Revive Therapeutics Ltd.

Condensed Interim Consolidated Financial Statements

Three Months Ended September 30, 2019 and 2018

(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)

		September 30, 2019		June 30, 2019
ASSETS				
Current assets				
Cash and cash equivalents	**$**	**268,054**	$	475,234
Other receivable		**4,285**		-
Prepaid expenses		**48,765**		53,090
Total current assets		**321,104**		528,324
Non-current assets				
Investment (note 4)		**750,000**		750,000
Equipment (note 5)		**3,970**		4,230
Right-of-use asset (note 6)		**466,566**		-
Total non-current assets		**1,220,536**		754,230
Total assets	**$**	**1,541,640**	$	1,282,554
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities				
Accounts payable and accrued liabilities (notes 7 and 14)	**$**	**412,193**	$	321,772
Lease liability (note 8)		**60,336**		-
Total current liabilities		**472,529**		321,772
Non-current liabilities				
Lease liability (note 8)		**409,630**		-
Total liabilities		**882,159**		321,772
Shareholders' equity				
Share capital (note 9)		**9,352,491**		9,352,491
Warrants and broker and finder warrants (notes 10 and 11)		**430,370**		430,370
Contributed surplus (note 12)		**2,124,082**		2,117,282
Accumulated deficit		**(11,247,462)**		(10,939,361)
Total shareholders' equity		**659,481**		960,782
Total liabilities and shareholders' equity	**$**	**1,541,640**	$	1,282,554

Nature of operations and going concern (note 1)
Commitments and contingency (note 15)
Subsequent events (note 17)

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 September 30,	2019	2018
Expenses		
Research costs	**$ 36,751**	$ 24,232
Salaries and benefits (note 14(b))	**158,840**	147,412
Stock-based compensation (notes 12(i)(ii)(iii)(iv)(v) and 14(b))	**6,800**	38,723
Office expenses (note 16)	**38,977**	19,973
Consulting fees	**1,820**	22,500
Professional fees (note 14(a)(i)(ii))	**36,559**	43,722
Rent	**12,278**	8,638
Depreciation and amortization (notes 5 and 6)	**8,168**	799
Accretion of lease liability (note 8)	**7,908**	-
Comprehensive loss for the period	**$ (308,101)**	$ (305,999)
Comprehensive loss per share - basic and diluted (note 13)	**$ (0.00)**	$ (0.01)
Weighted average common shares outstanding - basic and diluted	**72,411,282**	58,392,586

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)

Three Months Ended September 30,	2019	2018
Cash flow from operating activities		
Comprehensive loss for the period	**$ (308,101)**	$ (305,999)
Adjustments for:		
Depreciation and amortization	**8,168**	799
Stock-based compensation	**6,800**	38,723
Accretion of lease liability	**7,908**	-
Net change in non-cash working capital:		
Other receivables	**(4,285)**	-
Prepaid expenses	**4,325**	1,932
Accounts payable and accrued liabilities	**90,421**	(29,446)
Net cash and cash equivalents used in operating activities	**(194,764)**	(293,991)
Financing activities		
Lease payments	**(12,416)**	-
Net cash and cash equivalents provided by financing activities	**(12,416)**	-
Net change in cash and cash equivalents	**(207,180)**	(293,991)
Cash and cash equivalents, beginning of period	**475,234**	1,060,516
Cash and cash equivalents, end of period	**$ 268,054**	$ 766,525

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 Changes in Shareholders' Equity
(Expressed in Canadian dollars)
(Unaudited)

