
Revive Therapeutics Ltd.
Condensed Interim Consolidated Financial Statements
Three and Nine Months Ended March 31, 2016
(Expressed in Canadian Dollars)
(Unaudited)

Notice to Reader

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

Revive Therapeutics Ltd.**Condensed Interim Consolidated Statements of Financial Position****(Expressed in Canadian dollars)****(Unaudited)**

	March 31, 2016	June 30, 2015
ASSETS		
Current assets		
Cash and cash equivalents	\$ 768,170	\$ 2,492,072
Other receivables	32,003	46,297
Prepaid expenses	20,813	45,126
Total current assets	820,986	2,583,495
Non-current assets		
Intangible assets (note 3)	71,793	74,903
Equipment (note 4)	7,971	8,028
Total non-current assets	79,764	82,931
Total assets	\$ 900,750	\$ 2,666,426
EQUITY AND LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (notes 5 and 11)	\$ 650,598	\$ 304,437
Total liabilities	650,598	304,437
Shareholders' equity		
Share capital (note 6)	4,342,303	4,342,303
Warrants and broker warrants (notes 7 and 8)	980,262	980,262
Stock options (note 9)	599,767	490,219
Accumulated deficit	(5,672,180)	(3,450,795)
Total shareholders' equity	250,152	2,361,989
Total shareholders' equity and liabilities	\$ 900,750	\$ 2,666,426

Nature of operations and going concern (note 1)**Commitments and contingency** (note 12)**Approved on behalf of the Board:**"Fabio Chianelli", Director
_____"Craig Leon", Director

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

Revive Therapeutics Ltd.**Condensed Interim Consolidated Statements of Comprehensive Loss****(Expressed in Canadian dollars)****(Unaudited)**

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2016	2015	2016	2015
Expenses				
Research costs	\$ 247,721	\$ 140,533	\$ 1,288,751	\$ 435,999
Salaries and benefits (note 11(b))	112,688	83,496	325,948	215,630
Stock-based compensation (notes 9(i)(ii) and 11(b))	22,574	183,653	109,548	250,589
Office expenses (note 13)	39,747	51,647	215,897	154,569
Consulting fees (note 11(a)(iv))	2,940	60,849	102,940	172,692
Professional fees (note 11(a)(i)(ii)(iii))	62,354	47,071	150,633	166,982
Rent	7,091	6,516	23,001	17,654
Write-off of intangible assets	-	-	-	15,192
Depreciation and amortization (notes 3 and 4)	1,556	1,877	4,667	5,626
	496,671	575,642	2,221,385	1,434,933
Comprehensive loss for the period	\$ (496,671)	\$ (575,642)	\$ (2,221,385)	\$ (1,434,933)
Comprehensive loss per share - basic and diluted (note 10)	\$ (0.02)	\$ (0.02)	\$ (0.09)	\$ (0.07)
Weighted average common shares outstanding	23,936,437	23,936,437	23,936,437	20,759,397

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

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

Nine Months Ended March 31,	2016	2015
Cash flow from operating activities		
Comprehensive loss for the period	\$ (2,221,385)	\$ (1,434,933)
Adjustments for:		
Depreciation and amortization	4,667	5,626
Stock-based compensation	109,548	250,589
Write-off of intangible assets	-	15,192
Net change in non-cash working capital:		
Other receivables	14,294	(70,654)
Prepaid expenses	24,313	(43,762)
Accounts payable and accrued liabilities	346,161	92,884
Net cash and cash equivalents used in operating activities	(1,722,402)	(1,185,058)
Investing activities		
Purchase of intangible assets	-	(38,001)
Purchase of equipment	(1,500)	-
Net cash and cash equivalents used in investing activities	(1,500)	(38,001)
Financing activities		
Proceeds from issuance of shares	-	3,130,713
Share issue costs (note 6)	-	(287,840)
Net cash and cash equivalents provided by financing activities	-	2,842,873
Net change in cash and cash equivalents	(1,723,902)	1,619,814
Cash and cash equivalents, beginning of period	2,492,072	1,188,919
Cash and cash equivalents, end of period	\$ 768,170	\$ 2,808,733

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

Revive Therapeutics Ltd.

