



Management Discussion and Analysis

Financial Statements

For the three and nine months ended September 30, 2016 and 2015

Management's Discussion and Analysis of Financial Condition and Results of Operations of Zomedica Pharmaceuticals Corp. for the Three and Nine Months Ended September 30, 2016

The following Management Discussion and Analysis ("MD&A") prepared as of November 22, 2016 should be read in conjunction with the September 30, 2016 unaudited condensed consolidated interim financial statements and related notes of Zomedica Pharmaceuticals Corp. ("Zomedica" or the "Company"). The unaudited condensed consolidated interim financial statements of Zomedica Pharmaceuticals Corp. and related notes as at September 30, 2016 were prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS") and are presented in United States dollars unless otherwise noted. Unless stated otherwise, all references to "\$" are to United States dollars.

FORWARD-LOOKING STATEMENTS

This MD&A contains "forward-looking statements" which include all statements other than statements of historical fact contained in this MD&A, such as statements that relate to Zomedica's current expectations and views of future events. Often, but not always, forward-looking statements can be identified by the use of words such as "may", "will", "expect", "anticipate", "predict", "aim", "estimate", "intend", "plan", "seek", "believe", "potential", "continue", "is/are likely to", "is/are projected to" or the negative of these terms, or other similar expressions intended to identify forward-looking statements. These forward-looking statements include, among other things, statements relating to expectations regarding future clinical trials, expectations regarding regulatory approvals, expectations regarding the safety and efficacy of its product, expectations regarding the use of its product and its revenue, expenses and operations, plans for and timing of expansion of its product and service offerings, future growth plans, ability to attract and develop and maintain relationships with suppliers, veterinarians/clinicians, etc., ability to attract and retain personnel, expectations regarding growth in its product markets, competitive position and its expectations regarding competition, ability to raise debt and equity capital to fund future product development, and anticipated trends and challenges in Zomedica's business and the markets in which it operates.

Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Zomedica to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements.

Forward-looking statements contained herein are made as of the date of this MD&A and Zomedica disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise, unless required by applicable law. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements due to the inherent uncertainty in them.

OVERVIEW

The Company was incorporated on January 7, 2013 under the *Business Corporations Act* (Alberta) as Wise Oakwood Ventures Inc. ("WOW") and was classified as a capital pool company, as defined in Policy 2.4 of the TSX Venture Exchange.

On April 21, 2016, the Company closed its qualifying transaction ("Transaction"), consisting of the acquisition of ZoMedica Pharmaceuticals Inc. ("ZoMedica") pursuant to a three-cornered amalgamation, whereby ZoMedica was amalgamated with 9674128 Canada Inc. (which was wholly-owned by WOW) and common shares and options of the Company were issued to the former holders of ZoMedica securities as consideration. The amalgamated company changed its name to Zomedica Pharmaceuticals Ltd. and WOW subsequently changed its name to Zomedica Pharmaceuticals Corp. Prior to completion of the Transaction, WOW consolidated its common shares on the basis of the one post-consolidation common share for every 2.5 pre-consolidation common shares. The transaction constituted WOW's qualifying transaction under TSX Venture Exchange Policy 2.4 – Capital Pool Companies. The shares of Zomedica Pharmaceuticals Corp. began trading on the TSX Venture Exchange under the new symbol "ZOM" on

Monday May 2, 2016. On June 21, 2016, the Company filed Articles of Amalgamation and vertically amalgamated with its wholly-owned subsidiary, Zomedica Pharmaceuticals Ltd.

Zomedica has one corporate subsidiary, ZoMedica Pharmaceuticals Inc., a Delaware company whose results and operations are included in the unaudited condensed consolidated interim financial statements that accompany this MD&A. Zomedica is a veterinary pharmaceutical and healthcare solutions company created to develop solutions that are tailored to the needs of the companion animal veterinarian. Zomedica's head office is located at 3928 Varsity Drive, Ann Arbor, MI 48108 and its registered office is located at Suite 1250, 639 – 5th Avenue S.W., Calgary, Alberta T2P 0M9.

Zomedica's mission is to develop products that provide veterinarians the opportunity to better serve the animals in their care, while lowering costs, increasing productivity, and growing revenue. The clinical experience of the members of the leadership team has defined an unmet need for the practicing veterinarian and a niche in the animal health market. The initial product line of pharmaceuticals is at the core of that mission. However the needs of the veterinarian are not defined by product lines and there are tremendous opportunities for expanding beyond the core novel pharmaceuticals, into medical devices and diagnostics. Zomedica's plan is to become profitable through the contract manufacture and sales of veterinary pharmaceuticals, and in-licensing of devices and therapeutics that fill an unmet need. Zomedica's first product candidate, ZM-012, is an anti-infective therapeutic for companion animals. Zomedica's second product candidate, ZM-006, is a novel therapeutic targeting a metabolic disorder specific to the companion animal.

WOW's share capital, contributed surplus and deficit were all eliminated upon completion of the Transaction and the Transaction was accounted for as a reverse takeover. The Transaction is the equivalent of the issuance of shares by the resulting company for the net assets and listing status of the non-operating public company.

Following completion of the Transaction, a total of 83,173,196 common shares were issued and outstanding.

The goals for 2016, which the Company is actively endeavouring to accomplish, include the following:

- ✓ Obtain listing on the TSX Venture Exchange (completed)
- ✓ Initiate FDA Center for Veterinary Medicine regulatory process for first therapeutic (completed)
- ✓ File provisional application for patent of all relevant technology (completed)
- ✓ Initiate FDA Center for Veterinary Medicine regulatory process for second therapeutic (completed)
- ✓ Launch *Voice of the Vet*TM program to support customer-centric mission and focus on innovation (completed)
- Jointly develop IP with CTX Technology, Inc. for alternative drug delivery technology
- License or acquire technology for introduction into veterinary space

CORPORATE HIGHLIGHTS

- On July 12, 2016, Zomedica announced the filing of a U.S. provisional application for patent with the U.S. Patent and Trademark Office and opened an INAD with the FDA-CVM for a novel formulation of ZM-006, a pharmaceutical targeting a metabolic disorder in companion animals.
- On August 25, 2016, Zomedica announced the closing of the first tranche of its non-brokered private placement offering, issuing 3,342,480 common shares for gross proceeds of approximately CDN\$5,013,720 or \$3,875,500.
- On September 19, 2016, Zomedica announced it was approved for graduation to Tier 1 issuer status from Tier 2 issuer status by the TSX Venture Exchange.
- On October 4, 2016, Zomedica announced the appointment of two animal health industry veterans, Jane Eagleson and Tom Robitaille, to its Board of Directors.

