt	16,344	10,456	51,315	34,957
Accretion of royalty financial liability	142,510	128,370	419,159	374,292
Accretion of government contributions	24,165	18,131	72,495	57,347
Other financing fees		4,124		12,415
Interest on Short term debt	729		20,788	
Total interest and financing fees	198,748	177,081	608,757	527,878

Fees related to long term debt increased by \$5,888 for the three months ended and \$16,358 for the nine months ended December 31, 2016 when compared to the same periods in December 31, 2015 due to arrears of interest being charged.

Accretion of royalty financial liability increased by \$14,140 for the three months ended and \$44,867 for the nine months ended December 31, 2016 when compared to the same periods ending December 31, 2015 due to a revaluation performed at the end of the previous fiscal year.

Accretion of government contributions went up by \$6,034 for the three months ended and \$15,148 for the nine months ended December 31, 2016 when compared to the same periods ending December 31, 2015 due to arrears of interest being charged.

General and Administrative Expenses

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

<i>(unaudited)</i>	Three months ended Dec 31, 2016	Three months ended Dec 31, 2015	Nine months ended Dec 31, 2016	Nine months ended Dec 31, 2015
Salaries and benefits	133,546	115,040	344,817	307,329
Professional fees	18,175	19,231	115,982	161,120
Director's fees	15,875	13,000	36,625	32,500
Rent	47,507	26,908	145,331	131,009
Public company compliance cost	56,725	(1,024)	115,922	19,630
Office	10,170	25,737	38,522	25,737
Insurance	17,461	12,479	50,166	44,132



Travel	25,651	13,914	35,028	13,914
Consulting fees	97,761	98,433	235,250	242,479
Total general and administrative expenses	422,871	304,857	1,117,653	977,850

Rent for the administrative office has increased by \$14,322 for the nine months ended December 31, 2016 as compared to the nine months ended December 31, 2015. This can be attributed to a deferred recognition of rental expense.

Public company compliance includes all fees related to becoming a public company on May 22, 2014. These fees were higher by \$96,292 during the nine months ended December 31, 2016 due to costs related to the various capital raising activities undertaken in the 9 month period ending December 31, 2016.

Travel expenses increased by \$21,114 for the nine months ended December 31, 2016 as compared to the nine months ended December 31, 2015 as a result of a decision to expand shareholder base outside North America.

Edmonton Laboratory

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

<i>(unaudited)</i>	Three months ended Dec 31, 2016	Three months ended Dec 31, 2015	Nine months ended Dec 31, 2016	Nine months ended Dec 31, 2015
Salaries and benefits	95,536	37,866	216,603	226,713
Administrative costs	42,963	34,573	128,496	142,358
Total laboratory expenses	138,499	72,439	345,099	369,071

During the three and nine month periods ending Dec 31, 2015, certain employees were involved in production activities and a part of their emoluments was charged to cost of sales. During the three and nine month periods ending Dec 31, 2016 though, employees were solely involved in laboratory work. Hence salaries and benefits associated with the Edmonton Laboratory went up for the 3 months ending Dec 31, 2016.

Marketing

Marketing costs for the three months ended December 31, 2016 were up by \$17,031 when compared to the three months ended December 31, 2015 as a result of increased activity due to the resumption of manufacturing operations.



Production Plant

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

<i>(unaudited)</i>	Three months ended Dec 31, 2016	Three months ended Dec 31, 2015	Nine months ended Dec 31, 2016	Nine months ended Dec 31, 2015
Salaries and benefits	120,186	75,124	235,046	476,201
Administrative costs	118,401	104,576	312,461	324,352
Total production plant expenses	238,587	179,700	547,507	800,553

Salaries and benefits have increased by \$45,062 in the quarter ending Dec 31, 2016 compared to the same period last year. This could be attributed to a partial allocation of salaries and benefits expense to cost of sales in 2015. Such an allocation was not done in 2016. Some employees were laid off in the first 6 months of the period ending Dec 31, 2016, when the production plant was idled. However some were recalled and new employees were hired in the latter few months of the period. Hence salaries and benefits fell in the 9 months ending Dec 31, 2016 compared to the 9 months ending Dec 31, 2015 but rose in the 3 months ending Dec 31, 2016 compared to the 3 months ending Dec 31, 2015.

