Revive Therapeutics Inc.
Condensed Interim Financial Statements
Three Months Ended September 30, 2013

(Expressed in Canadian Dollars)
(Unaudited)

Notice to Reader

The accompanying unaudited condensed interim financial statements of Revive Therapeutics Inc. (the "Company") have been prepared by and are the responsibility of management. The unaudited condensed interim financial statements have not been reviewed by the Company's auditors.

Revive Therapeutics Inc.

Condensed Interim Statements of Financial Position
(Expressed in Canadian dollars)
(Unaudited)

	September 30, 2013	June 30, 2013
ASSETS		
Current assets		
Cash and cash equivalents	**$ 638,367**	$ 705,865
Other receivables	**15,495**	8,614
Prepaid expenses	**12,900**	-
Total current assets	**666,762**	714,479
Intangible assets (note 3)	**38,734**	39,246
Equipment (note 4)	**11,517**	-
Total assets	**$ 717,013**	$ 753,725
EQUITY AND LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (note 7)	**$ 42,040**	$ 41,000
Total current liabilities	**42,040**	41,000
Shareholders' equity		
Share capital (note 5)	**890,000**	890,000
Accumulated deficit	**(215,027)**	(177,275)
Total shareholders' equity	**674,973**	712,725
Total shareholders' equity and liabilities	**$ 717,013**	$ 753,725

Commitments (note 8)
Subsequent event (note 9)

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

Revive Therapeutics Inc.

Condensed Interim Statements of Comprehensive Loss
(Expressed in Canadian dollars)
(Unaudited)

	Three Months Ended September 30, 2013	Period from August 7, 2012 to September 30, 2012
Expenses		
Consulting fees (note 7)	**$ 24,000**	$ 5,000
Professional fees	**300**	-
Office expenses	**10,479**	2,372
Rent	**2,113**	-
Depreciation	**860**	-
Comprehensive loss for the period	**$ (37,752)**	$ (7,372)
Comprehensive loss per share - basic and diluted (note 6)	**$ (0.00)**	$ (0.00)
Weighted average common shares outstanding	**12,933,330**	10,478,395

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

Revive Therapeutics Inc.
Condensed Interim Statements of Cash Flows
(Expressed in Canadian dollars)
(Unaudited)

	Three Months Ended September 30, 2013	Period from August 7, 2012 to September 30, 2012
Cash flow from operating activities		
Comprehensive loss for the period	$ (37,752)	$ (7,372)
Adjustments for:		
Depreciation	860	-
Net change in non-cash working capital:		
Other receivables	(6,881)	(10,719)
Prepaid expenses	(12,900)	-
Accounts payable and accrued liabilities	1,040	-
Net cash used in operating activities	(55,633)	(18,091)
Investing activities		
Purchase of intangible assets	-	(15,992)
Purchase of equipment	(11,865)	-
Net cash used in investing activities	(11,865)	(15,992)
Financing activities		
Proceeds from issuance of shares	-	260,000
Net cash provided by financing activities	-	260,000
Net change in cash and cash equivalents	(67,498)	225,917
Cash and cash equivalents, beginning of period	705,865	-
Cash and cash equivalents, end of period	$ 638,367	$ 225,917

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Revive Therapeutics Inc.

Condensed Interim Statements of Changes in Shareholders' Equity
(Expressed in Canadian dollars)
(Unaudited)

	Share capital						
	Number of Shares		Amount		Deficit		Total
Balance, August 7, 2012	**-**	**$**	**-**	**$**	**-**	**$**	**-**
Issuance of common shares	10,833,333		260,000		-		260,000
Comprehensive loss for the period	-		-		(7,372)		(7,372)
Balance, September 30, 2012	**10,833,333**	**$**	**260,000**	**$**	**(7,372)**	**$**	**252,628**

Balance, June 30, 2013	**12,933,330**	**$**	**890,000**	**$**	**(177,275)**	**$**	**712,725**
Comprehensive loss for the period	-		-		(37,752)		(37,752)
Balance, September 30, 2013	**12,933,330**	**$**	**890,000**	**$**	**(215,027)**	**$**	**674,973**

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

1. Nature of Operations

Revive Therapeutics Inc. (the "Company" or "Revive") was incorporated pursuant to the provisions of the Business Corporations Act (Ontario) on August 7, 2012. The Company is focused on the development and commercialization of drugs for underserved medical needs. The Company's primary office is located at 5 Director Court Suite 105, Vaughan Ontario, L3L 4S5.