SELECTED FINANCIAL INFORMATION

The following table sets forth selected consolidated financial information for Zomedica as of and for the three and nine months ended September 30, 2016 and September 30, 2015. These results were prepared in accordance with IFRS. All of the following information is reported in US dollars unless otherwise noted.

Statements of Loss and Comprehensive Loss	Three months ended		Nine months ended	
	September 30, 2016	September 30, 2015	September 30, 2016	September 30, 2015
	\$	\$	\$	\$
Loss from operations	1,039,818	715,774	3,034,492	818,669
Loss and comprehensive loss	1,042,235	715,774	3,038,471	818,669
Loss per share - basic and diluted	0.01	0.02	0.04	0.02

Statement of Financial Position	As at	
	September 30, 2016	December 31, 2015
	\$	\$
Total Assets	5,412,157	3,860,334
Total Liabilities	475,632	146,289
Total Shareholders' equity	4,936,525	3,714,045

RESULTS OF OPERATIONS

The following are selected financial information for the three and nine months ended September 30, 2016 and September 30, 2015.

	Three months ended				Nine months ended			
	September	September	Change		September	September	Change	
	30, 2016	30, 2015	\$	%	30, 2016	30, 2015	\$	%
	\$	\$	\$	%	\$	\$	\$	%
Expenses								
Research and development	411,104	135,948	275,156	202%	941,016	164,212	776,804	473%
General and administrative	396,644	120,579	276,065	229%	1,126,028	153,269	972,759	635%
Professional fees	212,684	457,182	(244,498)	-53%	659,144	499,070	160,074	32%
Listing expenses	6,645	-	6,645	N/A	278,999	-	278,999	N/A
Amortization	673	286	387	135%	2,018	286	1,732	606%
Depreciation	12,068	1,779	10,289	578%	27,287	1,832	25,455	1389%
Loss from operations	1,039,818	715,774	324,044	45%	3,034,492	818,669	2,215,823	271%
Foreign exchange loss	2,417	-	2,417	N/A	3,978	-	3,978	N/A
Loss before income taxes	1,042,235	715,774			3,038,470	818,669		
Income tax expense	-	-	-	N/A	-	-	-	N/A
Net loss and comprehensive loss for the period	1,042,235	715,774	326,461	46%	3,038,470	818,669	2,219,801	271%

Research and Development

Research and development (“R&D”) expenses are comprised of costs incurred in performing R&D activities, including salaries and benefits, safety and efficacy studies, contract research costs, contract manufacturing costs, patent procurement costs, materials and supplies and occupancy costs. R&D activities include internal and external activities associated with R&D studies of current products and advancing the products towards goals of obtaining regulatory approvals to manufacture and market these products in various jurisdictions.

Expenditures for R&D for the three months ended September 30, 2016 were higher by \$275,156 compared to the three months ended September 30, 2015. The increase was primarily due to the ramping up of R&D activities related to the establishment of a lab, the employment of full-time employees, intellectual property generation and contracted outsourcing activities, as ZoMedica was incorporated on May 14, 2015. The majority of the current period expenses related to contracted outsourced activities of \$205,532 and salaries of \$136,155 as ZoMedica ramped up activities in its lab including in vitro and in vivo work to support the further development of its intellectual property and preparation of opening its INAD for ZM-012 and ZM-006. The Company did not have a lab or R&D employees in the comparative period.

Expenditures for R&D for the nine months ended September 30, 2016 were higher by \$776,804 compared to the nine months ended September 30, 2015. The increase was primarily due to the ramping up of R&D activities related to the establishment of labs, full-time employees, intellectual property generation and contracted outsourcing activities. The majority of these current period expenses related to salaries of \$400,167, contracted outsourced activities of \$298,401 and consulting costs of \$100,291 as ZoMedica ramped up activities in its lab including in vitro and in vivo work to support the further development of its intellectual property and preparation of opening its INAD for ZM-012 and ZM-006. ZoMedica did not have a lab or R&D employees in the comparative period.

We expect that our R&D expenditures throughout 2016 will be higher as compared to the same periods in 2015, due to the ongoing preparation of clinical work to support the opened INADs as well as additional veterinary pharmaceutical candidates and technologies.

General and Administrative

General and administrative (“G&A”) expenses are comprised of salary and benefits for executive management and administrative staff, travel, insurance, share-based compensation expense and general office overhead.

Share-based compensation is recognized as an expense in the statement of loss and comprehensive loss based on the fair value of the share based payment awarded using the Black-Scholes option pricing model. Assumptions that affect the application of the fair value model include the determination of the volatility for Zomedica's common shares, risk-free interest rate, expected life of the options, dividend yield, common share price and strike price.

G&A expenses for the three months ended September 30, 2016 were higher by \$276,065 compared to the three months ended September 30, 2015. The increase was primarily due to the ramping up of business, as ZoMedica was incorporated on May 14, 2015. The majority of these current period expenses related to the addition of personnel accounting for salaries of \$229,874 due to the addition of employees in business development and accounting. Other expenses included marketing and investor relations of \$60,168 as this was the first full quarter of Zomedica as a public company.

G&A expenses for the nine months ended September 30, 2016 were higher by \$972,759 compared to the nine months ended September 30, 2015. The increase was primarily due to the ramping up of business, as ZoMedica was incorporated on May 14, 2015. The majority of these current period expenses related to the addition of personnel accounting for salaries of \$696,303, which included share-based compensation expense of \$148,390, marketing and investor relations of \$137,740, and office costs of \$104,237. The share-based compensation expense is primarily on account of a grant of stock options issued on March 28, 2016.

Zomedica expects G&A expenditures throughout 2016 will be higher as compared to the same periods in 2015, due to the acceleration of activities subsequent to the closing of the Transaction and due to its listing as a Life Sciences Issuer on the TSX Venture Exchange.