Production materials and other production costs included in administration costs have increased by \$58,887 in the quarter ending Dec 31, 2016 on account of a restart of plant operations this quarter.

Quality Control and Assurance

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

<i>(unaudited)</i>	Three months ended Dec 31, 2016	Three months ended Dec 31, 2015	Nine months ended Dec 31, 2016	Nine months ended Dec 31, 2015
Salaries and benefits	-	8,190	454	54,410
Administrative costs	91	(15)	190	249
Total Quality control and assurance	91	8,175	644	54,659

Salaries and benefits and administrative expenses have decreased because of the layoff of the remaining employee.

Research and Development



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

<i>(unaudited)</i>	Three months ended Dec 31, 2016	Three months ended Dec 31, 2015	Nine months ended Dec 31, 2016	Nine months ended Dec 31, 2015
Production materials	-	(2,564)	-	20,409
Other production costs	-	12,732	-	55,764
Product development		8,013		34,418
		18,181		
Total research and development	-		-	110,591

No R&D costs were incurred in the quarter ending Dec 31, 2016 since no feasibility or scale studies were undertaken in the period.

Royalty Financial Liability Estimate Adjustment

The AVAC funding is repayable as a royalty on revenues, up to a maximum value. As the funding received is contingently repayable, it constitutes a liability that is recognized initially at fair value and subsequently at amortized cost using the effective interest method. Management updates the estimate of future cash flows required under these agreements at each reporting date.

Share Based Payments

Share based payments for the nine months ended December 31, 2016 were \$260,954 (2015 - \$710,206) have reduced over last year as a result of the grant and immediate vesting of options issued and exercised prior to the RTO, as well as the grant of options subsequent to the completion of the RTO which were largely accounted for in the last fiscal year. There are no stock options issued in the nine month ended December 31, 2016.

SUMMARY OF QUARTERLY RESULTS

<i>(unaudited)</i>	<u>Quarter Ended (\$)¹</u>			
	Dec 31, 2015	Sep 30, 2015	Jun 30, 2015	Mar 31, 2015
Revenues	520,031	5,500	27,500	(24,646)
Loss before other income and expenses	(652,940)	(1,386,301)	(1,254,963)	(917,440)
Loss per share, before other income and expenses (basic and diluted)	(0.01)	(0.06)	(0.04)	(0.17)
Net loss	(738,593)	(1,833,921)	(1,263,596)	(12,672,072)
Net loss per share (basic and diluted)	(0.01)	(0.06)	(0.04)	(0.86)
Weighted average number of common shares	50,935,740	47,128,995		



outstanding ²			42,278,441	39,308,373
Total assets	4,634,379	4,850,201	5,103,989	5,448,630
Long term liabilities	6,891,511	6,771,275	6,695,532	6,322,287
Cash dividends ³	0	0	0	0

	<u>Quarter Ended (\$)¹</u>			
<i>(unaudited)</i>	Dec 31, 2016	Sep 30, 2016	Jun 30, 2016	Mar 31, 2016
Revenues	116,235	31,250	-	79,598
Loss before other income and expenses	(1,091,034)	(1,054,472)	(911,638)	(708,948)
Loss per share, before other income and expenses (basic and diluted)	(0.01)	(0.02)	(0.02)	(0.01)
Net loss	(1,161,550)	(1,095,125)	(958,862)	(492,607)
Net loss per share (basic and diluted)	(0.01)	(0.02)	(0.02)	(0.01)
Weighted average number of common shares outstanding ²	84,032,547	65,171,117	57,059,178	52,415,920
Total assets	8,077,320	4,987,193	4,960,703	5,220,108
Long term liabilities	7,057,445	6,921,487	6,836,654	6,718,531
Cash dividends ³	0	0	0	0

