

## AMALGAMATION AGREEMENT

THIS AMALGAMATION AGREEMENT made as of the 26<sup>th</sup> day of November, 2013.

### BETWEEN:

**MERCURY CAPITAL II LIMITED**, a corporation existing under the laws of Ontario ("**Mercury**");

-and-

**MERCURY CAPITAL III LIMITED**, a corporation existing under the laws of Ontario ("**Mercury Sub**");

-and-

**REVIVE THERAPEUTICS INC.**, a corporation existing under the laws of Ontario ("**Revive**");

**WHEREAS** Revive and Mercury Sub have agreed to amalgamate pursuant to section 175 of the *Business Corporations Act* (Ontario), and for such purpose Mercury has agreed to issue certain of its securities to the securityholders of Revive;

**NOW THEREFORE THIS AGREEMENT WITNESSES THAT** in consideration of the mutual covenants and agreements herein contained and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree with each other as follows:

### ARTICLE I DEFINITIONS

1.1 **Definitions.** In this Agreement, unless there is something in the context or subject matter inconsistent therewith, the following words and terms set forth in this Article I shall have the following meanings:

- (a) "**Affiliate**" means an affiliated body corporate within the meaning of the OBCA;
- (b) "**Agent**" means Hampton Securities Limited;
- (c) "**Agreement**" means this Agreement and all instruments supplemental hereto or in amendment or confirmation hereof; "herein", "hereof" and similar expressions mean and refer to this Agreement and not to any particular article, section, clause or subclause; and "Article", "Section", "clause" or "subclause" means and refers to the specified article, section, clause or subclause of this Agreement;
- (d) "**Amalco**" has the meaning specified in Section 2.2 hereof;
- (e) "**Amalgamating Corporations**" means, collectively, Revive and Mercury Sub;

- (f) “**Amalgamation**” means the amalgamation of Revive and Mercury Sub pursuant to this Agreement and in accordance with the OBCA;
- (g) “**Applicable Securities Laws**” means collectively, the applicable securities laws of each of the provinces of Canada, the respective regulations, rules and orders made and forms prescribed thereunder together with all applicable published rules, policy statements, blanket orders and rulings of the securities commissions in such provinces;
- (h) “**Arm's Length**” has the same meaning ascribed thereto in the Tax Act;
- (i) “**Broker Warrants**” means up to 400,000 common share purchase warrants of Revive issuable in connection with the Private Placement, with each warrant entitling the holder to purchase one Revive Share at a price of \$0.30 per share for a period of 12 months from the date of issue.
- (j) “**Business Day**” means a day other than a Saturday or Sunday on which the principal commercial banks located in Toronto, Ontario, are open for business during normal banking hours;
- (k) “**Closing**” means the completion of the Amalgamation set forth herein, including the issuance of securities of Mercury to Revive securityholders, which shall take place on the Effective Date;
- (l) “**Closing Date**” means the day of the Closing;
- (m) “**Director**” means the Director appointed under the OBCA;
- (n) “**Effective Date**” means the date of amalgamation as set forth in the certificate of amalgamation for Amalco;
- (o) “**Engagement Letter**” means the letter dated as of July 30, 2013 between Revive, Mercury and the Agent in connection with the Private Placement;
- (p) “**Exchange**” means the TSX Venture Exchange Inc.;
- (q) “**Exchange Shares**” means Mercury Shares which are to be issued from the treasury of Mercury to the Revive Shareholders (including the subscribers under the Private Placement) in accordance with Section 3.1 hereof;
- (r) “**Filing Statement**” means the disclosure document prepared in accordance with the policies of the Exchange, which provides full, true and plain disclosure of all Material Facts relating to Mercury, Revive and the Amalgamation;
- (s) “**Final Exchange Bulletin**” means the bulletin issued by the Exchange that evidences the final Exchange acceptance of the Proposed Transaction of Mercury as its Qualifying Transaction;
- (t) “**Governmental Entity**” means any: (i) national, federal, provincial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, board, bureau or agency, domestic or foreign;

- (ii) subdivision, agent, commission board or authority of any of the foregoing; or (iii) quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing;
- (u) “**IFRS**” means the International Financial Reporting Standards, being the International Financial Reporting Standards of accounting, applicable as at the date on which such calculation is made or required to be made in accordance with such standards;
- (v) “**Material Adverse Change**” or “**Material Adverse Effect**” means, when used in connection with a company, any change or effect (or any condition, event or development involving a prospective change or effect) in or on the business, operations, results of operations, assets, capitalization, financial condition, licenses, permits, concessions, rights or liabilities, whether contractual or otherwise, of the company and its subsidiaries, taken as a whole, and which change or effect may reasonably be expected to materially reduce the value of the equity securities of the company (other than a change or effect: (i) which arises out of a matter that has been publicly disclosed or otherwise disclosed in writing by the company to the other party prior to the date hereof; (ii) resulting from conditions affecting the oil and gas industry generally in jurisdictions in which the company or its subsidiaries carry on business; or (iii) resulting from general economic, financial, currency exchange, securities or commodity market conditions in Canada, the United States or elsewhere);
- (w) “**Material Fact**” in relation to any party hereto includes, without limitation, any fact that significantly affects, or would reasonably be expected to have a significant effect on, the market price or value of the shares of such party;
- (x) “**Mercury**” means Mercury Capital II Limited, a corporation existing under the laws of Ontario;
- (y) “**Mercury Broker Warrants**” means the non-transferable common share purchase warrants exercisable for up to 118,540 Mercury Shares until July 12, 2015, issued to the Agent in connection with the closing of the Mercury IPO;
- (z) “**Mercury Escrow Agreement**” means the escrow agreement dated May 22, 2013 among Mercury, Computershare Investor Services Inc. and certain shareholders of Mercury;
- (aa) “**Mercury’s Business**” means investigating projects, businesses or other assets to acquire in order to complete a Qualifying Transaction;
- (bb) “**Mercury’s Financial Statements**” means the audited consolidated financial statements of Mercury most recently filed on SEDAR;
- (cc) “**Mercury IPO**” means the initial public offering of Mercury which closed on July 9, 2013, whereby it sold 1,185,400 Mercury Shares at a price of \$0.30 per share and raised gross proceeds of \$355,620;
- (dd) “**Mercury Options**” means the non-transferable incentive stock options to purchase 185,206 Mercury Shares granted to three officers/directors of Mercury upon completion of the Mercury IPO;

- (ee) “**Mercury Securities**” means, collectively, the Mercury Shares, Mercury Broker Warrants and Mercury Options;
- (ff) “**Mercury Shares**” means the common shares in the capital of Mercury of which 1,852,065 are issued and outstanding as at the date hereof;
- (gg) “**Mercury Sub**” means Mercury Capital III Limited., a corporation existing under the laws of Ontario;
- (hh) “**OBCA**” means the *Business Corporations Act* (Ontario), as amended, including the regulations promulgated thereunder;
- (ii) “**Person**” means any individual, corporation, partnership, unincorporated syndicate, unincorporated organization, trust, trustee, executor, administrator or other legal representative;
- (jj) “**Policy 2.4**” means Exchange Policy 2.4 – *Capital Pool Companies*;
- (kk) “**Private Placement**” means the brokered private placement offering by Revive, through the Agent, of Subscription Receipts at a price of \$0.30 per Subscription Receipt, of a minimum of 3,700,000 Subscription Receipts for aggregate gross proceeds of a minimum of \$1,110,000 (the “**Minimum Offering**”) and a maximum of 5,000,000 Subscription Receipts for aggregate gross proceeds of a maximum of \$1,500,000;
- (ll) “**Proposed Transaction**” means the completion of the Amalgamation and Private Placement as contemplated herein, which transaction constitutes a Qualifying Transaction, together with receipts by Mercury of all required regulatory approvals;
- (mm) “**Public Record**” means all information filed with the securities commissions, including without limitation, the documents and any other information filed with any securities commissions in compliance, or intended compliance, with any Applicable Securities Laws;
- (nn) “**Qualifying Transaction**” has the meaning ascribed to such term in Policy 2.4.
- (oo) “**Revive**” means Revive Therapeutics Inc., a corporation incorporated under the laws of Ontario;
- (pp) “**Revive Shareholders**” means all of the shareholders of the Revive Shares;
- (qq) “**Revive Shares**” means the fully paid and non-assessable common shares in the capital of Revive;
- (rr) “**Revive’s Assets**” means all of Revive’s material assets including but not limited to: (i) the assets of Revive set out in the Filing Statement; and (ii) those assets set out in Revive’s Financial Statements;
- (ss) “**Revive’s Business**” means the business previously and heretofore carried on by Revive, namely, drug repurposing as set out in the Filing Statement;

- (tt) “**Revive's Financial Statements**” means the financial statements of Revive included in the Filing Statement;
- (uu) “**Securities Acts**” means collectively the *Securities Act* (Ontario), the *Securities Act* (Alberta) and the *Securities Act* (British Columbia) as may be amended from time to time, and any successors thereto;
- (vv) “**Subscription Receipts**” means the subscription receipts issued by Revive pursuant to the Private Placement, at a price of \$0.30 per Subscription Receipt with each Subscription Receipt entitling the holder thereof to acquire one Revive Share, subject to certain conditions being met, provided that if the conditions are not satisfied on or before December 31, 2013, the Subscription Receipts will be cancelled and all proceeds from the sale of such subscription receipts shall be returned to the subscribers thereof;
- (ww) “**Tax Act**” means the *Income Tax Act* (Canada), as it may be amended from time to time, and any successor thereto. Any reference herein to a specific section or sections of the Tax Act, or regulations promulgated thereunder, shall be deemed to include a reference to all corresponding provision of future law;
- (xx) “**Tax Laws**” shall mean the Tax Act and any applicable provincial, or foreign income taxation statute(s), as from time to time amended, and any successors thereto;
- (yy) “**Third Party**” means any Person other than the parties to this Agreement; and
- (zz) “**U.S. Securities Act**” means the United States Securities Act of 1933, as amended.

