Revive Therapeutics Ltd.

Consolidated Financial Statements

Years Ended June 30, 2015 And 2014

(Expressed in Canadian Dollars)

INDEPENDENT AUDITORS' REPORT

To the Shareholders of Revive Therapeutics Ltd.

We have audited the accompanying consolidated financial statements of Revive Therapeutics Ltd., which comprise the consolidated statements of financial position as at June 30, 2015 and 2014, and the consolidated statements of comprehensive loss, changes in shareholders' equity, and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

MNP LLP

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Revive Therapeutics Ltd. as at June 30, 2015 and 2014, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 1 to the consolidated financial statements which highlights the existence of a material uncertainty relating to conditions that cast significant doubt on Revive Therapeutics Ltd.'s ability to continue as a going concern.

MNP LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Ontario
October 21, 2015

MNP LLP

Revive Therapeutics Ltd.
Consolidated Statements of Financial Position
(Expressed in Canadian dollars)

	June 30, 2015	June 30, 2014
ASSETS		
Current assets		
Cash and cash equivalents	**$ 2,492,072**	$ 1,188,919
Other receivables	**46,297**	61,550
Prepaid expenses	**45,126**	25,635
Total current assets	**2,583,495**	1,276,104
Intangible assets (note 5)	**74,903**	56,239
Equipment (note 6)	**8,028**	10,473
Total assets	**$ 2,666,426**	$ 1,342,816
EQUITY AND LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (notes 7 and 15)	**$ 304,437**	$ 77,776
Shareholders' equity		
Share capital (note 8)	**4,342,303**	2,428,907
Warrants and broker warrants (notes 10 and 8)	**980,262**	52,459
Stock options (note 12)	**490,219**	218,038
Accumulated deficit	**(3,450,795)**	(1,434,364)
Total shareholders' equity	**2,361,989**	1,265,040
Total shareholders' equity and liabilities	**$ 2,666,426**	$ 1,342,816

Nature of operations and going concern (note 1)
Commitments and contingency (note 16)

Approved on behalf of the Board:

"Fabio Chianelli", Director

"Craig Leon", Director

The accompanying notes to the consolidated financial statements are an integral part of these statements.

Revive Therapeutics Ltd.

Consolidated Statements of Comprehensive Loss
(Expressed in Canadian dollars)

Years Ended June 30,	2015	2014
Expenses		
Research costs	**$ 747,559**	$ 164,644
Salaries and benefits (note 15(b))	**295,328**	119,696
Stock-based compensation (notes 12(i)(ii) and 15(b))	**293,603**	187,346
Office expenses (note 17)	**234,888**	55,106
Consulting fees (note 15(a)(i)(v))	**222,692**	131,686
Professional fees (note 15(a)(ii)(iii)(iv))	**187,141**	225,894
Rent	**28,107**	19,564
Write-off of intangible assets	**15,192**	-
Depreciation and amortization (notes 5 and 6)	**6,592**	4,348
Reverse takeover transaction cost	**-**	348,805
	2,031,102	1,257,089
Comprehensive loss for the year	**$ (2,031,102)**	$ (1,257,089)
Comprehensive loss per share - basic and diluted (note 13)	**$ (0.09)**	$ (0.08)
Weighted average common shares outstanding	**21,551,481**	16,037,578

The accompanying notes to the consolidated financial statements are an integral part of these statements.

Revive Therapeutics Ltd.

Consolidated Statements of Cash Flows
(Expressed in Canadian dollars)

Years Ended June 30,	2015	2014
Cash flow from operating activities		
Comprehensive loss for the year	**$ (2,031,102)**	$ (1,257,089)
Adjustments for:		
Depreciation and amortization	**6,592**	4,348
Stock-based compensation	**293,603**	187,346
Write-off of intangible assets	**15,192**	-
Reverse takeover transaction cost	**-**	348,805
Net change in non-cash working capital:		
Other receivables	**15,253**	(52,936)
Prepaid expenses	**(19,491)**	(24,430)
Accounts payable and accrued liabilities	**226,661**	25,493
Net cash and cash equivalents used in operating activities	**(1,493,292)**	(768,463)
Investing activities		
Purchase of intangible assets	**(38,001)**	(19,948)
Purchase of equipment	**-**	(11,866)
Net cash and cash equivalents used in investing activities	**(38,001)**	(31,814)
Financing activities		
Proceeds from issuance of shares (note 8)	**3,130,713**	1,113,550
Share issue costs (note 8)	**(296,267)**	(93,807)
Cash acquired from reverse takeover	**-**	263,588
Net cash and cash equivalents provided by financing activities	**2,834,446**	1,283,331
Net change in cash and cash equivalents	**1,303,153**	483,054
Cash and cash equivalents, beginning of year	**1,188,919**	705,865
Cash and cash equivalents, end of year	**$ 2,492,072**	$ 1,188,919

The accompanying notes to the consolidated financial statements are an integral part of these statements.

Revive Therapeutics Ltd.
Consolidated Statements of Changes in Shareholders' Equity
(Expressed in Canadian dollars)

	Share capital					
	Number of shares	Amount	Warrants and broker warrants	Stock options	Accumulated deficit	Total
Balance, June 30, 2013	**12,933,330**	**$ 890,000**	**$ -**	**$ -**	**$ (177,275)**	**$ 712,725**
Common shares issued against subscription receipts issued in private placement	3,711,833	1,113,550	-	-	-	1,113,550
Share issuance costs for the private placement	-	(93,807)	-	-	-	(93,807)
Elimination of Old Revive shares	(16,645,163)	-	-	-	-	-
Conversion of Old Revive shares	16,645,163	-	-	-	-	-
Consideration for reverse takeover	1,852,065	555,620	16,003	30,692	-	602,315
Issuance of broker warrants	-	(36,456)	36,456	-	-	-
Stock-based compensation	-	-	-	187,346	-	187,346
Comprehensive loss for the year	-	-	-	-	(1,257,089)	(1,257,089)
Balance, June 30, 2014	**18,497,228**	**$ 2,428,907**	**$ 52,459**	**$ 218,038**	**$ (1,434,364)**	**$ 1,265,040**

