Revive Therapeutics Ltd.

Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended March 31, 2020 and 2019

(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, 2020	June 30, 2019
ASSETS		
Current assets		
Cash and cash equivalents	**$ 712,546**	$ 475,234
Other receivable	**100,971**	-
Lease receivable (note 4)	**73,519**	-
Prepaid expenses	**16,551**	53,090
Total current assets	**903,587**	528,324
Non-current assets		
Investment (note 5)	**750,000**	750,000
Equipment (note 7)	**3,450**	4,230
Lease receivable (note 4)	**368,585**	-
Intangible asset (note 6)	**5,362,500**	-
Total non-current assets	**6,484,535**	754,230
Total assets	**$ 7,388,122**	$ 1,282,554
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities (notes 9 and 17)	**$ 761,454**	$ 321,772
Lease liability (note 10)	**66,628**	-
Convertible debenture (note 11)	**149,875**	-
Total current liabilities	**977,957**	321,772
Non-current liabilities		
Lease liability (note 10)	**374,665**	-
Total liabilities	**1,352,622**	321,772
Shareholders' equity		
Share capital (note 12)	**15,810,189**	9,352,491
Equity portion of convertible debenture (note 11)	**34,962**	-
Warrants and broker and finder warrants (notes 13 and 14)	**1,127,212**	430,370
Contributed surplus (note 15)	**2,336,109**	2,117,282
Accumulated deficit	**(13,272,972)**	(10,939,361)
Total shareholders' equity	**6,035,500**	960,782
Total liabilities and shareholders' equity	**$ 7,388,122**	$ 1,282,554

Nature of operations and going concern (note 1)
Commitments and contingency (note 18)
Subsequent events (note 20)

Approved on behalf of the Board:

"Michael Frank", Director

"Christian Scovenna", 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, 2020	Three Months Ended March 31, 2019	Nine Months Ended March 31, 2020	Nine Months Ended March 31, 2019
Expenses				
Research costs	**$ 171,652**	$ 10,799	**$ 208,566**	$ 58,423
Salaries and benefits (note 17(b))	**-**	155,736	**158,218**	446,029
Stock-based compensation (notes 15 and 17(b))	**13,562**	12,131	**218,827**	103,219
Office expenses (note 19)	**194,037**	26,435	**276,461**	96,236
Consulting fees	**996,734**	-	**1,010,531**	22,819
Professional fees (note 17(a)(i)(ii))	**137,628**	36,384	**224,666**	124,533
Rent	**-**	8,657	**26,136**	25,870
Depreciation and amortization (notes 6, 7 and 8)	**137,306**	804	**165,505**	2,403
Accretion of lease liability (note 10)	**22,885**	-	**53,733**	-
Accretion of convertible debenture (note 11)	**4,385**	-	**4,385**	-
Interest expense on convertible debenture	**3,787**	-	**3,787**	-
Loss on sub-lease (note 2)	**-**	-	**9,038**	-
Finance income on sub-lease (note 4)	**(21,670)**	-	**(26,242)**	-
Comprehensive loss for the period	**$ (1,660,306)**	$ (250,946)	**$ (2,333,611)**	$ (879,532)
Comprehensive loss per share - basic and diluted (note 16)	**$ (0.02)**	$ (0.00)	**$ (0.03)**	$ (0.01)
Weighted average common shares outstanding - basic and diluted	**98,773,425**	66,827,393	**80,142,027**	66,166,063

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,	2020	2019
Cash flow from operating activities		
Comprehensive loss for the period	**$ (2,333,611)**	$ (879,532)
Adjustments for:		
Depreciation and amortization	**165,505**	2,403
Stock-based compensation	**218,827**	103,219
Shares issued for research and development services	**165,000**	-
Accretion of lease liability	**53,733**	-
Loss on sub-lease	**9,038**	-
Accretion of convertible debenture	**4,385**	-
Interest expense on convertible debenture	**3,787**	-
Finance income on sub-lease	**(26,242)**	-
Net change in non-cash working capital:		
Other receivables	**(92,238)**	-
Prepaid expenses	**22,508**	(3,652)
Accounts payable and accrued liabilities	**428,255**	(37,279)
Net cash and cash equivalents used in operating activities	**(1,381,053)**	(814,841)
Investing activities		
Purchase of investment	**-**	(750,000)
Purchase of equipment	**-**	(685)
Net cash and cash equivalents used in investing activities	**-**	(750,685)
Financing activities		
Proceeds from issuance of shares and warrants	**1,474,647**	1,334,854
Lease payments	**(62,082)**	-
Proceeds from issuance of convertible debenture	**205,800**	-
Net cash and cash equivalents provided by financing activities	**1,618,365**	1,334,854
Net change in cash and cash equivalents	**237,312**	(230,672)
Cash and cash equivalents, beginning of period	**475,234**	1,060,516
Cash and cash equivalents, end of period	**$ 712,546**	$ 829,844
Supplemental cash flow information		
Common shares issued for intangible asset	**$ 5,500,000**	$ -
Common shares issued for research and development services	**$ 165,000**	$ -

