MERCURY CAPITAL II LIMITED

(A CAPITAL POOL COMPANY)

CONDENSED INTERIM FINANCIAL STATEMENTS

THREE AND SIX MONTHS ENDED SEPTEMBER 30, 2013

(EXPRESSED IN CANADIAN DOLLARS)

(UNAUDITED)

NOTICE TO READER

The accompanying unaudited condensed interim financial statements of Mercury Capital II Limited (the "Company") have been prepared by and are the responsibility of management. The unaudited condensed interim financial statements as at and for the three and six months ended September 30, 2013 have not been reviewed by the Company's auditors.

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

	As at September 30, 2013	As at March 31, 2013
Assets		
Current		
Funds held in trust (Note 3)	**$ 301,392**	$ 88,700
Prepaid expenses	**451**	11,300
Total Assets	**$ 301,843**	$ 100,000
Liabilities		
Current		
Accounts payable and accrued liabilities (Note 8)	**$ 15,379**	$ 10,168
Shareholders' Equity		
Share capital (Note 4)	**311,709**	97,495
Reserves	**68,735**	-
Deficit	**(93,980)**	(7,663)
Total shareholders' equity	**286,464**	89,832
Total Liabilities and Equity	**$ 301,843**	$ 100,000

Nature of operations (Note 1)
Subsequent event (Note 10)

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

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

	Three Months Ended September 30, 2013	Three Months Ended September 30, 2012	Six Months Ended September 30, 2013	Six Months Ended September 30, 2012
Expenses				
General and administrative (Note 9)	**$ 83,132**	$ -	**$ 86,317**	$ -
Net loss and comprehensive loss for the period	**$ (83,132)**	$ -	**$ (86,317)**	$ -
Loss per share - basic and diluted (Note 7)	**$ (0.08)**	$ -	**$ (0.16)**	$ -
Weighted average number of shares outstanding - basic and diluted	**1,081,189**	-	**537,640**	-

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

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

	Share capital		Reserves			
	Number of Shares	Amount	Warrants Reserve	Share-based Reserve	Deficit	Total
Balance, March 31, 2012 and September 30, 2012	**-**	**$ -**	**$ -**	**$ -**	**$ (2,163)**	**$ (2,163)**
Balance, March 31, 2013	**666,665**	**$ 97,495**	**$ -**	**$ -**	**$ (7,663)**	**$ 89,832**
Initial public offering (Note 4(b))	1,185,400	355,620	-	-	-	355,620
Share issue costs	-	(141,406)	18,729	-	-	(122,677)
Share-based compensation (Note 6)	-	-	-	50,006	-	50,006
Net loss and comprehensive loss for the period	-	-	-	-	(86,317)	(86,317)
Balance, September 30, 2013	**1,852,065**	**$ 311,709**	**$ 18,729**	**$ 50,006**	**$ (93,980)**	**$ 286,464**

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

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

	Six Months Ended September 30, 2013		Six Months Ended September 30, 2012	
Cash (used in) provided by:				
Operating activities				
Net loss for the period	**$**	**(86,317)**	$	-
Adjustment for:				
Share-based compensation		**50,006**		-
Net changes in non-cash working capital:				
Prepaid expenses		**10,849**		-
Accounts payable and accrued liabilities		**5,211**		-
Net cash used in operating activities		**(20,251)**		-
Financing activities				
Proceeds from initial public offering, net of costs		**232,943**		-
Net cash provided by financing activities		**232,943**		-
Change in funds held in trust during the period		**212,692**		-
Funds held in trust, beginning of period		**88,700**		-
Funds held in trust, end of period	**$**	**301,392**	$	-

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

1. Nature of Operations

Mercury Capital II Limited (the "Company" or "Mercury") was incorporated under the *Business Corporations Act* (Ontario) on March 27, 2012. On July 10, 2013, the Company completed the initial public offering (the "IPO") and the common shares of the Company were listed and posted for trading on the TSX Venture Exchange (the "Exchange") under the trading symbol “MFF.P” at the opening of the market on July 12, 2013. The Company’s head office and registered records office address is 1 Adelaide Street East, Suite 801, Toronto, Ontario, Canada, M5C 2V9.

The Company intends to carry on business as a Capital Pool Company ("CPC") pursuant to Policy 2.4 – Capital Pool Companies (the “CPC Policy”) of the Exchange. As at September 30, 2013, the Company has not commenced commercial operations and has no assets other than funds held in trust and prepaid expenses. The Company will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction (as such term is defined in the CPC Policy).

The Company must complete a Qualifying Transaction, which is subject to the approval of the Exchange and, in the case of a Non-Arms Length Qualifying Transaction (as such term is defined in the CPC Policy) must also receive Majority of the Minority Approval (as such term is defined in the CPC Policy). The Exchange could suspend the trading of the Company’s common shares or delist these shares if the Company does not complete an approved Qualifying Transaction within the prescribed time.

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

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

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

During the six months ended September 30, 2013, the Company incurred a net loss of $86,317 and, as of that date, the Company has an accumulated deficit of $93,980. The ability of the Company to carry out its business plan rests with its ability to secure additional equity and other financing. Although the Company has been successful in obtaining financing from related parties and private placements in the past, the Company will likely require continued support. These material uncertainties cast significant doubt about the Company's ability to continue as a going concern

2. Significant Accounting Policies

Statement of compliance

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

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

These unaudited condensed interim financial statements were authorized for use by the Board of Directors of the Company on November 29, 2013.

Change in accounting policies

(i) Share based payment transactions - the fair value of share options granted to employees and non-employees is recognized as an expense over the vesting period with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee, including directors of the Company.

The fair value is measured at the grant date and recognized over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option-pricing model, taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest.