Consolidated Statements of Changes in Shareholders' Equity

(Expressed in Canadian dollars)

(Unaudited)

	Share capital					Total
	Number of shares	Amount	Warrants and broker warrants	Stock options	Accumulated deficit	
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 6(b)(i))	4,996,500	2,997,900	-	-	-	2,997,900
Transaction costs in private placement (note 6(b)(i))	-	(196,599)	(99,666)	-	-	(296,265)
Valuation of warrants issued in private placement (note 6(b)(i))	-	(999,300)	999,300	-	-	-
Valuation of broker warrants issued in private placement (note 6(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 9(i))	-	-	-	250,589	-	250,589
Comprehensive loss for the period	-	-	-	-	(1,434,933)	(1,434,933)
Balance, March 31, 2015	23,936,437	\$ 4,342,303	\$ 980,262	\$ 447,205	\$ (2,854,626)	\$ 2,915,144
Balance, June 30, 2015	23,936,437	\$ 4,342,303	\$ 980,262	\$ 490,219	\$ (3,450,795)	\$ 2,361,989
Stock-based compensation (note 9(ii))	-	-	-	109,548	-	109,548
Comprehensive loss for the period	-	-	-	-	(2,221,385)	(2,221,385)
Balance, March 31, 2016	23,936,437	\$ 4,342,303	\$ 980,262	\$ 599,767	\$ (5,672,180)	\$ 250,152

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

Revive Therapeutics Ltd.

Notes to Condensed Interim Consolidated Financial Statements

March 31, 2016

(Expressed in Canadian dollars)

(Unaudited)

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. 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"). On November 25, 2015, the Company announced that it had been listed for trading on the OTCQB® Market exchange in the United States under the symbol "RVVTF". The Company's shares continue to be traded on the Exchange under its existing symbol "RVV".

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 unaudited condensed interim 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 \$5,672,180 as at March 31, 2016 (June 30, 2015 - \$3,450,795). As at March 31, 2016, the Company had cash and cash equivalents of \$768,170 (June 30, 2015 - \$2,492,072) and a working capital of \$170,388 (June 30, 2015 - \$2,279,058). 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 unaudited condensed interim 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.

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 consolidated 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 audited annual financial statements.

The policies applied in these unaudited condensed interim consolidated financial statements are based on IFRS issued and outstanding as of May 6, 2016, the date the Board of Directors approved the statements. The same accounting policies and methods of computation are followed in these unaudited condensed interim consolidated financial statements as compared with the most recent annual consolidated financial statements as at and for the year ended June 30, 2015. Any subsequent changes to IFRS that are given effect in the Company's annual consolidated financial statements for the year ending June 30, 2016 could result in restatement of these unaudited condensed interim consolidated financial statements.

Revive Therapeutics Ltd.

Notes to Condensed Interim Consolidated Financial Statements

March 31, 2016

(Expressed in Canadian dollars)

(Unaudited)

2. Significant Accounting Policies (continued)

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. Intangible Assets

Cost	REV-001	REV-002	REV-003	Total
Balance, June 30, 2015 and March 31, 2016	\$ 48,052	\$ 25,000	\$ 9,897	\$ 82,949

Accumulated amortization	REV-001	REV-002	REV-003	Total
Balance, June 30, 2015	\$ 4,274	\$ 3,280	\$ 492	\$ 8,046
Amortization during the period	1,801	938	371	3,110
Balance, March 31, 2016	\$ 6,075	\$ 4,218	\$ 863	\$ 11,156

Carrying value	REV-001	REV-002	REV-003	Total
Balance, June 30, 2015	\$ 43,778	\$ 21,720	\$ 9,405	\$ 74,903
Balance, March 31, 2016	\$ 41,977	\$ 20,782	\$ 9,034	\$ 71,793

Revive Therapeutics Ltd.

