MERCURY CAPITAL II LIMITED

(A CAPITAL POOL COMPANY)

CONDENSED INTERIM FINANCIAL STATEMENTS

THREE MONTHS ENDED JUNE 30, 2013

(EXPRESSED IN CANADIAN DOLLARS)

(UNAUDITED)

MERCURY CAPITAL II LIMITED
Condensed Interim Statement of Financial Position
(Expressed in Canadian Dollars)
(Unaudited)

	As at June 30, 2013	As at March 31, 2013
Assets		
Current		
Funds held in trust (Note 3)	**$ 76,648**	$ 88,700
Prepaid expenses (Note 4)	**37,350**	11,300
Total Assets	**$ 113,998**	$ 100,000
Liabilities		
Current		
Accounts payable and accrued liabilities	**$ 27,351**	$ 10,168
Shareholders' Equity		
Share capital (Note 5)	**97,495**	97,495
Deficit	**(10,848)**	(7,663)
Total shareholders' equity	**86,647**	89,832
Total Liabilities and Equity	**$ 113,998**	$ 100,000

Nature of operations (Note 1)
Subsequent events (Note 8)

The accompanying notes are an integral part of these unaudited condensed interim financial statements.

MERCURY CAPITAL II LIMITED
Condensed Interim Statement of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)
(Unaudited)

	Three Months Ended June 30, 2013	Three Months Ended June 30, 2012
Expenses		
Professional fees	$ 3,185	$ -
Net loss and comprehensive loss for the period	$ (3,185)	$ -
Loss per share - basic and diluted (Note 6)	$ (0.00)	$ -
Weighted average number of shares outstanding - basic and diluted	666,665	-

The accompanying notes are an integral part of these unaudited condensed interim financial statements.

MERCURY CAPITAL II LIMITED
Condensed Interim Statement of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)
(Unaudited)

	Share capital						
	Number of Shares		Amount		Deficit		Total
Balance, March 31, 2012 and June 30, 2012	**-**	**$**	**-**	**$**	**(2,163)**	**$**	**(2,163)**
Balance, March 31, 2013	**666,665**	**$**	**97,495**	**$**	**(7,663)**	**$**	**89,832**
Net loss and comprehensive loss for the period	-		-		(3,185)		(3,185)
Balance, June 30, 2013	**666,665**	**$**	**97,495**	**$**	**(10,848)**	**$**	**86,647**

The accompanying notes are an integral part of these unaudited condensed interim financial statements.

MERCURY CAPITAL II LIMITED
Condensed Interim Statement of Cash Flows
(Expressed in Canadian Dollars)
(Unaudited)

	Three Months Ended June 30, 2013	Three Months Ended June 30, 2012
Cash (used in) provided by:		
Operating activities		
Net loss for the period	**$ (3,185)**	$ -
Net changes in non-cash working capital:		
Prepaid expenses	**(26,050)**	-
Accounts payable and accrued liabilities	**17,183**	-
Net cash used in operating activities	**(12,052)**	-
Change in funds held in trust during the period	**(12,052)**	-
Funds held in trust, beginning of period	**88,700**	-
Funds held in trust, end of period	**$ 76,648**	$ -

The accompanying notes are an integral part of these unaudited condensed interim financial statements.

1. Nature of Operations

Mercury Capital II Limited (the "Company") was incorporated under the *Business Corporations Act* (Ontario) on March 27, 2012. The principal business of the Company is to complete an initial public offering ("IPO") pursuant to Policy 2.4 – Capital Pool Companies (the "CPC Policy") of the TSX Venture Exchange (the "Exchange") in order to become classified as a Capital Pool Company ("CPC") and commence trading on the Exchange. In the event the Company is successful in becoming a Capital Pool Company its principal business will be the identification and evaluation of assets or businesses for the purpose of completing a Qualifying Transaction (as such term is defined in the CPC Policy).

The Company has not commenced commercial operations and has no assets other than funds held in trust and prepaid expenses. The Company will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction. Any proposed Qualifying Transaction must be accepted by the Exchange.

There is no assurance that the Company will identify a business or asset that warrants acquisition or participation within the time limitations permissible under the policies of the Exchange, at which time the Exchange may suspend or delist the Company's shares from trading.

The ability of the Company to continue as a going concern is dependant upon, among other things, being able to obtain additional financing, and maintaining positive operating cash flows. These unaudited condensed interim financial statements have been prepared on the basis that the Company is a going concern and do not include adjustments that would be necessary should the Company be unable to continue as a going concern. Such adjustments may be material.

During the three months ended June 30, 2013, the Company incurred a net loss of $3,185 and, as of that date, the Company has an accumulated deficit of $10,848. The ability of the Company to carry out its business plan rests with its ability to secure additional equity and other financing. Although the Company has been successful in obtaining financing from related parties and private placements in the past, the Company will likely require continued support. These material uncertainties cast significant doubt about the Company's ability to continue as a going concern

The Company's head office and registered records office address is 1 Adelaide Street East, Suite 801, Toronto, Ontario, Canada, M5C 2V9.

2. Significant Accounting Policies

Statement of compliance

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the IFRS Interpretations Committee ("IFRIC"). These unaudited condensed interim financial statements for the three months ended June 30, 2013 have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by IASB and interpretations issued by IFRIC. The same accounting policies and methods of computation are followed in these unaudited condensed interim financial statements as compared with the most recent annual audited financial statements as at and for the year ended March 31, 2013, except as noted below. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the year ending March 31, 2014 could result in restatement of these unaudited condensed interim financial statements.