	Share capital						
	Number of shares	Amount	Shares to be issued	Warrants and broker and finder warrants	Contributed surplus	Accumulated deficit	Total shareholders' equity
Balance, June 30, 2018	**58,351,282**	**$ 8,423,540**	**$ 9,000**	**$ -**	**$ 1,984,052**	**$ (9,595,475)**	**$ 821,117**
Common shares issued for exercise of warrants	50,000	9,000	(9,000)	-	-	-	-
Stock-based compensation (note 12(i)(ii)(iii)(iv))	-	-	-	-	38,723	-	38,723
Comprehensive loss for the period	-	-	-	-	-	(305,999)	(305,999)
Balance, September 30, 2018	**58,401,282**	**$ 8,432,540**	**$ -**	**$ -**	**$ 2,022,775**	**$ (9,901,474)**	**$ 553,841**
Balance, June 30, 2019	**72,411,282**	**$ 9,352,491**	**$ -**	**$ 430,370**	**$ 2,117,282**	**$ (10,939,361)**	**$ 960,782**
Stock-based compensation (note 12(v))	-	-	-	-	6,800	-	6,800
Comprehensive loss for the period	-	-	-	-	-	(308,101)	(308,101)
Balance, September 30, 2019	**72,411,282**	**$ 9,352,491**	**$ -**	**$ 430,370**	**$ 2,124,082**	**$ (11,247,462)**	**$ 659,481**

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

1. Nature of Operations and Going Concern

Revive Therapeutics Ltd. (the "Company" or "Revive") was incorporated under the Business Corporations Act (Ontario) on March 27, 2012. The Company's shares traded on the TSX Venture Exchange (the "Exchange") under the symbol "RVV"; OTCQB® Market exchange in the United States under the symbol "RVVTF" and the Frankfurt Stock Exchange in Germany under the symbol "31R". On July 19, 2019, the Company received final approval to list its common shares on the Canadian Securities Exchange (the "CSE"), and to voluntarily delist its common shares from the Exchange. The common shares commenced trading on the CSE at the market opening on July 23, 2019. 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 The Canadian Venture Building, 82 Richmond Street East, Toronto, Ontario M5C 1P1.

On June 20, 2019, the Company announced that the Company was to establish a cannabis product derivative manufacturing and development facility and it entered into a definitive lease agreement to a 12,000 sq. ft. facility in Mississauga, Ontario (the “Mississauga Facility”).

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 $11,247,462 as at September 30, 2019 (June 30, 2019 - $10,939,361). As at September 30, 2019, the Company had cash and cash equivalents of $268,054 (June 30, 2019 - $475,234) and a working capital deficiency of $151,425 (June 30, 2019 - working capital of $206,552). 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 significant 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 November 26, 2019, 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, 2019, except as noted below. Any subsequent changes to IFRS that are given effect in the Company’s annual consolidated financial statements for the year ending June 30, 2020 could result in restatement of these unaudited condensed interim consolidated financial statements.

2. Significant Accounting Policies (continued)

Change of accounting policy

The Company adopted IFRS 16 – Leases on July 1, 2019. Previously, the Company classified leases as operating or finance leases based on IAS 17 - Leases.

The Company has applied IFRS 16 in accordance with the modified retrospective approach only to contracts that were previously identified as leases. Contracts that were not identified as leases under previous standards were not reassessed for whether there is a lease. Therefore, the definition of a lease under IFRS 16 was applied only to contracts entered into or changed on or after July 1, 2018. The Company has determined that there is no change to the comparative periods required as a result of the adoption of this standard.

On initial application, for leases previously classified as operating leases under IAS 17, the Company has elected to record right-of-use assets based on the corresponding lease liability. On July 1, 2019, the adoption of IFRS 16 had no material impact on the Company's unaudited condensed interim financial statements with the Company's existing lease agreement which expired on August 31, 2019. On September 1, 2019, the Company entered into a new lease agreement for which the Company recorded lease obligations of $474,474 and right-of-use assets of $474,474, with no net impact on deficit (See Notes 6 and 8).

When measuring lease liabilities for those leases previously classified as operating leases under IAS 17, the Company discounted future lease payments using its incremental borrowing rate as at September 1, 2019. The weighted-average rate applied is 20%.

The Company has elected to apply the practical expedient on facility leases, not to separate non-lease components from lease components, and instead account for each lease component and any associated non-lease components as a single lease component.

The Company’s accounting policy for leases under IFRS 16 is as follows:

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. Contracts that convey the right to control the use of an identified asset for a period of time in exchange for consideration are accounted for as leases giving rise to right-of-use assets.