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	Equity portion of convertible debenture	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 in private placement (note 12(b)(ii)(iii))	14,010,000	1,401,000	-	-	-	-	-	1,401,000
Valuation of warrants issued in private placement (note 12(b)(ii)(iii))	-	(444,452)	-	-	444,452	-	-	-
Valuation of finder warrants issued in private placement (note 12(b)(ii))	-	(1,954)	-	-	1,954	-	-	-
Transaction costs in private placements (note 12(b)(ii)(iii))	-	(34,643)	-	-	(16,036)	-	-	(50,679)
Common shares issued for exercise of warrants	50,000	9,000	-	(9,000)	-	-	-	-
Stock-based compensation (note 15(i)(ii)(iii)(iv)(v))	-	-	-	-	-	103,219	-	103,219
Comprehensive loss for the period	-	-	-	-	-	-	(879,532)	(879,532)
Balance, March 31, 2019	**72,411,282**	**$ 9,352,491**	**$ -**	**$ -**	**$ 430,370**	**$ 2,087,271**	**$ (10,475,007)**	**$ 1,395,125**

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 (continued)
(Expressed in Canadian dollars)
(Unaudited)

	Share capital							
	Number of shares	Amount	Equity portion of convertible debenture	Shares to be issued	Warrants and broker and finder warrants	Contributed surplus	Accumulated deficit	Total shareholders' equity
Balance, June 30, 2019	**72,411,282**	**$ 9,352,491**	**$ -**	**$ -**	**$ 430,370**	**$ 2,117,282**	**$ (10,939,361)**	**$ 960,782**
Common shares issued in private placement (note 12(b)(iv))	33,535,000	1,676,750	-	-	-	-	-	1,676,750
Valuation of warrants issued in private placement (note 12(b)(iv))	-	(663,296)	-	-	663,296	-	-	-
Valuation of finder warrants issued in private placement (note 12(b)(iv))	-	(97,472)	-	-	97,472	-	-	-
Transaction costs in private placements (note 12(b)(iv))	-	(123,284)	-	-	(89,274)	-	-	(212,558)
Equity portion of convertible debenture (note 11)	-	-	34,962	-	-	-	-	34,962
Warrants issued in convertible debenture	-	-	-	-	25,348	-	-	25,348
Common shares issued for intangible asset (note 6)	55,000,000	5,500,000	-	-	-	-	-	5,500,000
Common shares issued for research and development services (note 12(b)(v))	3,000,000	165,000	-	-	-	-	-	165,000
Stock-based compensation (note 15(v)(vii)(viii))	-	-	-	-	-	218,827	-	218,827
Comprehensive loss for the period	-	-	-	-	-	-	(2,333,611)	(2,333,611)
Balance, March 31, 2020	**163,946,282**	**$ 15,810,189**	**$ 34,962**	**$ -**	**$ 1,127,212**	**$ 2,336,109**	**$ (13,272,972)**	**$ 6,035,500**

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 $13,272,972 as at March 31, 2020 (June 30, 2019 - $10,939,361). As at March 31, 2020, the Company had cash and cash equivalents of $712,546 (June 30, 2019 - $475,234) and a working capital deficiency of $74,370 (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 May 27, 2020, 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

Lessee

In January 2016, the IASB issued IFRS 16 - Leases ("IFRS 16"), replacing IAS 17 - Leases. IFRS 16 provides a single lessee accounting model and requires the lessee to recognize assets and liabilities for all leases on its statement of financial position, providing the reader with greater transparency of an entity's lease obligations. 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 adopted IFRS 16, effective October 1, 2019, under the modified retrospective approach. Comparatives for 2019 were not restated. At transition, the Company elected to use the practical expedient available under the standard that allows lease assessments made under IAS 17 and IFRIC 4 to be used for existing contracts. Therefore, the definition of a lease under IFRS 16 was applied only to contracts entered into or changed on or after July 1, 2019. 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 consolidated 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 $486,890, with no net impact on deficit (See Notes 8 and 10).

