REVIVE THERAPEUTICS LTD.

INTERIM MANAGEMENT'S DISCUSSION AND ANALYSIS – QUARTERLY HIGHLIGHTS

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2016

Introduction

The following interim Management Discussion & Analysis ("Interim MD&A") of Revive Therapeutics Ltd. ("Revive" or the "Company") for the three months ended September 30, 2016 has been prepared to provide material updates to the business operations, liquidity and capital resources of the Company since its last annual management discussion & analysis, being the Management Discussion & Analysis ("Annual MD&A") for the fiscal year ended June 30, 2016. This Interim MD&A does not provide a general update to the Annual MD&A, or reflect any non-material events since date of the Annual MD&A.

This Interim MD&A has been prepared in compliance with section 2.2.1 of Form 51-102F1, in accordance with National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the Company's Annual MD&A, audited annual consolidated financial statements for the years ended June 30, 2016, and June 30, 2015, together with the notes thereto, and unaudited condensed interim consolidated financial statements for the three months ended September 30, 2016, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. The Company's financial statements and the financial information contained in this Interim MD&A are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and interpretations of the IFRS Interpretations Committee. The unaudited condensed interim consolidated financial statements have been prepared in accordance with International Standard 34, Interim Financial Reporting. Accordingly, information contained herein is presented as of November 23, 2016, unless otherwise indicated.

For the purposes of preparing this Interim MD&A, management, in conjunction with the Board of Directors, considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of Revive's common shares; (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board of Directors, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

Further information about the Company and its operations can be obtained from the offices of the Company or on SEDAR at **www.sedar.com**.

Caution Regarding Forward-looking Statements

This Interim MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or statements that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this Interim MD&A speak only as of the date of (i) this Interim MD&A; or (ii) as of the date specified in such statement. The following table outlines certain significant forward-looking statements contained in this Interim MD&A and provides the material assumptions used to develop such forward-looking statements and material risk factors that could cause actual results to differ materially from the forward-looking statements.

Forward-looking Statements	Assumptions	Risk Factors
The Company's (i) development of new drug candidates, (ii) demonstration of such drug candidates' safety and efficacy in clinical trials, and (iii) obtaining regulatory approval to commercialize these drug candidates.	Financing will be available for development of new drug candidates and conducting clinical studies; the actual results of the clinical trials will be favourable; development costs will not exceed Revive's expectations; the Company will be able to retain and attract skilled staff; the Company will be able to recruit suitable patients for clinical trials; all requisite regulatory and governmental approvals to commercialize the drug candidates will be received on a timely basis upon terms acceptable to Revive; and applicable economic conditions are favourable to Revive.	Availability of financing in the amount and time frame needed for the development and clinical trials may not be favourable; increases in costs; the Company's ability to retain and attract skilled staff; the Company's ability to recruit suitable patients for clinical trials; timely and favourable regulatory and governmental compliance, acceptances, and approvals; interest rate and exchange rate fluctuations; changes in economic conditions.
The Company's ability to obtain the substantial capital it requires to fund research and operations.	Financing will be available for Revive's research and operations and the results thereof will be favourable; debt and equity markets, exchange and interest rates and other applicable economic conditions are favourable to Revive.	Changes in debt and equity markets; timing and availability of external financing on acceptable terms; increases in cost of research and operations; interest rate and exchange rate fluctuations; adverse changes in economic conditions.
Factors affecting clinical trials and regulatory approval process of the Company's drug candidates.	Actual costs of clinical and regulatory processes will be consistent with the Company's current expectations; the Company will be able to retain and attract skilled staff; the Company will be able to recruit suitable patients for clinical trials; the Company will be able to complete clinical studies on a timely basis with favourable results; all applicable regulatory and governmental approvals for drug candidates will be received on a timely basis with terms acceptable to Revive; debt and equity markets, exchange and interest rates and other applicable economic and political conditions are favourable to Revive; there will be a ready market for the drug candidates.	Revive's drug candidates may require time-consuming and costly preclinical and clinical testing and regulatory approvals before commercialization; the Company's ability to retain and attract skilled staff; the Company's ability to recruit suitable patients for clinical trials; adverse changes in regulatory and governmental processes; interest rate and exchange rate fluctuations; changes in economic and political conditions; the Company will not be adversely affected by market competition.