1.2 **Currency.** Unless otherwise indicated, all dollar amounts referred to in this Agreement are in Canadian funds.

1.3 **Tender.** Any tender of documents or money hereunder may be made upon the counsel and money may be tendered by bank draft or by certified cheque.

1.4 **Number and Gender.** Where the context requires, words imparting the singular shall include the plural and vice versa, and words imparting gender shall include all genders.

1.5 **Headings.** Article and Section headings contained in this Agreement are included solely for convenience, are not intended to be full or accurate descriptions of the content thereof and shall not be considered part of this Agreement or affect the construction or interpretation of any provision hereof.

1.6 **Schedules.** The Schedules to this Agreement shall be construed with and be considered an integral part of this Agreement to the same extent as if the same had been set forth verbatim herein. The following Schedule is attached hereto:

Schedule "A" Articles of Amalgamation

1.7 **Accounting Terms.** All accounting terms not specifically defined herein shall be construed in accordance with IFRS.

**ARTICLE II  
AMALGAMATION**

2.1 **Agreement to Amalgamate.** The Amalgamating Corporations do hereby agree to amalgamate pursuant to the provisions of section 175 of the OBCA as of the Effective Date and to continue as one corporation on the terms and conditions set out in this Agreement.

2.2 **Name.** The name of the amalgamated corporation shall be "Revive Therapeutics Inc." ("**Amalco**").

2.3 **Registered Office.** The registered office of Amalco shall be 5 Director Court, Suite 105, Vaughan, Ontario, L4L 4S5.

2.4 **Articles of Amalgamation.** The articles of amalgamation of Amalco shall be in the form set out in Schedule "A" attached hereto.

2.5 **Initial Directors.** The first director of Amalco shall be the person whose name and residential address appears below:

<u>Name</u>	<u>Address</u>	<u>Resident Canadian</u>
Fabio Chianelli	<i>[redacted for privacy]</i>	Yes

Such director shall hold office until the next annual meeting of shareholders of Amalco or until his successor is elected or appointed.

2.6 **By-Laws.** The by-laws of Amalco, until repealed, amended or altered, shall be the by-laws of Revive.

2.7 **Filing of Documents.** Upon the shareholders of each of the Amalgamating Corporations approving this Agreement by special resolution in accordance with the OBCA, the Amalgamating Corporations shall jointly file with the Director articles of amalgamation and such other documents as may be required.

2.8 **Stated Capital.** The stated capital of Amalco, immediately after the amalgamation becomes effective shall be equal to the aggregate stated capital of each of the Amalgamating Corporations.

**ARTICLE III  
ISSUANCE OF SECURITIES**

3.1 **Issuance of Shares.** In consideration of the agreement of the parties and their respective shareholders to the actions set forth herein, on the Effective Date:

- (a) Mercury shall issue 12,933,330 fully paid, issued and outstanding Exchange Shares to Revive Shareholders, being one (1) Exchange Share for each one (1) Revive Share issued and outstanding as of the execution of this Agreement;
- (b) Mercury shall issue up to 5,000,000 fully paid, issued and outstanding Exchange Shares to subscribers in the Private Placement, being one (1) Exchange Share for each one (1) Revive Share issued pursuant to the exchange of the Subscription Receipts;

- (c) each Broker Warrant shall be cancelled and extinguished and in consideration therefor, and without any further action on the part of any holder of a Broker Warrant, shall be replaced with a warrant to purchase the number of Mercury Shares determined by dividing the number of Revive Shares subject to the particular Broker Warrant by one (1), at an exercise price per Mercury Share equal to the exercise price per share in the particular Broker Warrant multiplied by one (1);
- (d) Amalco shall issue to Mercury, the sole shareholder of Mercury Sub, one (1) fully paid, issued and outstanding share in the capital of Amalco for each one (1) Mercury Sub share held.

3.2 **Fractional Shares.** No fractional securities shall be issued by Mercury pursuant to Section 3.1. Any exchange or replacement contemplated in Section 3.1 hereof that results in less than a whole number shall be rounded to the nearest whole number, and no cash or other consideration shall be paid or payable in lieu of such fraction securities.

3.3 **Restrictions on Securities.** The parties acknowledge and agree that the Exchange Shares to be issued to the shareholders of Revive pursuant to Section 3.1 hereof will be subject to compliance with Applicable Securities Laws. The issuance of the Exchange Shares to persons in the United States in connection with the Amalgamation shall be conditional on the availability of an exemption from the registration requirements of the U.S. Securities Act, and such Exchange Shares shall be "restricted securities" as such term is defined in Rule 144 under the U.S. Securities Act, and shall bear a legend to that effect. In addition, certain of the Exchange Shares to be issued to the shareholders of Revive, as required by the TSXV, will be subject to such other escrow arrangements or resale restrictions as required by the policies of the TSXV.

3.4 **Certificates.** On the Effective Date, the registered holders of Revive Shares shall cease to be holders of such shares and shall be deemed to be registered holders of Mercury Shares, to which they are entitled in accordance with Section 3.1 hereof, and on or after the Effective Date the holders of certificates representing Revive Shares may surrender such certificates to the Transfer Agent, together with a completed Letter of Transmittal, and, upon such surrender, subject to the provisions of such escrow conditions which may be imposed by the TSXV, the Transfer Agent will deliver such certificates representing the number of Exchange Shares to which they are so entitled pursuant to a direction from Mercury.

3.5 **Lost Certificates.** In the event any certificate which immediately prior to the Effective Date represented one or more outstanding Revive Shares that are to be exchanged pursuant to 3.1 shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the holder thereof, as applicable, claiming such certificate to be lost, stolen or destroyed, the transfer agent in respect thereof will issue in exchange for such lost, stolen or destroyed certificate, one (1) or more certificates representing one (1) or more Exchange Shares to which they are entitled and, in each case deliverable pursuant to Sections 3.1. In exchange for any lost, stolen, destroyed certificate, the holder to whom certificates representing such Exchange Shares are to be issued shall, as a condition precedent to the issuance thereof, give a bond satisfactory to Mercury and the Transfer Agent in such sum as Mercury may direct or otherwise indemnify Mercury in a manner satisfactory to Mercury against any claim that may be made against Mercury with respect to the certificate alleged to have been lost, stolen or destroyed.

3.6 **Dissenting Shareholders.** Revive Shareholders who validly exercise their dissent rights in connection with the Amalgamation pursuant to the subsection 185(1) of the OBCA shall not be entitled to exchange their Revive Shares for Exchange Shares pursuant to the Amalgamation. However, if a

shareholder of Revive fails to perfect or effectively withdraws such dissent rights or forfeits such dissent rights or if his, her or its rights as a shareholder of Revive are otherwise reinstated, such shareholder of Revive shall thereupon be deemed to have been exchanged for their Revive Shares, as of the Effective Date as prescribed herein. Registered shareholders of Revive entitled to vote in the Amalgamation may exercise dissent rights with respect to their Revive Shares in connection with the Amalgamation, pursuant to and in the manner set forth in the OBCA. Revive shall provide prompt notice to Mercury of any written notice of a dissent, withdrawal of such notice, and any other instruments served pursuant to such dissent rights received by Revive.

