Revive Therapeutics Ltd.
Consolidated Financial Statements
Years Ended June 30, 2023 and 2022
(Expressed in Canadian Dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Revive Therapeutics Ltd.

Report on the Audit of the Consolidated Financial Statements

Opinion
We have audited the consolidated financial statements of Revive Therapeutics Ltd. (the Company), which comprise the consolidated statements of financial position as at June 30, 2023 and 2022 and the consolidated statements of loss and comprehensive loss, consolidated statements of changes in equity and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as at June 30, 2023 and 2022 and its financial performance and its cash flows for the years then ended, in accordance with International Financial Reporting Standards.

Basis for Opinion
We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Relating to Going Concern
We draw your attention to Note 1 in the consolidated financial statements, which indicates the Company incurred a comprehensive loss of $6,320,900 during the year ended June 30, 2023. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters
Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements for the year ended June 30, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the Emphasis of Matter - *Material Uncertainty Related to Going Concern* section of our report, we have determined the matter described below to be the key audit matter to be communicated in our report.

Intangible Asset Impairment Testing

Description of the matter

As described in Note 9 to the consolidated financial statements, the Company's intangible assets comprise in process research and development (IPR&D) relating to provisional and pending patents for psilocybin-based formulations and production methods.

In accordance with IAS 36, *Impairment of Assets*, management is required to test intangible assets not yet available for use for impairment annually, or when facts and circumstances suggest they may be impaired. An impairment is recognized if the carrying amount of an asset, or its CGU, exceeds its estimated recoverable amount. The recoverable amount of an asset is the greater of its value-in-use and its fair value less costs of disposal. Management concluded an impairment charge was required as a result of the impairment testing performed. The Company recorded an impairment of intangible assets of $777,000 as of June 30, 2023.

Why the matter is a key audit matter

This matter represented an area of significant risk of material misstatement given the magnitude of the fair value of the intangible assets and the high degree of estimation uncertainty in determining the recoverable amount. In addition, significant auditor judgement, knowledge and effort were required. Lastly, the involvement of those with specialized skills and knowledge were required in evaluating the results of our audit procedures.

How the matter was addressed in the audit

The following were the primary procedures we performed to address this key audit matter.

- We involved our internal valuation professionals with specialized skills and knowledge who assisted in evaluating the reasonableness of management's impairment analysis; notably the valuation technique as a market calibration approach and review of the change in market value of similar companies;
- We validated the underlying data used in the recoverable amount calculations and tested the mathematical accuracy;
- Evaluated reasonableness of judgments made in management's impairment assessment; including internal and external qualitative factors impacting on the recoverable amount of the IPR&D;
- We assessed the appropriateness and completeness of the related disclosures in the consolidated financial statements.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the annual management's discussion and analysis, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements
Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

CLEARHOUSE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because of the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Pat Kenney.

Clearhouse LLP

Chartered Professional Accountants
Licensed Public Accountants

Mississauga, Ontario
October 26, 2023

Revive Therapeutics Ltd.
Consolidated Statements of Financial Position
(Expressed in Canadian dollars)

As at	June 30, 2023	June 30, 2022
ASSETS		
Current assets		
Cash and cash equivalents	**$ 2,087,362**	$ 3,915,527
Restricted cash (note 6)	**50,000**	-
HST receivable	**18,749**	78,484
Lease receivable (note 7)	**138,307**	112,625
Prepaid expenses	**57,672**	57,386
Total current assets	**2,352,090**	4,164,022
Non-current assets		
Investments (note 8)	**162,500**	250,000
Equipment (note 10)	**1,404**	1,838
Lease receivable (note 7)	**12,711**	149,437
Intangible assets (note 9)	**11,723,000**	12,500,000
Total non-current assets	**11,899,615**	12,901,275
Total assets	**$ 14,251,705**	$ 17,065,297
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities (notes 11 and 21)	**$ 3,301,134**	$ 4,058,196
Lease liability (note 13)	**134,480**	108,041
Total current liabilities	**3,435,614**	4,166,237
Non-current liabilities		
Lease liability (note 13)	**25,214**	159,692
Statute barred liabilities (note 12)	**78,264**	76,652
Loan payable (note 14)	**60,000**	60,000
Total liabilities	**3,599,092**	4,462,581
Shareholders' equity		
Share capital (note 15)	**45,979,756**	43,112,924
Shares to be issued	**-**	147,000
Warrants and broker and finder warrants (notes 16 and 17)	**12,584,216**	11,194,084
Contributed surplus (note 18)	**12,656,318**	12,395,485
Accumulated deficit	**(60,567,677)**	(54,246,777)
Total shareholders' equity	**10,652,613**	12,602,716
Total liabilities and shareholders' equity	**$ 14,251,705**	$ 17,065,297

Nature of operations and going concern (note 1)
Subsequent event (note 23)

Approved on behalf of the Board:

"Michael Frank", Director

"Andrew Lindzon", Director

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

Revive Therapeutics Ltd.
Consolidated Statements of Comprehensive Loss
(Expressed in Canadian dollars)

Years ended June 30,	2023	2022
Expenses		
Research costs (notes 9 and 21)	**$ 3,583,225**	$ 15,155,893
Stock-based compensation (notes 18 and 21(b))	**-**	1,037,561
Office expenses (note 22)	**617,718**	346,091
Consulting fees (note 21)	**918,436**	978,484
Professional fees (note 21(a)(i)(ii))	**405,375**	321,359
Depreciation and amortization (notes 9 and 10)	**434**	578
Comprehensive loss before the below items:	**$ 5,525,188**	$ 17,839,966
Accretion of lease liability (note 13)	**43,997**	63,423
Interest income	**(71,793)**	(62,196)
Finance income on sub-lease (note 7)	**(40,992)**	(60,967)
Loss from settlement of debt with shares (note 15b)(vi))	**-**	26,701
Unrealized loss of investments (note 8)	**87,500**	-
Impairment of intangible assets (note 9)	**777,000**	-
Comprehensive loss for the year	**$ (6,320,900)**	$ (17,806,927)
Comprehensive loss per share - basic and diluted (note 19)	**$ (0.02)**	$ (0.06)
Weighted average common shares outstanding - basic and diluted	**339,370,635**	319,763,966

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

Revive Therapeutics Ltd.
Consolidated Statements of Cash Flows
(Expressed in Canadian dollars)