Forward-looking Statements	Assumptions	Risk Factors
The Company's ability to find and enter into agreements with potential partners to bring viable drug candidates to commercialization.	Revive will be able to find a suitable partner and enter into agreements to bring drug candidates to market within a reasonable time frame and on favourable terms; the costs of entering into a partnership will be consistent with Revive's expectations; partners will provide necessary financing and expertise to bring drug candidates to market successfully and profitably.	Revive will not be able to find a partner and / or enter into agreements within a reasonable time frame; if the Company enters into agreements, these agreements may not be on favourable terms to Revive; costs of entering into agreements may be excessive; potential partners will not have the necessary financing or expertise to bring drug candidates to market successfully or profitably.
The Company's ability to obtain and protect the Company's intellectual property rights and not infringe on the intellectual property rights of others.	Patents and other intellectual property rights will be obtained for viable drug candidates; patents and other intellectual property rights obtained will not infringe on others.	Revive will not be able to obtain appropriate patents and other intellectual property rights for viable drug candidates; patents and other intellectual property rights obtained will be contested by third parties; no proof that acquiring a patent will make the product more competitive.
The Company's ability to source markets which have demand for its products and successfully supply those markets in order to generate sales.	The anticipated markets for the Company's potential products and technologies will continue to exist and expand. The Company's products will be commercially viable and it will successfully compete with other research teams who are also examining potential therapeutics with regards to gout, cystinuria, Wilson's disease, Rett Syndrome, rare diseases, cognitive dysfunction, and central nervous system disorders.	The anticipated market for the Company's potential products and technologies will not continue to exist and expand for a variety of reasons, including competition from other products and the degree of commercial viability of the potential product.
Future actions with respect to and potential impacts of pending claims.	Revive will be able to settle or otherwise obtain disposition of claims against it on favourable terms.	Revive may will not be able to settle pending claims on favourable terms; claims may be adjudicated in a manner that is not favourable to Revive.

Inherent in forward-looking statements are risks, uncertainties and other factors beyond the Company's ability to predict or control. Please also make reference to those risk factors referenced in the "Risk Factors" section below. Readers are cautioned that the above chart does not contain an exhaustive list of the factors or assumptions that may affect the forward-looking statements, and that the assumptions underlying such statements may prove to be incorrect. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this Interim MD&A.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

Description of Business

Revive is focused on commercializing treatments for rare diseases such as Cystinuria, Wilson's disease and Rett syndrome, and has completed a Phase II-A study for acute gout flares in the U.S. Revive's business model focuses on finding new uses of old drugs with the objective of finding an appropriate partner or partners to bring the new use drug to the marketplace. Additional information on Revive is available at **www.revivethera.com**. The Company's registered and legal office is located at 5 Director Court, Suite 105, Vaughan, Ontario, L4L 4S5.

The Company's current efforts are focused on the development of Bucillamine for the treatment of cystinuria ("REV-004"). Additional programs in the Company's product pipeline include Bucillamine for the treatment of acute gout flares ("REV-002"), Tianeptine for treatment of Rett Syndrome ("REV-003"), and Bucillamine for treatment of Wilson's disease ("REV-005").

In addition to the Company's product pipeline, the Company is evaluating additional drug repurposing candidates and novel formulations to add to its product development pipeline. Should the need exist; Revive may develop next-generation versions of its drug candidates, which will aim to improve upon the original drug, and may have the potential to treat new diseases that would otherwise remain untreated by the original drug.

The following chart summarizes the Company's product candidates, including the principal disease or indication being targeted, clinical trial status, expected milestones and marketing rights for each program:

Program	Status	Next Milestone	Spent	Estimated Cost to Complete	Marketing Rights
REV-002: Bucillamine for treatment of acute gout flares	Phase II-A human proof of concept study completed; Phase II-A human proof of concept study close out procedures ongoing; U.S. Food and Drug Administration ("FDA") allowed for Phase II-B study to proceed.	Close out Phase II -A human proof of concept study (expected by March 2017) Budget beyond 2017 will be determined after a partner via out-licensing or acquisition is completed	Approximately $21,000 was spent during the three months ended September 30, 2016	Revised budget for remaining part of 2017 - $79,000	Revive (Rest of world) / MTACo (Japan, Korea, Taiwan)
		Partner via out-licensing or acquisition or continue clinical development (date of completion is undetermined)	N/A	N/A	