#### **ARTICLE IV REPRESENTATIONS AND WARRANTIES**

4.1 **Representations and Warranties of Revive.** Revive represents and warrants as at the date of this Agreement to and in favour of Mercury as follows, and acknowledges that Mercury is relying upon such representations and warranties in connection with the completion of the transactions contemplated herein:

- (a) Revive is a corporation duly incorporated under the laws of Ontario and is a valid and subsisting corporation under the OBCA and is in compliance, in all material respects, with the requirements of the OBCA, and has all requisite power and authority to carry on its business and to carry out the provisions hereof;
- (b) Revive has no subsidiaries;
- (c) Revive has the requisite power, capacity and authority to enter into this Agreement on the terms and conditions herein set forth;
- (d) the authorized capital of Revive consists of an unlimited number of common shares, without nominal or par value, of which 12,933,330 Revive Shares are outstanding as at the date hereof;
- (e) other than securities issued or to be issued pursuant to the Private Placement and described in this Agreement, no Person has any agreement, option or right, understanding, warrant call, conversion right, commitment or right or privilege of any kind to acquire or capable of becoming an agreement for the allotment, purchase or acquisition of any of the unissued share capital of Revive, and there are no outstanding securities or instruments which are convertible into or exchangeable for shares of Revive;
- (f) except for the Engagement Letter, Revive has not incurred any legal liability for brokerage fees, finder`s fees, agent`s commissions or other similar forms of compensation in connection with the transactions contemplated by this Agreement;
- (g) the information concerning Revive to be set forth in the Filing Statement will contain no untrue statement of a Material Fact and will not omit to state a Material Fact that is required to be stated or that is necessary to make a statement therein not misleading in light of the circumstances in which it will be made, and such information in the Filing Statement will constitute full, true and plain disclosure of all Material Facts relating to Revive therein;

- (h) Revive is not liable, in any material respects, for any foreign or Canadian federal, provincial, municipal or local taxes, assessments, withholding taxes, employee or other remittances, or other imposts or penalties due and unpaid at the date hereof in respect of its income, employees, business or property, or for the payment of any tax instalment due in respect of its current taxation year (but not including taxes accruing due) or any previous taxation years, and no such taxes, assessments, imposts, remittances or penalties are required to be reserved;
- (i) there is no suit, action, litigation, arbitration proceeding or governmental proceeding, including appeals and applications for review, in progress, or, to the knowledge of Revive, pending or threatened against or relating to Revive, or affecting the assets of Revive which if determined adversely to Revive might have or might reasonably be expected to have a Material Adverse Effect on the properties, business, future prospects or the financial condition of Revive and there is no circumstance, matter or thing known to Revive which might give rise to any such proceeding or to any governmental investigation relative to Revive and there is not outstanding against Revive any judgment, decree, injunction, rule or order of any court, government department, commission, agency or arbitrator;
- (j) Revive is a taxable Canadian corporation as defined in the Tax Act and is not liable, in any material respect, for any Canadian federal, provincial, municipal or local taxes, sales tax assessments, withholding taxes, employee or other remittances, or other imposts or penalties due and unpaid at the date hereof in respect of its income, capital, employees, business or property, or for the payment of any tax instalment due in respect of its current taxation year (but not including taxes accruing due) or any previous taxation years, and no such taxes, assessments, imposts, remittances or penalties are required to be reserved. All such taxes, assessments, imposts, remittances and penalties have been properly calculated by Revive, in all material respects. Revive is not in default in filing any returns or reports covering any Canadian federal, provincial, municipal or local taxes, assessments or other imposts in respect of its income, business or property and Revive has complied with all withholding, collection, remittance and other obligations under any applicable taxing statute;
- (k) no consent, approval, order or authorization of, or registration, declaration or filing with, any third party or Governmental Entity is required by or with respect to Revive in connection with the execution and delivery of this Agreement by Revive, the performance of its obligations hereunder or the consummation by Revive of the transactions contemplated hereby, other than: (a) the approval of the Amalgamation and the Amalgamation Agreement by the shareholders of Revive; (b) the approval of the Amalgamation by the Director; (c) such registrations and other actions required under Applicable Securities Laws as are contemplated by this Agreement and registrations and applications required as a result of the formation of a new corporation on the Amalgamation; (d) any filings with the Director; and (e) any other consents, approvals, orders, authorizations, registrations, declarations or filings which, if not obtained or made, would not, individually or in the aggregate, have a Material Adverse Effect on Revive or prevent or materially impair Revive's ability to perform its obligations hereunder;

- (l) since June 30, 2013, other than as disclosed in writing to Mercury prior to the date hereof, there has not been any Material Adverse Change in the condition or operation of Revive or in its respective assets, liabilities or financial condition;
- (m) the Revive Financial Statements, are true and correct and present fairly, in all material respects, the financial position of Revive, on a consolidated basis, as at such dates and the results of its operations and changes in financial position for the periods indicated in the said statements, and have been prepared in accordance with IFRS applied on a basis consistent with that of prior periods;
- (n) there is no pending disagreement between Revive and its auditors which could materially affect the financial situation of Revive;
- (o) other than amounts owing to reimburse individuals for business expenses incurred in the ordinary course of business and approved on behalf of Revive and remuneration for services in the ordinary course of business, Revive is not indebted to:
  - (i) any director, officer, employee or shareholder of Revive; or
  - (ii) any corporation controlled, directly or indirectly, by any one or more of those Persons referred to in subsection 1.1(o)(i) hereof;
- (p) none of those Persons referred to in subsection 1.1(o) hereof is indebted to Revive;
- (q) to the best of the knowledge of Revive (after due inquiry) except as described in the Filing Statement, none of the proposed directors or officers of Revive and the Resulting Issuer is or has ever been subject to prior regulatory, criminal or bankruptcy proceedings in Canada or elsewhere;
- (r) no Person has any written or oral agreement, option, understanding or commitment or any right or privilege capable of becoming an agreement for the purchase, exchange, transfer or other disposition from Revive of any of their assets;
- (s) the entering into and performance of this Agreement and the transactions contemplated therein by Revive will not violate:
  - (i) the constating documents or by-laws of Revive;
  - (ii) any material agreement to which Revive is a party, and will not give any Person any right to terminate or cancel any material agreement or any right enjoyed by Revive because of such agreement, and will not result in the creation or imposition of any lien, encumbrance or restriction of any nature whatsoever in favour of a third party upon or against Revive, or any of their respective assets; or
  - (iii) any statute, regulation, by-law, order, judgment or decree by which Revive is bound, except for such violations which would not have a Material Adverse Effect on the financial condition, assets or affairs of Revive;
- (t) Revive is not a party to any loan agreement, credit agreement, hypothec agreement or other agreement of the same nature, other than: (i) as disclosed in the Revive Financial

Statements; or (ii) as may be entered into following the date hereof and disclosed to Mercury;

- (u) Revive has no material liabilities, contingent or otherwise, except those that will be set out in the Filing Statement or in the Revive Financial Statements or, thereafter, incurred in the ordinary course of business, and except in the ordinary course of business, Revive has not guaranteed or indemnified, or agreed to guarantee or indemnify, any debt, liability or other obligation of any Person;
- (v) the Filing Statement will contain a list of all material contracts, agreements and commitments (whether written or oral) to which Revive is a party, and all of such material contracts, agreements and commitments are in full force and effect and Revive is not and will not be at Closing, in default under any of such contracts, agreements or commitments, save and except for any breach or default which is not material or which has been waived in writing by the other party to such contract, agreement or commitment;
- (w) there does not exist any state of facts which after notice or lapse of time, or both, will constitute a material default or breach on the part of Revive under any of the provisions contained in any of the material contracts, commitments or agreements referred to in subsection 4.1(v) hereof;
- (x) the corporate records and minute books of Revive contain, in all material respects, complete and accurate minutes of all material decisions made at any meeting of the directors and shareholders since its date of incorporation, together with the full text of all resolutions of directors and shareholders passed in lieu of such meetings, duly signed;
- (y) Revive is duly licensed, registered and qualified, in all material respects, and possess all material certificates, authorizations, permits or licences issued by the appropriate regulatory authorities in the jurisdictions necessary to enable its business to be carried on as now conducted and as proposed to be conducted, to enable its property and assets to be owned, leased and operated as they are now, and all such licences, registrations and qualifications are in good standing, in all material respects and none of such licenses, registrations or qualifications contains any burdensome term, provision, condition or limitation which has or is likely to have any Material Adverse Effect on the business of Revive, as now conducted or proposed to be conducted;
- (z) Revive has paid in full all outstanding amounts owed and has met all obligations currently due as at the date hereof pursuant to the material contracts, commitments or agreements referred to in subsection 4.1(v) hereof, including, without limitation, the REV-001 Agreements and the REV-002 Agreement (as such terms are define din the Filing Statement);
- (aa) in respect of the assets and properties of Revive that are operated by it, if any, Revive holds all valid licenses, permits and similar rights and privileges that are required and necessary under applicable law to operate the assets and properties of Revive as presently operated except where the failure to hold such licenses, permits and similar rights would not have a Material Adverse Effect on Revive;