Professional Fees

Professional fees are incurred for strategic exploration, veterinary understanding, regulatory inquiry and FDA-CVM consulting, product pipeline analysis, audit, legal work, securities consulting, government relations and investor relations services.

Professional fees for the three months ended September 30, 2016 were lower by \$244,498 compared to the three months ended September 30, 2015. The decrease was primarily due to the current period transitioning of the business away from utilizing various consultants and hiring full-time employees, as Zomedica executes the business plan.

Professional fees for the nine months ended September 30, 2016 were higher by \$160,074 compared to the nine months ended September 30, 2015. The increase was primarily due to the closing of the Transaction and due to its listing as a Life Sciences Issuer on the TSX Venture Exchange.

Listing Expenses

The acquisition of WOW at April 21, 2016 was accounted at the fair value of the equity instruments of WOW issued to the shareholders of ZoMedica. The difference between the net assets acquired and the fair value of the consideration granted was treated as listing expenses. The listing expenses for the three and nine months ended September 30, 2016 was \$6,645 and \$278,999, respectively.

Loss

Zomedica recorded a loss for the three months ended September 30, 2016 of \$1,042,235 or \$0.01 per share, compared with a loss of \$715,778 or \$0.02 per share for the three months ended September 30, 2015. For the three months ended September 30, 2016, the loss was attributed to the R&D expenses of \$411,104, the G&A expenses of \$396,644 and professional fees of \$212,684, with no revenues as Zomedica does not currently have an approved product. For the three months ended September 30, 2015, the loss was attributed to the professional fees of \$457,182, the R&D expenses of \$135,948 and G&A expenses of \$120,583.

Zomedica recorded loss for the nine months ended September 30, 2016 of \$3,034,492 or \$0.04 per share, compared with a loss of \$818,669 or \$0.02 per share for the nine months ended September 30, 2015. For the nine months ended

September 30, 2016, the loss was attributed to the G&A expenses of \$1,126,028, R&D expenses of \$941,016, professional fees of \$659,144 and listing expenses of \$278,999 with no revenues as Zomedica does not currently have an approved product. For the nine months ended September 30, 2015, the loss was attributed to the professional fees of \$499,070, the R&D expenses of \$164,212 and G&A expenses of \$153,269.

SUMMARY OF RESULTS

Period Ended	Basic and diluted net loss	
	Net loss	per common share
	\$	\$
September 30, 2016	1,042,235	0.01
June 30, 2016	1,064,594	0.01
March 31, 2016	931,642	0.01
December 31, 2015	701,867	0.02
September 30, 2015	715,774	0.02
Inception to June 30, 2015	102,895	-

It is important to note that historical patterns of revenue and expenditures cannot be taken as an indication of future revenue and expenditures. Net loss has been variable and has been impacted primarily by the availability of funding, the level of our R&D spending, and start-up costs.

The net loss in the third quarter of 2016 of \$1,042,235 was attributed to the R&D expenses of \$411,104, the G&A expenses of \$396,644 and professional fees of \$212,684, with no revenues as Zomedica does not currently have an approved product. The net loss in the second quarter of 2016 of \$1,064,594 was attributed to the R&D expenses of \$308,200, the G&A expenses of \$276,863, listing expenses of \$272,354 and the professional fees of \$201,623. The net loss in the first quarter of 2016 of \$931,642 was attributed to the ongoing R&D expenses of \$221,712, the G&A expenses of \$452,521, and professional fees of \$244,837, with no revenues as Zomedica does not currently have an approved product.

The net loss in the fourth quarter of 2015 of \$701,867 or \$0.02 per share was attributed to the R&D expenses of \$341,156, the G&A expenses of \$187,966, and professional fees of \$173,068. The net loss in the third quarter of 2015 of \$715,774 or \$0.02 per share was attributed to the professional fees of \$457,182 from the use of multiple consultants to initiate the business, R&D expenses of \$135,948, and the G&A expenses of \$120,583. The net loss from inception to June 30, 2015 of \$102,896 or \$0.00 per share was attributed to the R&D expenses of \$28,265, the professional fees of \$41,888, and the G&A expenses of \$32,690. A significant portion of the expenses from inception to December 31, 2015 were paid in shares issued for services of \$652,705.

LIQUIDITY AND CAPITAL RESOURCES

	Three months ended		Change		Nine months ended		Change	
	September 30, 2016	September 30, 2015	\$	%	September 30, 2016	September 30, 2015	\$	%
Cash flows used in operating activities	(1,621,927)	(163,090)	(1,458,837)	894%	(3,080,122)	(208,868)	(2,871,254)	1375%
Cash flows provided by financing activities	3,880,286	327,155	3,553,131	1086%	3,927,001	402,155	3,524,846	876%
Cash flows used in investing activities	(128,108)	(72,263)	(55,845)	77%	(226,689)	(74,648)	(152,041)	204%
Increase in cash and cash equivalents, beginning of period	2,130,251	91,802	2,038,449	2220%	620,190	118,639	501,551	423%
Cash and cash equivalents, end of period	1,733,649	26,837	1,706,812	N/A	3,243,710	-	3,243,710	N/A
	3,863,900	118,639	3,745,261	3157%	3,863,900	118,639	3,745,261	3157%

Zomedica had cash of \$3,863,900 as at September 30, 2016. The increase in cash during the three months ended September 30, 2016 is mainly a result of the cash flows provided by financing activities, partially offset by cash flows used in operating activities as discussed below.

Cash flows used in operating activities for the three and nine months ended September 30, 2016 amounted to \$1,621,926 and \$3,080,122, respectively, compared to the three and nine months ended September 30, 2015 of \$163,090 and \$208,868, respectively. The largest use of cash within the operating activities in the current periods was for a deposit of \$801,973 related to the full payment of a 62 month lease for an additional leased office space in Ann Arbor. Other major expenses include employees' wages and benefits, and various consultants related to the Transaction. There were no employees during the prior periods. Zomedica did not have an approved product and therefore did not have revenues.