Notes:

1. *Weighted average shares prior to the date of the Qualifying Transaction have been consolidated on the basis of the ratio (29.944:1) set out within the Arrangement.*
2. *There were no cash dividends declared or paid, however pursuant to the Arrangement, discussed further in the "Qualifying Transaction" section of this MD&A, the accrued dividends on the preferred A, B and C shares were cancelled and such amounts were converted to common shares*

LIQUIDITY AND CAPITAL RESOURCES

Working Capital

<i>As at</i>	December 31, 2016	March 31, 2016
Cash and cash equivalents	\$ 2,895,860	\$ 425,016
Accounts receivable	501,910	159,031
Prepaid and deposits	148,617	47,040
Advances to related company	258,642	-
Inventory	33,912	33,912
Accounts payable and accruals	(2,228,754)	(3,114,788)
Current portion of repayable grant	(30,000)	(30,000)
Current portion of long term debt	(110,268)	(148,598)
Current portion of repayable government contributions	(827,961)	(755,467)
Current portion of lease obligation	(11,407)	(10,331)
Current portion of due to related company	(50,053)	(50,053)
Working Capital (Deficit)	\$ 580,498	\$ (3,982,244)



Compared to a deficit of \$3.9 million as of the quarter ending September 30, 2016, over the three months ending December 31, 2016 the Company has a net working capital surplus of \$580,498. This comes on the back of a successful non-brokered private placement for \$5 million which was completed on December 22, 2016 as well as the close of the final tranche of the private placement announced on July 29, 2016 (of up to 70 million units at \$0.10 per unit for aggregate proceeds of \$7 million) which was completed on October 14, 2016 for gross proceeds of \$620,015.

The Company announced its foray into the cannabinoid space as a key platform for providing as an efficient and costeffective extraction solution for cannabinoids. As part of the MoU with Aurora, Radiant has an exclusive partnership for the Canadian market for the joint development and commercialization of superior and standardized cannabinoid extracts. Also, as part of the MoU, Aurora will, subject to certain conditions being satisfied, invest up to \$2 million into Radiant by means of a convertible debenture. On February 13, 2017, Aurora and the Company announced that Aurora was proceeding with the debenture.

On February 13, 2017, the Company announced it is conducting a brokered private placement for up to \$6 million with Aurora as the lead investor and Canaccord Genuity as the agent. Aurora has indicated that it intends to participate in the offering in an amount up to \$1.25 million or approximately 22% of the total proceeds.

While the Company incurred losses in the past, for the 9 months ended December 31, 2016 it booked a loss of \$3,215,537 (2015 – loss of \$3,874,358). The company had a deficit of \$46,861,053 as of December 31, 2016 (December 31, 2015 this was \$43,645,512). But in light of recently completed financings, the Company has a working capital surplus of \$580,498 compared to a working capital deficit of \$3,732, 244 as of 31 March 2016.

Given the new inflow of capital and the ongoing brokered private placement, the Company should be well funded to sustain operations and ongoing product development and testing, and the obtainment of all requisite licenses required for studies and process development in the Cannabinoid space.

CONTINGENCIES AND COMMITMENTS

License agreement

Pursuant to a license agreement between the Company and the Government of Canada - Environment Canada which provides a non-exclusive worldwide right to a technology involving a microwave assisted process for extraction; the Company was responsible for payment of royalties based on a percentage of revenue earned from the licensed technology.

On July 23, 2013 the Company signed an agreement from the Government of Canada – Environment Canada to purchase certain patents and trademarks for the microwave assisted process (MAP)



technology. The purchase price of \$100,000 has been fully paid. The patents and trademarks expire in fiscal 2018 and 2019.

