



***Consolidated Financial Statements
Three Months Ended July 31, 2010
and 2009***

CORPORATE OFFICE:

202, 279 Midpark Way SE

Calgary, Alberta, T2X 1M2 Canada

Phone: (403) 254-9252 Fax: (403) 256-8495 Email: info@resverlogix.com

www.resverlogix.com

TRADING SYMBOL:

TSX: RVX

RESVERLOGIX CORP.

Interim Consolidated Balance Sheets
(Unaudited)

	July 31, 2010	April 30, 2010
Assets		
Current assets:		
Cash and cash equivalents	\$ 15,621,301	\$ 4,562,763
Investment tax credit receivable	507,181	531,507
Prepaid expenses and deposits	1,269,381	1,275,730
	<u>17,397,863</u>	<u>6,370,000</u>
Property and equipment	644,436	654,707
Intellectual property and patents	896,317	868,325
Deferred financing costs	58,920	574,490
	<u>\$ 18,997,536</u>	<u>\$ 8,467,522</u>
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 2,111,224	\$ 3,985,845
Shareholders' equity (note 3):		
Common shares	106,106,754	91,253,812
Contributed surplus	20,303,083	19,933,794
Warrants	25,354,983	22,712,022
Deficit	(134,878,508)	(129,417,951)
	<u>16,886,312</u>	<u>4,481,677</u>
	<u>\$ 18,997,536</u>	<u>\$ 8,467,522</u>

Future operations (note 1)

Commitments (note 4)

See accompanying notes to the interim consolidated financial statements.

RESVERLOGIX CORP.

Interim Consolidated Statements of Net Loss, Comprehensive Loss and Deficit
(Unaudited)

	Three months ended July 31,	
	2010	2009
Interest income	\$ 657	\$ 724
Expenses:		
Research and development	3,676,540	2,917,156
Investment tax credits	(107,181)	-
Net research and development	3,569,359	2,917,156
General and administrative	1,449,010	649,486
Stock-based compensation	369,288	765,930
Interest and accretion on convertible debentures	-	467,136
Depreciation and amortization	61,191	56,982
Foreign currency loss	12,366	592,030
	5,461,214	5,448,720
Net loss and comprehensive loss	5,460,557	5,447,996
Deficit, beginning of period	129,417,951	115,845,382
Deficit, end of period	134,878,508	121,293,378
Net loss per common share – basic and diluted	\$ 0.11	\$ 0.14
Weighted average number of common shares (note 3)	48,918,618	39,321,207

See accompanying notes to the interim consolidated financial statements.

RESVERLOGIX CORP.

Interim Consolidated Statements of Cash Flows
(Unaudited)

	Three months ended July 31,	
	2010	2009
Cash provided by (used in):		
Operations:		
Net loss	(\$ 5,460,557)	(\$5,447,996)
Items not involving cash:		
Stock-based compensation	369,288	765,930
Depreciation and amortization	61,191	56,982
Accretion on convertible debentures	-	112,599
Interest paid in common shares	-	152,184
Unrealized foreign currency (gain) loss	(50,359)	572,127
	(5,080,437)	(3,788,174)
Changes in non-cash working capital:		
Investment tax credit receivable	24,326	-
Prepaid expenses and deposits	6,349	55,482
Accounts payable and accrued liabilities	(1,728,041)	(681,631)
Accrued interest on debentures	-	(247,405)
	(6,777,803)	(4,661,728)
Financing:		
Proceeds from the issuance of common shares and warrants	19,240,000	-
Share issuance costs	(1,478,066)	6,066
Proceeds from Standby Equity Distribution Agreement	200,010	-
Proceeds from exercise of options and warrants	68,000	-
Deferred financing costs	(18,471)	-
Non-cash financing working capital	(128,786)	-
	17,882,687	6,066
Investing:		
Restricted cash	-	421,724
Property and equipment additions	(30,472)	(5,537)
Patent additions	(48,439)	(85,418)
Non-cash investing working capital	(17,273)	119,945
	(96,184)	450,714
<u>Effect of foreign currency translation on cash and cash equivalents</u>	<u>49,838</u>	<u>(529,295)</u>
(Decrease) increase in cash and cash equivalents	11,058,538	(4,734,243)
Cash and cash equivalents, beginning of period	4,562,763	12,564,063
<u>Cash and cash equivalents, end of period</u>	<u>\$ 15,621,301</u>	<u>\$ 7,829,820</u>

See accompanying notes to the interim consolidated financial statements.

RESVERLOGIX CORP.

Notes to Interim Consolidated Financial Statements

Three months ended July 31, 2010 and 2009
(Unaudited)

Resverlogix Corp. and a wholly owned subsidiary, RVX Therapeutics Inc., are incorporated under the laws of Alberta. Resverlogix Inc., a wholly owned subsidiary of Resverlogix Corp., is incorporated under the laws of Delaware.