On July 18, 2013, the Company announced that it had entered into a letter of intent (the “LOI”) to proceed with an amalgamation or other form of business combination with Mercury Capital II Limited. Pursuant to the terms of the LOI, each common share of Revive will be exchanged for one common share of the newly formed entity (the “Resulting Issuer”). Also, the LOI calls for a concurrent private placement of a minimum of $1,110,000 and a maximum of $1,500,000. In the event the maximum private placement is achieved, the shareholders of the Company will hold 65% of the Resulting Issuer shares and the subscribers in the private placement will hold approximately 25% of the Resulting Issuer shares.

2. Significant Accounting Policies

Statement of compliance

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board (“IASB”). These unaudited condensed interim financial statements 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.

The policies applied in these unaudited condensed interim financial statements are based on IFRSs issued and outstanding as of January 8, 2014, the date the Board of Directors approved the statements. The same accounting policies and methods of computation are followed in these unaudited condensed interim financial statements as compared with the most recent annual financial statements as at and for the period ended June 30, 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 June 30, 2014 could result in restatement of these unaudited condensed interim financial statements.

Change in accounting policies

(i) IFRS 10, Consolidated Financial Statements ("IFRS 10") was issued by the IASB on May 12, 2011 and will replace portions of IAS 27 Consolidated and Separate Financial Statements and interpretation SIC-12 Consolidated - Special Purpose Entities. IFRS 10 incorporates a single model for consolidating all entities that are controlled and revises the definition of control to be "An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the current ability to affect those returns through its power over the investee". Along with control, the new standard also focuses on the concept of power, both of which will include a use of judgment and continuous reassessment as facts and circumstances change. At July 1, 2013, the Company adopted this pronouncement and there was no material impact on the Company’s unaudited condensed interim financial statements.

(ii) IFRS 11, Joint Arrangements ("IFRS 11") was issued by the IASB on May 12, 2011 and will replace IAS 31, Interest in Joint Ventures. The new standard will apply to the accounting for interest in joint arrangements where there is joint control. Joint arrangements will be separated into joint ventures and joint operations. The structure of the joint arrangement will no longer be the most significant factor on classifying a joint arrangement as either a joint operation or a joint venture. Proportionate consolidation will be removed and replaced with equity accounting. At July 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)

2. Significant accounting policies (continued)

Change in accounting policies (continued)

(iii) IFRS 12, Disclosure of Interest in Other Entities ("IFRS 12") was issued by the IASB on May 12, 2011. The new standard includes disclosure requirements about subsidiaries, joint ventures and associates, as well as unconsolidated structured entities and replaces existing disclosure requirements. At July 1, 2013, the Company adopted this pronouncement and there was no material impact on the Company's unaudited condensed interim financial statements.

(vi) IAS 28, Investments in Associates and Joint Ventures prescribes the accounting for investments in associates and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures. IAS 28 applies to all entities that are investors with joint control of, or significant influence over, an investee (associate or joint venture). At July 1, 2013, the Company adopted this standard and there was no material impact on the Company's unaudited condensed interim financial statements.

Recent accounting pronouncements

(i) IFRS 9, Financial Instruments ("IFRS 9") was issued by the IASB on November 12, 2009 and will replace IAS 39, "Financial Instruments: Recognition and Measurement" ("IAS 39"). IFRS 9 replaces the multiple rules in IAS 39 with a single approach to determine whether a financial asset is measured at amortized cost or fair value and a new mixed measurement model for debt instruments having only two categories: amortized cost and fair value. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 will be effective as at a date yet to be determined. The Company is in the process of assessing the impact of this pronouncement.