Cash flows from financing activities for the three and nine months ended September 30, 2016 were \$3,880,286 and \$3,927,001, respectively, compared to the three and nine months ended September 30, 2015 of \$327,155 and \$402,155, respectively. The current period cash flows relate to the cash acquired from the CDN\$5,013,734 or \$3,875,500 private placement that closed in August 2016, and the Transaction, partially offset by the cash paid for the stock issuance. The prior period cash flows relate to proceeds received in the July 31, 2015 private placement.

Cash flows used in investing activities for the three and nine months ended September 30, 2016 amounted to \$128,108 and \$226,689, respectively, compared to the three and nine months ended September 30, 2015 of \$72,263 and \$74,648, respectively. The current period cash flows related mainly to the investment in research equipment in support of the expanding R&D activities.

Working capital (defined as current assets minus current liabilities) was \$3,637,190 as at September 30, 2016. This was primarily due to cash of \$3,863,900 partially offset by accounts payables and accrued liabilities of \$468,906.

Zomedica expects to satisfy operating cash requirements over the next twelve months from cash on hand, through managing operating expense levels, from proceeds of equity and/or debt financings and/or new strategic partnership agreements to fund some or all costs of development.

Zomedica will need additional capital to fund additional R&D activities and to fund any significant expansion of operations. Potential sources of capital could include equity and/or debt financings, development agreements or marketing license agreements, the collection of revenues resulting from future commercialization activities and/or new strategic partnership agreements to fund some or all costs of development, although there can be no assurance that Zomedica will be able to obtain any such capital on terms or in amounts sufficient to meet needs or at all. The

availability of equity or debt financing will be affected by, among other things, the results of R&D, the ability to obtain regulatory approvals, the market acceptance of Zomedica's product(s), the state of the capital markets generally, strategic alliance agreements and other relevant commercial considerations. In addition, if Zomedica raises additional funds by issuing equity securities, the existing security holders will likely experience dilution, and the incurring of indebtedness would result in increased debt service obligations and could require Zomedica to agree to operating and financial covenants that would restrict operations. In the event that Zomedica does not obtain additional capital, there may be substantial doubt about its ability to continue as a going concern and realize assets and pay liabilities as they become due. Any failure on Zomedica's part to raise additional funds on terms favorable to Zomedica or at all, may require Zomedica to significantly change or curtail current or planned operations in order to conserve cash until such time, if ever, that sufficient proceeds from operations are generated, and could result in not taking advantage of business opportunities, in the termination or delay of safety and efficacy studies for product, in curtailment of product development programs designed to identify new products, in the sale or assignment of rights to technologies, product, and/or inability to file regulatory approval applications at all or in time to competitively market product.

OUTSTANDING SHARE INFORMATION

The number of common shares outstanding as of September 30, 2016 was 83,173,196, an increase of 5,802,480 from December 31, 2015 (1,900,000 due to the reverse takeover, 3,342,480 due to the private placement, 80,000 due to shares issued for services, and 480,000 issued due to share options exercised). The number of stock options outstanding as of September 30, 2016 was 4,100,000, an increase of 3,100,000 from December 31, 2015 due to options that were granted to employees, directors, officers and consultants. As at November 22, 2016, Zomedica had 83,173,196 common shares issued and outstanding.

OFF BALANCE SHEET ARRANGEMENTS

Zomedica has no off-balance sheet arrangements.

RECENT ACCOUNTING PRONOUNCEMENTS

IFRS 9, Financial Instruments (IFRS 9)

IFRS 9 was issued by the International Accounting Standards Board (“IASB”) in October 2010 and will replace International Accounting Standard (“IAS”) IAS 39, Financial Instruments: Recognition and Measurement (“IAS 39”). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 will be effective as at January 1, 2018. Management is currently evaluating the potential impact, if any, that the adoption of IFRS 9 will have on Zomedica's financial statements.

IFRS 15, Revenue from contracts with customers (IFRS 15)

IFRS 15 was issued by the IASB on May 28, 2014, and will replace IAS 18, Revenue, IAS 11, Construction contracts, and related interpretations on revenue. IFRS 15 sets out the requirements for recognizing revenue that apply to all contracts with customers, except for contracts that are within the scope of the standards on leases, insurance contracts and financial instruments. IFRS 15 uses a control based approach to recognize revenue which is a change from the risk and reward approach under the current standard. Companies can elect to use either a full or modified retrospective approach when adopting this standard and it is effective for annual periods beginning on or after January 1, 2018. Management is currently evaluating the potential impact, if any, that the adoption of IFRS 15 will have on Zomedica's financial statements.

IFRS 16, Leases (IFRS 16)

IFRS 16 was issued by the IACB in January 2016. IFRS 16 is effective for periods beginning on or after January 1, 2019, with early adoption permitted. IFRS 16 eliminates the current dual model for lessees, which distinguishes between on statement of financial position finance leases and off statement of financial position operating leases. Instead, there is a single, on statement of financial position accounting model that is similar to current finance lease

accounting. Management is currently evaluating the potential impact, if any, that the adoption of IFRS 16 will have on Zomedica's financial statements.

RELATED PARTY TRANSACTIONS

Details of the transactions between Zomedica, key management and other related parties are disclosed below.

- During the nine months ended September 30, 2016, a director and executive officer paid \$2,013 to Zomedica, which was recorded as shareholder loans payable as at September 30, 2016.

Key management includes Zomedica's directors and executive officers. The remuneration of directors and the senior management team for the period ended September 30, 2016 was as follows:

	Three months ended		Nine months ended	
	September 30, 2016	September 30, 2015	September 30, 2016	September 30, 2015
	\$	\$	\$	\$
Salaries	250,272	-	648,478	-
Share-based compensation	-	-	117,180	-
	250,272	-	765,658	-

FINANCIAL INSTRUMENTS

Credit risk

Credit risk is the risk of a financial loss to the company if a counterparty to a financial instrument fails to meet its contractual obligation. Zomedica is exposed to credit risk on its cash balances. Zomedica's cash management policies include ensuring that cash is deposited in FDIC member banks and Canadian chartered banks.

Market risk

Market risk is the risk that the fair value of the future cash flows of a financial instrument will fluctuate because of changes in the market prices. Zomedica's cash includes cash held in bank accounts that earn interest at variable interest rates. Due to the short-term nature of these financial instruments, fluctuations in market rates do not have a significant impact on estimated fair values.