Contribution agreement

On August 5, 2004, the Company signed a Contribution Agreement with Sustainable Development Technology Canada (SDTC) to fund the Company's manufacturing facility and its pilot plant expansion. SDTC would contribute 40% of all eligible costs to a maximum of \$1,000,000. That Agreement was amended November 11, 2009.

SDTC requested an audit of the expenses incurred from 2004 to 2010 on the project. As a result of this audit during the year ended March 31, 2014, it was agreed that \$90,000 would be repaid by the Company to SDTC in 18 monthly installments, beginning March 1, 2014. At December 31, 2016, \$30,000 has been recorded as a current repayable grant to SDTC.

Head Office

The Company is party to a facilities lease in Edmonton, Alberta which called for minimum monthly lease payments of \$12,207 plus monthly operating costs of approximately \$6,500 commencing on October 1, 2011 through September 30, 2014. From October 1, 2014 to September 30, 2019, the monthly lease costs increased to \$12,216 plus applicable operating costs.

Production Facility

On September 1, 2011, the Company entered into a 10 year lease with 1396730 Alberta Ltd. for the property at 4035 - 101 Street, Edmonton, AB. This lease was transferred on December 14, 2011 to 1631807 Alberta Ltd., a related party through 50% ownership. Base rent under the lease is:

Years 1 – 3	\$186,435 per annum payable in equal monthly instalments
Years 4 – 6	\$222,687 per annum payable in equal monthly instalments
Years 7 – 9	\$238,223 per annum payable in equal monthly instalments
Year 10	\$268,259 per annum payable in equal monthly instalments

In addition to the above base rent, the Company is responsible to pay \$25,344 per annum in equal monthly instalments commencing September 1, 2012 for the balance of the term as additional rent in respect of landlord capital improvements and to pay additional rent to cover operating costs and property taxes.

OFF-BALANCE SHEET ARRANGEMENTS

There are no off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS

During the quarter ending Dec 31, 2016 short term debt of \$50,000 owing to an officer was repaid. Additionally, one director (\$ 17,250) and one officer (\$85,000) participated in the private placement that



closed on October 14, 2016. Finally, 3 officers participated directly or indirectly in the private placement that closed on Dec 22, 2016 for \$217,000 and one director indirectly participated for \$46,250.

SUBSEQUENT EVENTS

- Subsequent to the end of the quarter, on January 4, 2017, Aurora Cannabis and Radiant entered into a joint venture research agreement pursuant to which Radiant and Aurora are working to confirm the effectiveness of Radiant's MAP™ technology for cannabis extraction. Initial work under the study is ongoing
- On February 13, 2017, Aurora completed the placement of the previously announced \$2million convertible debenture into the Company
- Additionally, on Feb 13, 2017 the company announced that it was participating in a brokered private placement for up to \$6 million with Aurora Cannabis participating as the lead investor.
 - The company entered into an agreement with Canaccord Genuity Corp, as the agent for a brokered private placement of up to 13,333,333 units (the "Units") at \$0.45 per unit for aggregate proceeds of up to \$6 million (the "Offering") to be conducted on a commercially reasonable efforts basis, subject to satisfactory due diligence.
 - The Agent has also been granted the option (the "Over-Allotment Option") to purchase up to an additional 15% of the number of Units issuable under the Offering.
 - Aurora has advised Radiant that it intends to participate in the Offering in an amount up to \$1.25 million, approximately 22% of the total proceeds.
 - Each Unit is comprised of one common share of Radiant (a "Common Share") and one half Common Share purchase warrant (each whole warrant, a "Unit Warrant"), with each whole Unit Warrant entitling the holder to subscribe for one additional Common Share at a price of \$0.70 per Common Share until the date that is 24 months from the date of issuance.
 - As compensation for its services, Radiant will issue to the Agent that number of non-transferable common share purchase warrants ("Broker Warrants") equal to 7% of the total number of Units sold under the Offering (including any Units issued upon exercise of the Over-Allotment Option), other than in respect of orders from "president's list" purchasers on which the Agent will receive Broker Warrants equal to 3.5% of the Units sold.
 - Each Broker Warrant will entitle the Agent to acquire one Unit at an exercise price of \$0.45 for a period of 24 months following the completion of the Offering. The Agent will also receive a cash commission of up to 7% of the gross proceeds of the Offering (including in respect of any exercise of the Over-Allotment Option), other than in respect of orders from "president's list", purchasers on which a reduced commission will be paid and will comprise of finders fees in accordance with the policies of the TSX Venture Exchange.
 - The Offering is subject to the receipt of all necessary approvals, including the final approval of the TSX Venture Exchange. All securities issued in connection with the Offering are subject to a statutory four-month hold period.