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.

2. Significant Accounting Policies (continued)

Change of accounting policy (continued)

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

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.

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.

Sub-lease

When the Company is an intermediate lessor, it determines at lease inception date whether the sub-lease is a finance lease or an operating lease based on whether the contract transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the sub-lease is a finance lease; if not, then it is an operating lease. Payments from sub-leases that are determined to be operating leases are recorded as cost recovery under general and administrative expenses in the period the payment is due.

For finance leases, and when the Company acts as intermediate lessor, it recognizes a sublease receivable and derecognizes the right-of-use assets relating to the head lease that it transfers to the sub lessees. Right-of-use assets and lease receivables relating to the sub leases are measured in the same way as the right-of-use assets and lease liabilities for the head lease, using the same discount rate to measure the present value of the future payments to be received.

The Company presents accretion expense in the head lease separate from the accretion income from the sub-lease.

On December 11, 2019, the Company sub-leased the right-of-use asset that the Company leased on September 1, 2019 and recognized a loss on sub-lease of $9,038.

(Expressed in Canadian dollars)

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 March 31, 2020 and June 30, 2019:

March 31, 2020	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 712,546	$ -	$ -	$ 712,546
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 March 31, 2020
December 31, 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.

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

March 31, 2020

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 March 31, 2020, 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.

(Expressed in Canadian dollars)

4. Lease receivable

Balance, July 1, 2019	**$**	**-**
Additions		450,628
Settlement of rent commission		(29,261)
Transfer to other receivable		(5,505)
Finance income		26,242
Balance, March 31, 2020	**$**	**442,104**

Allocated as:		
Current	$	73,519
Long-term		368,585
	$	**442,104**

5. Investment

In connection with the closing of 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 and nine months ended March 31, 2020, the fair value of the investment remained unchanged at $750,000.

6. Intangible Assets

Cost	**Intellectual property**
Balance, June 30, 2019	$ -
Additions	5,500,000
Balance, March 31, 2020	$ 5,500,000

Accumulated amortization	**Intellectual property**
Balance, June 30, 2019	$ -
Amortization during the period	137,500
Balance, March 31, 2020	$ 137,500

Carrying value	**Intellectual property**
Balance, June 30, 2019	$ -
Balance, March 31, 2020	$ 5,362,500

(Expressed in Canadian dollars)

6. Intangible Assets (continued)

On March 5, 2020, the Company completed its acquisition of all of the issued and outstanding securities in the capital of Psilocin Pharma Corp. ("Psilocin"), an arm's length party incorporated pursuant to the laws of the Province of Ontario. Psilocin is a specialty psychedelic sciences company focused on the development of Psilocybin-based therapeutics for significant unmet medical needs including rare and orphan indications.

Pursuant to the terms of a share exchange agreement dated March 4, 2020, Revive acquired all of the issued and outstanding securities of Psilocin through the issuance of an aggregate of 55 million common shares in the capital of Revive.

Psilocin was determined not to meet the definition of a business as per IFRS 3 as substantially all of the fair value of Psilocin was concentrated in one asset: its intellectual property. Accordingly, the acquisition was treated as an asset acquisition.

Details of the allocation of the estimated fair value of identifiable assets acquired and purchase consideration are as follows:

Purchase consideration:	5,500,000
Identifiable net assets acquired:	
Intellectual property	5,500,000

Psilocin has developed patent-pending formulation and production solutions for the active compound Psilocybin. The process encompassed with its intellectual property cover methods of production of Psilocybin-based formulations. Psilocin has developed formulations to date which include the Hydroxy Line. The line will include PSY-0.1 -Capsules, PSY-0.2 -Sublingual Spray, PSY-0.3 -Gel Cap, PSY-0.4/0.5 -Effervescent Tablets, and PSY-0.6 -Breath Strips. The precisely dosed formulations will work with both natural and synthetically derived Psilocybin which will be targeted for clinical research and subject to U.S. Food and Drug Administration ("FDA") approval in the treatment of depression, anxiety, bi-polar disorder, bulimia and anorexia nervosa, and a number of other diseases. Psilocin's range of products have been engineered to work synergistically with the body's own natural pathways of absorption while offering a contemporary approach to consumption.