At the commencement date, a right-of-use asset is measured at cost, where cost comprises: (a) the amount of the initial measurement of the lease liability; (b) any lease payments made at or before the commencement date, less any lease incentives received; (c) any initial direct costs incurred by the Company; and (d) an estimate of costs to be incurred by the Company in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

A lease liability is initially measured at the present value of the unpaid lease payments discounted using the interest rate implicit in in the lease or if that rate cannot be reliably determined, the Company's incremental borrowing rate. Subsequently, the Company measures a lease liability at amortized cost using the effective interest method. It is then remeasured to reflect revised in-substance fixed lease payments. Except where the costs are included in the carrying amount of another asset, the Company recognizes in profit or loss (a) the interest on a lease liability and (b) variable lease payments not included in the measurement of a lease liability in the period in which the event or condition that triggers those payments occurs. The Company subsequently measures a right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses; and adjusted for any re-measurement of the lease liability. Right-of-use assets are depreciated over the shorter of the asset’s useful life and the lease term.

(Expressed in Canadian dollars)

2. Significant Accounting Policies (continued)

Change of accounting policy (continued)

Significant accounting judgments, estimates and assumptions in adoption of IFRS 16

All the components of the lease liability are required to be discounted to reflect the present value of the payments. The discount rate to use is the rate implicit in the lease, unless this cannot readily be determined, in which case the lessee's incremental borrowing rate is used instead. The definition of the lessee's incremental borrowing rate states that the rate should represent what the lessee would have to pay to borrow over a similar term and with similar security, the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment. Significant judgment is required to estimate an incremental borrowing rate in the context of a right-of-use asset.

3. Fair Value Measurements

The following table illustrates the classification of the Company`s financial instruments recorded at fair value within the fair value hierarchy as at September 30, 2019 and June 30, 2019:

September 30, 2019	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 268,054	$ -	$ -	$ 268,054
Investment	-	-	750,000	750,000

June 30, 2019	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 475,234	$ -	$ -	$ 475,234
Investment	-	-	750,000	750,000

Level 3 hierarchy:

The following table presents the changes in fair value measurement of financial instrument classified as Level 3. The financial instrument is measured at fair value utilizing non-observable market inputs.

Investment at fair value	Opening balance at July 1, 2019	Purchases	Ending balance at September 30, 2019
September 30, 2019	$ 750,000	$ -	$ 750,000

Within Level 3, the Company includes a non-public company investment. The key assumptions used in the valuation of the instrument include (but are not limited to) the value at which a recent financing was done by the investee.

(Expressed in Canadian dollars)

3. Fair Value Measurements (continued)

The following table presents the fair value, categorized by key valuation techniques and the unobservable inputs used within Level 3 as at:

September 30, 2019

Investment name	Valuation technique	Fair value	Unobservable inputs
Herman Holdings Limited ("HHL")	recent financing	$ **750,000**	Transaction price

As the valuation of investments for which market quotations are not readily available and are inherently uncertain, the values may fluctuate materially within short periods of time and are based on estimates, and determinations of fair value may differ materially from values that would have resulted if a ready market existed for the investments. As at September 30, 2019, a change in the transaction price of 5% would result in an increase/decrease in the fair value estimate of the investment of approximately $37,500, keeping all other variables constant.

4. Investment

In connection with the closing of the the non-brokered private placement in February 2019, Revive acquired an aggregate of 2,500,000 common shares of HHL at a price of $0.30 per common share of HHL for gross payment of $750,000 representing 5% of the issued and outstanding HHL Shares. During the three months ended September 30, 2019, the fair value of the investment remained unchanged at $750,000.

5. Equipment

Cost	Computer Equipment	Office Equipment	Total
Balance, June 30, 2019 and September 30, 2019	$ 7,171	$ 7,737	$ 14,908

Accumulated depreciation	Computer Equipment	Office Equipment	Total
Balance, June 30, 2019	$ 5,226	$ 5,452	$ 10,678
Depreciation during the period	146	114	260
Balance, September 30, 2019	$ 5,372	$ 5,566	$ 10,938

Carrying value	Computer Equipment	Office Equipment	Total
Balance, June 30, 2019	$ 1,945	$ 2,285	$ 4,230
Balance, September 30, 2019	$ 1,799	$ 2,171	$ 3,970

(Expressed in Canadian dollars)

6. Right-of-use Asset

	Office lease
Balance, July 1, 2019	**$ -**
Additions	474,474
Depreciation	(7,908)
Balance, September 30, 2019	**$ 466,566**