Future Changes in Accounting Policies

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

IFRS 9 - Financial Instruments replaces the current standard IAS 39 - Financial Instruments: Recognition and Measurement, replacing the current classification and measurement criteria for financial assets and liabilities with only two classification categories: amortized cost and fair value. The previously mandated effective date of January 1, 2015 has been removed. The Company will evaluate the impact of the change to its financial statements based on the characteristics of its financial instruments at the time of adoption. IFRS 9 has a tentative mandatory effective date of January 1, 2018.

IFRS 15 - Revenue from Contracts with Customers, replaces IAS 11 – Construction Contracts, IAS 18 – Revenue and IFRIC 13 – Customer Loyalty Programmes. This standard outlines a single comprehensive model for entities to account for revenue arising from contracts with customers. IFRS 15 is to be applied retrospectively with early adoption permitted. The IASB recently voted to publish an exposure draft proposing a one-year deferral of the effective date of IFRS 15 to annual periods beginning on or after January 1, 2018.

FINANCIAL INSTRUMENTS AND MARKET RISK

The fair value of cash and cash equivalents, accounts receivable, advances to related company, repayable grant and accounts payable and accruals approximate their carrying amount due to their short-term nature. The fair value of long-term debt; short term debt, convertible promissory note and convertible debt are estimated to approximate its carrying value because the interest rate does not differ significantly from current interest rates for similar types of borrowing arrangements (level 2).

Repayable government contributions are recorded at the amount drawn under the agreement discounted using a market rate of, which represents the estimated fair value of the obligation. The fair value of the repayable government contributions are not materially different from their carrying amounts as funding received has been discounted using an estimate of a market rate of interest and is being accreted back to its nominal amount (level 2).

The royalty financial liability was estimated using a discount rate that results from the estimated future repayment of that obligation which is based on expected sales. As the estimated discount rate also approximates the company's estimated cost of capital for similar borrowing arrangements, management believes the carrying amount of this obligation does not differ significantly from its fair value (level 3).

The Company has exposure to credit, liquidity and market 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 cash equivalents, accounts receivable and advances to related company to a maximum of the carrying value of the aforementioned items at the reporting date.

The Company mitigates its exposure to credit risk by maintaining its Canadian domiciled bank accounts with a Canadian Chartered Bank.

The Company's accounts receivables are with recognized, creditworthy third parties and its receivables from such third parties are monitored on an ongoing basis for impairment.

Liquidity Risk:

Liquidity risk is the risk that the Company will encounter difficulties in meeting its financial obligations. As a result of 1) the close of the third tranche of the private placement announced on July 29, 2016 on October 14, 2016 of gross proceeds of \$, 2) a successfully completed non-brokered private placement for \$5 million (completed in Dec 2016), 3) a brokered private placement with Canaccord Genuity and led by ACB for \$6.875 million, (initiated in Feb 2017, re. subsequent events), and 4) the placement of a \$2 million convertible debenture by Aurora on February 13, 2017, the company's liquidity position is significantly stronger than it was at the end of the quarter ending September 30, 2016.