Basis of presentation

The unaudited interim consolidated financial statements of Resverlogix Corp. (the "Company") have been prepared by Management in accordance with Canadian generally accepted accounting principles ("GAAP"), following the same accounting policies and using the same methods of computation as those used in the Company's audited consolidated financial statements for the year ended April 30, 2010. The disclosures provided below are incremental to those included with the annual consolidated financial statements and certain disclosures which are normally required to be included in the notes to the annual consolidated financial statements have been condensed or omitted. Accordingly, these interim consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements and notes thereto for the year ended April 30, 2010. Amounts are stated in Canadian dollars unless otherwise indicated. Certain comparative figures have been reclassified to conform with the current year's presentation.

Use of estimates

The preparation of financial statements requires management to use estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods presented. Actual results may differ from these estimates and assumptions.

1. Future operations

Resverlogix Corp. is an emerging biopharmaceutical company focused on development of novel therapeutics in cardiovascular disease, and related indications in vascular inflammation and Alzheimer's disease. The Company also has therapeutics under development for the treatment of fibrotic diseases and cancer. The Company is considered to be in the development stage, as most of its efforts have been devoted to research and development and it has not earned any revenue to date.

RESVERLOGIX CORP.

Notes to Interim Consolidated Financial Statements, page 2

Three months ended July 31, 2010 and 2009
(Unaudited)

1. Future operations (continued)

Research and development expenditures on these projects are as follows:

	Three months ended July 31,		Cumulative
	2010	2009	since inception
NexVas PR	\$ 3,673,419	\$ 2,912,961	\$ 61,548,944
NexVas VI / ReVas	3,121	4,195	1,893,774
TGF- β Shield	-	-	735,221
NexVas AD	-	-	58,906
	<u>\$ 3,676,540</u>	<u>\$ 2,917,156</u>	<u>\$64,236,845</u>

The success of the Company is dependent on the continuation of the research and development activities, progressing the core technologies through clinical trials to commercialization and its ability to finance its cash requirements. It is not possible to predict either the outcome of future research and development programs or the Company's ability to fund these programs going forward.

The accompanying financial statements have been prepared using Canadian generally accepted accounting principles applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they come due. The Company has incurred significant losses to date, and with no assumption of revenues, is dependent on its ability to raise additional financial capital by continuing to demonstrate the successful progression of its research and development activities if it is to remain as a going concern.

At July 31, 2010, the Company had \$15.6 million of cash and cash equivalents. During the three months ended July 31, 2010, the Company raised \$19.2 million by way of prospectus offerings, as described in Note 3 "Shareholders' Equity". The Company's cash and cash equivalents, together with the funds available from the Company's Standby Equity Distribution Agreement as described in Note 3 "Shareholders' Equity", are expected to be sufficient to fund anticipated cash requirements over the next year.

The Company will require additional capital to provide the Company with sufficient resources to manage its planned research, development and corporate activities. The Company will continue to explore various alternatives to generate positive cash flow including raising additional equity, product licensing, as well as continuing its partnering discussions concerning the Company's core NexVasTM PR technology; however given the large uncertainty in the capital markets and the general business climate in the healthcare sector for potential business partners, there is no assurance that these initiatives will be successful.

These financial statements do not include any adjustments to the amounts and classifications of assets and liabilities, and the reported revenues and expenses that might be necessary should the company be unable to continue as a going concern.

RESVERLOGIX CORP.

Notes to Interim Consolidated Financial Statements, page 3

Three months ended July 31, 2010 and 2009
(Unaudited)

2. Change in accounting policies

The Company's accounting policies have not changed materially from those described in the Company's audited consolidated financial statements for the year ended April 30, 2010.

3. Shareholders' equity

(a) Common shares

(i) Authorized:

Unlimited number of common shares

Unlimited number of preferred shares issuable in series with rights as determined by the Board of Directors at the time of issue.

(ii) Issued and outstanding:

In March 2010, the Company entered into a Standby Equity Distribution Agreement ("SEDA") entitling the Company to issue a maximum of \$25 million of the Company's common shares to the investor over a maximum of 24 months. On June 11, 2010, the Company issued a total of 51,290 common shares pursuant to a prospectus offering, under its SEDA, for gross proceeds of \$200,010.

On June 8, 2010, the Company issued a total of 2,800,000 units, representing 2,800,000 common shares and 1,120,000 warrants, at \$3.30 per unit pursuant to a prospectus offering for gross proceeds of \$9.2 million. The warrants have an exercise price of \$4.00 per common share and expire on June 8, 2014. The warrants were valued at \$1.9 million using a Black-Scholes option pricing model and are further described in Note 3(c). Share issue costs of \$0.8 million included legal costs of \$0.1 million and broker and agent commissions of \$0.7 million.