Years Ended June 30,	2023	2022
Cash flow from operating activities		
Comprehensive loss for the year	**$ (6,320,900)**	$ (17,806,927)
Adjustments for:		
Depreciation and amortization	**434**	578
Stock-based compensation	**-**	1,037,561
Settlement of trade debt through issuance of shares	**173,240**	135,957
Loss on shares for debt settlement	**-**	26,701
Accretion of lease liability	**43,997**	63,423
Impairment of intangible assets	**777,000**	-
Finance income on sub-lease	**(40,992)**	(60,967)
Unealized loss of investments	**87,500**	-
Foreign exchange loss	**1,612**	2,240
Net change in non-cash working capital:		
HST receivable	**59,735**	(45,203)
Prepaid expenses	**(286)**	10,827
Restricted cash	**(50,000)**	-
Accounts payable and accrued liabilities	**(757,062)**	3,575,320
Net cash and cash equivalents used in operating activities	**(6,025,722)**	(13,060,490)
Financing activities		
Proceeds from exercise of warrants, broker warrants and stock options	**291,200**	229,152
Proceeds from private placement, net of costs	**3,906,357**	-
Proceeds from shares to be issued	**-**	147,000
Lease payments	**(152,036)**	(151,530)
Proceeds from sublease	**152,036**	151,732
Net cash and cash equivalents provided by financing activities	**4,197,557**	376,354
Net change in cash and cash equivalents	**(1,828,165)**	(12,684,136)
Cash and cash equivalents, beginning of year	**3,915,527**	16,599,663
Cash and cash equivalents, end of year	**$ 2,087,362**	$ 3,915,527

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

Revive Therapeutics Ltd.
Consolidated Statements of Changes in Shareholders' Equity
(Expressed in Canadian dollars)

	Share capital						
	Number of shares	**Amount**	**Shares to be issued**	**Warrants and broker and finder warrants**	**Contributed surplus**	**Accumulated deficit**	**Total shareholders' equity**
Balance, June 30, 2021	**317,958,751**	**$ 42,430,389**	**$ -**	**$ 11,425,193**	**$ 11,390,991**	**$ (36,439,850)**	**$ 28,806,723**
Common shares issued for exercise of warrants	2,434,600	390,725	-	(220,303)	-	-	170,422
Common shares issued for exercise of broker warrants	334,600	27,536	-	(10,806)	-	-	16,730
Shares to be issued from exercise of warrants	-	-	147,000	-	-	-	147,000
Common shares issued for exercise of stock options	150,000	75,067	-	-	(33,067)	-	42,000
Common shares issued for settlement of debt	546,060	189,207	-	-	-	-	189,207
Stock-based compensation (note 18)	-	-	-	-	1,037,561	-	1,037,561
Net loss for the year	-	-	-	-	-	(17,806,927)	(17,806,927)
Balance, June 30, 2022	**321,424,011**	**43,112,924**	**147,000**	**11,194,084**	**12,395,485**	**(54,246,777)**	**12,602,716**
Common shares issued in private placement	28,676,064	4,301,410	-	-	-	-	4,301,410
Transaction costs in private placement	-	(395,053)	-	-	-	-	(395,053)
Valuation of warrants issued in private placement	-	(1,602,858)	-	1,602,858	-	-	-
Valuation of broker warrants issued in private placement	-	(263,498)	-	263,498	-	-	-
Common shares issued for exercise of warrants	6,260,000	653,591	(147,000)	(215,391)	-	-	291,200
Expiry of warrants	-	-	-	(260,833)	260,833	-	-
Common shares issued for settlement of debt	1,286,766	173,240	-	-	-	-	173,240
Net loss for the year	-	-	-	-	-	(6,320,900)	(6,320,900)
Balance, June 30, 2023	**357,646,841**	**$ 45,979,756**	**$ -**	**$ 12,584,216**	**$ 12,656,318**	**$ (60,567,677)**	**$ 10,652,613**

The accompanying notes to the 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" 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 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 $60,567,677 as at June 30, 2023 (June 30, 2022 - $54,246,777). As at June 30, 2023, the Company had cash and cash equivalents of $2,087,362 (June 30, 2022 - $3,915,527) and a working capital deficiency of $1,083,524 (June 30, 2022 - working capital deficiency of $2,215). 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. The Company anticipates that it will have sufficient cash on hand to service the liabilities and fund operating costs for the period ending twelve months from these financial statements. The Company believes that, based on its cash flow forecasts, expected opportunities in the marketplace and the ability to reduce expenditures, if required, it could continue as a going concern for the foreseeable future. To achieve that, the Company will need to arrange future financing that will largely depend upon prevailing capital market conditions and the continued support of their shareholder base. Management will need to continue assessing its financing options to raise the funds required to continue its growth plans. However, there can be no assurance that management’s fund-raising plans will be successful. As a result, these factors indicate the existence of a material uncertainty that may cast significant doubt upon the Company’s ability to continue as a going concern.

These consolidated financial statements were authorized for issuance by the Board on October 26, 2023.

2. Significant Accounting Policies

Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the IFRS Interpretations Committee ("IFRIC"), effective for the Company's reporting for the year ended June 30, 2022.

Basis of measurement

These consolidated financial statements are stated in Canadian dollars and were prepared on a historical cost basis except for certain items which may be accounted for at fair value as further discussed in the subsequent notes, using the significant accounting policies and measurement basis summarized below.

Functional and presentation currency

These consolidated financial statements are presented in Canadian dollars which is the Company's functional and presentation currency.

Transactions in currencies other than the functional currency are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the period end exchange rates are recognized in the consolidated statements of comprehensive loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Basis of consolidation

Subsidiaries are entities controlled by the Company. Control exists when the Company has power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, Revive Therapeutics Inc. and Psilocin Pharma Corp. The financial statements of the Company's wholly owned subsidiaries, Revive Therapeutics Inc. and Psilocin Pharma Corp., are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Investments in subsidiaries are carried at their cost of acquisition in the Company's financial statements. The financial statements of subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies.

All inter-company balances and transactions between entities in the Company, including any unrealized profits or losses, have been eliminated on consolidation.

Cash and cash equivalents

Cash and cash equivalents in the consolidated statements of financial position comprise cash at banks and with investment broker. The Company's cash is invested with major financial institutions in business accounts that are available on demand by the Company for its operations.

Financial instruments

IFRS 9 - Financial Instruments ("IFRS 9") includes guidance on the classification, recognition and measurement, impairment, derecognition and general hedge accounting of financial assets and labilities.