	Number of shares	Amount	Warrants and broker warrants	Stock options	Accumulated deficit	Total
Balance, June 30, 2014	**18,497,228**	**$ 2,428,907**	**$ 52,459**	**$ 218,038**	**$ (1,434,364)**	**$ 1,265,040**
Common shares issued in private placement (note 8(b)(i))	4,996,500	2,997,900	-	-	-	2,997,900
Transaction costs in private placement (note 8(b)(i))	-	(196,599)	(99,666)	-	-	(296,265)
Valuation of warrants issued in private placement (note 8(b)(i))	-	(999,300)	999,300	-	-	-
Valuation of broker warrants issued in private placement (note 8(b)(i))	-	(80,628)	80,628	-	-	-
Exercise of broker warrants	414,927	124,478	-	-	-	124,478
Fair value of broker warrants exercised	-	52,459	(52,459)	-	-	-
Common shares issued upon exercise of stock options	27,782	8,335	-	-	-	8,335
Fair value of stock options exercised	-	6,751	-	(6,751)	-	-
Expiration of stock options	-	-	-	(14,671)	14,671	-
Stock-based compensation (note 12(i)(ii))	-	-	-	293,603	-	293,603
Comprehensive loss for the year	-	-	-	-	(2,031,102)	(2,031,102)
Balance, June 30, 2015	**23,936,437**	**$ 4,342,303**	**$ 980,262**	**$ 490,219**	**$ (3,450,795)**	**$ 2,361,989**

The accompanying notes to the consolidated financial statements are an integral part of these statements.

1. Nature of Operations and Going Concern

Revive Therapeutics Inc. ("Old Revive") was incorporated pursuant to the provisions of the Business Corporations Act (Ontario) on August 7, 2012.

Mercury Capital II Limited ("Mercury") was incorporated under the Business Corporations Act (Ontario) on March 27, 2012 with the intent on becoming a "Capital Pool Company" ("CPC") pursuant to Policy 2.4 - Capital Pool Companies (the "CPC Policy") of the TSX Venture Exchange (the "Exchange"). On December 30, 2013, the Company (as defined below) completed a triangular amalgamation whereby Old Revive shares were exchanged for Mercury shares on the basis of one (1) Mercury share for each one (1) Old Revive share (the "Amalgamation"). The Amalgamation was accounted for as a reverse takeover ("RTO") whereby Old Revive was identified as the acquirer for accounting purposes and the resulting consolidated financial statements are presented as a continuance of Old Revive and the comparative figures presented in the consolidated financial statements after the RTO are those of Old Revive. The transaction was Mercury's Qualifying Transaction (as such term is defined in the CPC Policy) completed in accordance with the policies of the Exchange. Mercury had no significant assets other than cash with no commercial operations at the time of the RTO. Concurrently with the completion of the RTO, Mercury changed its name to "Revive Therapeutics Ltd." (the "Company" or "Revive").

The Company is focused on the development and commercialization of drugs for underserved medical needs. The Company's registered and legal office is located at 5 Director Court, Suite 105, Vaughan, Ontario, L4L 4S5.

These consolidated financial statements were prepared on a going concern basis of presentation, which assumes that the Company will continue operations for the foreseeable future and be able to realize the carrying value of its assets and discharge its liabilities and commitments in the normal course of business. To date, the Company has not earned revenue and has an accumulated deficit of $3,450,795 as at June 30, 2015 (June 30, 2014 - $1,434,364). As at June 30, 2015, the Company had cash and cash equivalents of $2,492,072 (June 30, 2014 - $1,188,919) and a working capital of $2,279,058 (June 30, 2014 - $1,198,328). The Company's ability to continue as a going concern is dependent upon its ability to obtain additional financing and or achieve profitable operations in the future. Management is aware, in making its assessment, of material uncertainties related to events or conditions that cast substantial doubt upon the Company's ability to continue as a going concern. These consolidated financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate. These adjustments could be material. Management is actively pursuing funding options, being financing and alternative funding options, required to meet the Company's requirements on an ongoing basis.

These consolidated financial statements were authorized for issue by the Board of Directors on October 21, 2015.

2. Significant Accounting Policies

Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the IFRS Interpretations Committee ("IFRIC"), effective for the Company's reporting for the year ended June 30, 2015.

Basis of measurement

These consolidated financial statements are stated in Canadian dollars and were prepared on a historical cost basis except for certain items which may be accounted for at fair value as further discussed in subsequent notes, using the significant accounting policies and measurement basis summarized below.

2. Significant Accounting Policies (continued)

Functional and presentation currency

These consolidated financial statements are presented in Canadian dollars which is the Company's functional currency.

Transactions in currencies other than the functional currency are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the period end exchange rates are recognized in the consolidated statements of comprehensive loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Cash and cash equivalents

Cash in the consolidated statements of financial position comprise cash at banks. The Company's cash is invested with major financial institutions in business accounts that are available on demand by the Company for its operations.

Financial instruments

The Company's financial assets are classified into the following categories: at fair value through profit or loss or as loans and receivables. The classification depends on the purpose for which the financial assets were acquired.

Financial assets at fair value through profit and loss include cash and cash equivalents which are carried at fair value. Gains and losses are reflected in the consolidated statements of comprehensive loss.

Loans and receivables include other receivables which are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. The Company assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired.

The Company's financial liabilities are classified into the following categories: at fair value through profit or loss or as other financial liabilities.

Accounts payable and accrued liabilities are classified as other financial liabilities and are recognized initially at fair value net of any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortized cost using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest and any transaction costs over the relevant period. The effective interest rate is the rate that discounts estimated future cash payments through the expected life of the financial liability to the net carrying amount on initial recognition.

Other financial liabilities are de-recognized when the obligations are discharged, cancelled or expired.