Notes to Condensed Interim Consolidated Financial Statements

March 31, 2016

(Expressed in Canadian dollars)

(Unaudited)

3. Intangible Assets (continued)

REV-001

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.

During the three and nine months ended March 31, 2016, the Company incurred \$nil in REV-001 research costs for consulting services of clinical trial design and research (three and nine months ended March 31, 2015 - \$nil and \$81,901, respectively).

REV-002

During the three and nine months ended March 31, 2016, the Company incurred \$237,652 and \$1,276,980, respectively, in REV-002 research costs for consulting services of clinical trial design and research (three and nine months ended March 31, 2015 - \$140,533 and \$350,470 respectively).

REV-003

During the three and nine months ended March 31, 2016, the Company incurred \$nil in REV-003 research costs for consulting services of clinical design and research (three and nine months ended March 31, 2015 - \$nil and \$3,628).

REV-004 and REV-005

On February 26, 2015, Revive announced the expansion of its orphan drug indication pipeline to include the drug Bucillamine for the treatment of cystinuria (REV-004) and Wilson disease (REV-005). During the three and nine months ended March 31, 2016, the Company incurred \$5,786 research costs for REV - 004 and \$nil and \$1,702 research costs, respectively for REV-005.

OTHER

During the three and nine months ended March 31, 2016, the Company also incurred \$4,283 general research costs not specifically allocated to any particular project.

Revive Therapeutics Ltd.**Notes to Condensed Interim Consolidated Financial Statements****March 31, 2016****(Expressed in Canadian dollars)****(Unaudited)**

4. Equipment

Cost	Computer Equipment	Office Equipment	Total
Balance, June 30, 2015	\$ 4,129	\$ 7,737	\$ 11,866
Additions	1,500	-	1,500
Balance, March 31, 2016	\$ 5,629	\$ 7,737	\$ 13,366

Accumulated depreciation	Computer Equipment	Office Equipment	Total
Balance, June 30, 2015	\$ 1,673	\$ 2,165	\$ 3,838
Depreciation during the period	722	835	1,557
Balance, March 31, 2016	\$ 2,395	\$ 3,000	\$ 5,395

Carrying value	Computer Equipment	Office Equipment	Total
Balance, June 30, 2015	\$ 2,456	\$ 5,572	\$ 8,028
Balance, March 31, 2016	\$ 3,234	\$ 4,737	\$ 7,971

5. 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 March 31, 2016	As at June 30, 2015
Accounts payable	\$ 615,030	\$ 288,075
Accrued liabilities	35,568	16,362
	\$ 650,598	\$ 304,437

	As at March 31, 2016	As at June 30, 2015
Less than 1 month	\$ 254,175	\$ 218,122
1 to 3 months	89,994	5,000
Greater than 3 months	306,429	81,315
	\$ 650,598	\$ 304,437

Revive Therapeutics Ltd.

Notes to Condensed Interim Consolidated Financial Statements

March 31, 2016

(Expressed in Canadian dollars)

(Unaudited)

6. 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 March 31, 2016, 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, 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, March 31, 2015	23,936,437	\$ 4,342,303

	Number of Common Shares	Amount
Balance, June 30, 2015 and March 31, 2016	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 \$298,998 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.