Liquidity risk

Liquidity risk is the risk that Zomedica may not be able to generate sufficient cash resources to settle its obligations as they fall due. Zomedica's strategy is to satisfy its liquidity needs using cash on hand, cash flow generated from operating activities, and cash flow provided by financing activities. As at September 30, 2016, Zomedica had working capital of \$3,637,190.

Fair value risk

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. The fair value of Zomedica's cash, other receivables, due from related parties, accounts payable and accrued liabilities, shareholder loans payable are estimated by management to approximate their carrying values due to their short-term nature. Loans payable are also fairly reflected by its book value as they have been financed at interest rates which are similar to current market interest rates.

Zomedica Pharmaceuticals Corp.

Condensed unaudited interim consolidated financial statements

(Stated in United States Dollars)

For the three and nine months ended September 30, 2016 and 2015

Zomedica Pharmaceuticals Corp.

Condensed unaudited interim consolidated statements of financial position
(Stated in United States dollars)

		September 30,	December 31,
	Note	2016	2015
Assets			
Current assets:			
Cash and cash equivalents		\$ 3,863,900	\$ 3,243,710
Prepaid expenses and deposits	5	236,003	189,070
Trade and other receivable		12,919	-
		4,112,822	3,432,780
Prepaid expenses and deposits	5	690,373	15,976
Property and equipment	6	290,352	100,561
Intangibles	7	318,610	311,017
		\$ 5,412,157	\$ 3,860,334

Liabilities and shareholders' equity

Current liabilities:

Accounts payable and accrued liabilities		\$ 468,906	\$ 141,576
Shareholder loans payable	14	6,726	4,713
		475,632	146,289

Shareholders' equity:

Share capital	8	9,337,266	5,214,691
Share-based payment reserve	9	158,266	19,890
Deficit		(4,559,007)	(1,520,536)
		4,936,525	3,714,045
		\$ 5,412,157	\$ 3,860,334

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

Zomedica Pharmaceuticals Corp.

Condensed unaudited interim consolidated statements of loss and comprehensive loss
(Stated in United States dollars)

	Note	Three months ended September 30,		Nine months ended September 30,	
		2016	2015	2016	2015
Expenses:					
Research and development	11	\$ 411,104	\$ 135,948	\$ 941,016	\$ 164,212
General and administrative	11	396,644	120,579	1,126,028	153,269
Professional fees	11	212,684	457,182	659,144	499,070
Listing expenses	15	6,645	-	278,999	-
Amortization	7	673	286	2,018	286
Depreciation	6	12,068	1,779	27,287	1,832
Loss from operations		1,039,818	715,774	3,034,492	818,669
Foreign exchange loss		2,417	-	3,979	-
Loss before income taxes		1,042,235	715,774	3,038,471	818,669
Income tax expense		-	-	-	-
Net loss and comprehensive loss		\$ 1,042,235	\$ 715,774	\$ 3,038,471	\$ 818,669
Weighted average number of common shares	13	79,140,239	39,869,587	79,140,239	39,869,587
Loss per share - basic and diluted	13	\$ (0.01)	\$ (0.02)	\$ (0.04)	\$ (0.02)

Nature of operations (Note 1)

Statement of compliance and going concern (Note 2)

Commitments and contingencies (Note 10)

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

Zomedica Pharmaceuticals Corp.

Condensed unaudited interim consolidated statements of changes in equity

For the nine months ended September 30, 2016 and the period from May 14, 2015 (Date of incorporation) to December 31, 2015

(Stated in United States dollars)

	Note	Number of common shares	Share capital	Share-based payment reserve	Deficit	Total
Balance at May 14, 2015		-	-	-	-	-
Issuance of shares		64,915,366	\$ 4,561,986	-	-	\$ 4,561,986
Shares issued for services		12,255,350	652,705	-	-	652,705
Options issued for services		-	-	19,890	-	19,890
Loss for the period					(1,520,536)	(1,520,536)
Balance at December 31, 2015		77,170,716	\$ 5,214,691	\$ 19,890	\$ (1,520,536)	\$ 3,714,045
Balance at December 31, 2015		77,370,716	\$ 5,214,691	\$ 19,890	\$ (1,520,536)	\$ 3,714,045
Share issuance due to amalgamation, net of cost	8	1,900,000	196,534	-	-	196,534
Share issuance for financing, net of cost		3,342,480	3,864,863	-	-	3,864,863
Share issuance for services	8	80,000	15,741	-	-	15,741
Share-based compensation	9	-	-	148,390	-	148,390
Shares issued due to exercise of options	8	480,000	45,437	(10,014)	-	35,423
Net loss for the period		-	-	-	(3,038,471)	(3,038,471)
Balance at September 30, 2016		83,173,196	\$ 9,337,266	\$ 158,266	\$ (4,559,007)	\$ 4,936,525

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

Zomedica Pharmaceuticals Corp.

Condensed unaudited interim consolidated statements of cash flows
(Stated in United States dollars)

	Note	Three months ended September 30,		Nine months ended September 30,	
		2016	2015	2016	2015
Cash flows used in operating activities:					
Net loss for the period		\$ (1,042,235)	\$ (715,774)	\$ (3,038,471)	\$ (818,669)
Adjustments for					
Depreciation	6	12,068	1,779	27,287	1,832
Amortization	7	673	286	2,018	286
Share-based compensation	9	-	19,890	148,390	19,890
Shares issued for professional fees	8	-	432,705	15,741	432,705
Listing expenses	15	6,645	-	278,999	-
Change in non-cash operating working capital					
Prepaid expenses and deposits	5	(771,931)	(114,927)	(786,140)	(139,952)
Other receivable		10,118	-	(15,029)	-
Accounts payable and accrued liabilities		162,735	212,951	287,083	295,040
		(1,621,927)	(163,090)	(3,080,122)	(208,868)
Cash flows from financing activities:					
Repayments (advances) of shareholder loan	14	-	-	2,013	-
Cash received in amalgamation	15	-	-	108,966	-
Cash received for shares issued		3,875,500	190,000	3,875,500	190,000
Cash received from exercise of stock options		15,422	-	35,422	-
Proceeds from investor deposits		-	137,155	-	212,155
Cash paid for stock issuance cost	8,15	(10,636)	-	(94,900)	-
		3,880,286	327,155	3,927,001	402,155
Cash flows used in investing activities:					
Investment in intangibles	7	-	(5,144)	(9,611)	(5,144)
Investment in property and equipment	6	(128,108)	(67,119)	(217,078)	(69,504)
		(128,108)	(72,263)	(226,689)	(74,648)
Increase in cash		2,130,251	91,802	620,190	118,639
Cash, beginning of period		1,733,649	26,837	3,243,710	-
Cash, end of period		\$ 3,863,900	\$ 118,639	\$ 3,863,900	\$ 118,639

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

Zomedica Pharmaceuticals Corp.