2. Significant Accounting Policies (continued)

Financial instruments (continued)

Financial assets within the scope of IFRS 9 are classified in the following measurement categories: amortized cost, fair value through profit and loss ("FVTPL") or fair value through other comprehensive income ("FVTOCI") based on the business model in which they are held and the characteristics of their contractual cash flows. Financial liabilities are classified in the following measurement categories: FVTPL, or amortized cost.

All financial instruments are initially recognized at fair value on the consolidated statement of financial position. Subsequent measurement of financial instruments is based on their classification. Financial assets and liabilities classified at FVTPL are measured at fair value with changes in those fair values recognized in the consolidated statement of loss and comprehensive loss for the period. Financial assets classified at amortized cost and financial liabilities are measured at amortized cost using the effective interest method.

Financial assets

All financial assets are recognized initially at fair value plus, in the case of investments not at FVTPL, directly attributable transaction costs on the trade date at which the Company becomes a party to the contractual provisions of the instruments.

Where fair values of financial assets recorded on the consolidated statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques. The inputs to these models are derived from observable market data where possible, but where observable market data are not available, judgement is required to establish fair values.

Financial assets are classified as either financial assets at FVTPL, amortized cost, or FVTOCI. The Company determines the classification of its financial assets at initial recognition.

i. Financial assets recorded at FVTPL

Financial assets are classified as FVTPL if they do not meet the criteria ofamortized cost or FVTOCI. Gains or losses on these items are recognized in profit or loss. The Company’s cash and cash equivalent and investments are classified as financial asset measurred at FVTPL.

ii. Amortized cost

Financial assets are classified as measured at amortized cost if both of the following criteria are met and the financial assets are not designated as at FVTPL: 1) the object of the Company’s business model for these financial assets is to collect their contractual cash flows; and 2) the asset’s contractual cash flows represent "solely payments of principal and interest". They are carried at amortized cost less any provision for impairment. Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default.

The Company's lease receivable is classified as a financial asset measured at amortized cost.

iii. Financial assets recorded at FVTOCI

Financial assets are recorded at FVTOCI when the change in fair value is attributable to changes in the Company’s credit risk. The Company has no financial assets classified or measured at FVTOCI.

2. Significant Accounting Policies (continued)

Financial instruments (continued)

Impairment of financial assets

The impairment model under IFRS 9 is applicable to financial assets measured at amortized cost where any expected future credit losses are provided for, irrespective of whether a loss event has occurred as at the reporting date. the Company's only financial assets subject to impairment are amounts received which are measured at amortized costs. The Company has elected to apply the simplified approach on impairment as permitted by IFRS 9, which requires the expected lifetime loss to be recognized at the time of initial recognition of the receivable. An impairment loss is reversed in subsequent periods if the amount of the expected loss decreases and the decrease can be objectively related to an event occurring after the initial impairment was recognized. The Company has measured the lifetime expected credit losses taking into consideration historical credit loss experience and financial factors specific to debtors and other relevant factors.

Financial liabilities

Non-derivative financial liabilities are measured at amortized cost, unless theyare required to be measured at FVTPL as it is in the case for held for trading or derivative instruments, or the Company has opted to measure the financial liability at FVTPL.

All financial liabilities are recognized initially at fair value and in the case of loans and borrowings, net of directly attributable transaction costs.

Financial liabilities are classified as either financial liabilities at FVTPL or at amortized cost.The Company determines the classification of its financial liabilities at initial recognition.

i. Amortized cost

Financial liabilities are classified as measured at amortized cost unless they fall into one of the following categories: financial liabilities at FVTPL, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition, financial guarantee contracts, commitments to provide a loan at a below-market interest rate, or contingent consideration recognized by an acquirer in a business combination.

The Company's accounts payable and accrued liabilities, lease liability, statute barred liabilities and loan payable are classified as measured at amortized cost.

ii. Financial liabilities recorded FVTPL

Financial liabilities are classified as FVTPL if they do not fall into amortized cost detailed above.

Transaction costs

Transaction costs associated with financial instruments, carried at FVTPL, are expensed as incurred, while transaction costs associated with all other financial instruments are included in the initial carrying amount of the asset or the liability.

2. Significant Accounting Policies (continued)

Financial instruments (continued)

Subsequent measurement

Instruments classified as FVTPL are measured at fair value with unrealized gains and losses recognized in the consolidated statement of loss and comprehensive loss. Instruments classified as amortized cost are measured at amortized cost using the effective interest rate method. Instruments classified as FVTOCI are measured at fair value with unrealized gains and losses recognized in other comprehensive income.

Derecognition

Financial assets – The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset have expired or when contractual rights to the cashflows have been transferred. Gains and losses from the derecognition are recognized in the statements of loss and comprehensive loss.

Financial liabilities – The Company derecognizes a financial liability when the obligation specified in the contract is discharged, canceled or expired. The difference between the carrying amount of the derecognized financialliability and the consideration paid or payable, including noncash assets transferred, or liabilities assumed, is recognized in the statements of loss and comprehensive loss.

Privately-held investments

All privately-held investments (other than options and warrants) are initially recorded at the transaction price, being the fair value at the time of acquisition. Thereafter, at each reporting period, the fair value of an investment may (depending upon the circumstances) be adjusted using one or more of the valuation indicators described below. These are included in Level 3 in Note 4. Options and warrants of private companies are valued using a an option pricing model when there are sufficient and reliable observable market inputs; if no such market inputs are available, the warrants and options are valued using alternative methods representing fair value.

The determinations of fair value of the Company's privately-held investments are subject to certain limitations. Financial information for private companies in which the Company has investments may not be available and, even if available, that information may be limited and/or unreliable.

Use of the valuation approach described below may involve uncertainties and determinations based on the Company's judgment and any value estimated from these techniques may not be realized or realizable.

Company-specific information is considered when determining whether the fair value of a privately-held investment should be adjusted upward or downward at the end of each reporting period. In addition to company-specific information, the Company will take into account trends in general market conditions and the share performance of comparable publicly-traded companies when valuing privately-held investments.

