SPENCER PHARMACEUTICAL INC.
FORMERLY
(EMERGENSYS CORPORATION)

FINANCIAL STATEMENT

DECEMBER 31, 2010

La Posta & Associé Associate

SPENCER PHARMACEUTICAL INC.
FORMERLY
(EMERGENSYS CORPORATION)

DECEMBER 31, 2010

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Stockholders of
Spencer Pharmaceutical Inc.
Formerly
(Emergensys Corporation)

We have audited the accompanying balance sheet of **Spencer Pharmaceutical Inc. Formerly (Emergensys Corporation)** (the "Company") as of December 31, 2010 and December 31,2009 the related statements of operations and stockholders' equity for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects the financial position of the Company of December 31, 2010 and December 31, 2009 the results of its operations for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Chartered Accountant, Auditor

Montreal, Quebec
April 14, 2011

SPENCER PHARMACEUTICAL INC.
FORMERLY
(EMERGENSYS CORPORATION)

BALANCE SHEET

(IN U.S. DOLLARS)

AS AT DECEMBER 31,

	2010 $	2009 $
ASSETS		
Current		
Cash	**455,928**	-
Patents	**316,269**	57,600
	772,197	57,600
LIABILITIES		
Current		
Accounts Payable and Accruals	**471,030**	-
Loans Payable – Others	**1,172,193**	57,600
	1,643,223	57,600
SHAREHOLDERS EQUITY		
Common Stock (Authorised 480,000,000 par value $.001 Issued in 2010: 271,272,268 Issued in 2009: 202,931,000	**271,272**	202,931
Additional Paid In Capital	**16,946,094**	16,946,094
Deficit	**(17,995,493)**	(17,052,297)
Accumulated Exchange Gain (Loss)	**(92,899)**	(96,728)
	(871,026)	-
	772,197	57,600

SEE ACCOMPANYING NOTES

APPROVED ON BEHALF OF THE BOARD:

____________________ Director

____________________ Director

La Posta & Associé Associate

SPENCER PHARMACEUTICAL INC.
FORMERLY
(EMERGENSYS CORPORATION)

STATEMENT OF EARNINGS AND DEFICIT

(IN U.S. DOLLARS)

AS AT DECEMBER 31,

	FOR THE YEAR ENDED DECEMBER 31 **2010** **$**	FOR THE YEAR ENDED DECEMBER 31 **2009** **$**
REVENUES	-	-
Expenses		
Administrative and Corporate Overhead	**943,196**	-
Net (Loss) Earnings for the Year	**(943,196)**	-
Deficit – Beginning of Year	**(17,052,297)**	(17,052,297)
Deficit – End of Year	**(17,995,493)**	(17,052,297)

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SPENCER PHARMACEUTICAL INC.
FORMERLY
(EMERGENSYS CORPORATION)

STATEMENT OF CASH FLOWS

(IN U.S. DOLLARS)

AS AT DECEMBER 31,

	FOR THE YEAR ENDED DECEMBER 31 **2010** **$**	FOR THE YEAR ENDED DECEMBER 31 **2009** **$**
Operating		
Net (Loss) Earnings	**(943,196)**	-
Net Change in Working Capital Accounts	**1,585,623)**	57,600
	642,427	57,600
Financing		
Common Stock Committed	-	(523,175)
Issuance of Capital Stock	**68,341**	197,432
Warrants	-	(2,029,393)
Additional Paid In capital	-	2,355,136
	68,341	-
Investing		
Patents	**(258,669)**	(57,600)
Net Change in Cash	**452,099**	-
Effect of Foreign Exchange	**3,829**	-
Cash – Beginning of Year	-	-
Cash – End of Year	**455,928**	-

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SPENCER PHARMACEUTICAL INC.
FORMERLY
(EMERGENSYS CORPORATION)

