
Revive Therapeutics Ltd.
Condensed Interim Consolidated Financial Statements
Three Months September 30, 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)

	September 30, 2020	June 30, 2020
ASSETS		
Current assets		
Cash and cash equivalents	\$ 3,396,852	\$ 1,381,483
HST receivable	45,034	100,790
Lease receivable (note 4)	80,414	76,763
Prepaid expenses	364,465	499,212
Investments (note 5)	112,500	100,000
Total current assets	3,999,265	2,158,248
Non-current assets		
Investments (note 5)	250,000	250,000
Equipment (note 7)	2,997	3,191
Lease receivable (note 4)	328,556	349,141
Intangible asset (note 6)	5,500,000	5,500,000
Total non-current assets	6,081,553	6,102,332
Total assets	\$ 10,080,818	\$ 8,260,580
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities (notes 8 and 17)	\$ 184,632	\$ 302,186
Lease liability (note 10)	73,827	70,014
Total current liabilities	258,459	372,200
Non-current liabilities		
Lease liability (note 10)	335,803	355,840
Statute barred liabilities (note 9)	78,715	63,511
Loan payable (note 11)	40,000	40,000
Total liabilities	712,977	831,551
Shareholders' equity		
Share capital (note 12)	22,929,136	19,126,095
Shares to be issued	3,500	-
Warrants and broker and finder warrants (notes 13 and 14)	628,427	1,403,051
Contributed surplus (note 15)	6,150,358	3,220,931
Accumulated deficit	(20,343,580)	(16,321,048)
Total shareholders' equity	9,367,841	7,429,029
Total liabilities and shareholders' equity	\$ 10,080,818	\$ 8,260,580

Nature of operations and going concern (note 1)

Commitments and contingency (note 18)

Subsequent event (note 20)

Approved on behalf of the Board:

"Michael Frank", Director

"Andrew Lindzon", 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,	2020	2019
Expenses		
Research costs	\$ 240,447	\$ 36,751
Salaries and benefits (note 17(b))	-	158,840
Stock-based compensation (notes 15 and 17(b))	2,975,205	6,800
Office expenses (note 19)	417,763	38,977
Consulting fees	373,009	1,820
Professional fees (note 17(a)(i)(ii))	28,009	36,559
Rent	-	12,278
Depreciation and amortization (notes 6 and 7)	194	8,168
Comprehensive loss before the below items:	\$ 4,034,627	\$ 300,193
Accretion of lease liability (note 10)	21,025	7,908
Finance income on sub-lease (note 4)	(20,620)	-
Unrealized gain on investments	(12,500)	-
Comprehensive loss for the period	\$ (4,022,532)	\$ (308,101)
Comprehensive loss per share - basic and diluted (note 16)	\$ (0.02)	\$ (0.00)
Weighted average common shares outstanding		
- basic and diluted	221,262,647	72,411,282

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,	2020	2019
Cash flow from operating activities		
Comprehensive loss for the period	\$ (4,022,532)	\$ (308,101)
Adjustments for:		
Depreciation and amortization	194	8,168
Stock-based compensation	2,975,205	6,800
Accretion of lease liability	21,025	7,908
Finance income on sub-lease	(20,620)	-
Unrealized loss on investments	(12,500)	-
Foreign exchange loss	15,509	-
Net change in non-cash working capital:		
HST receivables	55,756	(4,285)
Prepaid expenses	134,747	4,325
Accounts payable and accrued liabilities	(117,554)	90,421
Net cash and cash equivalents used in operating activities	(970,770)	(194,764)
Financing activities		
Proceeds from exercise of warrants and broker warrants	2,909,439	-
Proceeds from exercise of stock options	76,700	-
Lease payments	-	(12,416)
Net cash and cash equivalents provided by financing activities	2,986,139	(12,416)
Net change in cash and cash equivalents	2,015,369	(207,180)
Cash and cash equivalents, beginning of period	1,381,483	475,234
Cash and cash equivalents, end of period	\$ 3,396,852	\$ 268,054