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 September 30, 2019	As at June 30, 2019
Accounts payable	**$ 313,732**	$ 199,641
Accrued liabilities	**98,461**	122,044
HST payable	**-**	87
	$ 412,193	$ 321,772

	As at September 30, 2019	As at June 30, 2019
Less than 1 month	**$ 155,395**	$ 210,027
1 to 3 months	**108,425**	52
Greater than 3 months	**148,373**	111,693
	$ 412,193	$ 321,772

(Expressed in Canadian dollars)

8. Lease Liability

Balance, July 1, 2019	**$**	**-**
Additions		474,474
Accretion		7,908
Lease payments		(12,416)
Balance, September 30, 2019	**$**	**469,966**

Allocated as:		
Current	$	60,336
Long-term		409,630
	$	**469,966**

9. Share Capital

a) Authorized share capital

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

b) Common shares issued

As at September 30, 2019, the issued share capital amounted to $9,352,491 and there were nil shares held in escrow. Changes in issued share capital are as follows:

	Number of Common Shares		Amount
Balance, June 30, 2018	**58,351,282**	**$**	**8,423,540**
Common shares issued for exercise of warrants	50,000		9,000
Balance, September 30, 2018	**58,401,282**	**$**	**8,432,540**
Balance, June 30, 2019 and September 30, 2019	**72,411,282**	**$**	**9,352,491**

(Expressed in Canadian dollars)

10. Warrants

The following table reflects the continuity of warrants for the period ended September 30, 2019 and 2018:

	Number of Warrants	Weighted Average Exercise Price
Balance, June 30, 2018 and September 30, 2018	**-**	**$ -**
Issued	14,010,000	0.15
Balance, June 30, 2019 and September 30, 2019	**14,010,000**	**$ 0.15**

The following table reflects warrants issued and outstanding as at September 30, 2019:

Expiry Date and Description	Exercise Price ($)	Fair Value ($)	Number of Warrants Outstanding
February 4, 2021	0.15	347,980	10,960,000
February 8, 2021	0.15	96,472	3,050,000
Transaction costs		(16,036)	
	0.15	**428,416**	**14,010,000**

11. Broker and Finder Warrants

The following table reflects the continuity of broker and finder warrants for the periods ended September 30, 2019 and 2018:

	Number of Broker Warrants	Weighted Average Exercise Price
Balance, June 30, 2018 and September 30, 2018	**-**	**$ -**
Issued	42,000	0.15
Balance, June 30, 2019 and September 30, 2019	**42,000**	**$ 0.15**

The following table reflects broker and finder warrants issued and outstanding as at September 30, 2019:

Expiry Date	Exercise Price ($)	Fair Value ($)	Number of Broker Warrants Outstanding
February 4, 2021	0.15	1,954	42,000
	0.15	**1,954**	**42,000**

(Expressed in Canadian dollars)

12. Stock Options

The Company has granted options for the purchase of common shares to its directors, officers, employees and certain consultants. The purpose of the plan is to attract, retain and motivate these parties by providing them with the opportunity, through share options, to acquire a proprietary interest in the Company and to benefit from its growth. These options are valid for a maximum of 10 years from the date of issue. Vesting terms and conditions are determined by the Board of Directors at the time of the grant. The maximum number of options to be issued under the plan shall not exceed 10% of the total number of common shares issued and outstanding.

The following table reflects the continuity of stock options for the periods ended September 30, 2019 and 2018:

	Number of Stock Options	Weighted Average Exercise Price
Balance, June 30, 2018	**3,470,375**	**$ 0.42**
Granted (iv)	75,000	0.21
Balance, September 30, 2018	**3,545,375**	**$ 0.42**
Balance, June 30, 2019 and September 30, 2019	**4,170,709**	**$ 0.39**

The following table reflects the actual stock options issued and outstanding as at September 30, 2019:

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	3.78	40,375	40,375	$ 9,270
January 31, 2024	0.66	4.34	590,000	590,000	265,568
February 10, 2025	0.60	5.37	925,000	925,000	345,058
April 10, 2027	0.28	7.53	965,000	965,000	212,732
November 1, 2022 (i)	0.20	3.09	250,000	250,000	31,336
November 29, 2022 (ii)	0.325	3.17	350,000	350,000	92,289
June 8, 2023 (iii)	0.205	3.69	350,000	350,000	59,785
August 21, 2023 (iv)	0.205	3.89	75,000	75,000	9,887
October 11, 2020 (v)	0.19	1.03	500,000	166,667	53,960
April 22, 2024	0.17	4.56	125,334	125,334	14,193
			4,170,709	**3,837,376**	**$ 1,094,078**

(i) On November 1, 2017, the Company granted 250,000 stock options to a consultant of the Company at an exercise price of $0.20 per share expiring on November 1, 2022. The fair value of the stock options was estimated to be $31,336 using the Black-Scholes valuation model on the following assumptions: dividend yield 0%; volatility 114.34%; risk-free interest rates of 1.57%; and expected life of 5 years. These options vest as to one quarter (1/4) of the options on the date which is three (3) months from the date said options are granted, one quarter (1/4) of the options on the date which is six (6) months from the date of grant, one quarter (1/4) of the options on the date which is nine (9) months from the date of grant, and the final one quarter (1/4) of the options on the date which is twelve (12) months from the date of grant. During the three months ended September 30, 2019, $nil (three months ended September 30, 2018 - $1,243) were recorded as stock-based compensation in the unaudited condensed interim consolidated statements of comprehensive loss.

12. Stock Options (continued)

(ii) On November 29, 2017, the Company granted 350,000 stock options to a consultant of the Company at an exercise price of $0.325 per share expiring on November 29, 2022. The fair value of the stock options was estimated to be $92,289 using the Black-Scholes valuation model on the following assumptions: dividend yield 0%; volatility 115.58%; risk-free interest rates of 1.57%; and expected life of 5 years. These options vest as to one quarter (1/4) of the options on the date which is three (3) months from the date said options are granted, one quarter (1/4) of the options on the date which is six (6) months from the date of grant, one quarter (1/4) of the options on the date which is nine (9) months from the date of grant, and the final one quarter (1/4) of the options on the date which is twelve (12) months from the date of grant. During the three months ended September 30, 2019, $nil (three months ended September 30, 2018 - $5,881) was recorded as stock-based compensation in the unaudited condensed interim consolidated statements of comprehensive loss.

(iii) On June 8, 2018, the Company granted 350,000 stock options to a consultant of the Company at an exercise price of $0.205 per share expiring on June 8, 2023. The fair value of the stock options was estimated to be $59,785 using the Black-Scholes valuation model on the following assumptions: dividend yield 0%; volatility 121.07%; risk-free interest rates of 2.11%; and expected life of 5 years. These options vest as to one quarter (1/4) of the options on the date which is three (3) months from the date said options are granted, one quarter (1/4) of the options on the date which is six (6) months from the date of grant, one quarter (1/4) of the options on the date which is nine (9) months from the date of grant, and the final one quarter (1/4) of the options on the date which is twelve (12) months from the date of grant. During the three months ended September 30, 2019, $nil (three months ended September 30, 2018 - $27,690) was recorded as stock-based compensation in the unaudited condensed interim consolidated statements of comprehensive loss.

(iv) On August 21, 2018, the Company entered into a consulting agreement with a third-party and is committed to issue 25,000 stock options per month of services at a purchase price of $0.205 which equates to a total of 75,000 stock options expiring August 21, 2023. The fair value of the stock options was estimated to be $9,887 using the Black-Scholes valuation model on the following assumptions: dividend yield 0%; volatility 117.19%; risk-free interest rates of 2.18%; and expected life of 5 years. These options all vested during the year ended June 30, 2019. During the three months ended September 30, 2019, $nil (three months ended September 30, 2018 - $3,909) was recorded as stock-based compensation in the unaudited condensed interim consolidated statements of comprehensive loss.

(v) On October 11, 2018, the Company granted, a consultant of the Company 500,000 stock options at an exercise price of $0.19 per share expiring on October 11, 2020. The fair value of the stock options was estimated to be $53,960 using the Black-Scholes valuation model on the following assumptions: dividend yield 0%; volatility 113.91%; risk-free interest rates of 2.27%; and expected life of 2 years. These options vest as to one-third on the date of grant, 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 months ended September 30, 2019, $6,800 (three months ended September 30, 2018 - $nil) was recorded as stock-based compensation in the unaudited condensed interim consolidated statements of comprehensive loss.