- (bb) to the knowledge of Revive, after having made due inquiry, Revive's intellectual property includes all of the intellectual property necessary for the operation of the business of Revive as presently conducted and as presently proposed to be conducted;
- (cc) Revive owns exclusively or has the right to use pursuant to the terms and conditions of license or sublicense all of its intellectual property, and all intellectual property owned or used by Revive immediately prior to the Closing Date will be owned or available for use by Revive on identical terms and conditions immediately subsequent to the Closing Date;
- (dd) Revive has not granted any third party any license, sublicense agreement or other permission with respect to any of Revive's intellectual property or the use of any of Revive's intellectual property;
- (ee) Revive has taken, and is taking, all actions considered by Revive to be commercially reasonable to maintain and protect all of Revive's intellectual property owned by Revive. None of the intellectual property owned by Revive have been abandoned. All of the intellectual property used by Revive pursuant to license or sublicense is being used by Revive in compliance with the terms of the applicable license and the execution, delivery and performance of this Agreement by the parties hereto will not impair such authorized use;
- (ff) to the knowledge of Revive, no third party has interfered with, infringed upon, misappropriated or otherwise come into conflict with any of Revive's intellectual property rights;
- (gg) to the knowledge of Revive, Revive's business as presently conducted and as presently proposed to be conducted does not, and Revive has not, interfered with, infringed upon, misappropriated, misused, violated or otherwise come into conflict with any intellectual property rights of any third party, and Revive has not received notice of, and there is no action, suit, proceeding, hearing, investigation, charge, complaint, claim or demand that is pending or threatened that challenges or limits the legality, validity, enforceability, use or ownership of Revive's intellectual property (including any claim that Revive must license or refrain from using any of Revive's intellectual property rights of any third party) and Revive is not subject to any outstanding injunction, judgment, order, decree, ruling or charge regarding same;
- (hh) to the best of the knowledge of Revive, there does not currently exist any shareholders agreement, pooling agreement, voting trust or other similar type of arrangement in respect of outstanding securities of Revive;
- (ii) Revive has provided Mercury with copies of all material agreements, other than any agreements in the ordinary course of business, with any officer, director, employee, shareholder or any other Person not dealing at arm's length with Revive and Revive has no benefit plans, bonus plans or deferred compensation plans other than as disclosed in the Filing Statement;
- (jj) the execution and delivery of this Agreement and the completion of the transactions contemplated herein have been, or in respect of the transactions contemplated herein will have been prior to Closing, duly approved by the board of directors of Revive and this Agreement constitutes a valid and binding obligation of Revive enforceable against it in

accordance with its terms, subject, however, to limitations imposed by law in connection with bankruptcy or similar proceedings and to the extent that equitable remedies such as specific performance or injunction are granted at the discretion of a court of competent jurisdiction and no other corporate proceedings on its part are required to authorize this Agreement, other than the approval by special resolution of the shareholders of Revive of the Amalgamation and this Agreement;

- (kk) the board of directors of Revive has endorsed the Amalgamation and approved this Agreement, has determined that the Amalgamation and this Agreement are in the best interests of Revive and its shareholders, and have resolved to recommend approval of the Amalgamation by applicable shareholders;
- (ll) Revive is not a "reporting issuer" in any jurisdiction of Canada, and is not subject to any regulatory decision or order prohibiting or restricting trading in any of its securities;
- (mm) no cease trade order has been issued against Revive or the Revive Shares in any jurisdiction, and to the knowledge of Revive, no cease trade order is pending or threatened; and
- (nn) Revive has no reasonable grounds for believing that a creditor of Revive will be prejudiced by the Amalgamation.

**4.2 Representations and Warranties of Mercury.** Mercury represents and warrants as at the date of this Agreement to and in favour of Revive as follows, and acknowledges that Revive is relying upon such representations and warranties in connection with the completion of the transactions contemplated herein:

- (a) Mercury is a corporation duly incorporated under the laws of the Province of Ontario and is a valid and subsisting corporation under the OBCA and is in compliance, in all material respects, with the requirements of the OBCA and has all requisite power and authority to carry on its business and to carry out the provisions hereof;
- (b) Mercury has no subsidiaries, other than Mercury Sub;
- (c) Mercury is a "capital pool company" (as defined by the rules of the Exchange) and has no assets, other than cash or operations;
- (d) Mercury is a "reporting issuer" as that term is defined under Applicable Securities Laws in each of the provinces of Alberta, British Columbia and Ontario and is not in default of the requirements of the Applicable Securities Laws in such jurisdictions;
- (e) Mercury is in material compliance with all of its obligations as a reporting issuer in the jurisdictions where it is a reporting issuer, including those imposed pursuant to securities legislation, and the regulations and policies thereunder;
- (f) Mercury is in material compliance with all of the policies of the TSXV;
- (g) no cease trade order is currently issued against Mercury or the Mercury Shares in any jurisdiction, and, to the knowledge of Mercury, no cease trade order is pending or threatened;

- (h) Mercury has the requisite power, capacity and authority to enter into this Agreement on the terms and conditions herein set forth;
- (i) the authorized capital of Mercury consists of an unlimited number of common shares, without nominal or par value, of which 1,852,065 Mercury Shares are issued and outstanding and all such shares are validly issued and outstanding as fully paid and non-assessable shares;
- (j) other than securities issued or to be issued pursuant to the Amalgamation and the Private Placement and described in this Agreement, no Person has any agreement, option or right, understanding, warrant call, conversion right, commitment or right or privilege of any kind to acquire or capable of becoming an agreement for the allotment, purchase or acquisition of any of the unissued share capital of Mercury, and there are no outstanding securities or instruments which are convertible into or exchangeable for shares of Mercury, other than the Mercury Options and Mercury Broker Warrants;
- (k) the authorized capital of Mercury Sub consists of an unlimited number of common shares, without nominal or par value, of which 100 common shares are issued and outstanding and all such shares are validly issued and outstanding as fully paid and non-assessable shares;
- (l) other than securities issued or to be issued pursuant to the Amalgamation and described in this Agreement, no Person has any agreement, option or right, understanding, warrant call, conversion right, commitment or right or privilege of any kind to acquire or capable of becoming an agreement for the allotment, purchase or acquisition of any of the unissued share capital of Mercury Sub, and there are no outstanding securities or instruments which are convertible into or exchangeable for shares of Mercury Sub;
- (m) except for the Engagement Letter, Mercury has not incurred any legal liability for brokerage fees, finder's fees, agent's commissions or other similar forms of compensation in connection with the transactions contemplated by this Agreement;
- (n) there is no suit, action, litigation, arbitration proceeding or governmental proceeding, including appeals and applications for review, in progress, or, to the knowledge of Mercury, pending or threatened against or relating to Mercury or affecting the assets of Mercury which if determined adversely to Mercury might have or might reasonably be expected to have a Material Adverse Effect on the properties, business, future prospects or the financial condition of Mercury and there is no circumstance, matter or thing known to Mercury which might give rise to any such proceeding or to any governmental investigation relative to Mercury and there is not outstanding against Mercury any judgment, decree, injunction, rule or order of any court, government department, commission, agency or arbitrator;
- (o) Mercury is a taxable Canadian corporation as defined in the Tax Act and is not liable, in any material respect, for any Canadian federal, provincial, municipal or local taxes, sales tax assessments, withholding taxes, employee or other remittances, or other imposts or penalties due and unpaid at the date hereof in respect of its income, capital, employees, business or property, or for the payment of any tax instalment due in respect of its current taxation year (but not including taxes accruing due) or any previous taxation years, and no such taxes, assessments, imposts, remittances or penalties are required to be reserved

against. All such taxes, assessments, imposts, remittances and penalties have been properly calculated by Mercury, in all material respects. Mercury is not in default in filing any returns or reports covering any Canadian federal, provincial, municipal or local taxes, assessments or other imposts in respect of its income, business or property and Mercury has complied with all withholding, collection, remittance and other obligations under any applicable taxing statute;

- (p) the entering into and performance of this Agreement and the transactions contemplated herein by Mercury will not violate:
  - (i) the constating documents or by-laws of Mercury;
  - (ii) any agreement to which Mercury is a party and will not give any Person any right to terminate or cancel any agreement or any right enjoyed by Mercury because of such agreement, and will not result in the creation or imposition of any lien, encumbrance or restriction of any nature whatsoever in favour of a third party upon or against Mercury or the assets of Mercury; or
  - (iii) any statute, regulation, by-law, order, judgment, or decree by which Mercury is bound, except for such violations which would not have a Material Adverse Effect on the financial condition, assets or affairs of Mercury;
- (q) there is no pending disagreement between Mercury and its auditors which could materially affect the financial condition of Mercury;
- (r) since June 30, 2013, there has not been any Material Adverse Change in the condition or operation of Mercury or in its assets, liabilities or financial condition;
- (s) the Mercury Financial Statements, are true and correct and present fairly, in all material respects, the financial position of Mercury as at such dates and the results of its operations and changes in financial position for the periods indicated in the said statements, and have been prepared in accordance with IFRS applied on a basis consistent with that of prior periods;
- (t) Mercury has no material liabilities, contingent or otherwise, except those set out in the Mercury Financial Statements, or, thereafter, incurred in the ordinary course of business, and except in the ordinary course of business, Mercury has not guaranteed or indemnified, or agreed to guarantee or indemnify, any debt, liability or other obligation of any Person;
- (u) other than amounts owing to reimburse individuals for business expenses pursuant to subsection 8.2(b) of Policy 2.4, Mercury is not indebted to:
  - (i) any director, officer or shareholder of Mercury; or
  - (ii) any corporation controlled, directly or indirectly, by any one or more of those Persons referred to in subsection 4.2(u)(i) hereof;
- (v) none of those Persons referred to in subsection 4.2(u) hereof is indebted to Mercury;