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		Shares to be issued	broker and finder warrants	Warrants and Contributed surplus	Accumulated deficit	Total shareholders' equity
	Number of shares	Amount					
Balance, June 30, 2019	72,411,282	\$ 9,352,491	\$ -	\$ 430,370	\$ 2,117,282	\$ (10,939,361)	\$ 960,782
Stock-based compensation (note 15)	-	-	-	-	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
Balance, June 30, 2020	199,889,511	\$ 19,126,095	\$ -	\$ 1,403,051	\$ 3,220,931	\$ (16,321,048)	\$ 7,429,029
Common shares issued for exercise of warrants	33,812,176	3,380,849	3,500	(602,855)	-	-	2,781,494
Common shares issued for exercise of broker warrants	2,558,912	299,714	-	(171,769)	-	-	127,945
Common shares issued for exercise of stock options	530,000	122,478	-	-	(45,778)	-	76,700
Stock-based compensation (note 15)	-	-	-	-	2,975,205	-	2,975,205
Comprehensive loss for the period	-	-	-	-	-	(4,022,532)	(4,022,532)
Balance, September 30, 2020	236,790,599	\$ 22,929,136	\$ 3,500	\$ 628,427	\$ 6,150,358	\$ (20,343,580)	\$ 9,367,841

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

Revive Therapeutics Ltd.

Notes to Condensed Interim Consolidated Financial Statements

September 30, 2020

(Expressed in Canadian dollars)

(Unaudited)

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" and the Frankfurt Stock Exchange in Germany under the symbol "31R". Revive also trades in the United States under pink sheets as RVVTF. 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.

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 \$20,343,580 as at September 30, 2020 (June 30, 2020 - \$16,321,048). As at September 30, 2020, the Company had cash and cash equivalents of \$3,396,852 (June 30, 2020 - \$1,381,483) and a working capital of \$3,740,806 (June 30, 2020 - working capital of \$1,786,048). 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 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.

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 Novel Coronavirus ("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.

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, 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, 2020, 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, 2021 could result in restatement of these unaudited condensed interim consolidated financial statements.

Revive Therapeutics Ltd.

Notes to Condensed Interim Consolidated Financial Statements

September 30, 2020

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2. Significant Accounting Policies (continued)

Adoption of new accounting policies

(a) IFRS 3. In October 2018, the IASB issued amendments to IFRS 3 “Definition of a Business” The amendments clarify the definition of a business, with the objective of assisting entities to determine whether a transaction should be accounted for as a business combination or as an asset acquisition. The amendment provides an assessment framework to determine when a series of integrated activities is not a business. The Company adopted this standard effective July 1, 2020 and the adoption of this new standard does not have a material impact on these unaudited condensed interim consolidated financial statements.

(b) IAS 1 “Presentation of Financial Statements” and IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors” were amended in October 2018 to refine the definition of materiality and clarify its characteristics. The revised definition focuses on the idea that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements. The Company adopted this standard effective July 1, 2020 and the adoption of this new standard does not have a material impact on these unaudited condensed interim consolidated financial statements.

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, 2020 and June 30, 2020:

September 30, 2020	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	\$ 3,396,852	\$ -	\$ -	\$ 3,396,852
Investment	112,500	-	250,000	362,500

June 30, 2020	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	\$ 1,381,483	\$ -	\$ -	\$ 1,381,483
Investment	100,000	-	250,000	350,000

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3. Fair Value Measurements (continued)

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, 2020	Unrealized loss	Ending balance at September 30, 2020
September 30, 2020	\$ 250,000	\$ -	\$ 250,000

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:

September 30, 2020

Investment name	Valuation technique	Fair value	Unobservable inputs
Herman Holdings Limited ("HHL")	recent financing	\$ 250,000	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, 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 \$12,500, keeping all other variables constant.

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Notes to Condensed Interim Consolidated Financial Statements

September 30, 2020

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4. Lease receivable

Balance, July 1, 2020	\$ 425,904
Reduction of lease receivable in settlement of lease liability	(37,554)
Finance income	20,620
Balance, September 30, 2020	\$ 408,970
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Allocated as:	
Current	\$ 80,414
Long-term	328,556
	\$ 408,970

The underlying sub-lease agreement terminates on August 31, 2024.

5. Investments

Privately-held 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 year ended June 30, 2020, the Company recorded an unrealized loss of \$500,000 on investment in HHL common shares and during the three months ended September 30, 2020, the fair value of the investment remained unchanged at \$250,000.

Investment in a public company

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 valued at \$195,000 based on Revive's stock price on the date of issuance in consideration of 2,500,000 Red Light shares. During the year ended June 30, 2020, the Company sold 1,250,000 Red Light shares for proceeds of \$142,240 in the Company investment broker's account which were included in cash and cash equivalents on the consolidated statement of financial position as at June 30, 2020. During the three months ended September 30, 2020, the Company recorded an unrealized gain on investment of \$12,500 and the fair value of the investment was recorded at \$112,500 on the unaudited condensed interim consolidated statements of financial position as at September 30, 2020.