(ii) IAS 32 – Financial Instruments: Presentation ("IAS 32") was amended by the IASB in December 2011 to clarify certain aspects of the requirements on offsetting. The amendments focus on the criterion that an entity currently has a legally enforceable right to set off the recognized amounts and the criterion that an entity intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. The amendments to IAS 32 are effective for annual periods beginning on or after January 1, 2014. Earlier adoption is permitted.

3. Intangible Assets

Cost	**Patents**
Balance, June 30, 2013	$ 40,992
Balance, September 30, 2013	$ 40,992
Accumulated depreciation	**Patents**
Balance, June 30, 2013	$ 1,746
Depreciation during the period	512
Balance, September 30, 2013	$ 2,258
Carrying value	**Patents**
Balance, June 30, 2013	$ 39,246
Balance, September 30, 2013	$ 38,734

(Expressed in Canadian dollars)

3. Intangible Assets (continued)

On September 4, 2012, as amended on March 7, 2013, the Company entered into a licence agreement with Numedicus Limited ("Numedicus") whereby the Company acquired the exclusive rights to use patented technology to develop and commercialize licensed products. In order to keep the license in good standing the Company is required to make annual payments of GBP £10,000 (for the period ended June 30, 2013 - $15,922 was paid). In addition, certain milestone payments which will be triggered by the progression of the licensed products towards commercial sales. There will also be a 3% royalty charged on net sales value for any licensed products.

On September 4, 2012, as amended on March 7, 2013, the Company entered into an additional licence agreement with Numedicus whereby the Company acquired the exclusive rights to use patented technology to develop and commercialize licensed products. In order to keep the license in good standing the Company is required to make annual payments of GBP £10,000 commencing on the first anniversary date of the agreement. In addition, certain milestone payments which will be triggered by the progression of the licensed products towards commercial sales. There will also be a 3% royalty charged on net sales value for any licensed products.

On April 3, 2013, the Company entered into a licence agreement with Xenexus Pharmaceuticals PTY. Ltd. ("Xenexus") whereby the Company acquired the exclusive rights to use patented technology to develop and commercialize licensed products. In order to keep the license in good standing the Company was required to make a $10,000 payment on the commencement date (paid). On June 17, 2013, the Company and Xenexus entered into a patent assignment agreement which superceded the original licence agreement dated April 3, 2013. Under the terms of the patent assignment agreement the Company was required to make a $15,000 payment (paid). If the Company licences the patent assignment it will be obligated to pay to Xenexus 5% of any fees from its licensee.

4. Equipment

Cost	**Computer equipment**	**Office equipment**	**Total**
Balance, June 30, 2013	$ -	$ -	$ -
Additions	4,129	7,736	11,865
Balance, September 30, 2013	$ 4,129	$ 7,736	$ 11,865

Accumulated depreciation	**Computer equipment**	**Office equipment**	**Total**
Balance, June 30, 2013	$ -	$ -	$ -
Depreciation during the period	155	193	348
Balance, September 30, 2013	$ 155	$ 193	$ 348

Carrying value	**Computer equipment**	**Office equipment**	**Total**
Balance, June 30, 2013	$ -	$ -	$ -
Balance, September 30, 2013	$ 3,974	$ 7,543	$ 11,517

(Expressed in Canadian dollars)

5. Share capital

a) Authorized share capital

The authorized share capital consists of an unlimited number of common shares. The common shares do not have a par value. All issued shares are fully paid.

b) Common shares issued

As at September 30, 2013, the issued share capital amounted to $890,000. Changes in issued share capital are as follows:

	Number of Common Shares		Amount
Balance, August 7, 2012	-	$	-
Issuance of common shares (i)(ii)	10,833,333		260,000
Balance, September 30, 2012	**10,833,333**	**$**	**260,000**
Balance, June 30, 2013 and September 30, 2013	**12,933,330**	**$**	**890,000**

(i) On August 7, 2012, 10,000,000 shares were issued to the founder of the Company at $0.001 per share for gross proceeds of $10,000.