- (w) no Person has any written or oral agreement, option, understanding or commitment or any right or privilege capable of becoming an agreement for the purchase, exchange, transfer or other disposition from Mercury of any of its assets;
- (x) the information concerning Mercury to be set forth in the Filing Statement will contain no untrue statement of a Material Fact and will not omit to state a Material Fact that is required to be stated or that is necessary to make a statement therein not misleading in light of the circumstances in which it will be made, and such information in the Filing Statement will constitute full, true and plain disclosure of all Material Facts relating to Mercury therein;
- (y) the execution and delivery of this Agreement and the completion of the transactions contemplated herein have been, or in respect of the transactions contemplated herein will have been prior to Closing, duly approved by the board of directors of Mercury and this Agreement constitutes a valid and binding obligation of Mercury enforceable against it in accordance with its terms, subject, however, to limitations imposed by law in connection with bankruptcy or similar proceedings and to the extent that equitable remedies such as specific performance or injunction are granted at the discretion of a court of competent jurisdiction and no other corporate proceedings on its part are required to authorize this Agreement, other than the approval by the shareholders of Mercury of the matters contemplated in the Circular;
- (z) the board of directors of Mercury entitled to vote have endorsed the Amalgamation and approved this Agreement, have determined that the Amalgamation and this Agreement are in the best interests of Mercury and its shareholders, and have resolved to recommend approval of the Amalgamation by applicable shareholders;
- (aa) no consent, approval, order or authorization of, or registration, declaration or filing with, any third party or Governmental Entity is required by or with respect to Mercury in connection with the execution and delivery of this Agreement by Mercury, the performance of its obligations hereunder or the consummation by Mercury of the transactions contemplated hereby other than: (a) the approval of the Amalgamation and the Amalgamation Agreement by the shareholders of Mercury Sub; (b) the approval of the Amalgamation by the Director; (c) the approval of the Amalgamation and Private Placement by the Exchange; (d) such registrations and other actions required under Applicable Securities Laws as are contemplated by this Agreement and registrations and applications required as a result of the formation of a new corporation on the Amalgamation; (e) any filings with the Director; and (f) any other consents, approvals, orders, authorizations, registrations, declarations or filings which, if not obtained or made, would not, individually or in the aggregate, have a Material Adverse Effect on Mercury or prevent or materially impair Mercury's ability to perform its obligations hereunder;
- (bb) the documents filed under the Public Record complied in all material respects with Applicable Securities Laws in the jurisdictions they were filed at the time they were filed, and Mercury has not filed any confidential filings with any securities authorities which continue to be confidential;

- (cc) there is no "material fact" or "material change" (as those terms are defined in Applicable Securities Laws) in the affairs of Mercury that has not been generally disclosed to the public;
- (dd) the Filing Statement will contain a list of all material contracts, agreements and commitments (whether written or oral) to which Mercury is a party, and all of such material contracts, agreements and commitments are in full force and effect and Mercury is and will not be at Closing, in default under any of such contracts, agreements or commitments, save and except for any breach or default which is not material or which has been waived in writing by the other party to such contract, agreement or commitment;
- (ee) there does not exist any state of facts which after notice or lapse of time, or both, will constitute a material default or breach on the part of Mercury under any of the provisions contained in any of the material contracts, commitments or agreements referred to in subsection 4.2(dd) hereof;
- (ff) the corporate records and minute books of Mercury contain, in all material respects, complete and accurate minutes of all material decisions made at any meeting of the directors and shareholders since its date of incorporation, together with the full text of all resolutions of directors and shareholders passed in lieu of such meetings, duly signed;
- (gg) to the best of the knowledge of Mercury other than the Mercury Escrow Agreement, there does not currently exist any shareholders agreement, pooling agreement, voting trust or other similar type of arrangement in respect of outstanding securities of Mercury;
- (hh) Mercury has filed all forms, reports, documents and information required to be filed by it, whether pursuant to applicable securities legislation or otherwise, with the applicable securities commissions (the "**Disclosure Documents**"). As of the time the Disclosure Documents were filed with the applicable securities regulators and on SEDAR (System for Electronic Document Analysis and Retrieval) (or, if amended or superseded by a subsequent filing prior to the date of this Agreement, then on the date of such filing): (i) each of the Disclosure Documents complied in all material respects with the requirements of the Applicable Securities Laws in the jurisdictions they were filed; and (ii) none of the Disclosure Documents contained any untrue statement of a Material Fact or omitted to state a Material Fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading;
- (ii) Mercury has no reasonable grounds for believing that a creditor of Mercury will be prejudiced by the Amalgamation;
- (jj) except as contemplated herein Mercury is not currently a party to any contract, agreement or understanding with any officer, director, employee, shareholder or any other Person not dealing at arm's length with Mercury; and
- (kk) Computershare Trust Company of Canada has been duly appointed as the registrar and transfer agent of Mercury.

## ARTICLE V

## COVENANTS

5.1 **General Covenants of Mercury.** Mercury covenants and agrees that, until Closing or the date on which this Agreement is terminated, and unless otherwise contemplated herein, it shall:

- (a) take all requisite action to:
  - (i) approve this Agreement; and
  - (ii) approve such actions as the other parties hereto may determine to be necessary or desirable for the purposes hereof;
- (b) in consultation with Revive and its counsel, prepare and file the Filing Statement all in accordance with applicable laws;
- (c) use its reasonable commercial efforts to preserve intact as a going concern its business organization and goodwill, to keep available the services of its officers as a group and to maintain its business relationships;
- (d) give its consent (and provide such other reasonable assurances as may be required) and use its commercially reasonable efforts to obtain (including the provision of such reasonable assurances as may be required), consents of all other Persons to the transactions contemplated by this Agreement, as may be required pursuant to any statute, law or ordinance or by any governmental or other regulatory authority having jurisdiction;
- (e) upon Mercury receiving notification or other information from any regulatory authority or body concerning the transactions contemplated hereunder, such information shall be promptly disclosed in writing to the counsel for Revive;
- (f) in consultation with Revive and its counsel, forthwith use its commercially reasonable efforts to obtain all necessary regulatory approvals to make application to the Exchange for listing the Exchange Shares on the Exchange following the Closing and assist in making all submissions, preparing all press releases and circulars and making all notifications required with respect to this transaction and the issuance of shares as contemplated hereunder;
- (g) take all steps necessary to make proper disclosure within such time as required by any regulatory authority and any other applicable statutes and laws concerning this Agreement and the transactions contemplated herein;
- (h) use its reasonable commercial efforts to maintain its status as a reporting issuer in Alberta, British Columbia and Ontario;
- (i) use all reasonable commercial efforts to satisfy (or cause the satisfaction of) the conditions precedent to its obligations hereunder set forth in Article VI to the extent the same is within its control and take, or cause to be taken, all other action and to do, or cause to be done, all other things necessary, proper or advisable under all applicable laws to complete the amalgamation, including using its reasonable commercial efforts to:

- (i) obtain all necessary waivers, consents and approvals required to be obtained by it from other parties to loan agreements, leases and other contracts;
  - (ii) obtain all necessary consents, approvals and authorizations as are required to be obtained by it under any applicable laws;
  - (iii) effect all necessary registrations and filings and submissions of information requested by governmental entities required to be effected by it in connection with this Amalgamation and participate and appear in any proceedings of either party before governmental entities in connection with this Amalgamation;
  - (iv) oppose, lift or rescind any injunction or restraining order or other order or action seeking to stop or otherwise adversely affect the ability of the parties to consummate the transactions contemplated hereby;
  - (v) fulfill all conditions and satisfy all provisions of this Agreement;
  - (vi) cooperate with the other parties to this Agreement in connection with the performance by Mercury of its obligations hereunder; and
  - (vii) not take any action, refrain from taking any action or permit any action to be taken or not taken that is inconsistent with this Agreement or that would reasonably be expected to significantly impede the consummation of the Amalgamation;
- (j) not incur any material liabilities of any kind whatsoever, whether or not accrued and whether or not determined or determinable, in respect of which Mercury may become liable on or after the Closing Date, except as set out in Mercury's Financial Statements and except for those public company and transactional costs incurred prior to Closing;
  - (k) to file, duly and timely, all tax returns required to be filed by it and to pay promptly all taxes, assessments and governmental charges which are claimed by any governmental authority to be due and owing and not to enter into any agreement, waiver or other arrangement providing for an extension of time with respect to the filing of any tax return or the payment or assessment of any tax, governmental charge or deficiency; and
  - (l) neither declare nor pay any dividends or other distributions or returns of capital on Mercury Shares from the date of this Agreement until the Closing Date without the prior consent of Revive.