Given the significant inflow of capital and the ongoing brokered private placement, the Company should be well funded to sustain current operations, ongoing product development and testing, particularly to advance the studies related to its extraction process with Aurora in the cannabinoids space and procurement of requisite licenses. Including subsequent events to the quarter end, there is a significant improvement in the Company's liquidity position since Q2 2016.

The following are the contractual maturities of the Company's financial liabilities and obligations as of December 31, 2016:

	<1 year \$	1 to 3 years \$	4 to 5 years \$	>5 years \$	Total \$
Account payable and accruals	2,228,754	-	-	-	2,228,754
Long-term debt	110,268	239,520	239,548	59,852	729,651
Royalty financial liability	539,548	1,544,482	2,117,856	5,428,202	9,630,088
Repayable government contributions	827,961	-	-	-	827,961
Due to related company	50,053	150,159	100,106	833,935	1,134,253
Repayable grant	30,000	-	-	-	30,000
Lease obligation	11,407	8,485	-	-	19,892
	3,797,991	1,942,646	2,457,510	6,321,989	14,520,136



The following are the contractual maturities of the Company's financial liabilities and obligations as at December 31, 2015:

	<1 year \$	1 to 3 years \$	4 to 5 years \$	>5 years \$	Total \$
Account payable and accruals	2,508,418	-	-	-	2,384,081
Long-term debt	104,392	349,788	239,548	41,279	735,007
Royalty financial liability	139,850	2,055,350	1,656,200	5,257,692	9,109,138
Repayable government contributions	716,155	-	-	-	716,155
Due to related company	157,518	150,159	100,106	555,683	963,466
Repayable grant	30,000	-	-	-	30,000
Lease obligation	9,995	19,892	-	-	29,887
	3,666,332	2,575,183	1,995,902	5,854,654	14,092,071

Interest Rate Risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate as a result of changes in the market interest rates. The Company has minimal interest rate risk on its long term debt agreements as all are at fixed rates.

Market Risk

Market risk is composed of interest rate risk and foreign currency risk. The Company earns certain revenues and incurs certain operating expenses and capital expenditures in U.S. dollars and EUROS. Accordingly, the fluctuations in the exchange rate between the U.S. and Canadian dollar and the EURO and the Canadian dollar can have an effect on the Company's reported results. The current period fluctuation was minimal.

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 are may be accessed through the Company's profile on SEDAR (www.sedar.com), including the Management Information Circular dated October 22, 2016.



Going Concern

Certain conditions may cast significant doubt upon the validity of the Company to continue on a going concern:

- The Company has a limited commercial operating history, and growing but insufficient revenues to provide ongoing operating capital;
- Radiant may encounter unforeseen difficulties or delays in its operations and the development of its market, which will dictate the timing and quantum of such financings;
- Until sufficient cash flows from operations are generated on a consistent basis, Radiant will be reliant on debt and equity financing to sustain operations. The recent capital raises have significantly mitigated these concerns as Management has been successful to finance operations through its recent equity offerings of July, 2016, December, 2016 and February, 2017 plus the convertible debenture issued to Aurora in February, 2017 significantly improving its liquidity position
- Management has been able, thus far, to finance operations through debt and equity financings and will continue, as appropriate, to seek financing from these and other sources; however, there are no assurances that any such financings can be obtained on favourable terms, if at all.

While the company incurred losses in the past, for the 9 months ended December 31, 2016 it booked a loss of \$3,215,537 (2015 – loss of 3,874,358). The company had a deficit of \$46,861,053 as of December 31, 2016 (December 31, 2015 this \$43,153,205). But in light of recently completed financings, the company has a working capital surplus of \$580,498 compared to a working capital deficit of \$3,249,721 as of December 31, 2016.

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

Limited Operating History

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



Ability to Implement Business Plan

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

Radiant's sales and marketing plan or its professional sales and marketing function have not yet progressed significantly past a pilot scale, and is based on a number of assumptions which may or may not prove to be accurate. Poor market acceptance of Radiant's technology, products or other unanticipated events may result in lower revenues than anticipated.