13. Net Loss per Common Share

The calculation of basic and diluted loss per share for the three months ended September 30, 2019 was based on the loss attributable to common shareholders of $308,101 (three months ended September 30, 2018 - $305,999) and the weighted average number of common shares outstanding of 72,411,282 (three months ended September 30, 2018 - 58,392,586).

Diluted loss per share did not include the effect of 14,010,000 warrants (three months ended September 30, 2018 - nil), 42,000 finder warrants (three months ended September 30, 2018 - nil) and 4,170,709 stock options (three months ended September 30, 2018 - 3,545,375) as they are anti-dilutive.

(Expressed in Canadian dollars)

14. 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 September 30,		**2019**		**2018**
Marrelli Support Services Inc. ("Marrelli Support") (i)	**$**	**10,193**	$	10,266
DSA Corporate Services Inc. and DSA Filing Services Limited (together, known as "DSA") (ii)	**$**	**5,690**	$	7,474

(i) Marrelli Support was owed $2,351 as at September 30, 2019 (June 30, 2019 - $2,390) 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 July 14, 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 $5,656 as at September 30, 2019 (June 30, 2019 - $1,293) for corporate secretarial and filing services. This amount was included in accounts payable and accrued liabilities. DSA consists of two private companies beneficially controlled by Carmelo Marrelli, the CFO of the Company. 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.

(Expressed in Canadian dollars)

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

(b) Remuneration of directors and key management personnel including Chief Executive Officer and Chief Financial Officer of the Company, excluding consulting fees, which were included in the related parties transaction table above, for the periods ended September 30, 2019 and 2018 was as follows:

Three Months Ended September 30,	2019	2018
Salaries and benefits	**$ 125,000**	$ 125,000

(c) Major shareholders:

As at September 30, 2019, 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, 11.39% 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, 11.39% the issued and outstanding shares of the Company on a partially diluted basis, 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.

15. Commitments and Contingency

Commitments

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 1, 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 these consolidated financial statements.

15. Commitments and Contingency (continued)

Commitments (continued)

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 these consolidated financial statements.

In June 11, 2019, the Company entered a new lease agreement commencing on September 1, 2019 for a 5-year period. The Company is required to pay minimum annual lease payment of $93,047.

The Company has also entered into a licensing arrangement with South Carolina Research Foundation and Wisconsin Alumni Research Foundation, whereby certain milestone payments and royalties are payable upon the achievement of certain events. The Company will record these amounts as the events occur. No events occurred during the three months ended September 30, 2019.

Effective August 17, 2018, the Company has entered into a distribution and licensing agreement with a third-party and is committed to purchase a minimum amount of product supplied by Axim as follows: US$10,000 for the calendar year 2018, US$50,000 for the calendar year 2019, and US$60,000 for the calendar year 2020.

Contingency

The Company is in dispute with a supplier over invoices in the amount of $827,574 plus interest for which the supplier has sought arbitration. The dispute is in 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 eventual resolution of this liability will be based on additional information and the occurrence of future events.

(Expressed in Canadian dollars)

16. Office Expenses

Three Months Ended September 30,	2019	2018
Reporting issuer costs	**$ 18,190**	$ 5,785
Administrative	**4,626**	6,158
Insurance	**15,343**	7,993
Travel and accommodation	**378**	589
Meals and entertainment	**885**	334
Bank charges	**556**	553
Interest income	**(1,001)**	(1,439)
	$ 38,977	$ 19,973

17. Subsequent Events

(i) On October 8, 2019, the Company announced that it signed a non-binding letter of intent (the "LOI") to merge with HHL. The proposed merger is intended to create a brand focused vertically-integrated cannabis company that provides premium products for Canadian recreational and medical cannabis consumers. Final terms will be set out in a definitive agreement to be entered into by the parties.