On June 22, 2010, the Company issued a total of 3,095,975 units, representing 3,095,975 common shares and 1,238,390 warrants, at \$3.23 per unit pursuant to a prospectus offering for gross proceeds of \$10.0 million. The warrants have an exercise price of \$4.00 per common share and expire of June 22, 2014. The warrants were valued at \$1.9 million using a Black-Scholes option pricing model and are further described in Note 3(c). Share issue costs of \$0.6 million included broker and agent commissions of \$0.6 million.

RESVERLOGIX CORP.

Notes to Interim Consolidated Financial Statements, page 4

Three months ended July 31, 2010 and 2009
(Unaudited)

3. Shareholders' equity (continued)

(a) Common shares (continued)

Common shares	Number of shares	Amount
Balance, April 30, 2009	39,202,706	\$ 72,237,124
Issued in connection with private placement	5,141,270	10,614,691
Share issue costs		(712,548)
Standby Equity Distribution Agreement commitment fee paid in common shares	43,877	250,000
Issued in connection with exercise of warrants and options	1,270,787	7,783,773
Issued in connection with conversion of debentures	119,370	211,864
Reclassification from equity component in connection with conversion of debentures		591,482
Interest paid in common shares	61,064	154,926
Issued in exchange for services	35,000	122,500
Balance, April 30, 2010	45,874,074	91,253,812
Issued in connection with prospectus offerings	5,895,975	15,459,128
Issued in connection with Standby Equity Distribution Agreement	51,290	200,010
Share issue costs		(2,012,107)
Issued in connection with warrant exercises	103,012	1,205,911
Balance, July 31, 2010	51,924,351	\$106,106,754

(b) Stock options

The Company's amended stock option plan has been approved as a rolling 10% plan that allows for reservation of a number of Common Shares under the plan equal to 10% of the Company's issued and outstanding Common Shares on an undiluted basis. Additionally, the plan is a reloading plan, which allows for the number of Common Shares reserved for issuance related to the options under the plan to automatically become eligible to be reallocated pursuant to stock option based grants upon option expiry, cancellation or exercise. The Company may grant options to its directors, officers, employees and consultants. The majority of options fully vest over two to three years and have a two to five year term.

RESVERLOGIX CORP.

Notes to Interim Consolidated Financial Statements, page 5

Three months ended July 31, 2010 and 2009
(Unaudited)

3. Shareholders' equity (continued)

(b) Stock options (continued)

	July 31, 2010		July 31, 2009	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding, beginning of period	4,542,000	\$ 6.11	3,725,000	\$ 6.99
Granted	62,400	3.26	160,000	2.92
Expired	(260,000)	6.69	(95,000)	14.23
Outstanding, end of period	4,344,400	\$ 6.03	3,790,000	\$ 6.63

The following table summarizes information about the options outstanding and exercisable at July 31, 2010.

Range of Exercise Prices	Number Outstanding	Weighted Average Remaining Life (years)	Weighted Average Exercise Price	Number Exercisable
\$2.25 - \$3.26	2,127,400	2.8	\$ 2.87	1,030,000
\$4.00	50,000	1.3	4.00	50,000
\$5.59 - \$7.60	1,437,000	2.4	6.78	965,000
\$12.07 - \$12.95	330,000	1.3	12.47	306,250
\$14.16 - \$15.90	400,000	1.1	15.03	400,000
	4,344,400	2.4	\$ 6.03	2,751,250

RESVERLOGIX CORP.

Notes to Interim Consolidated Financial Statements, page 6

Three months ended July 31, 2010 and 2009
(Unaudited)

3. Shareholders' equity (continued)

(b) Stock options (continued)

The fair value of each option granted is estimated as of the grant date using the Black-Scholes option pricing model. The following weighted average assumptions were used in arriving at the fair values of \$2.17 per option and \$2.05 per option associated with stock options granted during the three months ended July 31, 2010 and 2009, respectively:

	2010	2009
Risk free interest rate	2.5%	2.4%
Expected life	5 years	1-2 years
Expected volatility	86%	114%

(c) Warrants

The following table summarizes the changes in common share purchase warrants outstanding.

	Number of warrants	Amount	Weighted average exercise price
Outstanding, April 30, 2009	6,357,108	\$ 26,017,371	\$ 2.72
Issued on private placement	1,785,318	2,238,484	2.61
Exercised for common shares	(1,583,259)	(5,543,833)	2.72
Outstanding, April 30, 2010	6,559,167	22,712,022	2.69
Issued on prospectus offerings	2,358,390	3,780,872	4.00
Exercised for common shares	(172,520)	(1,137,911)	2.72
Outstanding, July 31, 2010	8,745,037	\$25,354,983	\$ 3.04

RESVERLOGIX CORP.