5.2 **General Covenants of Revive.** Revive covenants and agrees that, until Closing or the date on which this Agreement is terminated, and unless otherwise contemplated herein, it shall:

- (a) take all requisite action to:
  - (i) approve this Agreement; and
  - (ii) approve such actions as Mercury may determine to be necessary or desirable for the purposes hereof;

- (b) in consultation with Mercury and its counsel, prepare and file the Filing Statement all accordance with applicable laws;
- (c) use its reasonable commercial efforts to preserve intact as a going concern its business organization and goodwill, to keep available the services of its officers and employees as a group and to maintain its business relationships;
- (d) give its consent (and provide such other reasonable assurances as may be required) and use its best efforts to obtain (including the provision of such reasonable assurances as may be required), consents of all other Persons to the transactions contemplated by this Agreement, as may be required pursuant to any statute, law or ordinance or by any governmental or other regulatory authority having jurisdiction;
- (e) upon Revive receiving notification or other information from any regulatory authority or body concerning the transactions contemplated hereunder, such information shall be promptly disclosed in writing to the solicitors for Mercury;
- (f) in consultation with Mercury and its counsel, forthwith use its commercially reasonable efforts to assist Mercury in meeting its obligations pursuant to Section 5.1(f) hereof;
- (g) take all steps necessary to make proper disclosure within such time as required by any regulatory authority and any other applicable statutes and laws concerning this Agreement and the transactions contemplated herein;
- (h) use all reasonable commercial efforts to satisfy (or cause the satisfaction of) the conditions precedent to its obligations hereunder set forth in Article VI to the extent the same is within its control and take, or cause to be taken, all other action and to do, or cause to be done, all other things necessary, proper or advisable under all applicable laws to complete the amalgamation, including using its reasonable commercial efforts to:
  - (i) obtain all necessary waivers, consents and approvals required to be obtained by it from other parties to loan agreements, leases and other contracts;
  - (ii) obtain all necessary consents, approvals and authorizations as are required to be obtained by it under any applicable laws;
  - (iii) effect all necessary registrations and filings and submissions of information requested by governmental entities required to be effected by it in connection with the amalgamation and participate and appear in any proceedings of either party before governmental entities in connection with the Amalgamation;
  - (iv) oppose, lift or rescind any injunction or restraining order or other order or action seeking to stop or otherwise adversely affect the ability of the parties to consummate the transactions contemplated hereby;
  - (v) fulfill all conditions and satisfy all provisions of this Agreement;
  - (vi) cooperate with the other parties to this Agreement in connection with the performance by Revive of its obligations hereunder; and

- (vii) not take any action, refrain from taking any action or permit any action to be taken or not taken that is inconsistent with this Agreement or that would reasonably be expected to significantly impede the consummation of the Amalgamation;
- (i) not incur any material liabilities of any kind whatsoever, whether or not accrued and whether or not determined or determinable, in respect of which Revive may become liable on or after the Closing Date, except as set out in Revive's Financial Statements or the Filing Statement and except for those costs in the ordinary course of business and transactional costs incurred prior to Closing;
- (j) to file, duly and timely, all tax returns required to be filed by it and to pay promptly all taxes, assessments and governmental charges which are claimed by any governmental authority to be due and owing and not to enter into any agreement, waiver or other arrangement providing for an extension of time with respect to the filing of any tax return or the payment or assessment of any tax, governmental charge or deficiency; and
- (k) neither declare nor pay any dividends or other distributions or returns of capital on Revive Shares from the date of this Agreement until the Closing Date without the prior written consent of Mercury.

## **ARTICLE VI CONDITIONS TO CLOSING**

6.1 **Conditions Precedent to Obligations of Revive.** The obligations of Revive to complete the transactions contemplated hereunder shall be subject to the satisfaction of, or compliance with, at or before the Closing Date, each of the following conditions precedent (each of which is hereby acknowledged to be for the exclusive benefit of Revive and may be waived by Revive in whole or in part on or before the Closing Date):

- (a) Revive shall on or before the Closing Date have received from Mercury all documents and instruments as Revive may reasonably request for the purpose of effecting the Amalgamation in accordance with the terms of this Agreement;
- (b) all of the representations and warranties of Mercury made in or pursuant to this Agreement shall be true and correct in all material respects as at the Closing Date and with the same effect as if made at and as of the Closing Date (except as such representations and warranties may be affected by the occurrence of events or transactions expressly contemplated and permitted hereby that are not materially adverse and arise in the ordinary course of business) and Revive shall have received certificates dated as at the Closing Date in form satisfactory to Revive and their solicitors, acting reasonably, signed by a senior officer or director of Mercury on behalf of Mercury, certifying the truth and correctness in all material respects of the representations and warranties of Mercury set out in this Agreement;
- (c) Mercury will have performed and complied with all terms, covenants and conditions required by this Agreement to be performed or complied with by it on or before the Closing Date;

- (d) at the Closing Date, there shall have been no change in the condition (financial or otherwise), properties, assets, liabilities, earnings, or business operations or prospects of Mercury from that shown on or reflected in Mercury's Financial Statements which would constitute a Material Adverse Effect;
- (e) Mercury shall deliver to Revive at Closing a favourable opinion of its solicitors (it being understood that such counsel may rely, to the extent appropriate in the circumstances, as to matters of fact on a certificate(s) of a senior officer of Mercury and on a certificate(s) of the registrar and transfer agent of Mercury, and on opinions from local solicitors) in form satisfactory to the solicitors for Revive acting reasonably;
- (f) all consents, approvals, orders and authorizations of any Persons or governmental authorities in Canada or elsewhere (or registrations, declarations, filings or records with any such authorities), including, without limitation, all such registrations, recordings and filings with such securities regulatory and other public authorities as may be required to be obtained by Mercury in connection with the execution of this Agreement, the Closing or the performance of any of the terms and conditions hereof, or from the shareholders of Revive, if necessary, shall have been obtained on or before the Closing Date;
- (g) Mercury shall be a reporting issuer in good standing in the provinces of Alberta, British Columbia and Ontario and neither Mercury nor any of its securities shall be the subject of any cease trade order or regulatory enquiry or investigation in any jurisdiction;
- (h) Mercury shall receive the resignations of such directors and officers of Mercury as is necessary to be consistent with the proposed officers and directors of Mercury upon Closing as disclosed in the Filing Statement;
- (i) upon Closing, all regulatory requirements shall have been or are capable of being satisfied, including (i) conditional approval of the Exchange for the Amalgamation and the Private Placement, and (ii) satisfaction of the initial listing requirements of the Exchange and the requirements relating to the completion of a Qualifying Transaction;
- (j) Mercury shall deliver, or cause to be delivered to Revive on or before the Closing Date such other certificates, agreements or other documents as may reasonably be required by Revive or its solicitors, acting reasonably, to give full effect to this Agreement including, but not limited to, a mutual release executed by departing officers and directors of Mercury;
- (k) at or prior to Closing, Mercury shall have filed all tax returns required to be filed by it prior to the date hereof in all applicable jurisdictions and shall have paid, collected and remitted all taxes, customs duties, tax installments, levies, assessments, reassessments, penalties, interest and fines due and payable, collectible or remittable by it at such time. All such tax returns shall properly reflect, and shall not in any respect understate the income, taxable income or the liability for taxes of Revive in the relevant period and the liability of Mercury for the collection, payment and remittance of tax under applicable Tax Laws;
- (l) upon Closing, Mercury shall have withheld and remitted all amounts required to be withheld and remitted by it in respect of any taxes, governmental charges or assessments in respect of any taxable year or portion thereof up to and including June 30, 2013; and

- (m) rights of dissent to the Amalgamation pursuant to subsection 185(1) of the OBCA shall not have been exercised, nor shall proceedings have been initiated to exercise such rights by Revive Shareholders that exceed 10% of the Revive Shares or such other amounts which in the opinion of the board of directors of Revive, acting reasonably, may have a Material Adverse Effect upon the business, property or financial condition of Mercury or Revive;
- (n) Mercury shall have received the requisite approvals by its shareholders to (i) change the name of Mercury upon closing of the Amalgamation to Revive Therapeutics Ltd., and (ii) to replace the incumbent directors of Mercury with the nominees of Revive;
- (o) neither Mercury nor any of its securities shall be the subject of any cease trade order or regulatory enquiry or investigation in any jurisdiction;
- (p) as of the Closing Date, Mercury shall have not less than \$250,000 in cash after payment of all Mercury payables but before costs associated with the Proposed Transaction; and
- (r) the Minimum Offering shall have been completed.

6.2 **Conditions Precedent to Obligations of Mercury.** The obligation of Mercury to complete the transactions contemplated hereunder shall be subject to the satisfaction of or compliance with, at or before the Closing Date, each of the following conditions precedent (each of which is hereby acknowledged to be for the exclusive benefit of Mercury and may be waived by Mercury in writing, in whole or in part, on or before the Closing Date):

- (a) Mercury shall on or before the Closing Date have received from Revive all other documents and instruments as Mercury may reasonably request for the purpose of effecting the Amalgamation in accordance with the terms of this Agreement;
- (b) upon Closing, Revive shall have withheld and remitted all amounts required to be withheld and remitted by it in respect of any taxes, governmental charges or assessments in respect of any taxable year or portion thereof up to and including June 30, 2013;
- (c) all of the representations, warranties and covenants of Revive made in or pursuant to this Agreement shall be true and correct in all material respects as at the Closing Date and with the same effect as if made at and as of the Closing Date (except as such representations and warranties may be affected by the occurrence of events or transactions expressly contemplated and permitted hereby that are not materially adverse and arise in the ordinary course of business) and Mercury shall have received a certificate of Revive dated as at the Closing Date in form satisfactory to Mercury and its solicitors, acting reasonably, certifying the truth and correctness in all material respects of the representations, warranties and covenants of Revive set out in this Agreement;
- (d) Revive will have performed and complied with all terms, covenants and conditions required by this Agreement to be performed or complied with by it on or before the Closing Date;
- (e) at the Closing Date, there shall have been no change in the condition (financial or otherwise), properties, assets, liabilities, earnings, or business operations or prospects of

the Revive from that shown on or reflected in Revive's Financial Statements which would constitute a Material Adverse Effect;