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Notes to Condensed Interim Consolidated Financial Statements

September 30, 2020

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6. Intangible Assets

Cost	Psilocin
Balance, June 30, 2020 and September 30, 2020	\$ 5,500,000

Carrying value	Psilocin
Balance, June 30, 2020 and September 30, 2020	\$ 5,500,000

Psilocin

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.

Revive Therapeutics Ltd.

Notes to Condensed Interim Consolidated Financial Statements

September 30, 2020

(Expressed in Canadian dollars)

(Unaudited)

6. Intangible Assets (continued)

Psilocin (continued)

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 costs of provisional patents and pending applications are not amortized until the patent is approved and are reviewed each reporting period to determine if it is likely that the patent will be successfully granted.

REV-002

During the three months ended September 30, 2020, the Company incurred \$26,151 (three months ended September 30, 2019 - \$21,627) in REV-002 research costs for consulting services of clinical trial design and research.

REV-004 and REV-005

During the three months ended September 30, 2020, the Company incurred \$60,043 (three months ended September 30, 2019 - \$8,153) research costs for REV - 004 and \$nil (three months ended September 30, 2019 - \$nil) research costs for REV-005.

CANNABINOIDS

During the three months ended September 30, 2020, the Company incurred \$nil (three months ended September 30, 2019 - \$6,580) research costs for cannabinoids.

BUCILLAMINE

Bucillamine is a disease-modifying anti-rheumatic drug, which is prescribed for rheumatoid arthritis in Japan and South Korea. The Company pursued the repurposing of bucillamine as a potential new treatment for gout and cystinuria. The Company entered into a material transfer agreement ("MTA") with the developer of bucillamine. The Company is exploring the use of Bucillamine as a potential novel treatment for infectious diseases including influenza and the coronavirus disease (COVID-19).

During the three months ended September 30, 2020, the Company incurred \$60,654 (three months ended September 30, 2019 - \$nil) research costs for Bucillamine.

PSILOCYBIN

During the three months ended September 30, 2020, the Company incurred \$15,000 (three months ended September 30, 2019 - \$nil) research costs for Psilocybin-based formulations.

Revive Therapeutics Ltd.

Notes to Condensed Interim Consolidated Financial Statements

September 30, 2020

(Expressed in Canadian dollars)

(Unaudited)

6. Intangible Assets (continued)

DRUG DELIVERY TECHNOLOGY

The Company is focused on commercializing novel delivery technologies to effectively deliver psychedelics and cannabinoids through the skin and/or directly into the affected area of the skin, otherwise known as topical delivery and also via the mouth, otherwise known as buccal delivery.

During the three months ended September 30, 2020, the Company incurred \$77,203 (three months ended September 30, 2019 - \$nil) research costs for drug delivery technology.

OTHER

During the three months ended September 30, 2020, the Company incurred \$1,396 (three months ended September 30, 2019 - \$391) general research costs not specifically allocated to any particular project.

7. Equipment

Cost	Computer Equipment	Office Equipment	Total
Balance, June 30, 2020 and September 30, 2020	\$ 7,171	\$ 7,737	\$ 14,908

Accumulated depreciation	Computer Equipment	Office Equipment	Total
Balance, June 30, 2020	\$ 5,809	\$ 5,908	\$ 11,717
Depreciation during the period	103	91	194
Balance, September 30, 2020	\$ 5,912	\$ 5,999	\$ 11,911

Carrying value	Computer Equipment	Office Equipment	Total
Balance, June 30, 2020	\$ 1,362	\$ 1,829	\$ 3,191
Balance, September 30, 2020	\$ 1,259	\$ 1,738	\$ 2,997

Revive Therapeutics Ltd.

Notes to Condensed Interim Consolidated Financial Statements

September 30, 2020

(Expressed in Canadian dollars)

(Unaudited)

8. 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, 2020	As at June 30, 2020
Accounts payable	\$ 94,502	\$ 210,025
Accrued liabilities	90,130	92,161
	\$ 184,632	\$ 302,186

	As at September 30, 2020	As at June 30, 2020
Less than 1 month	\$ 153,689	\$ 244,829
1 to 3 months	1,836	6,630
Greater than 3 months	29,107	50,727
	\$ 184,632	\$ 302,186

9. Statute Barred Liabilities

During the year ended June 30, 2020, the Company transferred \$63,511 of accounts payable (the "Statute-barred Claims") to non-current liabilities on the basis that any claims in respect of the Statute-barred Claims were statute barred under the Limitations Act (Ontario). The Statute-barred Claims relate to expenses billed by third-party vendors. Under IFRS, a financial liability can only be derecognized from the Company's Statement of Financial Position when it is extinguished, meaning only when the contract is discharged or canceled or expires. The effect of the Limitations Act is to prevent a creditor from enforcing an obligation, but it does not formally extinguish the financial liability under IFRS.