Psilocin has filed key provisional patent applications with the U.S. Patent and Trademark Office that cover methods of production of Psilocybin-based formulations. Furthermore, Psilocin has a patent-pending portfolio that includes Psilocybin extraction and crystallization methodologies.

The Company has estimated that Psilocin intellectual property has a useful life of 5 years.

(Expressed in Canadian dollars)

7. Equipment

Cost	Computer Equipment	Office Equipment	Total
Balance, June 30, 2019 and March 31, 2020	$ 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	438	342	780
Balance, March 31, 2020	$ 5,664	$ 5,794	$ 11,458

Carrying value	Computer Equipment	Office Equipment	Total
Balance, June 30, 2019	$ 1,945	$ 2,285	$ 4,230
Balance, March 31, 2020	$ 1,507	$ 1,943	$ 3,450

8. Right-of-use Asset

	Office lease
Balance, July 1, 2019	**$ 486,890**
Depreciation	(27,224)
Transferred to sub-lease	(459,666)
Balance, March 31, 2020	**$ -**

(Expressed in Canadian dollars)

9. 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, 2020	As at June 30, 2019
Accounts payable	**$ 367,162**	$ 199,641
Accrued liabilities	**394,292**	122,044
HST payable	**-**	87
	$ 761,454	$ 321,772

	As at March 31, 2020	As at June 30, 2019
Less than 1 month	**$ 544,096**	$ 210,027
1 to 3 months	**2,217**	52
Greater than 3 months	**215,141**	111,693
	$ 761,454	$ 321,772

10. Lease Liability

Balance, July 1, 2019	**$ 474,474**
Accretion	53,733
Lease payments	(86,914)
Balance, March 31, 2020	**$ 441,293**

Allocated as:	
Current	$ 66,628
Long-term	374,665
	$ 441,293

(Expressed in Canadian dollars)

11. Convertible Debenture

On February 5, 2020, the Company issued 210,000 secured convertible debenture units (the “Debenture Units”) to arm’s length parties for aggregate gross proceeds of $210,000. Each Debenture Unit consists of one (1) 12% secured convertible debenture (the “Convertible Debentures”) maturing three (3) years from the date of issuance and 20 common share purchase warrants of Revive (the “Warrants”). Each Warrant shall entitle the holder thereof to purchase one common share in the capital of Revive (each, a “Common Share”) at an exercise price of $0.07 at any time up to February 5, 2023. The fair value of the Warrants was estimated to be $25,348 using a valuation model incorporating Black-Scholes on the following assumptions: dividend yield of 0%; volatility of 136.52%; risk-free interest rate of 1.48%; and expected life of 3 years.

The Convertible Debentures will have a maturity of 36 months from the date of issuance (the “Maturity Date”) and shall bear interest at a rate of 12% per annum from the date of issue. Interest will accrue and be payable on the Maturity Date. The holder of the Convertible Debentures shall have the right to demand immediate payment of the Convertible Debentures, together will all accrued interest thereon, provided that such demand cannot be made prior to June 6, 2020.

The principal amount of each Convertible Debenture shall be convertible, for no additional consideration, into Common Shares at the option of the holder at any time prior to the close of business on the Maturity Date at a conversion price equal to $0.05 (the “Conversion Price”) per Common Share.

The Company incurred $4,200 transaction costs for the issuance of the convertible debenture. The net proceeds of $205,800 of the convertible debenture were separated into liability component of $145,490 and equity component of $60,310, using the effective interest rate method with an effective interest rate of 20% per annum. During the three and nine months ended March 31, 2020, the Company recorded accretion expense of $4,385 and interest expense of $3,787 in the unaudited condensed interim consolidated statements of comprehensive loss.