2. Significant Accounting Policies (continued)

Equipment and intangible assets

Equipment and intangible assets are carried at cost, less accumulated depreciation and accumulated impairment losses.

The cost of an item of equipment and intangible assets consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use, borrowing costs directly associated with the item and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Depreciation is recognized based on the cost of an item of equipment and intangible assets, less its estimated residual value, over its estimated useful life at the following rates:

Detail	Rate	Method
Equipment	20% - 30%	Declining balance
Intangible assets	20 years	Straight-line

An asset's residual value, useful life and depreciation method are reviewed, and adjusted if appropriate, on an annual basis.

An item of equipment and intangible assets is de-recognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in profit or loss in the statements of comprehensive loss.

Where an item of equipment and intangible assets consists of major components with different useful lives, the components are accounted for as separate items of equipment and intangible assets. Expenditures incurred to replace a component of an item of equipment and intangible assets that is accounted for separately, including major inspection and overhaul expenditures, are capitalized.

Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its non-financial assets with finite lives to determine whether there is any indication that those assets have suffered an impairment loss. Where such an indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. The recoverable amount is the higher of an asset’s fair value less cost to sell or its value in use. In addition, long-lived assets that are not amortized are subject to an annual impairment assessment. The Company has assessed all of its non-financial assets and recorded an impairment for the unrecoverable amount.

2. Significant Accounting Policies (continued)

Provisions

A provision is recognized in the statement of financial position when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and the amount can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at a pretax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract.

Stock-based compensation

The fair value of stock options granted to employees is recognized as an expense 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 the end of each reporting period, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest.

Income taxes

Income tax expense consists of current and deferred tax expenses. Current and deferred tax are recognized in profit or loss except to the extent that it relates to items recognized directly in equity or other comprehensive income.

Current tax is recognized and measured at the amount expected to be recovered from or payment to the taxation authorities based on the income tax rates enacted or substantively enacted at the end of the reporting period and includes any adjustment to taxes payable in respect of previous years.

Deferred tax is recognized on any temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable earnings. Deferred tax assets and liabilities are measured at the tax rate that are expected to apply in the period when the asset is realized and the liability is settled. The effect of a change in the enacted or substantively enacted tax rates is recognized in net earnings and comprehensive income or in equity depending on the item to which the adjustment relates.

Deferred tax assets are recognized to the extent future recovery is probable. At each reporting period end, deferred tax assets are reduced to the extent that it is no longer probable that sufficient taxable earnings will be available to allow all or part of the assets to be recovered.

Loss per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all dilutive potential common shares.

2. Significant Accounting Policies (continued)

Significant accounting judgments and estimates

The application of the Company's accounting policies in compliance with IFRS requires the Company's management to make certain judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. These estimates and assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the financial position reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

i. the recoverability of capitalized intangible assets and equipment which are included in the consolidated statement of financial position.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Share capital

Common shares are classified as equity. Incremental costs directly attributable to the issue of new shares or warrants are shown in equity as a deduction, net of tax, from the proceeds.

Change in accounting policies

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. On July 1, 2014, the Company adopted this amendment and there was no material impact on the Company's consolidated financial statements.

Recent accounting pronouncements

IFRS 9 - Financial Instruments ("IFRS 9") was issued by the IASB on November 12, 2009 and then issued in its final form on July 24, 2014 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 is effective for annual periods beginning on or after January 1, 2018. The Company is in the process of assessing the impact of this pronouncement.

IFRS 15 - Revenue from Contracts with Customers ("IFRS 15") was issued by IASB in May 2014, replacing IAS 11, Construction Contracts, IAS 18, Revenue, and several revenue-related interpretations. IFRS 15 establishes a single revenue recognition framework that applies to contracts with customers. The standard required an entity to recognize revenue to reflect the transfer of goods and services for the amount it expects to receive, when control is transferred to the purchaser. Disclosure requirements have also been expanded. IFRS 15 is effective for years beginning on or after January 1, 2018, with early adoption permitted. The standard may be applied retrospectively or using a modified retrospective approach. The Company is in the process of assessing the impact of this pronouncement.

3. Capital Management

The Company manages its capital with the following objectives:

- to ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities, and pursuit of accretive acquisitions; and
- to maximize shareholder return through enhancing the share value.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by management and the Board of Directors on an ongoing basis. The Company considers its capital to be equity comprising share capital, broker warrants, stock options and accumulated deficit which at June 30, 2015 totalled $2,361,989 (June 30, 2014 - $1,265,040). The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. Selected information is provided to the board of directors of the Corporation. The Company's capital management objectives, policies and processes have remained unchanged during the year ended June 30, 2015.

The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than Policy 2.5 of the TSX Venture Exchange which requires adequate working capital or financial resources of the greater of (i) $50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months. As of June 30, 2015, the Company is in compliance with this requirement.

4. Financial Risk Factors

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate, foreign exchange rate, and price risk).

Risk management is carried out by the Company's management team with guidance from the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and other receivables. Cash is held with select major Canadian chartered banks, from which management believes the risk of loss to be minimal.

Other receivables include sales tax recoverable from government authorities in Canada, which are in good standing as of June 30, 2015. Management believes that the credit risk concentration with respect to financial instruments included in sales tax recoverable is minimal.

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or related to matters specific to the Company. The Company generates cash flow primarily from its financing activities. As at June 30, 2015, the Company had a cash and cash equivalents balance of $2,492,072 (June 30, 2014 - $1,188,919) to settle current liabilities of $304,437 (June 30, 2014 - $77,776). The Company regularly evaluates its cash position to ensure preservation and security of capital as well as maintenance of liquidity.

4. Financial Risk Factors (continued)

Market risk

(a) Interest rate risk

The Company has cash balances. The Company’s current policy is to invest excess cash held as collateral in guaranteed investment certificates or interest bearing accounts of select major Canadian chartered banks. The Company regularly monitors its cash activities in compliance with its cash management policy.