It is the position of management of the Company that the Statute-barred Claims cannot be enforced by the creditors, do not create any obligation for the Company to pay out any cash and do not affect the financial or working capital position of the Company. The Statute-barred Claims are required to be reflected on the Company's Statement of Financial Position as a result of the current interpretation of IFRS, but they are classified as non-current liabilities as the Company has no intention to pay these Statute-barred Claims and the creditors cannot enforce payment of the Statute-barred Claims.

As at September 30, 2020, the Company had statute-barred liabilities of \$78,715.

Revive Therapeutics Ltd.

Notes to Condensed Interim Consolidated Financial Statements

September 30, 2020

(Expressed in Canadian dollars)

(Unaudited)

10. Lease Liability

Balance, July 1, 2020	\$ 425,854
Accretion	21,025
Lease payments and settlement of lease receivable	(37,249)
Balance, June 30, 2020	\$ 409,630
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Allocated as:	
Current	\$ 73,827
Long-term	335,803
	\$ 409,630

The underlying lease agreement terminates on August 31, 2024.

11. Loan Payable

During the year ended June 30, 2020, the Company applied for the COVID-19 Relief Line of Credit as part of the Government-sponsored Canada Emergency Business Account (CEBA). The credit limit of \$40,000 has an interest rate of 0% until December 31, 2020. On January 1, 2021, the operating line of credit will be converted to a 2-year 0% interest term loan, to be repaid by December 31, 2022 of which \$10,000 of the loan will be forgiven if \$30,000 is repaid in full on or before December 31, 2022. If on December 31, 2022 the loan is not repaid, the Company can exercise the option for a 3- year term extension at an interest rate of 5% on the balance over the term extension period. The Company expects to pay the loan prior to December 31, 2022.

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 September 30, 2020, the issued share capital amounted to \$22,929,136 and there were nil shares held in escrow. Changes in issued share capital are as follows:

	Number of Common Shares	Amount
Balance, June 30, 2019 and September 30, 2019	72,411,282	\$ 9,352,491

Revive Therapeutics Ltd.

Notes to Condensed Interim Consolidated Financial Statements

September 30, 2020

(Expressed in Canadian dollars)

(Unaudited)

12. Share Capital (continued)

b) Common shares issued (continued)

	Number of Common Shares	Amount
Balance, June 30, 2020	199,889,511	\$ 19,126,095
Common shares issued for exercise of warrants	33,812,176	3,380,849
Common shares issued for exercise of broker warrants	2,558,912	299,714
Common shares issued for exercise of stock options	530,000	122,478
Balance, September 30, 2020	236,790,599	\$ 22,929,136

13. Warrants

The following table reflects the continuity of warrants for the periods ended September 30, 2020 and 2019:

	Number of Warrants	Weighted Average Exercise Price
Balance, June 30, 2019 and September 30, 2019	14,010,000	\$ 0.15
Balance, June 30, 2020	62,924,266	\$ 0.08
Exercised	(33,812,176)	0.08
Issued	2,558,912	0.07
Balance, September 30, 2020	31,671,002	\$ 0.08

The following table reflects warrants issued and outstanding as at September 30, 2020:

Expiry Date and Description	Exercise Price (\$)	Fair Value (\$)	Number of Warrants Outstanding
February 4, 2021	0.15	115,888	3,650,000
February 5, 2025	0.07	25,348	4,200,000
March 18, 2023	0.07	237,300	11,442,600
April 14, 2023	0.07	280,600	12,378,402
Transaction costs		(139,009)	
	0.08	520,127	31,671,002

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Notes to Condensed Interim Consolidated Financial Statements

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(Expressed in Canadian dollars)

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14. Broker and Finder Warrants

The following table reflects the continuity of broker and finder warrants for the periods ended September 30, 2020 and 2019:

	Number of Broker Warrants	Weighted Average Exercise Price
Balance, June 30, 2019 and September 30, 2019	42,000	\$ 0.15
Balance, June 30, 2020	4,494,150	\$ 0.05
Exercised	(2,558,912)	0.05
Balance, September 30, 2020	1,935,238	\$ 0.05

The following table reflects broker and finder warrants issued and outstanding as at September 30, 2020:

Expiry Date	Exercise Price (\$)	Fair Value (\$)	Number of Broker Warrants Outstanding
March 18, 2022	0.05	46,319	1,434,220
April 14, 2022	0.05	61,981	501,018
	0.05	108,300	1,935,238

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.