The absence of the occurrence of any of these events, any significant change in trends in general market conditions, or any significant change in share performance of comparable publicly-traded companies may indicate generally that the fair value of the investment has not materially changed. The fair value of a privately-held investment requires adjustment if:

a. there has been a significant subsequent equity financing provided by outside investors at a valuation different than the current value of the investee company, in which case the fair value of the investment is set to the value at which that financing took place;

2. Significant Accounting Policies (continued)

Privately-held investments (continued)

b. there have been significant corporate, political or operating events affecting the investee company that, in management's opinion, have a material impact on the investee company's prospects and therefore its fair value. In these circumstances, the adjustment to the fair value of the investment will be based on management's judgment and any value estimated may not be realized or realizable;

c. the investee company is placed into receivership or bankruptcy;

d. based on financial information received from the investee company, it is apparent to the Company that the investee company is unlikely to be able to continue as a going concern; and

e. important positive/negative management changes by the investee company that the Company's management believes will have a very positive/negative impact on the investee company's ability to achieve its objectives and build value for shareholders.

Adjustments to the fair value of a privately-held investment will be based upon management's judgment and any value estimated may not be realized or realizable. The resulting values for non-publicly traded investments may differ from values that would be realized if a ready market existed.

Equipment and intangible assets

Equipment and intangible assets are carried at cost, less accumulated depreciation and amortization and accumulated impairment losses.

The cost of an item of equipment and intangible assets consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use, borrowing costs directly associated with the item and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Depreciation and amortization are recognized based on the cost of an item of equipment and intangible assets, less its estimated residual value, over its estimated useful life at the following rates:

Detail	Rate	Method
Equipment	20% - 30%	Declining balance
Intangible assets	5 - 20 years	Straight-line

The Company does not start amortization for intangible assets with patent pending as they are not available for intended use.

An asset's residual value, useful life and depreciation method are reviewed, and adjusted if appropriate, on an annual basis.

An item of equipment and intangible assets is de-recognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in profit or loss in the statements of comprehensive loss.

Where an item of equipment and intangible assets consists of major components with different useful lives, the components are accounted for as separate items of equipment and intangible assets. Expenditures incurred to replace a component of an item of equipment and intangible assets that is accounted for separately, including major inspection and overhaul expenditures, are capitalized.

2. Significant Accounting Policies (continued)

Research and development

Expenditures during the research phase are expensed as incurred. Expenditures during the development phase are capitalized as internally generated intangible assets if the Company can demonstrate each of the following criteria:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- its intention to complete the intangible assets and use or sell it;
- how the asset will generate future economic benefits;
- the availability of resources to complete the asset; and
- the ability to measure reliably the expenditure during development.

Impairment of non-financial assets

Non-financial assets are reviewed for impairment if there is any indication that the carrying amount may not be recoverable. If any such indication is present, the recoverable amount of the asset is estimated in order to determine whether impairment exists. Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Any intangible asset with an indefinite useful life is tested for impairment annually and whenever there is an indication that the asset may be impaired. Finite life intangible assets not yet available for use are tested annually for impairment.

An asset's recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value, using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or cash generating unit is estimated to be less than its carrying amount, the carrying amount is reduced to the recoverable amount. An impairment loss is recognized immediately in profit or loss. Where an impairment subsequently reverses, the carrying amount is increased to the revised estimate of recoverable amount, but only to the extent that this does not exceed the carrying value that would have been determined if no impairment had previously been recognized. A reversal is recognized in profit or loss for the period.

Provisions

A provision is recognized in the statements of financial position when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and the amount can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract.

2. Significant Accounting Policies (continued)

Stock-based compensation

The fair value of stock options granted to employees is recognized as an expense with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee, including directors of the Company. The fair value is measured at the grant date and recognized over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. At the end of each reporting period, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest.

Warrant reserve

The fair value of warrants is determined upon their issuance either as part of unit private placements or in settlement of share issuance costs and finder's fees, using the Black-Scholes model. All such warrants are classified in a warrant reserve within equity. If the warrants are converted, the value attributable to the warrants is transferred to common share capital. Upon expiry, the amounts recorded for expired warrants is transferred to equity from the warrant reserve. Shares are issued from treasury upon the exercise of share purchase warrants.

Income taxes

Income tax expense consists of current and deferred tax expenses. Current and deferred tax are recognized in profit or loss except to the extent that it relates to items recognized directly in equity or other comprehensive income.

Current tax is recognized and measured at the amount expected to be recovered from or payment to the taxation authorities based on the income tax rates enacted or substantively enacted at the end of the reporting period and includes any adjustment to taxes payable in respect of previous years.

Deferred tax is recognized on any temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable earnings. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized and the liability is settled. The effect of a change in the enacted or substantively enacted tax rates is recognized in net earnings and comprehensive income or in equity depending on the item to which the adjustment relates.

Deferred tax assets are recognized to the extent future recovery is probable. At each reporting period end, deferred tax assets are reduced to the extent that it is no longer probable that sufficient taxable earnings will be available to allow all or part of the assets to be recovered.

Loss per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all dilutive potential common shares.

2. Significant Accounting Policies (continued)

Significant accounting judgments, estimates and assumptions

The application of the Company's accounting policies in compliance with IFRS requires the Company's management to make certain judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. These estimates, judgments and assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the financial position reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

i. The recoverability and useful lives of intangible assets which are included in the consolidated statements of financial position. Management's assessment of whether indicator of impairment are present requires judgment based on facts and circumstances as reporting period ends. There is a material degree of judgment with respect to the estimates of the recoverable amounts of the CGU, given the necessity of making key economic assumptions about the future.

ii. The capitalization of costs for internally generated intangible assets is subject to judgment including the technical feasibility, timeframe to commercialization, assessment of availability of resources to complete the project, and if economic benefits will be generated from its use.

iii. The Company measures the cost of stock-based payment transactions with employees and directors by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for stock-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining and making assumptions about the most appropriate inputs to the valuation model including the expected life, volatility, dividend yield of the share option and forfeiture rate.

iv. Estimating fair value for warrants and broker and finder warrants requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining and making assumptions about the most appropriate inputs to the valuation model including the expected life, volatility, dividend yield of the share option and forfeiture rate.

v. Management decision that no provision is needed represents management estimates and the eventual resolution of the liability may differ based on additional information and the occurrence of future events.

vi. Fair value of investment. The fair value of investment recorded on the consolidated statements of financial position cannot be derived from active markets and is determined using a valuation model, the inputs to which are derived from observable market data where possible, but where observable market data are not available, judgment is required to establish the fair value. Refer to note 4 for details.

vii. These consolidated financial statements have been prepared in accordance with IFRS on a going concern basis, which assumes the realization of assets and discharge of liabilities in the normal course of business within the foreseeable future. Management uses judgment in determining assumptions for cash flow projections, such as anticipated financing, anticipated sales and future commitments to assess the Company's ability to continue as a going concern. A critical judgment is that the Company continues to raise funds going forward and satisfy their obligations as they become due.