The Company is exposed to the risk that the value of financial instruments will change due to movements in market interest rates. As of June 30, 2015, the Company's interest rate risk mainly relates to cash balances. Sensitivity to a plus or minus 1% change in interest rates would affect the reported comprehensive loss by approximately $25,000.

(b) Foreign currency risk

The Company’s functional and reporting currency is the Canadian dollar and major purchases are transacted in Canadian dollars. As of June 30, 2015, sensitivity to a plus or minus 10% change in US dollar foreign exchange rate would not have a significant impact on the reported comprehensive loss.

Fair value hierarchy and liquidity risk disclosure

The following table illustrates the classification of the Company`s financial instruments recorded at fair value within the fair value hierarchy as at June 30, 2015:

	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 2,492,072	$ -	$ -	$ 2,492,072

(Expressed in Canadian dollars)

5. Intangible Assets

Cost	**REV-001**	**REV-002**	**REV-003**	**Total**
Balance, June 30, 2013	$ 15,992	$ 25,000	$ -	$ 40,992
Additions	19,948	-	-	19,948
Balance, June 30, 2014	35,940	25,000	-	60,940
Additions	28,104	-	9,897	38,001
Write-off	(15,992)	-	-	(15,992)
Balance, June 30, 2015	$ 48,052	$ 25,000	$ 9,897	$ 82,949

Accumulated amortization	**REV-001**	**REV-002**	**REV-003**	**Total**
Balance, June 30, 2013	$ 965	$ 781	$ -	$ 1,746
Amortization during the year	1,706	1,249	-	2,955
Balance, June 30, 2014	2,671	2,030	-	4,701
Amortization during the year	2,403	1,250	492	4,145
Write-off	(800)	-	-	(800)
Balance, June 30, 2015	$ 4,274	$ 3,280	$ 492	$ 8,046

Carrying value	**REV-001**	**REV-002**	**REV-003**	**Total**
Balance, June 30, 2014	$ 33,269	$ 22,970	$ -	$ 56,239
Balance, June 30, 2015	$ 43,778	$ 21,720	$ 9,405	$ 74,903

The Company in-licensed the rights to develop REV-001 from Numedicus Limited ("Numedicus").

The Company was assigned the patent application to develop REV-002 from Xenexus Pharmaceuticals Pty Ltd. ("Xenexus") in 2013 for the treatment of gout.

5. Intangible Assets (continued)

REV-001

(a) On October 15, 2013, Revive and Numedicus entered into a patent license agreement related to Patent Document PCT/GB2012/050831 (the “REV-001 050831 Agreement”), which amended and superseded a patent license agreement originally concluded on September 4, 2012, and amended and superseded on March 7, 2013. Pursuant to the REV-001 050831 Agreement, the Company acquired the exclusive rights to develop and commercialize Patent Document PCT/GB2012/050831. Between September 4, 2012, and September 4, 2014, the Company paid an aggregate total of GBP £10,000 (actual Canadian dollars at date of transaction - $15,922) in licensing fees to Numedicus in accordance with the REV-001 050831 Agreement. On September 4, 2014, the Company terminated the REV-001 050831 Agreement, and recorded a write-off of intangible asset of $15,192 in respect thereof in the consolidated statements of comprehensive loss for the year ended June 30, 2015.

(b) On October 15, 2013, Revive and Numedicus entered into a patent license agreement (the “REV-001 051213 Agreement”), which amended and superseded a patent license agreement originally concluded on September 4, 2012, as amended and superseded on March 7, 2013. Pursuant to the REV-001 051213 Agreement, the Company acquired the exclusive rights to develop and commercialize Patent Document PCT/GB2013/051213. The Company is required to pay (i) annual license fees amounting to GBP £10,000, (ii) milestone payments at various stages of development, and (iii) a 3% royalty charged on net sales value for any licensed products or, in the event Revive sublicenses its patents, based on a percentage of revenue earned. Where a milestone payment is payable in relation to a grant of a sub-license matches the milestones described above, Revive shall be entitled to off-set the milestone payments. To date, the Company has paid an aggregate total of GBP £20,000 (first £10,000 payment equated to $16,927 Canadian on date of transaction; and second £10,000 payment equated to $18,206 Canadian on date of transaction) in licensing fees to Numedicus in accordance with the REV-001 051213 Agreement. No milestone payments or royalties have been incurred or paid.

REV-002

(a) On June 17, 2013, Revive and Xenexus entered into a patent assignment agreement (the “REV-002 Agreement”), which replaced and superseded a patent license agreement (the “REV-002 License”) between Revive and Xenexus dated April 3, 2013. The REV-002 Agreement and its predecessor grant Revive the right to commercially exploit Patent Document AU2012905072 with respect to the use of bucillamine, a rheumatoid arthritis drug for the treatment of gout. Pursuant to the REV-002 License, the Company was required to pay annual license fees amounting to $10,000. Between April 3, 2013, and June 17, 2013, the Company paid $10,000 in accordance with the REV-002 License. Pursuant to the REV-002 Agreement, the Company acquired Patent Document AU2012905072 in exchange for a $15,000 cash payment (paid). If the Company licenses the patent acquired under the REV-002 Agreement, it will be required to pay to Xenexus 5% of any upfront milestone payments and subsequent milestone fees from its licensee. To date, no milestone payments have been incurred or paid. As of June 30, 2015, the Company is in compliance with the terms of the REV-002 Agreement.

On October 30, 2014, the Company announced that it submitted an Investigational New Drug ("IND") application to the US Food and Drug Administration ("FDA") for the clinical development of REV-002 (Bucillamine) for the treatment of gout and on November 26, 2014, the Company announced that FDA accepted the Company's IND application.

On January 29, 2015, the Company announced the initiation of a Phase II - A clinical study in patients with gout in the U.S.

(Expressed in Canadian dollars)

5. Intangible Assets (continued)

REV-002 (continued)

On February 26, 2015, Revive announced the expansion of its orphan drug indication pipeline to include the drug Bucillamine for the treatment of cystinuria and Wilson disease for which the Company expects to conduct US-based clinical trials. The addition of cystinuria and Wilson disease was the result of the Company amending the material transfer agreement (the "MTA"), announced on February 20, 2014, with its global pharmaceutical partner headquartered in Osaka, Japan.