The following table reflects the continuity of stock options for the periods ended September 30, 2020 and 2019:

	Number of Stock Options	Weighted Average Exercise Price
Balance, June 30, 2019 and September 30, 2019	4,170,709	\$ 0.39
Balance, June 30, 2020	12,245,709	\$ 0.24
Granted (iii)(iv)(v)(vi)	10,300,000	0.34
Exercised	(530,000)	0.14
Balance, September 30, 2020	22,015,709	\$ 0.29

Revive Therapeutics Ltd.

Notes to Condensed Interim Consolidated Financial Statements

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(Expressed in Canadian dollars)

(Unaudited)

15. Stock Options (continued)

The following table reflects the actual stock options issued and outstanding as at September 30, 2020:

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	2.77	40,375	40,375	\$ 9,270
January 31, 2024	0.66	3.34	215,000	215,000	96,775
February 10, 2025	0.60	4.37	500,000	500,000	186,518
April 10, 2027	0.28	6.53	565,000	565,000	124,553
November 1, 2022	0.20	2.09	250,000	250,000	31,336
November 29, 2022	0.325	2.16	100,000	100,000	26,368
August 21, 2023	0.205	2.89	75,000	75,000	9,887
October 11, 2020 (i)	0.19	0.03	170,000	170,000	18,346
April 22, 2024	0.17	3.56	125,334	125,334	14,193
December 27, 2029	0.07	9.25	3,650,000	3,650,000	185,492
May 25, 2030 (ii)	0.33	9.65	5,175,000	2,587,500	1,662,282
April 20, 2025	0.125	4.56	850,000	850,000	94,214
August 6, 2025 (iii)	0.33	4.85	6,000,000	6,000,000	2,148,379
August 12, 2025 (iv)	0.36	4.87	2,500,000	1,250,000	727,961
August 12, 2025 (v)	0.35	4.87	1,500,000	500,000	437,007
August 24, 2025 (vi)	0.35	4.90	300,000	100,000	76,789
			22,015,709	16,978,209	\$ 5,849,370

(i) 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, 2020, \$nil (three months ended September 30, 2019 - \$6,800) was recorded as stock-based compensation in the unaudited condensed interim consolidated statements of comprehensive loss.

(ii) On May 25, 2020, the Company granted certain officers, directors, employees and consultants of the Company 5,175,000 stock options at an exercise price of \$0.33 per share expiring on May 25, 2030. The fair value of the stock options was estimated to be \$1,662,282 using the Black-Scholes valuation model on the following assumptions: dividend yield 0%; volatility 147.29%; risk-free interest rates of 0.36%; and expected life of 5 years. These options vest as to one half (1/2) of the options on the date of grant and one half (1/2) of the options on the date which is one (1) year from the date of grant. During the three months ended September 30, 2020, \$209,493 (three months ended September 30, 2019 - \$nil) was recorded as stock-based compensation in the unaudited condensed interim consolidated statements of comprehensive loss.

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(Expressed in Canadian dollars)

(Unaudited)

15. Stock Options (continued)

(iii) On August 6, 2020, the Company granted an officer of the Company 6,000,000 stock options at an exercise price of \$0.33 per share expiring on August 6, 2025. The fair value of the stock options was estimated to be \$2,148,379 using the Black-Scholes valuation model on the following assumptions: dividend yield 0%; volatility 155.17%; risk-free interest rates of 0.32%; and expected life of 5 years. These options vested immediately upon grant. During the three months ended September 30, 2020, \$2,148,379 (three months ended September 30, 2019 - \$nil) was recorded as stock-based compensation in the unaudited condensed interim consolidated statements of comprehensive loss.

(iv) On August 12, 2020, the Company granted a consultant of the Company 2,500,000 stock options at an exercise price of \$0.36 per share expiring on August 12, 2025. The fair value of the stock options was estimated to be \$727,961 using the Black-Scholes valuation model on the following assumptions: dividend yield 0%; volatility 155.24%; risk-free interest rates of 0.41%; and expected life of 5 years. These options vest as to one half (1/2) of the options on the date of grant and one half (1/2) of the options on the date which is one (1) year from the date of grant. During the three months ended September 30, 2020, \$412,843 (three months ended September 30, 2019 - \$nil) was recorded as stock-based compensation in the unaudited condensed interim consolidated statements of comprehensive loss.