2. Significant Accounting Policies (continued)

Significant accounting judgments and estimates (continued)

viii. In determining the functional currency of the parent and its subsidiary, the Company considers the currency that mainly influences sales and the cost of providing goods and services in each jurisdiction in each the Company operates. The Company also considered secondary indicators including the currency in which funds from financing activities are denominated, the currency in which funds are retained and whether the activities of the subsidiaries are carried out as an extension of the Company or if they are carried out with a degree of autonomy.

iv. Income taxes: Deferred tax assets, including those arising from unutilized tax losses, require management to assess the likelihood that the Company will generate future taxable income in future years in order to utilize any deferred tax asset which has been recognized. Estimates of future taxable income are based on forecasted cash flows. At the current statement of financial position date, no deferred tax assets have been recognized in these annual financial statements.

v. Research and development costs: judgment is required to distinguish the research phase and the development phase to correctly identify costs that qualify for capitalization

Share capital

Common shares are classified as equity. Incremental costs directly attributable to the issue of new shares or warrants are shown in equity as a deduction, net of tax, from the proceeds.

Lease

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

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

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

2. Significant Accounting Policies (continued)

Lease (continued)

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.

Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties, which may be individuals or corporate entities, are also considered to be related if they are subject to common control or common significant influence. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties. Related party transactions that are in the normal course of business and have commercial substance are measured at the exchange amount.

New interpretations issued but not yet effective

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods on or after July 1, 2022 or later periods. Many are not applicable or do not have a significant impact to the Company and have been excluded. The following has not yet been adopted and is being evaluated to determine their impact on the Company.

IFRS 10 – Consolidated Financial Statements ("IFRS 10") and IAS 28 – Investments in Associates and Joint Ventures("IAS 28") were amended in September 2014 to address a conflict between the requirements of IAS 28 and IFRS 10 and clarify that in a transaction involving an associate or joint venture, the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business. The effective date of these amendments is yet to be determined, however early adoption is permitted.

3. Capital Management

The Company manages its capital with the following objectives:

- to ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities, and pursuit of accretive acquisitions; and
- to maximize shareholder return through enhancing the share value.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by management and the Board of Directors on an ongoing basis. The Company considers its capital to be equity comprising share capital, warrants, broker and finder warrants, contributed surplus and accumulated deficit which at June 30, 2023 totalled $10,652,613 (June 30, 2022 - $12,602,716). The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. Selected information is provided to the Board of Directors of the Corporation. The Company's capital management objectives, policies and processes have remained unchanged during the year ended June 30, 2023.

4. Financial Risk Factors

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate and foreign currency risk).

Risk management is carried out by the Company's management team with guidance from the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

There were no changes to the Company's objectives, policies and procedures for managing risks during the year.

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash. Cash is held with select major Canadian chartered banks, from which management believes the risk of loss to be minimal.

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or related to matters specific to the Company. The Company generates cash flow primarily from its financing activities. As at June 30, 2023, the Company had a cash and cash equivalents balance of $2,087,362 (June 30, 2022 - $3,915,527) to settle current liabilities of $3,435,614 (June 30, 2022 - $4,166,237) (note 11). The Company regularly evaluates its cash position to ensure preservation and security of capital as well as maintenance of liquidity.

Market risk

(a) Interest rate risk

The Company has cash balances. The Company's current policy is to invest excess cash held as collateral in guaranteed investment certificates or interest bearing accounts of select major Canadian chartered banks. The Company regularly monitors its cash activities in compliance with its cash management policy.

The Company is exposed to the risk that the value of financial instruments will change due to movements in market interest rates. As of June 30, 2023, the Company's interest rate risk mainly relates to cash balances. Sensitivity to a plus or minus 1% change in interest rates would affect the reported comprehensive loss by approximately $20,000 (June 30, 2022 - $40,000).

(b) Foreign currency risk

The Company's functional and reporting currency is the Canadian dollar. As of June 30, 2023, sensitivity to a plus or minus 10% change in US dollar foreign exchange rate would affect the reported comprehensive loss by approximately $200,000 (June 30, 2022 - $320,000).

(Expressed in Canadian dollars)

5. 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 June 30, 2023 and June 30, 2022:

June 30, 2023	**Level 1**	**Level 2**	**Level 3**	**Total**
Cash and cash equivalents	$ 2,087,362	$ -	$ -	$ 2,087,362
Restricted cash	50,000	-	-	50,000
Investments	-	-	162,500	162,500

June 30, 2022	**Level 1**	**Level 2**	**Level 3**	**Total**
Cash and cash equivalents	$ 3,915,527	$ -	$ -	$ 3,915,527
Investments	-	-	250,000	250,000

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, 2022**	**Unrealized loss**	**Ending balance at June 30, 2023**
Herman Holdings Limited ("HHL")	$ 250,000	$ (87,500)	$ 162,500

Investment at fair value	**Opening balance at July 1, 2021**	**Unrealized loss**	**Ending balance at June 30, 2022**
HHL	$ 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 common shares for debt settlement transaction 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:

(Expressed in Canadian dollars)

5. Fair Value Measurements (continued)

Level 3 hierarchy (continued):

June 30, 2023

Investment name	Valuation technique		Fair value	Unobservable inputs
HHL	shares for debt settlement transaction	$	**162,500**	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 June 30, 2023, a change in the transaction price of 5% would result in an increase/decrease in the fair value estimate of the investment of approximately $8,000, keeping all other variables constant.

6. Restricted cash

The Company has a corporate credit card with a major financial institution with an aggregate credit limit of $50,000. As at June 30, 2023, the financial institution holds $50,000 in a Guaranteed Investment Certificates (June 30, 2022 - $nil) as collateral on the credit card amount as long as the credit card is active. The restricted cash amount would change if there was any change in the credit limit on the card.

7. Lease receivable

Balance, June 30, 2021	**$**	**352,827**
Reduction of lease receivable in settlement of lease liability		(151,732)
Finance income		60,967
Balance, June 30, 2022		**262,062**
Reduction of lease receivable in settlement of lease liability		(152,036)
Finance income		40,992
Balance, June 30, 2023	**$**	**151,018**

Allocated as:		
Current	$	138,307
Non-current		12,711
	$	**151,018**

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

(Expressed in Canadian dollars)

8. 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 year ended June 30, 2023, the Company recorded an unrealized loss of $87,500 on investment in HHL common shares and the fair value of the investment was $162,500 as at June 30, 2023.