Pursuant to the amended MTA, Revive will obtain access to confidential information and clinical trial supply of the drug Bucillamine for cystinuria and Wilson disease, which the Company expects to conduct US-based clinical trials. The Company will continue to have access to confidential information and clinical trial supply of the drug Bucillamine for the treatment of gout. In return, the global pharmaceutical company will have exclusive commercialization rights in Japan, Korea and Taiwan, and Revive will have exclusive commercialization rights in the rest of the world.

REV-003

During the year ended June 30, 2015, the Company incurred $3,628 in REV-003 research costs for consulting services of clinical trial design and research (2014 - $nil).

On October 28, 2014, the Company announced that it applied to the FDA for Orphan Drug Designation for REV-003 (Tianeptine) in the treatment of Rett Syndrome.

On January 15, 2015, the Company announced that it has entered into a research collaboration with Rettsyndrome.org to explore the potential of Revive's REV-003 (Tianeptine) for the treatment of Rett Syndrome.

6. Equipment

Cost	Computer equipment	Office equipment	Total
Balance, June 30, 2013	$ -	$ -	$ -
Additions	4,129	7,737	11,866
Balance, June 30, 2014 and June 30, 2015	$ 4,129	$ 7,737	$ 11,866

Accumulated depreciation	Computer equipment	Office equipment	Total
Balance, June 30, 2013	$ -	$ -	$ -
Depreciation during the year	620	773	1,393
Balance, June 30, 2014	$ 620	$ 773	$ 1,393
Depreciation during the year	1,053	1,392	2,445
Balance, June 30, 2015	$ 1,673	$ 2,165	$ 3,838

Carrying value	Computer equipment	Office equipment	Total
Balance, June 30, 2014	$ 3,509	$ 6,964	$ 10,473
Balance, June 30, 2015	$ 2,456	$ 5,572	$ 8,028

(Expressed in Canadian dollars)

7. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities of the Company are principally comprised of amounts outstanding for purchases relating to research and development and general operating activities.

	As at June 30, 2015	As at June 30, 2014
Accounts payable	$ 288,075	$ 29,709
Accrued liabilities	16,362	48,067
	$ 304,437	$ 77,776

	As at June 30, 2015	As at June 30, 2014
Less than 1 month	$ 218,122	$ 77,776
1 to 3 months	5,000	-
Greater than 3 months	81,315	-
	$ 304,437	$ 77,776

8. 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 June 30, 2015, the issued share capital amounted to $4,342,303. Changes in issued share capital are as follows:

	Number of Common Shares	Amount
Balance, June 30, 2013	**12,933,330**	**$ 890,000**
Common shares issued against subscription receipts issued in private placement (ii)	3,711,833	1,113,550
Share issuance costs for the private placement (ii)	-	(93,807)
Elimination of Old Revive shares	(16,645,163)	-
Conversion of Old Revive shares	16,645,163	-
Conversion of Revive shares and consideration for RTO (ii)	1,852,065	555,620
Valuation of broker warrants (ii)	-	(36,456)
Balance, June 30, 2014	**18,497,228**	**$ 2,428,907**

(Expressed in Canadian dollars)

8. Share Capital (continued)

b) Common shares issued (continued)

	Number of Common Shares	Amount
Balance, June 30, 2014	**18,497,228**	**$ 2,428,907**
Common shares issued in private placement (i)	4,996,500	2,997,900
Transaction costs in private placement (i)	-	(196,599)
Valuation of warrants issued in private placement (i)	-	(999,300)
Valuation of broker warrants issued in private placement (i)	-	(80,628)
Common shares issued upon exercise of broker warrants	414,927	124,478
Fair value of broker warrants exercised	-	52,459
Common shares issued upon exercise of stock options	27,782	8,335
Fair value of stock options exercised	-	6,751
Balance, June 30, 2015	**23,936,437**	**$ 4,342,303**

(i) On December 18, 2014, the Company completed a short form prospectus offering (the "Offering") of 4,996,500 units ("Units") for aggregate gross proceeds of $2,997,900. Each Unit is comprised of one common share of the Company and one common share purchase warrant. Each warrant is exercisable at a price of $0.85 and entitles the holder thereof to acquire one common share of the Company for a period of two years following the closing of the Offering. The expiry date of the warrants may be accelerated by the Company, at its option, if, at any time the volume-weighted average trading price of the common shares is greater than $1.20 for any 20 consecutive trading days, upon providing 30 days prior notice, such prior notice to be delivered within five business days immediately following such 20-day period. The fair value of the warrants was estimated to be $999,300 using a valuation model incorporating Black-Scholes on the following assumptions: dividend yield 0%; volatility 112%; risk-free interest rates of 1.01%; and expected lives of 2 years.

The Offering was led by Beacon Securities Limited ("Beacon") as the sole agent and bookrunner. The Company incurred total transaction costs of $296,265 including a 7% cash commission on the gross proceeds of the Offering paid to Beacon. $196,599 of the total transaction costs was allocated to share capital and the remaining $99,666 was allocated to warrants.

The Company also issued 349,755 non-transferable compensation broker warrants to Beacon and other members of a special selling group, with each broker warrant exercisable to purchase one Unit on the same terms of the Offering for a period of two years following the closing of the Offering. The fair value of the broker warrants was estimated to be $120,942 using the Black-Scholes valuation model on the following assumptions: dividend yield 0%; volatility 112%; risk-free interest rates of 1.01%; and expected lives of 2 years. The fair value of the broker warrants was allocated as to $80,628 to share capital and the remaining $40,314 to warrants.

(ii) On December 30, 2013, Old Revive and Mercury completed the Amalgamation whereby Old Revive shares were exchanged for Mercury shares on the basis of one (1) Mercury share for each one (1) Old Revive share. The Amalgamation effectively provided for the acquisition of all of the outstanding equity interests of Old 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 Old 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 issued and outstanding shares of AmalCo. Pursuant to the Amalgamation, Mercury issued an aggregate of 16,645,163 Mercury shares to the shareholders of Old Revive (including an aggregate of 3,711,833 Mercury shares to purchasers in connection with the closing of the subscription receipt financing).