(ii) On November 1, 2019, the Company signed a non-binding letter of intent (the "LOI") to acquire Greeninsightz Limited ("Greeninsightz"), an artificial intelligence data software company focused on the cannabis sector, by amalgamation or other form of business combination (the "Transaction"). For purposes of the Transaction, the deemed value of the issued and outstanding shares of Revive (on a fully diluted basis) at the time of closing of the Transaction, shall be approximately $4,531,700, and the deemed value of the issued and outstanding shares of Greeninsightz (on a fully diluted basis) at the time of closing of the Transaction, shall be approximately $3,120,000, plus the gross proceeds of the Offering. Consummation of the Transaction is subject to a number of conditions, including, entering into a mutually agreed definitive agreement, completion of due diligence, completion of at least $300,000 pursuant to the Offering as defined below, and applicable director, shareholder, regulatory and stock exchange approvals. There is no assurance that the Transaction will be consummated on the terms outlined above or at all.

Revive has engaged Hampton Securities Limited (the "Lead Agent"), as sole lead agent, in connection with a private placement offering, on a "commercially reasonable efforts" basis, of up to 40,000,000 subscription receipts of the Company (the "Subscription Receipts") at a price of $0.05 per Subscription Receipt for gross proceeds of up to $2,000,000 (the "Offering").

The Company has also granted to the Lead Agent an option (the "Over-Allotment Option"), exercisable at its sole discretion at any time, in whole or in part, for a period of 30 days after the Closing Date (as defined below), to arrange for the sale of up to an additional 15% of the aggregate number of Subscription Receipts sold under the Offering.

The Company has agreed to pay the Lead Agent a cash commission equal to 8% of the gross proceeds of the Offering and, on the Closing Date, to issue the Lead Agent such number of broker warrants (the "Compensation Warrants") as is equal to 8% of the number of Subscription Receipts issued pursuant to the Offering. Each Compensation Warrant will be exercisable to acquire one Share and one Warrant (each, a "Broker Warrant") for a period of 24 months from the Closing Date at an exercise price of $0.05 per Compensation Warrant. Each Broker Warrant will be exercisable to acquire one Share at a price of $0.075 per Share for a period of 60 months from the Closing Date. In addition, the Company has also agreed to pay the Lead Agent (i) for its expenses in connection with the Offering on or before the Closing Date, and (ii) a success fee of $20,000 payable in cash on the Closing Date if a minimum of $300,000 is subscribed for under the Offering.

17. Subsequent Events (continued)

(ii) (continued) Upon satisfaction of certain escrow release conditions (as described below), each Subscription Receipt will automatically convert, without any additional consideration or action by the holder of such Subscription Receipt, into one unit (each, a “Unit”) consisting of one common share in the capital of the Company (each, a “Share”) and one common share purchase warrant in the capital of the Company (each, a “Warrant”). Each Warrant will be exercisable to acquire one Share at a price of $0.075 per Share, subject to adjustment in certain events, for a period of 60 months from the Closing Date.

The gross proceeds from the Offering (the “Escrowed Funds”) will be held in escrow pending satisfaction of the escrow release conditions including (i) written confirmation from the Company and Greeninsightz that all conditions precedent to the completion of the Transaction have been fulfilled, (ii) the Shares, including the Shares issuable upon exercise of the Warrants and the Broker Warrants (as defined below) and issuable pursuant to the Transaction, being approved for listing on the Canadian Securities Exchange, (iii) the receipt of all regulatory, shareholder and third-party approvals, if any, required in connection with the Offering and the Transaction, and (iv) the Company shall not be in breach or default of any of its covenants or obligations under the agency agreement to be entered into with the Lead Agent in connection with the Offering (the “Escrow Release Conditions”).

Upon satisfaction of the Escrow Release Conditions, the Lead Agent’s commission, and any unpaid expenses of the Lead Agent, will be released to the Lead Agent and the remaining Escrowed Funds will be released to the Company. If the Escrow Release Conditions do not occur on or before 5:00 p.m. (Toronto time) on December 31, 2019 (the “Expiry Time”), all Subscription Receipts will be automatically cancelled and be null and void, and the holders thereof will receive a cash payment equal to the full amount of their subscriptions without deduction.

(iii) On November 14, 2019, the Company entered a definitive agreement to form a Joint Venture Partnership with HHL for the purpose of developing, producing, distributing, marketing and selling cannabis derivative products for the Canadian recreational cannabis market.