The unaudited condensed interim financial statements have been prepared on the historical cost basis.

These unaudited condensed interim financial statements were authorized for use by the Board of Directors of the Company on August 7, 2013.

(Expressed in Canadian Dollars)

2. Significant Accounting Policies (Continued)

Change in accounting policies

(i) IFRS 10 - Consolidated Financial Statements ("IFRS 10"), effective for the Company beginning on April 1, 2013, establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities. At April 1, 2013, the Company adopted this pronouncement and there was no material impact on the Company's unaudited condensed interim financial statements.

(ii) IFRS 11 - Joint Arrangements ("IFRS 11") was issued by the IASB in May 2011 and will replace IAS 31 - Interests in Joint ventures and SIC 13 – Jointly Controlled Entities – Non-Monetary Contributions by Venturers. IFRS 11 is effective for the Company beginning on April 1, 2013. At April 1, 2013, the Company adopted this pronouncement and there was no material impact on the Company's unaudited condensed interim financial statements.

(iii) IFRS 12 - Disclosure of Interests in Other Entities, effective for the Company beginning on April 1, 2013, requires the disclosure of information that enables users of financial statements to evaluate the nature of, and risks associated with its interests in other entities and the effects of those interests on its financial position, financial performance and cash flows. At April 1, 2013, the Company adopted this pronouncement and there was no material impact on the Company's unaudited condensed interim financial statements.

(iv) IFRS 13 - Fair Value Measurement is effective for the Company beginning on April 1, 2013, provides the guidance on the measurement of fair value and related disclosures through a fair value hierarchy. At April 1, 2013, the Company adopted this pronouncement and there was no material impact on the Company's unaudited condensed interim financial statements.

3. Funds Held in Trust

Once the Company has been successful in being classified as a CPC, the proceeds raised from the issuance of capital stock may only be used to identify and evaluate assets or businesses for future investments, with the exception that not more than the lesser of 30% of the gross proceeds from the sale of all securities issued by the Company or $210,000 may be used to cover prescribed costs of issuing the common shares or administrative and general expenditures of the Company not related to the identification and evaluation of a Qualifying Transaction. These restrictions apply until completion of a Qualifying Transaction by the Company as defined under the policies of the Exchange. The cash is currently held in trust by the lawyer of the Company.

4. Prepaid Expenses

The Company incurred a work fee of $36,449 (March 31, 2013 - $11,300) related to its public share offering to June 30, 2013 (see Note 8(i)), which is included in prepaid expenses balance. This amount will be deducted from share capital when the public share offering is completed.

5. Share Capital

(a) Authorized:

The Company has authorized share capital of an unlimited number of common shares.

(b) Issued common shares:

	Number of Shares	Amount
Balance, March 31, 2013 and June 30, 2013	**666,665**	**$ 97,495**
Balance, March 31, 2012 and June 30, 2012	**-**	**$ -**

6. Net Loss per Common Share

The calculation of basic and diluted loss per share for the three months ended June 30, 2013 was based on the loss attributable to common shareholders of $3,185 (three months ended June 30, 2012 - $nil) and the weighted average number of common shares outstanding of 666,665 (June 30, 2012 - nil).

7. Related Party Transactions

Related parties include the Board of Directors, close family members and enterprises which are controlled by these individuals as well as certain persons performing similar functions.

(i) During the three months ended June 30, 2013, the Company incurred $7,617 in legal expenses from a law firm whose partner is a director of the Company (three months ended June 30, 2012 - $nil). Of the total amount incurred, $6,512 (three months ended June 30, 2012 - $nil) is in respect to its public share offering which has been recorded in prepaid expenses. At June 30, 2013, $10,785 (March 31, 2013 - $3,168) is recorded in accounts payable and accrued liabilities.

There were no other transactions with related parties and no remuneration was paid to key management personnel during the three months ended June 30, 2013 and the three months ended June 30, 2012.

8. Subsequent Events

(i) On July 10, 2013, the Company completed the IPO by issuing 1,185,400 common shares at a price of $0.30 per share, for gross proceeds of $355,620. The common shares of the Company were listed and posted for trading on the Exchange under the trading symbol “MFF.P” at the opening of the market on July 12, 2013.

Hampton Securities Limited (“Hampton”) acted as agent for the IPO. In connection with the IPO, the Company granted Hampton agent’s warrants to acquire 118,540 common shares at a price of $0.30 per share until July 12, 2015, and paid Hampton a commission of $35,562 (10% of the gross proceeds of the offering) and a $10,000 corporate finance fee.

At the closing of the IPO, the Company also granted incentive stock options to its six officers and directors to acquire a total of 185,206 common shares. The options may be exercised for a period of ten years at a price of $0.30 per share.

(ii) On July 18, 2013, the Company announced that it had entered into a letter of intent (the “LOI”) for the arm's length acquisition of 100% of the common shares of Revive Therapeutics Inc. (“Revive”). Pursuant to the terms of the LOI and subject to completion of certain conditions precedent, including, satisfactory due diligence, execution of a definitive agreement, completion of a concurrent financing and receipt of all necessary shareholder, regulatory and Exchange approvals, the proposed acquisition of Revive will qualify as the Company’s Qualifying Transaction.