9. Intangible Assets

Cost	**Psilocybin**	**Psilocin**	**Total**
Balance, June 30, 2021 and 2022	$ 7,000,000	$ 5,500,000	$ 12,500,000
Impairment	(443,000)	(334,000)	(777,000)
Balance, June 30, 2023	$ 6,557,000	$ 5,166,000	$ 11,723,000

Carrying value	**Psilocybin**	**Psilocin**	**Total**
Balance, June 30, 2021 and 2022	$ 7,000,000	$ 5,500,000	$12,500,000
Balance, June 30, 2023	$ 6,557,000	$ 5,166,000	$11,723,000

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.

(Expressed in Canadian dollars)

9. Intangible Assets (continued)

Psilocin (continued)

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 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.

The recoverable amount of Psilocin is determined based on its fair value less cost of disposal. The fair value less cost of disposal is determined based on the market value of the shares issued for the acquisition of Psilocin and management experience of the market. The fair value less cost of disposal is categorized as level 3 in the fair value heirarchy.

Psilocybin

On February 17, 2021, the Company signed an asset purchase agreement (the "Agreement") with PharmaTher Inc. ("PharmaTher") a wholly-owned subsidiary of Newscope Capital Corporation to purchase the full rights to PharmaTher's intellectual property (the "Acquired Assets") pertaining to psilocybin (the "Acquisition").

Pursuant to the Agreement, Revive will pay aggregate consideration of up to $10 million (the “Purchase Price”). The Purchase Price will be satisfied as follows: (i) $3 million in cash will be paid on the closing date (paid); (ii) $4 million will be satisfied through the issuance of securities in the capital of Revive (issued) and (iii) up to $3 million, in either cash or securities in the capital of Revive, in the event that Revive achieves certain milestones, which include Revive obtaining FDA orphan drug designation for psilocybin in the treatment of stroke, traumatic brain injury, or cancer, the commencement of a Phase 2 clinical trial and the regulatory filing for market authorization, such as U.S. Food and Drug Administration (“FDA”) approval. In addition to the Purchase Price, Revive will also pay PharmaTher Holdings Ltd. a low single digit royalty on all future net sales of products derived from the Acquired Assets.

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.

9. Intangible Assets (continued)

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 year ended June 30, 2023, the Company incurred $2,966,637 (2022 - $14,445,489) research costs for Bucillamine.

PSILOCYBIN

During the year ended June 30, 2023, the Company incurred $612,230 (2022 - $688,767) research costs for Psilocybin-based formulations.

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 year ended June 30, 2023, the Company incurred $nil (2022 - $1,362) research costs for drug delivery technology.

OTHER

During the year ended June 30, 2023, the Company incurred $4,358 (2022 - $20,275) general research costs not specifically allocated to any particular project.

(Expressed in Canadian dollars)

10. Equipment

Cost	**Computer Equipment**	**Office Equipment**	**Total**
Balance, June 30, 2021, 2022 and 2023	$ 7,171	$ 7,737	$ 14,908

Accumulated depreciation	**Computer Equipment**	**Office Equipment**	**Total**
Balance, June 30, 2021	$ 6,219	$ 6,273	$ 12,492
Depreciation during the year	286	292	578
Balance, June 30, 2022	6,505	6,565	13,070
Depreciation during the year	200	234	434
Balance, June 30, 2023	$ 6,705	$ 6,799	$ 13,504

Carrying value	**Computer Equipment**	**Office Equipment**	**Total**
Balance, June 30, 2022	$ 666	$ 1,172	$ 1,838
Balance, June 30, 2023	$ 466	$ 938	$ 1,404

11. 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 June 30, 2023	**As at June 30, 2022**
Accounts payable	**$ 2,662,449**	$ 3,915,978
Accrued liabilities	**638,685**	142,218
	$ 3,301,134	$ 4,058,196

	As at June 30, 2023	**As at June 30, 2022**
Less than 1 month	**$ 756,409**	$ 968,379
1 to 3 months	**13,161**	518,806
Greater than 3 months	**2,531,564**	2,571,011
	$ 3,301,134	$ 4,058,196

(Expressed in Canadian dollars)

12. 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 June 30, 2023, the Company had statute-barred liabilities of $78,264 (June 30, 2022 - $76,652).

13. Lease Liability

Balance, June 30, 2021	**$**	**355,840**
Accretion		63,423
Lease payments and settlement of lease receivable		(151,530)
Balance, June 30, 2022		**267,733**
Accretion		43,997
Lease payments and settlement of lease receivable		(152,036)
Balance, June 30, 2023	**$**	**159,694**

Allocated as:		
Current	$	134,480
Non-current		25,214
	$	**159,694**

The underlying lease agreement terminates on August 31, 2024.

(Expressed in Canadian dollars)

14. 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 $60,000 has an interest rate of 0% until December 31, 2020. On January 1, 2021, the operating line of credit was converted to a 3-year 0% interest term loan, to be repaid by December 31, 2023 of which $20,000 of the loan will be forgiven if $40,000 is repaid in full on or before December 31, 2023. If on December 31, 2023 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, 2023.

15. 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 June 30, 2023, the issued share capital amounted to $45,979,756 and there were nil shares held in escrow. Changes in issued share capital are as follows:

	Number of Common Shares	Amount
Balance, June 30, 2021	**317,958,751**	**$ 42,430,389**
Common shares issued for exercise of warrants	2,434,600	390,725
Common shares issued for exercise of broker warrants	334,600	27,536
Common shares issued for exercise of stock options	150,000	75,067
Common shares issued for settlement of debt (i)	546,060	189,207
Balance, June 30, 2022	**321,424,011**	**43,112,924**
Common shares issued in private placement (ii)	28,676,064	4,301,410
Transaction costs in private placement (ii)	-	(395,053)
Valuation of warrants issued in private placement (ii)	-	(1,602,858)
Valuation of broker warrants issued in private placement (ii)	-	(263,498)
Common shares issued for exercise of warrants	6,260,000	653,591
Common shares issued for settlement of debt (iii)	1,286,766	173,240
Balance, June 30, 2023	**357,646,841**	**$ 45,979,756**

(Expressed in Canadian dollars)

15. Share Capital (continued)

b) Common shares issued (continued)

(i) During the year ended June 30, 2022, the Company issued 546,060 common shares valued at $189,207 in settlement of accounts payable and accrued liabilities of $162,506.