Revive Therapeutics Ltd.**Notes to Condensed Interim Consolidated Financial Statements****March 31, 2016****(Expressed in Canadian dollars)****(Unaudited)**

7. Warrants

The following table reflects the continuity of warrants for the periods ended March 31, 2016 and 2015:

	Number of Warrants	Weighted Average Exercise Price
Balance, June 30, 2014	-	\$ -
Issued in private placement (note 6(b)(i))	4,996,500	0.85
Balance, March 31, 2015	4,996,500	\$ 0.85
Balance, June 30, 2015 and March 31, 2016	4,996,500	\$ 0.85

The following table reflects warrants issued and outstanding as of March 31, 2016:

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

8. Broker Warrants

The following table reflects the continuity of broker warrants for the periods ended March 31, 2016 and 2015:

	Number of Broker Warrants	Weighted Average Exercise Price
Balance, June 30, 2014	414,927	\$ 0.30
Exercise of broker warrants	(414,927)	0.30
Broker warrants issued in private placement (note 6(b)(i))	349,755	0.60
Balance, March 31, 2015	349,755	\$ 0.60
Balance, June 30, 2015 and March 31, 2016	349,755	\$ 0.60

Revive Therapeutics Ltd.

Notes to Condensed Interim Consolidated Financial Statements

March 31, 2016

(Expressed in Canadian dollars)

(Unaudited)

7. Broker Warrants (continued)

The following table reflects broker warrants issued and outstanding as of March 31, 2016:

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

9. Stock Options

The following table reflects the continuity of stock options for the periods ended March 31, 2016 and 2015:

	Number of Stock Options	Weighted Average Exercise Price
Balance, June 30, 2014	775,206	\$ 0.57
Exercise of stock options	(27,782)	0.30
Expiry of stock options	(119,273)	0.30
Granted (ii)	925,000	0.60
Balance, March 31, 2015	1,553,151	\$ 0.62
Balance, June 30, 2015 and March 31, 2016	1,553,151	\$ 0.62

The following table reflects the actual stock options issued and outstanding as of March 31, 2016:

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	7.28	38,151	38,151	\$ 9,270
January 31, 2024 (i)	0.66	7.84	590,000	590,000	265,568
February 10, 2025 (ii)	0.60	8.87	925,000	800,000	345,058
			1,553,151	1,428,151	\$ 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 three and nine months ended March 31, 2016, \$nil (three and nine months ended March 31, 2015 - \$11,277 and \$78,213, respectively) was recorded as stock-based compensation in the unaudited condensed interim consolidated statements of comprehensive loss.

Revive Therapeutics Ltd.

Notes to Condensed Interim Consolidated Financial Statements

March 31, 2016

(Expressed in Canadian dollars)

(Unaudited)

9. Stock Options (continued)

(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 three and nine months ended March 31, 2016, \$22,574 and \$109,548, respectively (three and nine months ended March 31, 2015 - \$172,376) was recorded as stock-based compensation in the unaudited condensed interim consolidated statements of comprehensive loss.

10. Net Loss per Common Share

The calculation of basic and diluted loss per share for the three and nine months ended March 31, 2016 was based on the loss attributable to common shareholders of \$496,671 and \$2,221,385, respectively (three and nine months ended March 31, 2015 - \$575,642 and \$1,434,933, respectively) and the weighted average number of common shares outstanding of 23,936,437 (three and nine months ended March 31, 2015 - 23,936,437 and 20,759,397, respectively).

Diluted loss per share did not include the effect of 4,996,500 warrants (three and nine months ended March 31, 2015 - 4,996,500), 349,755 broker warrants (three and nine months ended March 31, 2015 - 349,755) and 1,553,151 (three and nine months ended March 31, 2015 - 1,553,151) stock options as they are anti-dilutive.

11. 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.

	Three Months Ended March 31, 2016	Three Months Ended March 31, 2015	Nine Months Ended March 31, 2016	Nine Months Ended March 31, 2015
Marrelli Support Services Inc. ("Marrelli Support") (i)	\$ 10,000	\$ 10,000	\$ 34,360	\$ 34,000
DSA Corporate Services ("DSA") (ii)	\$ 4,511	\$ 690	\$ 15,493	\$ 5,915
McMillan LLP ("McMillan") (iii)	\$ -	\$ 74	\$ -	\$ 4,401
RangerCap Inc. ("RangerCap") (iv)	\$ -	\$ 50,000	\$ 100,000	\$ 125,000

Revive Therapeutics Ltd.