12. 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, 2020, the issued share capital amounted to $15,810,189 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 in private placement (ii)(iii)	14,010,000	1,401,000
Valuation of warrants issued in private placement (ii)(iii)	-	(444,452)
Valuation of finder warrants issued in private placement (ii)	-	(1,954)
Transaction costs in private placement (ii)(iii)	-	(34,643)
Common shares issued for exercise of warrants (i)	50,000	9,000
Balance, March 31, 2019	**72,411,282**	**$ 9,352,491**

(Expressed in Canadian dollars)

12. Share Capital (continued)

b) Common shares issued (continued)

Balance, June 30, 2019	**72,411,282**	**$ 9,352,491**
Common shares issued in private placement (iv)	33,535,000	1,676,750
Valuation of warrants issued in private placement (iv)	-	(663,296)
Valuation of finder warrants issued in private placement (iv)	-	(97,472)
Transaction costs in private placement (iv)	-	(123,284)
Common shares issued for intangible asset (note 6)	55,000,000	5,500,000
Common shares issued for research and development services (v)	3,000,000	165,000
Balance, March 31, 2020	**163,946,282**	**$ 15,810,189**

(i) Proceeds of $9,000 was received during the year ended June 30, 2019 for exercise of 50,000 warrants for which 50,000 common shares were issued on July 16, 2018.

(ii) On February 4, 2019, the Company completed the first tranche of the non-brokered private placement previously announced in the December 7, 2018 and January 23, 2019 news releases for a total of 10,960,000 units (“Units”), at a price of $0.10 per Unit for gross proceeds of $1,096,000 (the “Offering”).

Each Unit consisted of one common share of Revive (a “Common Share”) and one whole Common Share purchase warrant (each warrant, a “Warrant”). Each Warrant entitles the holder to acquire one Common Share for $0.15 per Common Share for 24 months following closing of the Offering. Eligible finders were paid a cash fee of 6% of the gross proceeds from the Units sold with their assistance and were issued Warrants equal to 6% of the number of Units sold with their assistance. The fair value of the Warrants was estimated to be $347,980 using a valuation model incorporating Black-Scholes on the following assumptions: dividend yield of 0%; volatility of 107.92%; risk-free interest rate of 1.84%; and expected life of 2 years. The Company incurred total transaction costs of $37,189 including $4,200 cash fee to finders. The Company also issued 42,000 finders' warrants with each finder's warrant exercisable into one Common Share for $0.15 per Common Share for 24 months following closing of the Offering. The fair value of the finders' warrants was estimated to be $1,954 using a valuation model incorporating Black-Scholes on the following assumptions: dividend yield of 0%; volatility of 107.92%; risk-free interest rate of 1.84%; and expected life of 2 years.

In conjunction with the completion of the Offering, Revive has entered into a letter of intent ("LOI") with Herman Holdings Limited (“HHL”), pursuant to which Revive and HHL will set up a new corporation ("JVCo").

(iii) On February 11, 2019, the Company completed the second tranche of the Offering. The second tranche of the Offering consisted of the sale of 3,050,000 Units, for the aggregate gross proceeds of both tranches of the Offering of $1,401,000. The fair value of the Warrants issued in the second tranche of the Offering was estimated to be $96,472 using a valuation model incorporating Black-Scholes on the following assumptions: dividend yield of 0%; volatility of 107.49%; risk-free interest rate of 1.77%; and expected life of 2 years. The Company incurred total transaction costs of $13,490.

(Expressed in Canadian dollars)

12. Share Capital (continued)

b) Common shares issued (continued)

(iv) On March 18, 2020, the Company closed a private placement of 33,535,000 units ("Units") at a price of $0.05 per Unit for gross proceeds of $1,676,750 (the "Offering"). Hampton Securities Limited acted as sole lead agent (the "Agent") in connection with the Offering. Each Unit consists of one common share ("Share") in the capital of the Company and one common share purchase warrant ("Warrant"). Each Warrant entitles the holder thereof to acquire one common share of the Company at a price of $0.07 per share at any time until March 18, 2023. The fair value of the Warrants was estimated to be $704,235 using a valuation model incorporating Black-Scholes on the following assumptions: dividend yield of 0%; volatility of 139.73%; risk-free interest rate of 0.79%; and expected life of 3 years. The Company incurred total transaction costs of $212,558 including $150,908 cash commission to the Agent and a corporate finance fee of $22,600. The Company also issued 3,018,150 non-transferrable broker warrants. Each broker warrant entitles the Agent to purchase one Unit of the Company (each a "Compensation Unit") at the price of $0.05 per Unit at any time until March 18, 2022. Each Compensation Unit is comprised of one common share of the Company and one common share purchase warrant with each warrant exercisable into one common share of the Company at a price of $0.07 per share at any time until March 18, 2023. The fair value of the broker warrants was estimated to be $97,472 using a valuation model incorporating Black-Scholes on the following assumptions: dividend yield of 0%; volatility of 156.11%; risk-free interest rate of 0.69%; and expected life of 2 years.