- (f) Revive shall deliver to Mercury at Closing a favourable opinion (including opinions on title to Revive's Assets) of its solicitors (it being understood that such counsel may rely, to the extent appropriate in the circumstances, as to matters of fact on a certificate(s) of a senior officer of Revive and on opinions from local solicitors) in form satisfactory to the solicitors for Mercury acting reasonably;
- (g) all consents, approvals, orders and authorizations of any Persons or governmental authorities in Canada or elsewhere (or registrations, declarations, filings or records with any such authorities), including, without limitation, all such registrations, recordings and filings with such securities regulatory and other public authorities as may be required to be obtained by Revive in connection with the execution of this Agreement, the Closing or the performance of any of the terms and conditions hereof, shall have been obtained on or before the Closing Date;
- (h) upon Closing, all regulatory requirements shall have been or are capable of being satisfied, including (i) conditional approval of the Exchange for the Amalgamation and the Private Placement, and (ii) satisfaction of the initial listing requirements of the Exchange and the requirements relating to completion of a Qualifying Transaction;
- (i) Revive shall deliver, or cause to be delivered to Mercury on or before the Closing Date such other certificates, agreements or other documents as may reasonably be required by Mercury or its solicitors, acting reasonably, to give full effect to this Agreement including but not limited to (i) a mutual release executed by Mercury in favour of the departing officers and directors of Mercury, and (ii) an indemnity executed by Mercury in favour of departing officers and directors of Mercury; and
- (j) neither Revive nor any of its securities shall be the subject of any cease trade order or regulatory enquiry or investigation in any jurisdiction.

## **ARTICLE VII AMENDMENT AND TERMINATION OF AGREEMENT**

7.1 **Amendment.** This Agreement may, at any time and from time to time, be amended by written agreement of the parties hereto without, subject to applicable law, further notice to or authorization on the part of their respective shareholders and any such amendment may, without limitation:

- (a) change the time for performance of any of the obligations or acts of the parties hereto;
- (b) waive any inaccuracies or modify any representation or warranty contained herein or in any document delivered pursuant hereto;
- (c) waive compliance with or modify any of the covenants herein contained and waive or modify performance of any of the obligations of the parties hereto; or
- (d) waive compliance with or modify any other conditions precedent contained herein;

provided that no such amendment shall change the provisions hereof regarding the consideration to be received by securityholders of Mercury and securityholders of Revive without approval by such securityholders of Mercury and Revive given in the same manner as required for the approval of the Amalgamation.

7.2 **Rights of Termination.** If any of the conditions contained in Article VI shall not be fulfilled or performed by February 28, 2014 (the "**Termination Date**") and such condition is contained in:

- (a) Section 6.1 hereof, Revive may terminate this Agreement by notice to Mercury; or
- (b) Section 6.2 hereof, Mercury may terminate this Agreement by notice to Revive.

If this Agreement is terminated as aforesaid, the party terminating this Agreement shall be released from all obligations under this Agreement, all rights of specific performance against such party shall terminate and, unless such party can show that the condition the non-performance of which has caused such party to terminate this Agreement was reasonably capable of being performed by the other party, then the other party shall also be released from all obligations hereunder; and further provided that any of such conditions may be waived in full or in part by either of the parties without prejudice to its rights of termination in the event of the non-fulfillment or non-performance of any other condition.

7.3 **Notice of Unfulfilled Conditions.** If Mercury or Revive shall determine at any time prior to the Effective Date that it intends to refuse to consummate the Amalgamation or any of the other transactions contemplated hereby because of any unfulfilled or unperformed condition contained in this Agreement on the part of the other of them to be fulfilled or performed, Mercury or Revive, as the case may be, shall so notify the other of them forthwith upon making such determination in order that such other of them shall have the right and opportunity to take such steps, at its own expense, as may be necessary for the purpose of fulfilling or performing such condition within a reasonable period of time, but in no event later than the Termination Date.

7.4 **Mutual Termination.** This Agreement may, at any time, but no later than the last Business Day immediately preceding the Effective Date, be terminated by mutual agreement of the directors of Mercury and Revive without further action on the part of the shareholders of Mercury or Revive, and, if the Amalgamation does not become effective on or before the Termination Date, either Mercury or Revive may unilaterally terminate this Agreement, which termination will be effective upon a resolution to that effect being passed by its directors and notice thereof being given to the other of them.

## **ARTICLE VIII GENERAL**

8.1 **Stand Still Agreement.** As long as this Agreement is in effect and except as contemplated herein, neither Mercury nor Revive (including their respective directors, officers and agents) will solicit any discussions, expressions of interest, proposals or accept any offers from any Person relating to a possible merger, amalgamation, arrangement or relating to the sale of substantially all of the shares or assets, or any controlling equity interest of Mercury or Revive (other than as contemplated under this Agreement), as applicable, provided however that the board of directors of Mercury and Revive, as applicable, may take action or refrain from taking action as is appropriate to satisfy applicable fiduciary duties and further provided that Mercury and Revive (including their directors, officers and agents) may solicit and accept offers if the articles of amalgamation are not filed with the Director on or before the Termination Date.

8.2 **Disclosure of Alternative Transaction.** In the event either Revive or Mercury shall receive an unsolicited proposal, offer or expression of interest in connection with any of those matters referred to in Section 8.1 on or before the Termination Date, the recipient of such proposal, offer or expression of interest shall notify the other party and shall provide details of such proposal, offer or expression of interest to the other party.

8.3 **Confidentiality & Public Notices.** Except where compliance with this Section 8.3 would result in a breach of applicable law, notices, releases, statements and communications to Third Parties, including employees of the parties and the press, relating to transactions contemplated by this Agreement will be made only in such manner as shall be authorized and approved by Revive, who when required, shall use its best efforts to provide such authorization and approval to Mercury in a timely manner as shall permit compliance by Mercury with all continuous disclosure to any regulatory authority or obligations under any applicable securities regulations. Mercury and Revive shall maintain the confidentiality of any information received from each other in connection with the transactions contemplated by this Agreement. In the event that the issuance of the Exchange Shares provided for in this Agreement is not consummated, each party shall return any confidential schedules, documents or other written information to the party who provided same in connection with this Agreement. Revive agrees that it will not, directly or indirectly, make reciprocal use for its own purposes of any information or confidential data relating to Mercury or Mercury's Business discovered or acquired by it, its representatives or accountants as a result of Mercury making available to it, its representatives and accountants, any information, books, accounts, records or other data and information relating to Mercury or Mercury's Business and Revive agrees that it will not disclose, divulge or communicate orally, in writing or otherwise (directly or indirectly), any such information or confidential data so discovered or acquired by any other Person. Mercury agrees that it will not, directly or indirectly, make reciprocal use for its own purposes of any information or confidential data relating to Revive discovered or acquired by it, its representatives or accountants as a result of Revive making available to it any information, books, accounts, records or other data and information relating to Revive and Mercury agrees that it will not disclose, divulge or communicate orally, in writing or otherwise, any such information or confidential data so discovered or acquired to any other Person.

8.4 **Notices.** All notices or other communications required to be given in connection with this Agreement shall be given in writing and shall be given by personal delivery, by registered mail or by transmittal by electronic communication addressed to the recipient as follows:

**To Mercury:**

Mercury Capital II Limited  
1 Adelaide Street East, Suite 801  
Toronto, ON M5C 2V9

Attention: Thomas Sears, Chief Executive Officer  
Email tsears@dominick.ca

**To Revive:**

Revive Therapeutics Inc.  
5 Director Court, Suite 105  
Vaughan, ON L4L 4S5

Attention: Fabio Chianelli, President  
Email: fabio@revivetherapeutics.com

or to such other address or individual as may be designated by notice given by either party to the other. Any such communication given by personal delivery shall be conclusively deemed to have been given on the day of actual delivery thereof and, if given by registered mail, on the fifth Business Day following the deposit thereof in the mail and, if given by email, shall be deemed given and received on the date of such transmission if received during the normal business hours of the recipient and on the next Business Day if it is received after the end of such normal business hours on the date of its transmission. If the party giving any such communication knows or ought reasonably to know of any difficulties with the postal system which might affect the delivery of mail, any such communication shall not be mailed but shall be given by personal delivery or email.

8.5 **Expenses.** Except as otherwise provided herein, all costs and expenses (including, without limitation, the fees and disbursements of legal counsel) incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party incurring such expenses.

8.6 **Time of the Essence.** Time shall be of the essence hereof.

8.7 **Further Assurances.** The parties hereto shall with reasonable diligence do all such things and provide all such reasonable assurances as may be required to consummate the transactions contemplated hereby, and each party shall execute and deliver such further documents, instruments, papers and information as may be reasonably requested by another party hereto in order to carry out the purpose and intent of this Agreement.

8.8 **Law and Jurisdiction.** This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein. The parties hereby attorn to the jurisdiction of the Courts of Ontario in any dispute that may arise hereunder.

8.9 **Counterparts.** For the convenience of the parties, this Agreement may be executed in several counterparts, each of which when so executed shall be, and be deemed to be, an original instrument and such counterparts together shall constitute one and the same instrument (and notwithstanding their date of execution shall be deemed to bear date as of the date of this Agreement). A signed facsimile, portable document format (PDF) or telecopied copy of this Agreement shall be effective and valid proof of execution and delivery.