Notes to the condensed unaudited interim consolidated financial statements
For the three and nine months ended September 30, 2016 and 2015
(Stated in United States dollars)

1. Nature of operations

Zomedica Pharmaceuticals Corp. (the “Company”) was incorporated on January 7, 2013 under the Alberta Business Corporations Act as Wise Oakwood Ventures Inc. (“WOW”) and was classified as a capital pool company, as defined in Policy 2.4 of the TSX Venture Exchange.

On April 21, 2016, the Company closed its qualifying transaction (“Transaction”) with ZoMedica Pharmaceuticals Inc. (“ZoMedica”), and filed Articles of Amalgamation and amalgamated with 9674128 Canada Inc., which was wholly-owned by WOW. The amalgamated company changed its name to Zomedica Pharmaceuticals Ltd. and WOW subsequently changed its name to Zomedica Pharmaceuticals Corp. The shares of Zomedica Pharmaceuticals Corp. began trading under the new symbol “ZOM” on Monday May 2, 2016 on the TSX Venture Exchange. On June 21, 2016, the Company filed Articles of Amalgamation and vertically amalgamated with its wholly-owned subsidiary, Zomedica Pharmaceuticals Ltd.

Zomedica has one corporate subsidiary, Zomedica Pharmaceuticals Inc., a Delaware company whose results and operations are included in these condensed unaudited interim consolidated financial statements. The Company is a biopharmaceutical company targeting health and wellness solutions for the companion pet through a ground-breaking approach that focuses on the needs of the veterinarians themselves. Zomedica’s head office is located at 3928 Varsity Drive, Ann Arbor, MI 48108 and its registered office is located at Suite 1250, 639 – 5th Avenue S.W., Calgary, Alberta T2P 0M9.

2. Statement of compliance and going concern

The Company’s condensed unaudited interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). The financial statements have been prepared on a historical cost basis, except for certain financial instruments that are measured at fair value as described in the accounting policies.

These condensed unaudited interim consolidated financial statements have been prepared on a going concern basis, which contemplates that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. Accordingly, they do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern, and therefore be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of business and at amounts different from those in the accompanying condensed unaudited interim consolidated financial statements. Such adjustments could be material. It is not possible to predict whether the company will be able to raise adequate financing or to ultimately attain profit levels of operations. These conditions indicate the existence of material uncertainties that may cause significant doubt about the Company’s ability to continue as a going concern. Changes in future conditions could require material write downs of the carrying values.

The Company has not yet realized profitable operations and has incurred significant losses to date resulting in a cumulative deficit of \$4,559,007 as at September 30, 2016. The recoverability of the carrying value of the assets and the Company’s continued existence is dependent upon the achievement of profitable operations, or the ability of the Company to raise alternative financing, if necessary. While management has been historically successful in raising the necessary capital, it cannot provide assurance that it will be able to execute on its business strategy or be successful in future financing activities. As at September 30, 2016, the Company had current assets of \$4,112,822 to cover current liabilities of \$475,632.

Zomedica Pharmaceuticals Corp.

Notes to the condensed unaudited interim consolidated financial statements
For the three and nine months ended September 30, 2016 and 2015
(Stated in United States dollars)

3. Basis of preparation

These interim financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting ("IAS 34") and should be read in conjunction with the most recent audited annual consolidated financial statements ("Annual Financial Statements") for the year ended December 31, 2015. These interim financial statements follow the same accounting policies and methods of application as the annual financial statements, except for those policies which have changed as a result of the adoption of new and amended IFRS pronouncements effective January 1, 2016. All intercompany transactions and balances for these subsidiaries have been eliminated.

The interim financial statements were approved by the Board of Directors on November 22, 2016.

4. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in the condensed unaudited interim consolidated financial statements.

Functional and presentations currencies

The Company's and subsidiary's functional currency, as determined by management, is US dollars, which is also the Company's presentation currency.

Adoption of new accounting standards

Effective January 1, 2016, the following new or amended accounting standards were effective for the Company:

Amendments to IFRS 7, Financial Instruments: Disclosures ("IFRS 7"), requiring increased disclosure regarding derecognition of financial assets and the continuing involvement.

Amendments to IAS 1, Presentation of Financial Statements ("IAS 1"), which includes amendments to further encourage companies to apply judgment in determining what information to disclose in their financial statements. The adoption of these standards had no impact on the Company's results of operations, financial position or disclosures.

Standards, amendments and interpretations issued and not yet effective

The International Accounting Standards Board has issued several new standards and amendments that will be effective on various dates. The listing below is of standards, interpretation and amendments issued which the Company reasonably expects to be applicable at a future date. The Company intends to adopt those standards when they become effective. The impact on the Company is currently being assessed.

IFRS 9 Financial Instruments

In July 2014, the International Accounting Standards Board ("IASB") issued the final version of IFRS 9 (2014) as a complete standard including the requirements previously issued and the additional amendments to introduce a new expected loss impairment model and limited changes to the classification and measurement requirements for financial assets. This Standard will replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 (2014) is effective for reporting periods beginning on or after January 1, 2018 with early adoption permitted. The Company has yet to assess the impact of the new standard on its results of operations, financial position and disclosures.

Zomedica Pharmaceuticals Corp.