(v) On February 10, 2020, the Company entered into a supply and collaboration agreement (the “Agreement”) with Red Light Holland Financing Inc. (“Red Light”), an arm’s length party. Pursuant to the Agreement Red Light will sell to Revive a consistent strain of truffles for the sole purpose of Revive undertaking research and development on the suitability and implementation of its novel cannabinoid delivery technology with respect to the truffles and its extracts. Red Light has also agreed to, upon request, provide Revive with any information, studies, papers and other information it may have pertaining to the truffles which may be deemed to be beneficial to Revive for undertaking the research and development. Revive issued to Red Light an aggregate of 3,000,000 common shares for aggregate consideration of $165,000.

13. Warrants

The following table reflects the continuity of warrants for the period ended March 31, 2020 and 2019:

	Number of Warrants	Weighted Average Exercise Price
Balance, June 30, 2018	**-**	**$ -**
Issued	14,010,000	0.15
Balance, March 31, 2019, June 30, 2019	**14,010,000**	**$ 0.15**
Issued in private placement	33,535,000	0.07
Issued with convertible debenture	4,200,000	0.07
Balance, March 31, 2020	**51,745,000**	**$ 0.09**

(Expressed in Canadian dollars)

13. Warrants (continued)

The following table reflects warrants issued and outstanding as at March 31, 2020:

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
February 5, 2023	0.07	25,348	4,200,000
March 18, 2023	0.07	704,235	33,535,000
Transaction costs		(146,249)	
	0.09	**1,027,786**	**51,745,000**

14. Broker and Finder Warrants

The following table reflects the continuity of broker and finder warrants for the periods ended March 31, 2020 and 2019:

	Number of Broker Warrants	Weighted Average Exercise Price
Balance, June 30, 2018	**-**	**$ -**
Issued	42,000	0.15
Balance, March 31, 2019, June 30, 2019	**42,000**	**$ 0.15**
Issued	3,018,150	0.05
Balance, March 31, 2020	**3,060,150**	**$ 0.05**

The following table reflects broker and finder warrants issued and outstanding as at March 31, 2020:

Expiry Date	Exercise Price ($)	Fair Value ($)	Number of Broker Warrants Outstanding
February 4, 2021	0.15	1,954	42,000
March 18, 2022	0.05	97,472	3,018,150
	0.05	**99,426**	**3,060,150**

15. 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.

(Expressed in Canadian dollars)

15. Stock Options (continued)

The following table reflects the continuity of stock options for the periods ended March 31, 2020 and 2019:

	Number of Stock Options	Weighted Average Exercise Price
Balance, June 30, 2018	**3,470,375**	**$ 0.42**
Granted (iv)(v)	575,000	0.19
Balance, March 31, 2019	**4,045,375**	**$ 0.39**
Balance, June 30, 2019	**4,170,709**	**$ 0.39**
Cancelled	(1,450,000)	0.46
Granted (vi)(vii)	4,350,000	0.07
Balance, March 31, 2020	**7,070,709**	**$ 0.24**

The following table reflects the actual stock options issued and outstanding as at March 31, 2020:

Expiry Date	Exercise Price ($)	Weighted Average Remaining Contractual Life (years)	Number of Options Outstanding	Number of Options Vested (exercisable)	Grant Date Fair Value
June 18, 2020	0.66	0.22	20,000	20,000	$ 9,002
June 18, 2020	0.60	0.22	20,000	20,000	7,461
June 18, 2020	0.28	0.22	100,000	100,000	22,045
July 9, 2023	0.30	3.27	40,375	40,375	9,270
January 31, 2024	0.66	3.84	195,000	195,000	87,772
February 10, 2025	0.60	4.87	480,000	480,000	179,057
April 10, 2027	0.28	7.03	465,000	465,000	102,508
November 1, 2022 (i)	0.20	2.59	250,000	250,000	31,336
November 29, 2022 (ii)	0.325	2.67	100,000	100,000	26,368
June 8, 2023 (iii)	0.205	3.19	350,000	350,000	59,785
August 21, 2023 (iv)	0.205	3.39	75,000	75,000	9,887
October 11, 2020 (v)	0.19	0.53	500,000	333,333	53,960
April 22, 2024 (vi)	0.17	4.06	125,334	125,334	14,193
December 27, 2024 (vii)	0.07	4.75	3,850,000	3,850,000	195,656
February 7, 2025 (viii)	0.07	4.86	500,000	166,667	27,886
			7,070,709	**6,570,709**	**$ 836,186**