(ii) On August 30, 2012, the Company closed a private placement financing with one investor which consisted of an aggregate of 833,333 common shares priced at $0.30 per common share.

6. Net loss per common share

The calculation of basic and diluted loss per share for the three months ended September 30, 2013 was based on the loss attributable to common shareholders of $37,752 (period from August 7, 2012 to September 30, 2012 - $7,372) and the weighted average number of common shares outstanding of 12,933,330 (period from August 7, 2012 to September 30, 2012 - 10,478,395).

7. Related party balances and transactions

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

		Three Months Ended September 30, 2013		Period from August 7, 2012 to September 30, 2012
Fabiotech Inc. ("Fabiotech")	**$**	**24,000**	$	5,000

(Expressed in Canadian dollars)

7. Related party balances and transactions (continued)

(i) Fabiotech is a corporation controlled by the President of the Company. As at September 30, 2013 $33,040 (June 30, 2013 - $32,000) was owed to Fabiotech and this amount was included in accounts payable and accrued liabilities.

(ii) Marrelli Support Services Inc., a corporation controlled by the Chief Financial Officer of the Company was owed $2,500 (June 30, 2013 - $2,500).

8. Commitments

On September 1, 2013, the Company entered into a lease for office premises which began on September 1, 2013 and ends on August 31, 2015. The Company is committed to pay minimum base rent as follows:

Fiscal 2014	$ 11,601
Fiscal 2015	15,468
Fiscal 2016	2,578
	$ 29,647

Pursuant to licence agreements, the Company is required to pay an annual license fee of GBP £10,000 on September 4, 2013. The Company intends to pay this within 90 days of September 4, 2013 to comply with the agreement. Additional annual license fees amount to GBP £20,000, which are due on September 4, 2014 and each year thereafter.

9. Subsequent event

Subsequent to the period, on December 30, 2013, Revive completed a private placement of 3,711,833 subscription receipts at a deemed price of $0.30 per subscription receipt, for aggregate gross proceeds of $1,113,550. Each subscription receipt issued in connection with the private placement entitled the holder to acquire one Revive Share just prior to the Amalgamation. On December 30, 2013, Revive and Mercury Capital II Limited ("Mercury") completed the Amalgamation whereby Revive Shares were exchanged for Mercury Shares on the basis of one (1) Mercury Share for each one (1) Revive Share. The Amalgamation effectively provided for the acquisition of all of the outstanding equity interests of Revive by Mercury, indirectly through Mercury Capital III Limited ("AcquisitionCo"), a wholly owned Ontario incorporated subsidiary of Mercury, in a transaction in which the security holders of Revive received shares of Mercury and, if applicable, convertible securities of Mercury. As a result of the Amalgamation of AcquisitionCo and Revive ("AmalCo"), Mercury became the sole beneficial owner of all of the outstanding shares of AmalCo. The transaction was Mercury's Qualifying Transaction completed in accordance with the policies of the TSX Venture Exchange. Concurrently with the completion of the Amalgamation, Mercury changed its name to "Revive Therapeutics Ltd.". Pursuant to the Amalgamation, Mercury issued an aggregate of 16,645,163 Mercury Shares to the shareholders of Revive (including an aggregate of 3,711,833 Mercury Shares to purchasers in connection with the closing of the subscription receipt financing). In addition, Mercury issued broker warrants to Hampton Securities Limited exercisable for 296,387 Mercury Shares. Following the completion of the Amalgamation, 18,497,228 Mercury Shares are outstanding and 600,133 are reserved for issuance. The former Revive shareholders own approximately 69.92% of the Mercury Shares, shareholders of Mercury prior to the Amalgamation hold approximately 10.01% of the Mercury Shares and purchasers under the subscription receipt financing hold approximately 20.07% of the Mercury Shares.