Cost Control

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

Technology Scale-Up

Radiant has successfully completed a number of scale-up studies in a pilot plant environment, but has yet to implement its technology significantly on a commercial scale, in a plant environment. The success of Radiant's business will be largely dependent on the ability to replicate its technology, and its inherent benefits on a commercial scale. Failure to do so will result in an inability to secure commercial contracts.

Competition

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

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



Customer Concentration

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

Dependence on Key Personnel

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

Volatility in the Capital Markets

Under present market conditions, publicly traded securities in the industrial technology industry are subject to price volatility. The market for securities of industrial technology companies may be subject to market trends regardless of the success of Radiant. A volatile capital market may impede the ability to undertake future financings, strategic alliances and acquisitions.

Need for Additional Financing

Radiant has not generated any significant revenues in its recent history. As a growing business, Radiant will likely need more capital than is available to it. The continued operation of the Company will be dependent upon its ability to generate operating revenues and to procure additional financing. There can be no assurance that additional financing can be obtained on terms favourable to Radiant or on any terms. Failure to raise the necessary funds in a timely fashion will limit Radiant's ability to move its programs forward in a timely and satisfactory manner, or to abandon the programs or force it to pursue alternative strategic options; any of which would harm its business, financial condition and results of operations, or affect its ability to continue operating.

Government Regulation

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



Risks Related to Intellectual Property

Radiant's success and ability to compete effectively will depend, in part, on its ability to maintain the proprietary nature of its technology and manufacturing processes, the ability to secure and protect its patents, trade secrets, trademarks and other intellectual property rights either developed internally or acquired, and to operate without infringing on the proprietary rights of others or having third parties circumvent the rights that it owns or licenses. There can be no assurance that any of Radiant's patents will be sufficiently broad to protect the Company's technology or that they will not be challenged or found to be invalid.

OUTSTANDING SHARE DATA

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

Common shares issued and outstanding: 132,837,000

Stock options 2,156,362 outstanding with a weighted average exercise price of \$0.76. Each stock option entitles its holder to purchase one common share of the Company.

Warrants 48,316,711 outstanding with an exercise price of \$0.26. Each warrant entitles its holder to purchase one common share of the Company with varying expiry dates up to February 26, 2020.

The fully diluted capital of the Company, including common shares, options and warrants is 183,310,073. common shares as at the date of this MD&A.

FORWARD LOOKING STATEMENTS

The MD&A offers our assessment of Radiant's future plans and operations as of February 27, 2017 and contains forward-looking statements. By their nature, forward-looking statements are subject to numerous risks and uncertainties, including those discussed below. You are cautioned that the assumptions used in the preparation of forward-looking information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking statements. Actual results, performance or achievements could differ materially from those expressed in, or implied by, these forward-looking statements. No assurance can be given that any of the events anticipated will transpire or occur, or if any of them do so, what benefits Radiant will derive from them. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise unless required by law.

Certain statements in this MD&A constitute forward-looking statements, based on management's expectations, estimates and projections. All statements that address expectations or projections about the future, including statements about the Company's strategy for growth, research and development,



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

OTHER SHAREHOLDER INFORMATION

Directors:

Armand Lavoie (Board Member (Chairman), Audit Committee, Compensation Committee, Governance Nominating Committee)
Denis Taschuk (Board Member)
Harry Kaura (Board Member, Health & Safety Committee)
Mike Cabigon (Board Member, Health & Safety Committee)
Steve Dauphin (Board Member, Compensation Committee, Governance & Nominating Committee)
Jith Veeravalli (Board Member)
Dimitris Tzanis (Board member)
Frank Ferlaine (Board Member)
Jan Petzel (Board Member)

Officers:

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

Corporate Counsel:

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

Auditors:

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

Trust Agent:

CST Trust Company, 600 Dome Tower, 333-7th Avenue S.W., Calgary, AB



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