8.10 **Entire Agreement.** This Agreement, including the Schedule attached hereto, together with the agreements and other documents to be delivered pursuant hereto, constitute the entire agreement between the parties pertaining to the subject matter hereof and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the parties and there are no warranties, representations or other agreements between the parties in connection with the subject matter hereof except as specifically set forth herein and therein. This Agreement may not be amended or modified in any respect except by written instrument signed by all parties.

8.11 **Severability.** The invalidity or unenforceability of any provision of this Agreement or any covenant herein contained shall not affect the validity or enforceability of any other provision or covenant hereof or herein and this Agreement shall be construed as if such invalid or unenforceable provision or covenant were omitted.

8.12 **Enurement.** This Agreement shall be binding upon and shall inure to the benefit of and be enforceable by the successors and permitted assigns of the parties hereto.

8.13 **Waivers.** The parties hereto may, by written agreement:

- (i) extend the time for the performance of any of the obligations or other acts of the parties hereto;
- (ii) waive any inaccuracies in the warranties, representations, covenants or other undertakings contained in this Agreement or in any document or certificate delivered pursuant to this agreement; or
- (iii) waive compliance with or modify any of the warranties, representations, covenants or other undertakings or obligations contained in this Agreement and waive or modify performance by any of the parties thereto.

8.14 **Form of Documents.** All documents to be executed and delivered by Mercury to Revive on the Closing Date shall be in form and substance satisfactory to Revive acting reasonably. All documents to be executed and delivered by Revive to Mercury on the Closing Date shall be in a form and substance satisfactory to Mercury, acting reasonably.

8.15 **Construction Clause.** This Agreement has been negotiated and approved by counsel on behalf of all hereto and, notwithstanding any rule or maxim of construction to the contrary, any ambiguity or uncertainty to be construed against any party hereto by reason of the authorship of any of the provisions hereof.

*~Signature Page Follows~*

**IN WITNESS WHEREOF** the parties hereto have executed this Agreement as of the date first written above.

**MERCURY CAPITAL II LIMITED**

By: signed "*Thomas Sears*"  
\_\_\_\_\_  
Name: Thomas Sears  
Title: Chief Executive Officer

**MERCURY CAPITAL III LIMITED**

By: signed "*Thomas Sears*"  
\_\_\_\_\_  
Name: Thomas Sears  
Title: President

**REVIVE THERAPEUTICS INC.**

By: signed "*Fabio Chianelli*"  
\_\_\_\_\_  
Name: Fabio Chianelli  
Title: President

**Schedule "A"**  
**Articles of Amalgamation**

(see attached)



5. Method of amalgamation, check A or B  
 Méthode choisie pour la fusion – Cocher A ou B :

A - **Amalgamation Agreement / Convention de fusion :**



The amalgamation agreement has been duly adopted by the shareholders of each of the amalgamating corporations as required by subsection 176 (4) of the *Business Corporations Act* on the date set out below.

Les actionnaires de chaque société qui fusionne ont dûment adopté la convention de fusion conformément au paragraphe 176(4) de la *Loi sur les sociétés par actions* à la date mentionnée ci-dessous.

or  
ou

B - **Amalgamation of a holding corporation and one or more of its subsidiaries or amalgamation of subsidiaries / Fusion d'une société mère avec une ou plusieurs de ses filiales ou fusion de filiales :**



The amalgamation has been approved by the directors of each amalgamating corporation by a resolution as required by section 177 of the *Business Corporations Act* on the date set out below.

Les administrateurs de chaque société qui fusionne ont approuvé la fusion par voie de résolution conformément à l'article 177 de la *Loi sur les sociétés par actions* à la date mentionnée ci-dessous.

The articles of amalgamation in substance contain the provisions of the articles of incorporation of  
 Les statuts de fusion reprennent essentiellement les dispositions des statuts constitutifs de

and are more particularly set out in these articles.  
 et sont énoncés textuellement aux présents statuts.

Names of amalgamating corporations Dénomination sociale des sociétés qui fusionnent	Ontario Corporation Number Numéro de la société en Ontario	Date of Adoption/Approval Date d'adoption ou d'approbation		
		Year année	Month mois	Day jour
Revive Therapeutics Inc.	2337968			
Mercury Capital III Limited	2322128			

6. Restrictions, if any, on business the corporation may carry on or on powers the corporation may exercise.  
Limites, s'il y a lieu, imposées aux activités commerciales ou aux pouvoirs de la société.

None

7. The classes and any maximum number of shares that the corporation is authorized to issue:  
Catégories et nombre maximal, s'il y a lieu, d'actions que la société est autorisée à émettre :

An unlimited number of common shares without nominal or par value.

8. Rights, privileges, restrictions and conditions (if any) attaching to each class of shares and directors authority with respect to any class of shares which may be issued in series:

Droits, privilèges, restrictions et conditions, s'il y a lieu, rattachés à chaque catégorie d'actions et pouvoirs des administrateurs relatifs à chaque catégorie d'actions qui peut être émise en série :

The Common Shares have attached thereto the following rights, privileges, restrictions and conditions:

(a) The holders of the Common Shares shall, in each fiscal year of the Corporation in the discretion of the directors of the Corporation, be entitled, out of the moneys of the Corporation properly applicable to the payment of dividends, to dividends at such rate as may be declared by the directors of the Corporation from time to time.

(b) In the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, the holders of the Common Shares shall be entitled to receive the remaining property of the Corporation.

(c) The holders of the Common Shares shall be entitled to one (1) vote for each Common Share held at all meetings of shareholders.

(d) Subject to the provisions of the Business Corporations Act (Ontario), and the terms hereof, any of the foregoing paragraphs may be altered, amended or repealed or the application thereof suspended in any particular case or changes may be made in the rights, privileges, restrictions and conditions attaching to the said Common Shares by articles of amendment, but no such alteration, amendment, repeal, suspension or change shall be adopted until approved by special resolution submitted to a special meeting of the holders of the Common Shares of the Corporation duly called for the purpose of considering the resolution and passed, with or without amendment, at the meeting by at least two-thirds of the votes cast, or consented to in writing by each holder of Common Shares of the Corporation entitled to vote at such a meeting or his attorney authorized in writing.

9. The issue, transfer or ownership of shares is/is not restricted and the restrictions (if any) are as follows:  
L'émission, le transfert ou la propriété d'actions est/n'est pas restreint. Les restrictions, s'il y a lieu, sont les suivantes :

Shares from the share capital of the Corporation shall not be transferred unless the restrictions on the transfer of securities of the Corporation contained in Section 10 of these Articles are complied with.

10. Other provisions, (if any):  
Autres dispositions, s'il y a lieu :

Securities of the Corporation, other than non-convertible debt securities, shall not be transferred unless: (a) (i) the consent of the directors of the Corporation is obtained, to be evidenced by a resolution passed by the directors, or (ii) the consent of shareholders holding more than 50% of the shares entitled to vote at such time is obtained, to be evidenced by a resolution passed by all of the shareholders, or by an instrument or instruments in writing signed by shareholders holding more than 50% of the shares entitled to vote at such time; or (b) in the case of securities, other than shares from the share capital of the Corporation, which are subject to restrictions on transfer contained in a security holders' agreement, such restrictions on transfer are complied with.

11. The statements required by subsection 178(2) of the *Business Corporations Act* are attached as Schedule "A".  
Les déclarations exigées aux termes du paragraphe 178(2) de la *Loi sur les sociétés par actions* constituent l'annexe A.
12. A copy of the amalgamation agreement or directors' resolutions (as the case may be) is/are attached as Schedule "B".  
Une copie de la convention de fusion ou les résolutions des administrateurs (selon le cas) constitue(nt) l'annexe B.

These articles are signed in duplicate.  
Les présents statuts sont signés en double exemplaire.

Name and **original signature** of a director or authorized signing officer of each of the amalgamating corporations. Include the name of each corporation, the signatories name and description of office (e.g. president, secretary). **Only a director or authorized signing officer can sign on behalf of the corporation.** / Nom et **signature originale** d'un administrateur ou d'un signataire autorisé de chaque société qui fusionne. Indiquer la dénomination sociale de chaque société, le nom du signataire et sa fonction (p. ex. : président, secrétaire). **Seul un administrateur ou un dirigeant habilité peut signer au nom de la société.**

## Revive Therapeutics Inc.

Names of Corporations / Dénomination sociale des sociétés

By / Par

Fabio Chianelli

President

Signature / Signature

Print name of signatory /  
Nom du signataire en lettres moulées

Description of Office / Fonction

## Mercury Capital III Limited

Names of Corporations / Dénomination sociale des sociétés

By / Par

Thomas Sears

President

Signature / Signature

Print name of signatory /  
Nom du signataire en lettres moulées

Description of Office / Fonction

Names of Corporations / Dénomination sociale des sociétés

By / Par

Signature / Signature

Print name of signatory /  
Nom du signataire en lettres moulées

Description of Office / Fonction

Names of Corporations / Dénomination sociale des sociétés

By / Par

Signature / Signature

Print name of signatory /  
Nom du signataire en lettres moulées

Description of Office / Fonction

Names of Corporations / Dénomination sociale des sociétés

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