Program	Status	Next Milestone	Spent	Estimated Cost to Complete	Marketing Rights
REV-003: Tianeptine for treatment of Rett Syndrome	Pre-clinical studies on going in collaboration with Rettsyndrome.org	Complete pre-clinical studies from collaboration with Rettsyndrome.org (expected by December 2016) Obtain Orphan Drug Designation from the FDA (expected by June 2017)	N/A N/A	N/A $10,000	Revive (Worldwide)
REV-004: Bucillamine for treatment of cystinuria	Investigational New Drug ("IND") application accepted by the FDA; Initiating Phase II-A human proof of concept study	Complete Phase II-A human proof of concept study (expected June 2017)	Spent approximately $36,000 during the three months ended September 30, 2016	$1,164,000	7-year US marketing exclusivity based on orphan drug designation that was awarded by the FDA
REV-005: Bucillamine for treatment of Wilson disease	Preparing initial stages of pre-clinical studies to support a FDA IND and Orphan drug application	Finalize design and plans for pre-clinical studies (expected by December 2017)	N/A	$10,000	7-year US marketing exclusivity upon orphan drug designation awarded by the FDA

Operations Highlights

During the three months ended September 30, 2016, the Company focused primarily on the initiation of the Phase II clinical study of REV-004 and on the evaluation and close-out of the Phase II-A study of REV-002.

On July 5, 2016, Revive announced the appointment of Craig Leon, Revive's Chairman of the Board, as Chief Executive Officer ("CEO"). Fabio Chianelli, Revive's former CEO, will continue as President. These changes will permit Mr. Leon to dedicate his efforts to executing the Company's capital markets and business development strategies, while permitting Mr. Chianelli to focus on directing the Company's corporate operations and research and development programs.

On August 18, 2016, the Company completed a non-brokered private placement of units ("Units") for gross proceeds of $1,500,000 (the "Offering"). Pursuant to the Offering, the Company issued 15,000,000 Units at $0.10 per Unit. Each Unit consists of one common share and one-half of one common share purchase warrant (a "Warrant"). Each whole Warrant entitles the holder to acquire one common share for $0.18 until June 18, 2018 (the "Warrant Expiry Date"). In the event that the volume-weighted average trading price of the Common Shares on the Exchange exceeds $0.25 per Common Share for any period of 20 consecutive trading days, the Company may, at its option, within five business days following such 20-day period, accelerate the Warrant Expiry Date by delivery of notice to the registered holders thereof and issuing a Warrant Acceleration Press Release, and, in such case, the Warrant Expiry Date shall be deemed to be 5:00 p.m. (Toronto time) on the 30th day following the later of (i) the date on which the Warrant Acceleration Notice is sent to Warrant holders, and (ii) the date of issuance of the Warrant Acceleration Press Release. The fair value of the Warrants was estimated to be $330,000 using a valuation model incorporating Black-Scholes on the following assumptions: dividend yield of 0%; volatility of 110.10%; risk-free interest rate of 0.56%; and expected life of 1.83 years.

In connection with the Offering, the Company paid $113,765 in cash finder's fees and other transaction costs of which, $90,692 was allocated to share capital and $23,073 was allocated to the Warrants. The Company also issued 492,450 finder's warrants ("Finder's Warrants") to qualified arm's length finders. Each Finder's Warrant entitles the holder to acquire one Unit for $0.10 until June 18, 2018. The fair value of the Finder's Warrants was estimated to be $71,544 using a valuation model incorporating Black-Scholes on the following assumptions: dividend yield of 0%; volatility of 110.10%; risk free interest rate of 0.56%; and expected life of 1.83 years.

On November 2, 2016, the Company announced that it named Dr. David S. Goldfarb, MD, as Principal Investigator of Revive's upcoming Phase 2 clinical study for Cystinuria.

Financial Highlights

Financial Performance

The Company's net loss totaled $357,704 for the three months ended September 30, 2016, with basic and diluted loss per share of $0.01. This compares with a net loss of $912,799 with basic and diluted loss per share of $0.04 for the three months ended September 30, 2015. The Company had no revenue in both periods presented.