The Amalgamation was accounted for as a RTO whereby Old Revive was identified as the acquirer for accounting purpose (see note 9).

(Expressed in Canadian dollars)

8. Share Capital (continued)

b) Common shares issued (continued)

(ii) (continued) Pursuant to the subscription receipt financing and the subsequent RTO, 296,387 broker warrants were issued to Hampton with each broker warrant exercisable into one share of the Company at a price of $0.30 per share for a period of one year. The broker warrants have an estimated fair value of $36,456, using the Black-Scholes valuation model with the following assumptions: risk-free interest rate of 1.09%, expected life of one year, expected volatility of 100% and expected dividend of $nil.

9. Reverse Takeover

The share capital of each company prior to the RTO was as follows:

Mercury

	Number of Common Shares	Amount
Balance, June 30, 2013	666,665	$ 97,495
Balance at December 30, 2013 prior to the RTO	1,852,065	$ 311,709

Old Revive

	Number of Common Shares	Amount
Balance, June 30, 2013	12,933,330	$ 890,000
Balance at December 30, 2013 prior to the RTO	12,933,330	$ 890,000

9. Reverse Takeover (continued)

On December 30, 2013, Old Revive and Mercury completed the Amalgamation whereby Old Revive shares were exchanged for Mercury shares on the basis of one (1) Mercury share for each one (1) Old Revive share. 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) (see note 8(b)(ii)).

In accordance with IFRS 3, Business Combination, the substance of the transaction was a reverse takeover of a non-operating company. The transaction did not constitute a business combination as Mercury did not meet the definition of a business under the standard. As a result, the transaction was accounted for as a capital transaction with Old Revive being identified as the acquirer and the equity consideration being measured at fair value. The resulting consolidated statement of financial position was presented as a continuance of Old Revive and comparative figures presented in the consolidated financial statements after the reverse takeover were those of Old Revive.

IFRS 2, Share-based Payment, applies to transactions where an entity grants equity instruments and cannot identify specifically some or all of the goods or services received in return. Because Old Revive would have issued shares with a value in excess of the assets received, the difference was recognized in comprehensive loss as a transaction cost. The amount assigned to the transaction cost of $348,805 was the difference between the fair value of the consideration and the net identifiable assets of Mercury acquired by Old Revive and included in the consolidated statement of comprehensive loss.

The fair value of the consideration was determined based on the percentage of ownership the legal parent's shareholders had in the amalgamated entity after the transaction. This represented the fair value of the shares that Old Revive would have had to issue for the ratio of ownership interest in the combined entity to be the same, if the transaction had taken the legal form of Old Revive acquiring 100% of the shares in Mercury. The percentage of ownership Mercury shareholders had in the combined entity is 10% after the issue of 16,645,163 Mercury shares. The fair value of the consideration in the RTO was equivalent to the fair value of the 1,852,065 Revive shares controlled by original Mercury shareholders, 185,206 stock options to Mercury stock options holders and 118,540 broker warrants to Mercury broker warrant holders. The fair value of the shares controlled by original Mercury shareholders was estimated to be $555,620 based on the fair market value of $0.30 per share on the date of December 30, 2013. The fair value of the stock options was estimated to be $30,692 using the Black-Scholes valuation model on the following assumptions: dividend yield 0%; volatility 100%; risk-free interest rates of 1.09% to 2.37%; and expected lives of 1 to 4 years. The fair value of the broker warrants was estimated to be $16,003 using the Black-Scholes valuation model on the following assumptions: dividend yield 0%; volatility 100%; risk-free interest rate 1.09%; and an expected life of 1.53 years.

(Expressed in Canadian dollars)

9. Reverse Takeover (continued)

Based on the statement of financial position of Mercury at the time of the RTO, the net assets at estimated fair value that were acquired by Revive were $253,510 and the resulting transaction cost charged to the consolidated statement of comprehensive loss is as follows:

Consideration		
Shares	$	555,620
Broker warrants		16,003
Stock options		30,692
Total consideration	$	602,315
Identifiable assets acquired		
Cash	$	263,588
Prepaid expenses		1,205
Accounts payable and accrued liabilities		(11,283)
		253,510
Unidentifiable assets acquired		
Transaction cost		348,805
Total net identifiable assets and transaction cost	$	602,315

(Expressed in Canadian dollars)

10. Warrants

The following table reflects the continuity of warrants for the years ended June 30, 2015 and 2014:

	Number of Warrants	Weighted Average Exercise Price
Balance, June 30, 2013 and June 30, 2014	**-**	**$ -**
Issued in private placement (note 8(b)(i))	4,996,500	0.85
Balance, June 30, 2015	**4,996,500**	**$ 0.85**

The following table reflects warrants issued and outstanding as of June 30, 2015:

Expiry Date and Description	Exercise Price ($)	Fair Value ($)	Number of Warrants Outstanding
December 18, 2016	0.85	999,300	4,996,500
Transaction costs allocated	-	(139,980)	-
	0.85	**859,320**	**4,996,500**

11. Broker Warrants

The following table reflects the continuity of broker warrants for the years ended June 30, 2015 and 2014:

	Number of Broker Warrants	Weighted Average Exercise Price
Balance, June 30, 2013	**-**	**$ -**
Issued as consideration for the RTO	118,540	0.30
Issued to broker	296,387	0.30
Balance, June 30, 2014	**414,927**	**$ 0.30**
Exercise of broker warrants	(414,927)	0.30
Broker warrants issued in private placement (note 8(b)(i))	349,755	0.60
Balance, June 30, 2015	**349,755**	**$ 0.60**

The following table reflects broker warrants issued and outstanding as of June 30, 2015:

Expiry Date	Exercise Price ($)	Fair Value ($)	Number of Broker Warrants Outstanding
December 18, 2016	0.60	120,942	349,755
	0.60	**120,942**	**349,755**

(Expressed in Canadian dollars)

12. Stock Options

The following table reflects the continuity of stock options for the year ended June 30, 2015 and 2014:

	Number of Stock Options	Weighted Average Exercise Price
Balance, June 30, 2013	**-**	**$ -**
Issued as consideration for the RTO	185,206	0.30
Grant (i)	590,000	0.66
Balance, June 30, 2014	**775,206**	**$ 0.57**
Exercise of stock options	(27,782)	0.30
Expiry of stock options	(119,273)	0.30
Grant (ii)	925,000	0.60
Balance, June 30, 2015	**1,553,151**	**$ 0.62**

The following table reflects the actual stock options issued and outstanding as of June 30, 2015:

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	8.28	38,151	38,151	$ 9,270
January 31, 2024 (i)	0.66	8.84	590,000	590,000	265,568
February 10, 2025 (ii)	0.60	9.87	925,000	400,000	345,058
			1,553,151	1,028,151	$ 619,896

(i) On January 31, 2014, the Company granted 590,000 stock options to certain officers, directors, and employees of the Company at an exercise price of $0.66 per common share expiring on January 31, 2024. The fair value of the stock options was estimated to be $265,568 using the Black-Scholes valuation model on the following assumptions: dividend yield 0%; volatility 100%; risk-free interest rates of 1.95%; and expected lives of 4 years. The options vest as to one-half on the date of grant and one-half on one year anniversary of the date of grant. During the year ended June 30, 2015, $78,213 (2014 - $187,346) was recorded as stock-based compensation in the consolidated statements of comprehensive loss.

(ii) On February 10, 2015, the Company granted 925,000 stock options to certain officers, directors, employees and consultants of the Company at an exercise price of $0.60 per common share expiring on February 10, 2025. The fair value of the stock options was estimated to be $345,058 using the Black-Scholes valuation model on the following assumptions: dividend yield 0%; volatility 108%; risk-free interest rates of 0.60%; and expected lives of 4 years. 550,000 of these options vest as to one-half on the date of grant and one-half on one year anniversary of the date of grant and the remaining 375,000 options vest as to one-third on the date of grant and one-third on the one year anniversary of the date of grant and one-third on the two year anniversary of the date of grant. During the year ended June 30, 2015, $215,390 (2014 - $nil) was recorded as stock-based compensation in the consolidated statements of comprehensive loss.

(Expressed in Canadian dollars)

13. Net Loss per Common Share

The calculation of basic and diluted loss per share for the year ended June 30, 2015 was based on the loss attributable to common shareholders of $2,031,102 (2014 - $1,257,089) and the weighted average number of common shares outstanding of 21,551,481 (2014 - 16,037,578).

Diluted loss per share did not include the effect of 4,996,500 warrants (2014 - nil), 349,755 broker warrants (2014 - 414,927) and 1,553,151 (2014 - 775,206) stock options as they are anti-dilutive.

14. Income Taxes

Reconciliation of statutory tax rate

The following table reconciles the expected income tax recovery at the Canadian federal and provincial statutory rate of 26% (2014 - 26%) to the amount recognized in the consolidated statements of comprehensive loss:

	Year ended June 30, 2015	Year ended June 30, 2014
Loss before recovery of income taxes	$ (2,031,102)	$ (1,257,089)
Statutory tax rate	26.5%	26.5%
Expected income tax recovery at statutory rates	$ (538,242)	$ (333,130)
Tax rate changes and other adjustments	7,780	7,780
Effect of non-deductible expenses	143,160	143,160
Change in tax benefits not recognized	387,302	182,190
Income tax recovery reflected in the consolidated statements of comprehensive loss	**$ -**	$ -

Unrecognized deferred tax assets

Deferred income taxes are provided as a result of temporary differences that arise due to the differences between the income tax values and the carrying amount of assets and liabilities. Deferred income tax assets have not been recognized in respect of the following deductible temporary differences:

	2015	2014
Property, plant and equipment	$ 1,390	$ 1,390
Intangible assets	92,370	92,370
Share issue costs	75,050	75,050
Non-capital losses carried forward	771,000	789,500
	$ 939,810	**$ 958,310**

Share issue and financing costs will be fully amortized in 2018. The remaining deductible temporary difference may be carried forward indefinitely. Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Company can utilize the benefits therefrom.

(Expressed in Canadian dollars)

14. Income Taxes (continued)

The Company's Canadian non-capital income tax losses expire as follows:

2032	172,470
2033	96,120
2034	502,462
	771,052

15. Related Party Balances and Transactions and Major Shareholders

(a) Related party balances and transactions:

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

Years Ended June 30,		**2015**		**2014**
Fabiotech Inc. ("Fabiotech") (i)	**$**	**-**	$	56,000
Marrelli Support Services Inc. ("Marrelli Support") (ii)	**$**	**45,190**	$	23,880
DSA Corporate Services ("DSA") (iii)	**$**	**11,314**	$	-
McMillan LLP ("McMillan") (iv)	**$**	**4,309**	$	133,433
RangerCap Inc. ("RangerCap") (v)	**$**	**175,000**	$	37,500

(i) Fabiotech is a corporation controlled by the Chief Executive Officer ("CEO"), President and Director of the Company. As at June 30, 2015, $nil (June 30, 2014 - $nil) was owed to Fabiotech.

(ii) Marrelli Support was owed $3,534 as at June 30, 2015 (June 30, 2014 - $2,500) for the services of Carmelo Marrelli to act as Chief Financial Officer (“CFO”) of the Company. This amount was included in accounts payable and accrued liabilities. The Company has entered into a consulting agreement (the “Marrelli Consulting Agreement”) with Marrelli Support and Mr. Marrelli to provide the services of Mr. Marrelli as CFO of the Corporation. The term of the Marrelli Consulting Agreement commenced on January 8, 2013, and shall continue until terminated by either Mr. Marrelli or the Company. Pursuant to the Marrelli Consulting Agreement, Mr. Marrelli is entitled to receive monthly compensation of $1,250 per month, and incentive stock option grants on a reasonable basis, consistent with the grant of options to other grantees. In addition, Marrelli Support provides bookkeeping services to the Company. Mr. Marrelli is the President of Marrelli Support. The amounts charged by Marrelli Support are based on what Marrelli Support usually charges its clients. The Company expects to continue to use Marrelli Support for an indefinite period of time.