Notes to Interim Consolidated Financial Statements, page 7

Three months ended July 31, 2010 and 2009
(Unaudited)

3. Shareholders' equity (continued)

(c) Warrants (continued)

The weighted average fair value of the warrants granted during the three months ended July 31, 2010 and 2009 was \$1.60 and \$1.14 per warrant, respectively, using the Black-Scholes option pricing model with the following weighted average assumptions:

	Three months ended July 31,	
	2010	2009
Risk-free interest rate	2.3%-2.4%	1.6%-3.3%
Expected life	4 years	5 years
Expected volatility	92%	69%-113%

The following table summarized information about the warrants outstanding at July 31, 2010.

Weighted Average Price	Number Outstanding	Weighted Average Remaining Life (years)
\$3.04	8,745,037	3.0

(d) Contributed surplus

The changes in contributed surplus balance are as follows:

	Amount
Balance, April 30, 2009	\$16,496,537
Options exercised	(43,794)
Stock-based compensation expense	3,481,051
Balance, April 30, 2010	19,933,794
Stock-based compensation expense	369,289
Balance, July 31, 2010	\$20,303,083

RESVERLOGIX CORP.

Notes to Interim Consolidated Financial Statements, page 8

Three months ended July 31, 2010 and 2009
(Unaudited)

3. Shareholders' equity (continued)

(e) Per share amounts

The loss per share has been calculated based on the basic and diluted weighted average shares outstanding during the three months ended July 31, 2010 and 2009 of 48,918,618 (2009 - 39,321,207). The exercise of stock options and warrants and conversion of the convertible debentures are anti-dilutive.

4. Commitments

The Company has entered into various research contracts. The Company is committed to pay \$4,264,539 for completion of the research, and all payments are anticipated to be incurred by July 2011 as follows:

2011	\$ 4,264,539
------	--------------

As at July 31, 2010, the Company was committed to operating lease payments for office and laboratory premises as follows:

2011	\$ 274,086
2012	220,610
2013	85,697
2014	85,697
2015	14,283

5. Financial instruments and financial risk management

As at July 31, 2010, the fair value of the Company's financial instruments consisting of cash and cash equivalents and accounts payable and accrued liabilities approximate their carrying amounts due to their short-term nature.

Fair value of financial assets and financial liabilities. Section 3862, Financial Instruments - Disclosures, requires an explanation about how fair value is determined for assets and liabilities measured in the financial statements at fair value and establishes a hierarchy for which these assets and liabilities must be grouped, based on significant levels of input as follows:

Level 1 – observable inputs such as quoted prices in active markets;

Level 2 – inputs, other than the quoted market prices in active markets, which are observable, either directly and/or indirectly; and

Level 3 – unobservable inputs for the asset or liability in which little or no market data exists, therefore requiring an entity to develop its own assumptions.

RESVERLOGIX CORP.

Notes to Interim Consolidated Financial Statements, page 9

Three months ended July 31, 2010 and 2009
(Unaudited)

5. Financial instruments and financial risk management (continued)

Cash and cash equivalents as shown in the consolidated balance sheet as at July 31, 2010 and 2009 are measured using level 1 inputs. The Company does not have any financial instruments measured using level 2 or level 3 inputs.

During the three months ended July 31, 2010 and 2009, there were no transfers between level 1, level 2 and level 3 classified assets and liabilities.

(a) Credit, Liquidity and Market Risk

The Company continues to manage and monitor its exposure to counterparty credit, liquidity and market risk.

Liquidity Risk

The table below presents a maturity analysis of the Company's financial liabilities on the expected cash flows from July 31, 2010 to the contractual maturity date. The amounts are the contractual undiscounted cash flows.

	Carrying Amount	Contractual Cash Flows	Within 1 Year
Accounts payable and accrued liabilities	\$2,111,224	\$2,111,224	\$2,111,224

Market Risk

The Company is exposed to interest rate risk arising from fluctuations in interest rates on its cash and cash equivalents. Fluctuations in market interest rates on interest bearing cash and cash equivalents rates do not have a significant impact on the Company's results of operations. A change of 1% in interest rates would result in \$156,000 change in interest income on its cash and cash equivalents as measured at July 31, 2010.

The Company is also exposed to foreign exchange risk on its US dollar denominated cash and cash equivalents. The Company manages its exposure to currency fluctuations by holding cash and cash equivalents denominated in US dollars in a certain ratio equivalent to current and anticipated U.S. dollar financial liabilities.

The Company had no forward exchange contract to manage its foreign currency risk. As at July 31, 2010, the Company had US denominated assets and liabilities of: cash and cash equivalents in the amount of US\$1.2 million and accounts payable in the amount of US\$1.0 million. A change of \$0.01 in exchange rate as measured on July 31, 2010 would result in a foreign currency gain or loss of US\$2,000.