15. Stock Options (continued)

(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 and nine months ended March 31, 2020, $nil (three and nine months ended March 31, 2019 - $nil and $3,580, respectively) were recorded as stock-based compensation in the unaudited condensed interim consolidated statements of comprehensive loss.

(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 and nine months ended March 31, 2020, $nil (three and nine months ended March 31, 2019 - $nil and $14,979, respectively) 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 and nine months ended March 31, 2020, $nil (three and nine months ended March 31, 2019 - $3,890 and $46,020, respectively) 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 and nine months ended March 31, 2020, $nil (three and nine months ended March 31, 2019 - $1,242 and $6,419, respectively) was recorded as stock-based compensation in the unaudited condensed interim consolidated statements of comprehensive loss.

15. Stock Options (continued)

(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 and nine months ended March 31, 2020, $2,242 and $11,851, respectively (three and nine months ended March 31, 2019 - $6,999 and $32,221, respectively) was recorded as stock-based compensation in the unaudited condensed interim consolidated statements of comprehensive loss.

(vi) On May 1, 2019, the Company granted, a consultant of the Company 125,334 stock options at an exercise price of $0.17 per share expiring on April 22, 2024. The fair value of the stock options was estimated to be $14,193 using the Black-Scholes valuation model on the following assumptions: dividend yield 0%; volatility 120.13%; risk-free interest rates of 1.56%; and expected life of 4.98 years. These options vest upon grant. During the year ended June 30, 2019, $14,193 was recorded as stock-based compensation in the consolidated statements of comprehensive loss for the year ended June 30, 2019.

(vii) On December 27, 2019, the Company granted directors of the Company 3,850,000 options at an exercise price of $0.07 per share expiring on December 27, 2024. The fair value of the stock options was estimated to be $195,656 using the Black-Scholes valuation model on the following assumptions: dividend yield 0%; volatility 129.60%; risk-free interest rates of 1.62%; and expected life of 5 years. These options vested upon grant. During the three and nine months ended March 31, 2020, $195,656 (three and nine months ended March 31, 2019 - $nil) was recorded as stock-based compensation in the unaudited condensed interim consolidated statements of comprehensive loss.

(viii) On February 7, 2020, the Company granted a consultant of the Company 500,000 options at an exercise price of $0.07 per share expiring on February 7, 2025. The fair value of the stock options was estimated to be $27,886 using the Black-Scholes valuation model on the following assumptions: dividend yield 0%; volatility 131.53%; risk-free interest rates of 1.34%; and expected life of 5 years. These options vest as to one third (1/3) of the options on the date of grant, one third (1/3) of the options on the date which is one (1) year from the date of grant, and the final one third (1/3) of the options on the date which is two (2) years from the date of grant During the three and nine months ended March 31, 2020, $11,320 (three and nine months ended March 31, 2019 - $nil) was recorded as stock-based compensation in the unaudited condensed interim consolidated statements of comprehensive loss.

16. Net Loss per Common Share

The calculation of basic and diluted loss per share for the three and nine months ended March 31, 2020 was based on the loss attributable to common shareholders of $1,660,306 and $2,333,611, respectively (three and nine months ended March 31, 2019 - $250,946 and $879,532, respectively) and the weighted average number of common shares outstanding of 98,773,425 and 80,142,027, respectively (three and nine months ended March 31, 2019 - 66,827,393 and 66,166,063, respectively).

Diluted loss per share did not include the effect of 51,745,000 warrants (three and nine months ended March 31, 2019 - 14,010,000), 3,060,150 finder warrants (three and nine months ended March 31, 2019 - 42,000) and 7,070,709 stock options (three and nine months ended March 31, 2019 - 4,045,375) as they are anti-dilutive.