Notes to the condensed unaudited interim consolidated financial statements
For the three and nine months ended September 30, 2016 and 2015
(Stated in United States dollars)

4. Significant accounting policies (continued)

IFRS 15 Revenue from contracts with customers

IFRS 15, "Revenue from contracts and customers" ("IFRS 15") was issued by the IASB on May 28, 2014, and will replace IAS 18, Revenue, IAS 11, Construction contracts, and related interpretations on revenue. IFRS 15 sets out the requirements for recognizing revenue that apply to all contracts with customers, except for contracts that are within the scope of the standards on leases, insurance contracts and financial instruments. IFRS 15 uses a control based approach to recognize revenue which is a change from the risk and reward approach under the current standard. Companies can elect to use either a full or modified retrospective approach when adopting this standard and it is effective for annual periods beginning on or after January 1, 2018. The Company is currently assessing the impact of this pronouncement.

IFRS 16 Leases

In January 2016, the IASB issued IFRS 16, Leases ("IFRS 16"). IFRS 16 is effective for periods beginning on or after January 1, 2019, with early adoption permitted. IFRS 16 eliminates the current dual model for lessees, which distinguishes between on statement of financial position finance leases and off statement of financial position operating leases. Instead, there is a single, on statement of financial position accounting model that is similar to current finance lease accounting. The Company is currently assessing the impact of this pronouncement.

5. Prepaid rent

The Company entered into a lease agreement with Wickfield Phoenix LLC effective on August 23, 2016. The Company prepaid the full outstanding balance of \$801,973 on August 26, 2016. The Company has classified the prepaid rent due within a year as a current asset on the statement of financial position.

6. Property and equipment

	Computer equipment	Furniture and equipment	Laboratory equipment	Leasehold improvements	Total
Cost					
Balance at May 14, 2015	-	-	-	-	-
Additions	\$ 54,685	\$ 7,364	\$ 32,665	\$ 14,735	\$ 109,449
Dispositions	(2,890)	-	-	-	(2,890)
Balance at December 31, 2015	51,795	7,364	32,665	14,735	106,559
Additions	7,108	-	205,470	4,500	217,078
Balance at September 30, 2016	58,903	7,364	238,135	19,235	323,637
Accumulated depreciation					
Balance at May 14, 2015	-	-	-	-	-
Depreciation	3,163	438	1,578	819	5,998
Balance at December 31, 2015	3,163	438	1,578	819	5,998
Depreciation	7,771	789	16,409	2,318	27,287
Balance at September 30, 2016	10,934	1,227	17,987	3,137	33,285
Net book value as at:					
December 31, 2015	\$ 48,632	\$ 6,926	\$ 31,087	\$ 13,916	\$ 100,561
September 30, 2016	\$ 47,969	\$ 6,137	\$ 220,148	\$ 16,098	\$ 290,352

Zomedica Pharmaceuticals Corp.

Notes to the condensed unaudited interim consolidated financial statements
For the three and nine months ended September 30, 2016 and 2015
(Stated in United States dollars)

7. Intangible assets

	Computer software	Trademarks	Intellectual property	Total
Cost				
Balance at May 14, 2015	-	-	-	-
Additions	5,143	6,625	300,000	311,768
Balance at December 31, 2015	5,143	6,625	300,000	311,768
Additions	-	9,611	-	9,611
Balance at September 30, 2016	5,143	16,236	300,000	321,379
Accumulated amortization				
Balance at May 14, 2015	-	-	-	-
Amortization	714	37	-	751
Balance at December 31, 2015	714	37	-	751
Amortization	1,286	732	-	2,018
Balance at September 30, 2016	2,000	769	-	2,769
Net book value as at:				
December 31, 2015	\$ 4,429	\$ 6,588	\$ 300,000	\$ 311,017
September 30, 2016	\$ 3,143	\$ 15,467	\$ 300,000	\$ 318,610

The Company's intellectual property is comprised of various matters, including but not limited to business plans and concepts, business development work, market research, pre-incorporation activities and other ideas, knowledge, concepts and property that are integral to the proposed business of Zomedica.

8. Share capital

Authorized - Unlimited number of common shares without par value.

Issued and outstanding common shares:

	Number of common shares	Share capital
Balance at inception	-	\$ -
Shares issued for intellectual property	37,343,100	300,000
Shares issued for services	12,455,350	652,705
Shares issued for cash	27,572,266	4,261,986
Balance at December 31, 2015	77,370,716	5,214,691
Shares issued to effect the reverse takeover (note 14)	1,900,000	196,534
Shares issued due to exercise of options related to amalgamation	80,000	22,058
Shares issued to Everfront Capital Corp	80,000	15,741
Shares issued for financing	3,342,480	3,864,863
Shares issued due to exercise of options	400,000	23,379
Balance at September 30, 2016	83,173,196	\$ 9,337,266

Zomedica Pharmaceuticals Corp.

Notes to the condensed unaudited interim consolidated financial statements
For the three and nine months ended September 30, 2016 and 2015
(Stated in United States dollars)

8. Share capital (continued)

During the three months ended September 30, 2016, the Company issued 3,342,480 common shares for gross proceeds of \$3,875,500. The Company recorded \$10,637 of shares issuance costs as an offset to share capital.

9. Share-based payments

During the six months ended June 30, 2016, the Company issued 3,500,000 stock options, each option entitling the holder to purchase one common share of the Company. The Company also had 80,000 options deemed to be issued as part of the qualifying transaction disclosed in Note 15. These options were exercised immediately after the close of the qualifying transaction on April 21, 2016.

During the three and nine months ended September 30, 2016, 400,000 of options were exercised on July 15, 2016.

The continuity of the issuance of stock options are as follows:

	Number of Options		Weighted Avg Exercise Price (CDN\$)
Balance at May 14, 2015			
Options issued	1,000,000	\$	0.05
Balance at December 31, 2015	1,000,000		0.05
Options issued	3,500,000		0.25
Options deemed to be issued through amalgamation	80,000		0.25
Options exercised on April 21, 2016	(80,000)		0.25
Options exercised on July 15, 2016	(400,000)		0.05
Balance at September 30, 2016	4,100,000	\$	0.22

As at September 30, 2016, details of the issued stock options are as follows:

Grant date	Exercise price (CDN\$)	Number of options	Number of vested options outstanding	Weighted Avg Remaining Life (years)
July 31, 2015	\$ 0.05	1,000,000	600,000	3.84
March 28, 2016	\$ 0.25	3,500,000	3,500,000	1.56

The fair value of options granted as well as the deemed issuance of options during the nine months period ended September 30, 2016 was estimated using the Black-Scholes option pricing model to determine the fair value of options granted using the following assumptions:

	March 28, 2016	April 21, 2016
Volatility	63%	63%
Risk-free interest rate	0.56%	1.12%
Expected life	2.06 years	1 year
Dividend yield	0%	0%
Common share price	CDN \$0.20	CDN \$0.20
Strike price	CDN \$0.25	CDN \$0.25
Forfeiture rate	nil	nil

Zomedica Pharmaceuticals Corp.