(v) On August 12, 2020, the Company granted certain consultants of the Company 1,500,000 stock options at an exercise price of \$0.35 per share expiring on August 12, 2025. The fair value of the stock options was estimated to be \$437,007 using the Black-Scholes valuation model on the following assumptions: dividend yield 0%; volatility 155.24%; risk-free interest rates of 0.41%; and expected life of 5 years. These options vest as to one third (1/3) of the options on the date of grant and one third (1/3) of the options on the date which is one (1) year from the date of grant and one third (1/3) of the options on the date which is two (2) years from the date of grant. During the three months ended September 30, 2020, \$175,002 (three months ended September 30, 2019 - \$nil) was recorded as stock-based compensation in the unaudited condensed interim consolidated statements of comprehensive loss.

(vi) On August 24, 2020, the Company granted a consultant of the Company 300,000 stock options at an exercise price of \$0.35 per share expiring on August 24, 2025. The fair value of the stock options was estimated to be \$76,789 using the Black-Scholes valuation model on the following assumptions: dividend yield 0%; volatility 155.29%; risk-free interest rates of 0.38%; and expected life of 5 years. These options vest as to one third (1/3) of the options on the date of grant and one third (1/3) of the options on the date which is one (1) year from the date of grant and one third (1/3) of the options on the date which is two (2) years from the date of grant. During the three months ended September 30, 2020, \$29,488 (three months ended September 30, 2019 - \$nil) was recorded as stock-based compensation in the unaudited condensed interim consolidated statements of comprehensive loss.

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16. Net Loss per Common Share

The calculation of basic and diluted loss per share for the three months ended September 30, 2020 was based on the loss attributable to common shareholders of \$4,022,532 (three months ended September 30, 2019 - \$308,101) and the weighted average number of common shares outstanding of 221,262,647 (three months ended September 30, 2019 - 72,411,282).

Diluted loss per share did not include the effect of 31,671,002 warrants (three months ended September 30, 2019 - 14,010,000), 1,935,238 finder warrants (three months ended September 30, 2019 - 42,000) and 22,015,709 stock options (three months ended September 30, 2019 - 4,170,709) as they are anti-dilutive.

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 September 30,	2020	2019
Marrelli Support Services Inc. ("Marrelli Support") (i)	\$ 9,750	\$ 10,193
DSA Corporate Services Inc. and DSA Filing Services Limited (together, known as "DSA") (ii)	\$ 12,035	\$ 5,690

(i) The Company owed Marrelli Support \$2,349 as at September 30, 2020 (June 30, 2020 - owed \$2,352) 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.

Revive Therapeutics Ltd.

Notes to Condensed Interim Consolidated Financial Statements

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(Expressed in Canadian dollars)

(Unaudited)

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

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

(ii) The Company owed DSA \$3,814 as at September 30, 2020 (June 30, 2020 - \$4,603) 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.

(b) Remuneration of directors and key management personnel including Chief Executive Officer and Chief Financial Officer of the Company for the periods ended September 30, 2020 and 2019 was as follows:

<u>Year Ended June 30,</u>	<u>2020</u>	<u>2019</u>
Stock-based compensation	\$ 2,290,065	\$ -
Consulting fees	\$ 90,000	\$ -
Salaries and benefits - former President and CEO	\$ -	\$ 125,000

(c) Major shareholders:

As at September 30, 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

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. The arrangement with South Carolina Research Foundation specifies minimum annual royalty payments as follows: due on or before January 1, 2021 - USD \$7,500; due on or before January 1, 2022 and each anniversary thereafter - USD \$10,000.

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.

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Notes to Condensed Interim Consolidated Financial Statements

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(Unaudited)

19. Office Expenses

Three Months Ended September 30,	2020	2019
Reporting issuer costs	\$ 27,223	\$ 18,190
Marketing and promotion	269,660	-
Administrative	109,367	4,626
Insurance	9,366	15,343
Travel and accommodation	-	378
Meals and entertainment	405	885
Bank charges	1,742	556
Interest income	-	(1,001)
	\$ 417,763	\$ 38,977

20. Subsequent Event

Subsequent to September 30, 2020, 3,399,122 warrants were exercised for gross proceeds of \$237,939, 444,920 broker warrants were exercised for gross proceeds of \$22,246 and 170,000 stock options were exercised for gross proceeds of \$32,300.