(Expressed in Canadian dollars)

17. 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, 2020	Three Months Ended March 31, 2019	Nine Months Ended March 31, 2020	Nine Months Ended March 31, 2019
Marrelli Support Services Inc. ("Marrelli Support") (i)	**$ 10,625**	$ 10,701	**$ 38,994**	$ 39,475
DSA Corporate Services Inc. and DSA Filing Services Limited (together, known as "DSA") (ii)	**$ 6,316**	$ 12,397	**$ 12,006**	$ 25,930

(i) The Company owed Marrelli Support $2,377 as at March 31, 2020 (June 30, 2019 - owed $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 Managing Director 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) The Company owed DSA $6,705 as at March 31, 2020 (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)

17. 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 March 31, 2020 and 2019 was as follows:

	Three Months Ended March 31, 2020	**Three Months Ended March 31, 2019**	**Nine Months Ended March 31, 2020**	**Nine Months Ended March 31, 2019**
Stock-based compensation	**$ -**	$ -	**$ 177,869**	$ -
Salaries and benefits	**$ -**	$ 125,000	**$ 125,000**	$ 375,000

(c) Major shareholders:

As at March 31, 2020, 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.

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. 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.

18. Commitments and Contingency

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 and nine months ended March 31, 2020.

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.

<u>Contingency</u>

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)

19. Office Expenses

	Three Months Ended March 31, 2020	Three Months Ended March 31, 2019	Nine Months Ended March 31, 2020	Nine Months Ended March 31, 2019
Reporting issuer costs	**$ 34,064**	$ 17,035	**$ 67,736**	$ 47,391
Administrative	**135,108**	(1,936)	**148,527**	21,869
Insurance	**13,296**	10,468	**45,049**	26,485
Travel and accommodation	**10,012**	564	**11,160**	1,469
Meals and entertainment	**936**	1,267	**3,153**	1,708
Bank charges	**616**	570	**1,888**	1,978
Interest income	**5**	(1,533)	**(1,052)**	(4,664)
	$ 194,037	$ 26,435	**$ 276,461**	$ 96,236

20. Subsequent Events

(i) On April 9, 2020, the Company closed an additional 16,400,000 units ("Units") at a price of $0.05 per Unit for gross proceeds of $820,000 in connection with the closing of a second tranche of its brokered private placement financing (the "Offering"). Hampton Securities acted as sole lead agent (the "Agent") in connection with the Offering. Each Unit consists of one common share (each a “Share”) in the capital of the Company and one common share purchase warrant (each a “Warrant”). Each Warrant entitles the holder thereof to acquire one common share of the Company (each a “Warrant Share”) at a price of $0.07 per Warrant Share at any time until April 14, 2023. Pursuant to the Offering, Revive paid the Agent and its sub-agents an aggregate cash commission of $73,800 and issued the Agent and its sub-agents an aggregate of 1,476,000 non-transferable broker warrants (the “Broker Warrants”). Each Broker Warrant entitles the Agent and sub-agents to purchase one unit of the Company (each a “Compensation Unit”) at the price of $0.05 per Compensation Unit at any time until April 14, 2022. Each Compensation Unit is comprised of one common share in the capital of the Company and one common share purchase warrant (each a “Compensation Unit Warrant”). Each Compensation Unit Warrant shall entitle the holder thereof to purchase one common share in the capital of the Company (each a “Compensation Warrant Share”) at a price of $0.07 per Compensation Warrant Share at any time until April 14, 2023.

(ii) On April 20, 2020, the Company granted 850,000 stock options to a consultant of the Company with each option exercisable into one common share of the Company at a price of $0.125 per share until April 20, 2025.

(iii) Novel Coronavirus (“COVID-19”)

The Company’s operations could be significantly adversely affected by the effects of a widespread global outbreak of a contagious disease, including the recent outbreak of respiratory illness caused by COVID-19. The Company cannot accurately predict the impact COVID-19 will have on its operations and the ability of others to meet their obligations with the Company, including uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, and the length of travel and quarantine restrictions imposed by governments of affected countries. In addition, a significant outbreak of contagious diseases in the human population could result in a widespread health crisis that could adversely affect the economies and financial markets of many countries, resulting in an economic downturn that could further affect the Company’s operations and ability to finance its operations.

20. Subsequent Events (continued)

(iv) Subsequent to March 31, 2020, 3,462,734 warrants and broker warrants were exercised for gross proceeds of $519,410.

(v) Subsequent to March 31, 2020, 365,000 stock options were exercised for gross proceeds of $74,825.