NOTES TO FINANCIAL STATEMENT
AS AT DECEMBER 31, 2010

1. NATURE OF BUSINESS

The Company is in the business of developing new medicines.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Company are in accordance with generally accepted accounting principles of the United States of America and their basis of application is consistent with that of the previous year. Outlined below are those policies considered particularly significant:

a) Use of Estimates

Preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and related notes to financial statements. These estimates are based on management's best knowledge of current events and actions the Company may undertake in the future. Actual results may ultimately differ from estimates, although management does not believe such changes will materially affect the financial statements in any individual period.

b) Reporting Currency

The U.S. dollar has been used as the unit of measurement in these financial statements.

c) Foreign Currency Translation

The functional currency of the Company's foreign entity is the local currency. The translation of foreign currencies into U.S. dollars is performed for balance sheet accounts using the exchange rates in effect at the balance sheet dates and for revenue and expense accounts using a weighted average exchange rate during the period. The gains or losses resulting from the translation are included in Accumulated Other Comprehensive Income in the Statement of Stockholders' (Deficit) Equity and are excluded from net loss.

d) Income Taxes

The Company accounts for income taxes pursuant to SFAS No 109, "Accounting for Income Taxes" ("SFAS No, 109"). Deferred taxes are provided under the liability method whereby deferred tax assets are recognized for deductible temporary differences, and deferred tax liabilities are recognized for taxable temporary differences. Temporary differences are the differences between the reported amounts of assets and liabilities and their tax bases. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment.

NOTES TO FINANCIAL STATEMENT
AS AT DECEMBER 31, 2010

e) Comprehensive Income (Loss)

The Company has adopted SFAS No 130, "Reporting Comprehensive Income." ("SFAS No. 130"). SFAS No. 130 establishes standards for reporting and presentation of comprehensive income and its components in a full set of financial statements. Comprehensive income is presented in the statement of stockholder's (deficit) equity, and consists of net loss and unrealized gains (losses) on available for sale marketable securities; foreign currency translation adjustments; changes in market value of future contracts that qualify as a hedge; and negative equity adjustments recognized in accordance with SF AS No. 87. SFAS No 130 requires only additional disclosures in the financial statements and does not affect the Company's financial position or results of operations.

f) Impairment of Long-lived Assets

The Company evaluates the recoverability of long-lived assets and the related estimated remaining lives when events or circumstances lead management to believe that the carrying value of an asset may not be recoverable. Recoverability is assessed based on the carrying amount of a long-lived asset compared to the sum of the future undiscounted cash flows expected to result from the use and the eventual disposal of the asset. An impairment loss is recognized when the carrying amount is not recoverable (exceeds the total un discounted cash flows expected from its use and disposition) and exceeds fair value For the periods ended December 31, 2010 and December 31,2009, no events or circumstances occurred for which an evaluation of the recoverability of long-lived assets was required.

g) Loss per Share

The Company adopted SF AS No.128, "Earnings per Share" which requires disclosure on the financial statements of basic and diluted earnings (loss) per share. Basic earnings (loss) per share are computed by dividing net earnings (loss) by the weighted average number of common shares outstanding for the period. Diluted earnings (loss) per share is computed by dividing net loss by the weighted average number of common shares outstanding plus common stock equivalents (if dilutive) related to stock options and warrants for each period.

h) Recent Accounting Pronouncements

In April 2008, FASB issued FSP SFAS No. 142-3, "Determination of the Useful Life of Intangible Assets" ("FSP SFAS No. 142-3") FSP SFAS No. 142-3 amends the factors that should be considered In developing renewal or extension assumptions used to determine the useful life of a recognizable intangible asset under SFAS No. 142, "Goodwill and Other Intangible Assets" ("SFAS No, 142"). The intent of FSP SF AS No. 142-3 is to improve the consistency between the useful life of a recognizable intangible asset under SFAS No, 142 and the period of expected cash flows used to measure the fair value of the asset under SFAS 141(R), "Business Combinations" and other U.S generally accepted accounting principles. FSP SFAS No. 142-3 is effective for financial statements issued for fiscal years beginning after December J5, 2008, and interim periods within those fiscal years. Early adoption is prohibited. The Company does not anticipate that the adoption of FSP SFAS No. 142-3 will have an impact on its financial position or results of operations.