Notes to Condensed Interim Consolidated Financial Statements

March 31, 2016

(Expressed in Canadian dollars)

(Unaudited)

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

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

(i) Marrelli Support was owed \$7,877 as at March 31, 2016 (June 30, 2015 - \$3,534) 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 Company. 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.

(ii) DSA was owed \$2,484 as at March 31, 2016 (June 30, 2015 - \$1,078) for corporate secretarial and filing services. This amount 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 corporate secretarial, electronic filing and news dissemination services. The Company expects to continue to use DSA’s services for an indefinite period of time.

(iii) McMillan was owed \$nil as at March 31, 2016 (June 30, 2015 - \$nil) for legal services (including disbursements) and this amount was included in accounts payable and accrued liabilities. Robbie Grossman, former Corporate Secretary of the Company, is a partner at McMillan. The amounts charged by McMillan are based on what McMillan usually charges its clients.

(iv) RangerCap was owed \$nil as at March 31, 2016 (June 30, 2015 - \$nil) 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 Company. The term of the RangerCap Consulting Agreement commenced on January 1, 2015, and expired on December 31, 2015. Pursuant to the RangerCap Consulting Agreement, Mr. Leon was entitled to receive monthly compensation of \$16,667 per month. In addition, Mr. Leon provided 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:

	Three Months Ended March 31, 2016	Three Months Ended March 31, 2015	Nine Months Ended March 31, 2016	Nine Months Ended March 31, 2015
Stock-based compensation	\$ 11,105	\$ 123,020	\$ 60,939	\$ 187,682
Salaries and benefits	\$ 52,084	\$ 62,500	\$ 186,699	\$ 160,096

Revive Therapeutics Ltd.

Notes to Condensed Interim Consolidated Financial Statements

March 31, 2016

(Expressed in Canadian dollars)

(Unaudited)

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

(c) Major shareholders:

As at March 31, 2016, 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 Chief Executive Officer ("CEO") and a Director of the Company, who owns or controls, directly or indirectly, 27.66% 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, 27.66% 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.

12. 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 unaudited condensed interim 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.

The Company retained The Ruth Group ("TRG"), a New York City-based leading investor relations and financial communication agency dedicated to the healthcare industry. TRG will counsel management and execute on the development and implementation of a strategic investor relations program with the objective of increasing awareness of Revive with the investment community in the U.S. The Company is committed to pay TRG US\$6,500 per month for a minimum of six months through May 31, 2016.

Revive Therapeutics Ltd.

Notes to Condensed Interim Consolidated Financial Statements

March 31, 2016

(Expressed in Canadian dollars)

(Unaudited)

12. Commitments and Contingency (continued)

Contingency

The Company is in dispute with a supplier over invoices in the amount of \$827,574 for which the supplier is seeking arbitration although there have been recent discussions with respect to a possible resolution of the dispute. Management is of the opinion that the charges as invoiced are unfounded and believes that it will be successful in the final arbitration of amount owed if the matter proceeds to arbitration. 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.

13. Office Expenses

	Three Months Ended March 31, 2016	Three Months Ended March 31, 2015	Nine Months Ended March 31, 2016	Nine Months Ended March 31, 2015
Reporting issuer costs	\$ 49,044	\$ 30,887	\$ 157,932	\$ 91,728
Administrative	(25,211)	8,481	(1,785)	26,150
Insurance	12,788	7,560	36,890	21,793
Travel and accommodation	2,309	5,578	17,854	12,944
Meals and entertainment	801	1,483	6,441	3,910
Bank charges	1,364	522	5,323	1,308
Interest income	(1,348)	(2,864)	(6,758)	(3,264)
	\$ 39,747	\$ 51,647	\$ 215,897	\$ 154,569