Net loss for three months ended September 30, 2016 principally related to research costs of $57,112 (three months ended September 30, 2015 - $653,732), professional fees of $47,065 (three months ended September 30, 2015 - $52,334), stock-based compensation of $5,877 (three months ended September 30, 2015 - $43,487), salaries and benefits of $148,467 (three months ended September 30, 2015 - $99,769), consulting fees of $25,412 (three months ended September 30, 2015 - $50,000), depreciation and amortization of $894 (three months ended September 30, 2015 - $1,557), rent of $7,424 (three months ended September 30, 2015 - $8,866) and office expenses of $65,453 (three months ended September 30, 2015 - $3,054). The decrease of $555,095 related primarily to lower research costs for REV-002, lower stock-based compensation due to the vesting of stock options granted in prior periods, lower consulting fees due to the expiration of RangerCap Consulting Agreement (defined below) offset by increases in salaries and benefits due to the hiring of additional employees.

Cash Flow

At September 30, 2016, the Company had working capital of $1,586,067, compared to working capital of $531,805 at June 30, 2016. The Company had cash and cash equivalents of $2,100,339 at September 30, 2016, compared to $1,333,239 at June 30, 2016. The increase in both working capital and cash and cash equivalents is primarily due to proceeds from the Offering completed on August 18, 2016.

Liquidity and Financial Position

Cash and cash equivalents used in operating activities was $638,095 for the three months ended September 30, 2016. Operating activities were affected by a $894 adjustment for depreciation and amortization, $5,877 stock-based compensation and the net change in non-cash working capital balances of $287,162 because of increases in other receivables of $17,817, increase in prepaid expenses of $60,778 and decrease in accounts payable and accrued liabilities of $208,567.

Cash and cash equivalents used in investing activities was $1,515 for the three months ended September 30, 2016. This pertained to the purchase of equipment.

Cash and cash equivalents provided by financing activities was $1,406,710 for the three months ended September 30, 2016 which represents proceeds from the Offering and exercise of warrants.

At September 30, 2016, Revive had $2,100,339 in cash and cash equivalents.

Accounts payable and accrued liabilities were $609,863 at September 30, 2016. The Company's cash and cash equivalents balance as at September 30, 2016 is sufficient to pay these liabilities.

The Company has no operating revenues and therefore must utilize its income from financing transactions to maintain its capacity to meet ongoing operating activities.

As of September 30, 2016, and to the date of this MD&A, the cash resources of Revive are held with one Canadian chartered bank. The Company has no debt and its credit and interest rate risk is minimal. Accounts payable and accrued liabilities are short-term and non-interest-bearing.

As of September 30, 2016, based on current projections, Revive's working capital of $1,586,067 are not anticipated to meet its planned development activities for the financial year ending June 30, 2017. The table below outlines the Company's planned uses of working capital:

Use of Capital [(1)]	Estimated Cost	Spent to date (approx.)	Remaining Funds to Spend or (excess)
REV-002 research development, clinical trials	$100,000	$21,000	$79.000
REV-004 research development, clinical trials	$1,200,000	$36,000	$1,164,000
General research and development [(4)]	$50,000	$nil	$50,000
Intellectual Property Costs	$50,000	$nil	$50,000
General & Administrative for fiscal 2017 [(2)]	$1,092,000	$294,000	$798,000
Settlement of lawsuit [(3)]	undetermined	undetermined	undetermined
Total	**$2,492,000**	**$351,000**	**$2,141,000**

Notes:

(1) The use of proceeds provided in the table above should be considered estimates. Actual expenditures to satisfy these estimated costs may, and most likely will, differ from these estimates.

(2) General and Administrative expenses estimated for the year ended June 30, 2017 is as follows:

Salaries and benefits ($600,000), consulting fees ($150,000), office lease ($30,000), travel ($30,000), insurance ($45,000), professional fees ($150,000), transfer agent and regulatory fees ($37,000), technology expenses ($20,000) and marketing ($30,000).

(3) Settlement amount for lawsuit is undetermined as of the date of this MD&A. See "Commitments and Contingency" below.

(4) Estimated general research costs.

The Company believes that it has insufficient cash on hand to fund its planned expenditures for the financial year ended ending June 30, 2017. Further financings will be required to develop the Company's product pipeline, to meet ongoing obligations and discharge its liabilities in the normal course of business. There is some flexibility in terms of the pace and timing of product pipeline costs and how expenditures have been, or may be adjusted, limited or deferred subject to current capital resources and the potential to raise further funds. The Company will continue to manage its expenditures essential to the viability of its product pipeline. There is no assurance that additional funds can be raised upon terms acceptable to the Company or at all and funding for small companies remains challenging. Accordingly, the Company's unaudited condensed interim consolidated financial statements have been prepared on a going concern

basis. Material adjustments could be required if the Company cannot obtain adequate financing. See "Risk Factors".