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

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

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

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

(Expressed in Canadian Dollars)

3. Funds Held in Trust

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

4. Share Capital

(a) Authorized:

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

(b) Issued common shares:

	Number of Shares		Amount
Balance, March 31, 2012 and September 30, 2012	**-**	**$**	**-**
Balance, March 31, 2013	**666,665**	**$**	**97,495**
Initial public offering	1,185,400		355,620
Share issue costs	-		(122,677)
Issuance of agent warrants	-		(18,729)
Balance, September 30, 2013	**1,852,065**	**$**	**311,709**

On July 9, 2013, the Company completed the IPO by issuing 1,185,400 common shares at a price of $0.30 per share, for gross proceeds of $355,620. In connection with the IPO, the Company granted agent warrants to acquire 118,540 common shares at a price of $0.30 per share until July 12, 2015, and paid a commission of $35,562 (10% of the gross proceeds of the offering) and a $10,000 corporate finance fee.

The agent warrants were valued at $18,729 using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 100%; risk-free interest rate of 1.15%; and an expected life of 2 years.

5. Warrants

The following table reflects the continuity of warrants for the periods ended September 30, 2012 and 2013:

	Number of Warrants		Weighted Average Exercise Price
Balance, March 31, 2012 and September 30, 2012	**-**	**$**	**-**
Balance, March 31, 2013	**-**	**$**	**-**
Issued (Note 4 (b))	118,540		0.30
Balance, September 30, 2013	**118,540**	**$**	**0.30**

(Expressed in Canadian Dollars)

5. Warrants (continued)

The following table reflects the actual warrants issued and outstanding as of September 30, 2013:

Expiry Date	Exercise Price ($)	Fair Value ($)	Number of Warrants Outstanding
July 12, 2015	0.30	18,729	118,540

6. Stock Options

The following table reflects the continuity of stock options for the periods ended September 30, 2012 and 2013:

	Number of Stock Options	Weighted Average Exercise Price
Balance, March 31, 2012 and September 30, 2012	**-**	**$ -**
Balance, March 31, 2013	**-**	**$ -**
Granted	185,206	0.30
Balance, September 30, 2013	**185,206**	**$ 0.30**

On July 9, 2013, the Company granted incentive stock options to its six officers and directors to acquire a total of 185,206 common shares. The options may be exercised for a period of ten years at a price of $0.30 per share. The incentive stock options vested on the date of grant.

A value of $50,006 was estimated for the 185,206 stock options on the date of grant using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 100%; risk-free interest rate of 2.47%; and an expected average life of ten years.

The following table reflects the actual stock options issued and outstanding as of September 30, 2013:

Expiry Date	Exercise Price ($)	Weighted Average Remaining Contractual Life (years)	Number of Options Outstanding	Number of Options Vested (exercisable)	Grant Date Fair Value
July 9, 2023	0.30	9.78	185,206	185,206	$ 50,006

7. Net Loss per Common Share

The calculation of basic and diluted loss per share for the three and six months ended September 30, 2013 was based on the loss attributable to common shareholders of $83,132 and $86,317, respectively (three and six months ended September 30, 2012 - $nil) and the weighted average number of common shares outstanding of 1,081,189 and 537,640, respectively (three and six months ended September 30, 2012 - nil). Diluted loss per share did not include the effect of 185,206 incentive stock options and 118,540 agent's warrants as they are anti-dilutive.

The 666,665 seed shares of the Company will be considered contingently issuable until the Company completes a Qualifying Transaction and, accordingly, they are not considered to be outstanding shares for the purposes of loss per share calculations.

(Expressed in Canadian Dollars)

8. Related Party Transactions

Related parties include the Board of Directors, close family members and enterprises which are controlled by these individuals as well as certain persons performing similar functions. The transactions below are in the normal course of business and are measured at the exchange amount, as agreed to by the parties, and approved by the Board of Directors in strict adherence to conflict of interest laws and regulations.

(i) During the three and six months ended September 30, 2013, the Company incurred $53,686 and $61,303 in legal expenses (fees and disbursements) from two law firms, one where a director of the Company was previously a partner and one where the same director is currently a partner (three and six months ended September 30, 2012 - $nil). Of the total amount incurred, $43,155 is in respect of the issuance of common shares which has been recorded in share capital as share issuance costs, $7,773 relates to transaction costs for the proposed Qualifying Transaction and the remainder of $10,375 relates to general legal work which has been recorded in professional fees. At September 30, 2013, $7,117 (March 31, 2013 - $3,168) is recorded in accounts payable and accrued liabilities.

(ii) Remuneration of directors and key management personnel of the Company was as follows:

	Three Months Ended September 30, 2013	Three Months Ended September 30, 2012	Six Months Ended September 30, 2013	Six Months Ended September 30, 2012
Share-based compensation (Note 6)	**$ 50,006**	$ -	**$ 50,006**	$ -

9. General and administrative

	Three Months Ended September 30, 2013	Three Months Ended September 30, 2012	Six Months Ended September 30, 2013	Six Months Ended September 30, 2012
Share-based compensation (Note 6)	**$ 50,006**	$ -	**$ 50,006**	$ -
Professional fees	**14,053**	-	**17,238**	-
Transaction costs	**19,073**	-	**19,073**	-
	$ 83,132	$ -	**$ 86,317**	$ -

10. Subsequent Event

On November 26, 2013, the Company entered into an amalgamation agreement (the "Amalgamation Agreement") for the proposed acquisition of Revive which will qualify as the Company's Qualifying Transaction. The Amalgamation Agreement is subject to completion of certain conditions precedent, including, completion of a concurrent financing and receipt of all necessary regulatory and Exchange approvals. A comprehensive news release disclosing the material terms of the proposed Qualifying Transaction with Revive was issued and filed on SEDAR on November 27, 2013.