(ii) On January 12, 2023, the Company completed the closing of its previously announced private placement (the "Offering") by issuing a total of 28,676,064 units at a price of $0.15 per unit for gross proceeds of $4,301,409. Each unit is comprised of one common share in the capital of the Company and one common share purchase warrant. Each warrant entitles the holder thereof to acquire one additional common share at a price of $0.20 per share until January 12, 2026. In connection with the Offering, the Company paid finder's fees and issued warrants to EMD Financial Inc. as well as certain other registrants participating in the Offering consisting of an aggregate of: (i) $395,053 in cash; and (ii) 2,294,085 broker warrants, exercisable at a price of $0.15 per common share, until January 12, 2026.

(iii) During the year ended June 30, 2023, the Company issued 1,286,766 common shares valued at $173,240 in settlement of accounts payable and accrued liabilities of $173,240.

16. Warrants

The following table reflects the continuity of warrants for the years ended June 30, 2023 and 2022:

	Number of Warrants	Weighted Average Exercise Price
Balance, June 30, 2021	**60,108,218**	**$ 0.58**
Exercised	(2,434,600)	0.07
Issued upon exercise of broker warrants	334,600	0.07
Balance, June 30, 2022	**58,008,218**	**0.56**
Exercised	(6,260,000)	0.07
Issued in private placement	28,676,064	0.20
Expired	(4,828,218)	0.07
Balance, June 30, 2023	**75,596,064**	**$ 0.51**

The following table reflects warrants issued and outstanding as at June 30, 2023:

Expiry Date and Description	Exercise Price ($)	Fair Value ($)	Number of Warrants Outstanding
February 12, 2024	0.70	8,770,163	46,920,000
January 12, 2026	0.20	1,602,858	28,676,064
	0.51	**10,373,021**	**75,596,064**

(Expressed in Canadian dollars)

17. Broker and Finder Warrants

The following table reflects the continuity of broker and finder warrants for the years ended June 30, 2023 and 2022:

	Number of Broker Warrants	Weighted Average Exercise Price
Balance, June 30, 2021	**3,554,600**	**$ 0.46**
Exercised	(334,600)	0.05
Balance, June 30, 2022	**3,220,000**	**0.50**
Issued	2,294,085	0.15
Balance, June 30, 2023	**5,514,085**	**$ 0.35**

The following table reflects broker and finder warrants issued and outstanding as at June 30, 2023:

Expiry Date	Exercise Price ($)	Fair Value ($)	Number of Broker Warrants Outstanding
February 12, 2024	0.50	1,947,698	3,220,000
January 12, 2026	0.15	263,498	2,294,085
	0.35	**2,211,196**	**5,514,085**

18. 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)

18. Stock Options (continued)

The following table reflects the continuity of stock options for the years ended June 30, 2023 and 2022:

	Number of Stock Options	Weighted Average Exercise Price
Balance, June 30, 2021	**29,105,709**	**$ 0.24**
Granted (i) to (vii)	2,150,000	0.60
Exercised	(150,000)	0.28
Balance, June 30, 2022	**31,105,709**	**0.41**
Expired	(350,000)	0.24
Balance, June 30, 2023	**30,755,709**	**$ 0.41**

The following table reflects the actual stock options issued and outstanding as at June 30, 2023:

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	0.02	40,375	40,375	$ 9,270
January 31, 2024	0.66	0.59	195,000	195,000	87,772
February 10, 2025	0.60	1.62	280,000	280,000	104,450
April 10, 2027	0.28	3.78	165,000	165,000	36,374
April 22, 2024	0.17	0.81	125,334	125,334	14,193
December 27, 2029	0.07	6.50	3,150,000	3,150,000	160,082
May 25, 2030	0.33	6.91	5,100,000	5,100,000	1,638,191
August 6, 2025	0.33	2.10	6,000,000	6,000,000	2,148,379
August 12, 2025	0.36	2.12	2,500,000	2,500,000	727,961
August 12, 2025	0.35	2.12	1,250,000	1,250,000	364,173
August 24, 2025	0.35	2.15	300,000	300,000	76,789
June 21, 2026	0.35	2.98	9,500,000	9,500,000	4,428,995
July 19, 2026 (i)	0.60	3.05	100,000	100,000	53,285
August 10, 2026 (ii)	0.60	3.12	200,000	200,000	95,005
August 16, 2026 (iii)	0.60	3.13	200,000	200,000	71,989
November 1, 2026 (iv)	0.60	3.34	1,000,000	1,000,000	518,696
November 15, 2026 (v)	0.60	3.38	400,000	400,000	178,926
November 17, 2026 (vi)	0.60	3.39	100,000	100,000	46,160
November 30, 2026 (vii)	0.60	3.42	150,000	150,000	73,499
			30,755,709	**30,755,709**	**$ 10,834,189**

18. Stock Options (continued)

(i) On July 19, 2021, the Company granted a consultant of the Company 100,000 stock options at an exercise price of $0.60 per share expiring on July 19, 2026. The fair value of the stock options was estimated to be $53,285 using the Black-Scholes valuation model on the following assumptions: dividend yield 0%; volatility 155.82%; risk-free interest rates of 0.78%; and expected life of 5 years. These options vested immediately upon grant. During the year ended June 30, 2023, $nil (2022 - $53,285) was recorded as stock-based compensation in the consolidated statements of comprehensive loss.

(ii) On August 10, 2021, the Company granted a consultant of the Company 200,000 stock options at an exercise price of $0.60 per share expiring on August 10, 2026. The fair value of the stock options was estimated to be $95,005 using the Black-Scholes valuation model on the following assumptions: dividend yield 0%; volatility 155.37%; risk-free interest rates of 0.90%; and expected life of 5 years. These options vested immediately upon grant. During the year ended June 30, 2023, $nil (2022 - $95,005) was recorded as stock-based compensation in the consolidated statements of comprehensive loss.

(iii) On August 16, 2021, the Company granted a consultant of the Company 200,000 stock options at an exercise price of $0.60 per share expiring on August 16, 2026. The fair value of the stock options was estimated to be $71,990 using the Black-Scholes valuation model on the following assumptions: dividend yield 0%; volatility 154.67%; risk-free interest rates of 0.81%; and expected life of 5 years. These options vested immediately upon grant. During the year ended June 30, 2023, $nil (2022 - $71,990) was recorded as stock-based compensation in the consolidated statements of comprehensive loss.