(iii) DSA was owed $1,078 as at June 30, 2015 (June 30, 2014 - $nil) for filing services. This amount was billed on a flat-rate fee-for-service basis, and was included in accounts payable and accrued liabilities. DSA is a private company controlled by Carmelo Marrelli, the CFO of the Company. Carmelo Marrelli is also the corporate secretary and sole director of DSA. Services were incurred in the normal course of operations for electronic filing and news dissemination services. The Company expects to continue to use DSA’s services for an indefinite period of time.

(Expressed in Canadian dollars)

15. Related Party Balances and Transactions and Major Shareholders (continued)

(a) Related party balances and transactions (continued):

(iv) McMillan was owed $nil as at June 30, 2015 (June 30, 2014 - $nil) for legal services (including disbursements) and this amount was included in accounts payable and accrued liabilities. Robbie Grossman, Corporate Secretary of the Company, is a partner at McMillan. The amounts charged by McMillan are based on what McMillan usually charges its clients.

(v) RangerCap was owed $nil as at June 30, 2015 (June 30, 2014 - $14,125) for consulting services and this amount was included in accounts payable and accrued liabilities. RangerCap is owned by Craig Leon, one of the directors of the Company. The Company has entered into a consulting agreement (the "RangerCap Consulting Agreement") with RangerCap and Mr. Leon to provide the services of Mr. Leon as consultant of the Corporation. The term of the RangerCap Consulting Agreement commenced on January 1, 2015, and shall expire on December 31, 2015. Pursuant to the RangerCap Consulting Agreement, Mr. Leon is entitled to receive monthly compensation of $16,667 per month. In addition, Mr. Leon provides guidance and advice regarding general business, product development and capital markets strategy to the Company.

(b) Remuneration of directors and key management personnel of the Company, excluding consulting fees, was as follows:

	2015	2014
Stock-based compensation	**$ 212,328**	$ 180,996
Salaries and benefits	**$ 222,596**	$ 87,500

(c) Major shareholders:

As at June 30, 2015, no person or corporation beneficially owns or exercises control or direction over common shares of the Company carrying more than 10% of the voting rights attached to all of the common shares of the Company other than Mr. Fabio Chianelli, the CEO and a Director of the Company, who owns or controls, directly or indirectly, 25.07% of the issued and outstanding shares of the Company. These stockholdings can change at any time at the discretion of the owner.

None of the Company's major shareholders have different voting rights other than holders of the Company's common shares.

The Company is not aware of any arrangements, the operation of which may at a subsequent date result in a change in control of the Company. Other than Mr. Fabio Chianelli, the CEO and a Director of the Company, who owns or controls, directly or indirectly, 25.07% of the issued and outstanding shares of the Company, the Company is not directly or indirectly owned or controlled by another corporation, by any government or by any natural or legal person severally or jointly.

(Expressed in Canadian dollars)

16. Commitments and Contingency

Commitments

The Company has entered into an agreement (the "Employment Agreement") with an officer (Fabio Chianelli) (the "Officer") of the Company to provide services to the Company in the general capacity of CEO and to undertake the duties and exercise the powers associated with this role. Under the terms of the Employment Agreement, the CEO is contracted by the Company for an indefinite term, commencing as of January 1, 2014. The Company shall pay the CEO a $250,000 base salary per annum (the "Annual Base Salary") and annual bonus payments (the "Bonus") from time to time, at the Board's entire discretion, of up to 100% of the Annual Base Salary based on the achievement of corporate goals and benchmarks relating to the Company's overall performance. The Employment Agreement requires an additional contingent lump-sum payment equal to the Officer's then Annual Base Salary and the Bonus paid or declared to the Officer, if any, in the Company's previously completed fiscal year upon the occurrence of a change of control or termination without cause. As a triggering event has not taken place, the contingent payments have not been reflected in these consolidated financial statements.

The Company entered into a lease commencing on September 2013 for a 24-month period. The Company is required to pay minimum annual lease payments of $25,353 for the premise. In March 2015, the Company entered a new lease agreement commencing on September 2015 for a 12-month period. The Company is required to pay minimum annual lease payment of $16,073.

See note 5 for patent license payment commitments.

On March 5, 2015, Revive announced the appointment of Spinnaker as its capital markets and investor relations advisor. The agreement is for an initial term of three months from March 2, 2015 to June 2, 2015. Spinnaker's mandate will focus on developing and expanding the network of investors, analysts, and financial intermediaries who are interested in following the Revive growth and investment story. The agreement also provides for a full range of investor relations services for a monthly fee of $7,500. The Company terminated the agreement on June 30, 2015.

Contingency

The Company is in dispute with a supplier over invoices in the amount of $827,574 for which the supplier is seeking arbitration and for which the Company is presently seeking mediation. Management is of the opinion that the charges as invoiced are unfounded and believes that it will be successful in the final arbitration/mediation of a reduced amount owed. No provision has been set up in the accounts of the Company. Any settlement and/or payment will be accounted for in the year it occurs. Readers are cautioned that the decision for no provision represents management estimates, the eventual resolution of this liability may differ based on additional information and the occurrence of future events.

17. Office Expenses

	2015	2014
Reporting issuer costs	**$ 111,675**	$ 17,734
Administrative	**60,588**	16,556
Insurance	**33,274**	9,426
Travel and accommodation	**28,438**	7,826
Meals and entertainment	**6,139**	8,096
Bank charges	**1,838**	1,693
Interest income	**(7,064)**	(6,225)
	$ 234,888	$ 55,106