Related Party 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.

(a) Revive engaged in the following transactions with related parties:

Names	Three Months Ended September 30, 2016 ($)	Three Months Ended September 30, 2015 ($)
Marrelli Support Services Inc. ("Marrelli Support") (i)	9,930	10,110
DSA Corporate Services ("DSA") (ii)	5,318	3,079
RangerCap Inc. ("RangerCap") (iii)	nil	50,000
Total	**15,248**	**63,189**

(i) Marrelli Support was owed $2,659 as at September 30, 2016 (June 30, 2016 - $2,683) 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 $3,330 as at September 30, 2016 (June 30, 2016 - $4,727) 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) RangerCap is owned by Craig Leon, CEO and 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:

Stock-based Compensation **Names**	**Three Months Ended September 30, 2016 ($)**	**Three Months Ended September 30, 2015 ($)**
Craig Leon, CEO and Director	nil	7,052
Bill Jackson, Director	nil	7,052
Carlo Sansalone, Director	nil	4,701
Fabio Chianelli, President and Director	nil	4,701
Carmelo Marrelli, CFO	nil	940
Dr. Bev Incledon, VP Research & Development	nil	470
Total	**nil**	**24,916**

Salaries and Benefits **Names**	**Three Months Ended September 30, 2016 ($)**	**Three Months Ended September 30, 2015 ($)**
Fabio Chianelli, President and Director	62,500	62,500
Craig Leon, CEO and Director	62,500	nil
Total	**125,000**	**62,500**

(c) Major shareholders:

As at September 30, 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 President and a Director of the Company, who owns or controls, directly or indirectly, 14.47% 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 President and a Director of the Company, who owns or controls, directly or indirectly, 14.47% 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.

Commitments and Contingency

Commitments

The Company has entered into an agreement (the "President Agreement") with an officer (Fabio Chianelli) (the "Officer") of the Company to provide services to the Company in the general capacity of President and to undertake the duties and exercise the powers associated with this role. Under the terms of the President Agreement, the President is contracted by the Company for an indefinite term, commencing as of January 1, 2014. The Company shall pay the President 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 President 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 the unaudited condensed interim consolidated financial statements for the three months ended September 30, 2016.

The Company has entered into an agreement (the "CEO Agreement") with an officer (Craig Leon) (the "Employee") 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 CEO Agreement, the CEO is contracted by the Company for an indefinite term, commencing as of July 5, 2016. The Company shall pay the CEO a $250,000 base salary per annum (the "Yearly Base Salary") and annual bonus payments (the "Bonus Payment") from time to time, at the Board's entire discretion, of up to 100% of the Yearly Base Salary based on the achievement of corporate goals and benchmarks relating to the Company's overall performance. The CEO Agreement requires an additional contingent lump-sum payment equal to the Employee's then Yearly Base Salary and the Bonus Payment paid or declared to the Employee, 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 the unaudited condensed interim consolidated financial statements for the three months ended September 30, 2016.

In March 2015, the Company entered a new lease agreement commencing on September 2015 for a 12-month period. In August 2016, the Company entered a new lease agreement commencing on September 1, 2016 for a 12-month period. The Company is required to pay minimum annual lease payment of $16,073.

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. 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.

Risk Factors

An investment in the securities of the Company is highly speculative and involves numerous and significant risks. Such investment should be undertaken only by investors whose financial resources are sufficient to enable them to assume these risks and who have no need for immediate liquidity in their investment. Prospective investors should carefully consider the risk factors that have affected, and which in the future are reasonably expected to affect, the Company and its financial position. Please refer to the section entitled "Risk Factors" in the Company's Annual MD&A for the fiscal year ended June 30, 2016, available on SEDAR at **www.sedar.com**.

Disclosure of Internal Controls

Management has established processes to provide them with sufficient knowledge to support representations that they have exercised reasonable diligence to ensure that (i) the unaudited condensed interim consolidated financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light

of the circumstances under which it is made, as of the date of and for the periods presented by the unaudited condensed interim consolidated financial statements, and (ii) the unaudited condensed interim consolidated financial statements fairly present in all material respects the financial condition, results of operations and cash flow of the Company, as of the date of and for the periods presented.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109, Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of:

(i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

(ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the financial statements for external purposes in accordance with the issuer's GAAP (IFRS).

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in the certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.