(iv) On November 1, 2021, the Company granted certain consultants of the Company 1,000,000 stock options at an exercise price of $0.60 per share expiring on November 1, 2026. The fair value of the stock options was estimated to be $518,696 using the Black-Scholes valuation model on the following assumptions: dividend yield 0%; volatility 151.13%; risk-free interest rates of 1.51%; and expected life of 5 years. These options vested immediately upon grant. During the year ended June 30, 2023, $nil (2022 - $518,696) was recorded as stock-based compensation in the consolidated statements of comprehensive loss.

(v) On November 15, 2021, the Company granted certain consultants of the Company 400,000 stock options at an exercise price of $0.60 per share expiring on November 15, 2026. The fair value of the stock options was estimated to be $178,926 using the Black-Scholes valuation model on the following assumptions: dividend yield 0%; volatility 151.25%; risk-free interest rates of 1.48%; and expected life of 5 years. These options vested immediately upon grant. During the year ended June 30, 2023, $nil (2022 - $178,926) was recorded as stock-based compensation in the consolidated statements of comprehensive loss.

(vi) On November 17, 2021, the Company granted a consultant of the Company 100,000 stock options at an exercise price of $0.60 per share expiring on November 17, 2026. The fair value of the stock options was estimated to be $46,160 using the Black-Scholes valuation model on the following assumptions: dividend yield 0%; volatility 151.26%; risk-free interest rates of 1.48%; and expected life of 5 years. These options vested immediately upon grant. During the year ended June 30, 2023, $nil (2022 - $46,160) was recorded as stock-based compensation in the consolidated statements of comprehensive loss.

(Expressed in Canadian dollars)

18. Stock Options (continued)

(vii) On November 30, 2021, the Company granted a consultant of the Company 150,000 stock options at an exercise price of $0.60 per share expiring on November 30, 2026. The fair value of the stock options was estimated to be $73,498 using the Black-Scholes valuation model on the following assumptions: dividend yield 0%; volatility 151.18%; risk-free interest rates of 1.40%; and expected life of 5 years. These options vested immediately upon grant. During the year ended June 30, 2023, $nil (2022 - $73,498) was recorded as stock-based compensation in the consolidated statements of comprehensive loss.

19. Net Loss per Common Share

The calculation of basic and diluted loss per share for the year ended June 30, 2023 was based on the loss attributable to common shareholders of $6,320,900 (2022 - $17,806,927) and the weighted average number of common shares outstanding of 339,370,635 (2022 - 319,763,966).

Diluted loss per share did not include the effect of 75,596,064 warrants (2022 - 58,308,218), 5,514,085 finder warrants (2022 - 3,220,000) and 30,755,709 stock options (2022 - 31,105,709) as they are anti-dilutive.

20. Income Taxes

Reconciliation of statutory tax rate

The Company's provision for income taxes differs from the amounts computed by applying the basic current rate of 26.5% for Ontario and to the income (loss) for the year before taxes as shown in the following table at June 30:

	Year ended June 30, 2023	Year ended June 30, 2022
Loss before recovery of income taxes	$ (6,320,900)	$ (17,806,927)
Statutory tax rate	26.5%	26.5%
Expected income tax recovery based on statutory rates	$ (1,675,039)	$ (4,718,836)
Increase (decrease) to the income tax benefit resulting from:		
Share-based compensation and non-deductible expenses	3,227	276,003
Amounts booked directly into equity	(93,386)	(93,386)
Other permanent differences	1,542,798	26,467
Change in tax benefits not recognized	222,400	4,509,752
Income tax (recovery) expense	$ -	$ -

(Expressed in Canadian dollars)

20. Income Taxes (continued)

Unrecognized deferred tax assets

Deferred taxes are provided as a result of temporary differences that arise due to the differences between the income tax values and the carrying amount of assets and liabilities. Deferred tax assets have not been recognized in respect of the following deductible temporary differences:

	2023	2022
Capital and intangible assets	$ (1,837,688)	$ (586,208)
Share issuance costs	155,901	249,287
Non-capital losses carried forward	12,158,187	10,611,458
Capital losses carried forward	228,622	228,622
Investments and other	155,688	135,150
	$ 10,860,710	$ 10,638,309
Less: deferred tax assets not recognized	(10,860,710)	(10,638,309)
Net deferred tax assets	$ -	$ -

Certain deferred tax assets have not been recognized because it is not probable that future taxable profit will be available against which the Company can utilize the benefits therefrom.

The Company's Canadian non-capital income tax losses expire as noted in the table below:

2033	319,573
2034	545,679
2035	1,851,509
2036	2,715,262
2037	1,623,611
2038	1,746,802
2039	1,298,870
2040	2,601,666
2041	10,235,116
2042	17,078,449
2043	5,863,414
	45,879,951

(Expressed in Canadian dollars)

21. 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.

	2023	2022
Marrelli Support Services Inc. ("Marrelli Support") (i)	**$ 48,115**	$ 46,541
DSA Corporate Services Inc. and DSA Filing Services Limited (together, known as "DSA") (ii)	**$ 65,912**	$ 66,271
Marrelli Trust Company Limited ("Marrelli Trust") (iii)	**$ 17,082**	$ -

(i) The Company owed Marrelli Support $3,869 as at June 30, 2023 (June 30, 2022 - owed $2,349) 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 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 $1,130 as at June 30, 2023 (June 30, 2022 - $2,599) 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.

(iii) The CFO of the Company is a director of Marrelli Trust, corporate trustee, transfer agent and registrar to the Company. Fees are related to shareholder, transfer agent and corporate trustee services provided by Marrelli Trust to the Company. As at June 30, 2023, Marrelli Trust was owed $90 (June 30, 2022 - $nil).

(b) Remuneration of directors and key management personnel including Chief Executive Officer and Chief Financial Officer of the Company for the years ended June 30, 2023 and 2022 was as follows:

	2023	2022
Consulting fees	**$ 438,000**	$ 480,901

(Expressed in Canadian dollars)

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

(c) Major shareholders:

As at June 30, 2023, 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.

22. Office Expenses

Year ended June 30,	2023	2022
Reporting issuer costs	**$ 140,493**	$ 160,139
Marketing and promotion	**313,640**	8,215
Administrative	**58,231**	74,225
Insurance	**77,693**	72,344
Travel and accommodation	**-**	17,464
Meals and entertainment	**23,486**	6,764
Bank charges	**4,175**	6,940
	$ 617,718	$ 346,091

23. Subsequent Event

Subsequent to June 30, 2023, 40,375 stock options expired unexercised.