Notes to the condensed unaudited interim consolidated financial statements
For the three and nine months ended September 30, 2016 and 2015
(Stated in United States dollars)

9. Share-based payments (continued)

The Company recorded \$148,390 of share-based compensation for the nine-month period ended September 30, 2016 and \$nil for the three-month period ended September 30, 2016. (\$ nil – 2015). The Company recorded the cash receipt of \$15,423 as share capital and reclassified \$7,956 of share based payment reserve to share capital due to the exercise of options during the three month period ended September 30, 2016.

Volatility is determined based on volatilities of comparable companies as the Company does not have sufficient trading history.

10. Commitments and Contingencies

Total future annual lease payments for the premises are as follows:

2017	51,414
2018	34,784
2019 and thereafter	-
Total	\$ 86,198

The Company is also committed to pay \$12,663 in annual lease payments until December 31, 2016.

11. Schedule of expenses

	For the three months ended September 30, 2016			For the three months ended September 30, 2015		
	Research and Development	Professional Fees	General and Administrative	Research and Development	Professional Fees	General and Administrative
Salaries, bonus and benefits	\$ 136,155	\$ -	\$ 229,874	\$ 11,835	\$ -	\$ 16,343
Contracted expenditures	205,532	-	-	-	-	-
Marketing and investor relations	-	-	60,168	-	-	28,080
Travel and accommodation	-	-	17,186	-	-	10,710
Insurance	11,812	-	41,643	-	-	109
Office	3,539	-	39,008	2,231	-	58,113
Consultant	21,967	212,684	1,540	116,077	457,182	-
Rent	4,816	-	7,224	4,816	-	7,224
Supplies	27,282	-	-	989	-	-
Total	\$ 411,104	\$ 212,684	\$ 396,644	\$ 135,948	\$ 457,182	\$ 120,579

	For the nine months ended September 30, 2016			For the nine months ended September 30, 2015		
	Research and Development	Professional Fees	General and Administrative	Research and Development	Professional Fees	General and Administrative
Salaries, bonus and benefits	\$ 400,167	\$ -	\$ 696,303	\$ 11,835	\$ -	\$ 16,343
Contracted expenditures	298,401	-	-	-	-	-
Marketing and investor relations	-	-	137,740	-	-	28,080
Travel and accommodation	-	-	48,838	-	-	26,562
Insurance	33,830	-	93,332	-	-	709
Office	9,222	-	104,237	2,231	-	74,351
Consultant	100,291	659,144	23,905	144,341	499,070	-
Rent	14,448	-	21,672	4,816	-	7,224
Supplies	84,656	-	-	989	-	-
Total	\$ 941,016	\$ 659,144	\$ 1,126,028	\$ 164,212	\$ 499,070	\$ 153,269

Zomedica Pharmaceuticals Corp.

Notes to the condensed unaudited interim consolidated financial statements

For the three and nine months ended September 30, 2016 and 2015

(Stated in United States dollars)

12. Capital risk management

The capital of the Company includes equity, which is comprised of issued common share capital, share based payment reserve, and deficit. The Company's objective when managing its capital is to safeguard the ability to continue as a going concern in order to provide returns for its shareholders, and other stakeholders and to maintain a strong capital base to support the Company's core activities.

13. Loss per share

	For three months ended September 30, 2016	For three months ended September 30, 2015	For nine months ended September 30, 2016	For nine months ended September 30, 2015
Numerator				
Net loss for the period	\$ 1,042,235	\$ 715,778	\$ 3,038,471	\$ 818,669
Denominator				
Weighted average shares - basic	79,140,239	39,869,587	79,140,239	39,869,587
Stock options	-	-	-	-
Denominator for diluted loss per share	79,140,239	39,869,587	79,140,239	39,869,587
Loss per share - basic and diluted	\$ 0.01	\$ 0.02	\$ 0.04	\$ 0.02

For the above-mentioned period, the Company had securities outstanding which could potentially dilute basic earnings per share in the future, but were excluded from the computation of diluted loss per share in the period presented, as their effect would have been anti-dilutive.

14. Related party transactions and key management compensation

During the nine month period ended September 30, 2016, the Company received \$6,726 from a director and executive officer, which was recorded as shareholder loans payable as at September 30, 2016.

Key management personnel are comprised of the Company's directors and executive officers. In addition to their salaries, key management personnel also receive share-based compensation. Key management personnel compensation is as follows:

	For three months ended September 30,		For nine months ended September 30,	
	2016	2015	2016	2015
Salaries	\$ 250,272	-	\$ 648,478	-
Share-based compensation	-	-	117,180	-
Total	\$ 250,272	-	\$ 765,658	-

Zomedica Pharmaceuticals Corp.

Notes to the condensed unaudited interim consolidated financial statements
For the three and nine months ended September 30, 2016 and 2015
(Stated in United States dollars)

15. Reverse takeover

On April 21, 2016, Wise Oakwood Ventures Inc. ("WOW"), a corporation existing under the laws of the Province of Alberta, closed its qualifying transaction with ZoMedica Pharmaceuticals Inc. The transaction proceeded by way of a three-cornered amalgamation, pursuant to which Zomedica Pharmaceuticals Inc. amalgamated with 9674128 Canada Inc., a wholly-owned subsidiary of WOW formed solely for the purposes of facilitating the transaction. The amalgamated company changed its name to Zomedica Pharmaceuticals Ltd. The transaction constituted WOW's qualifying transaction under TSX Venture Exchange Policy 2.4 – Capital Pool Companies.

In accordance with the approvals of the Company's shareholders at its annual and special meeting on April 21, 2016, WOW changed its name to Zomedica Pharmaceuticals Corp. and completed the consolidation of its outstanding common shares on a two and one-half (2½) pre-consolidated share for each one (1) post-consolidated share basis. As a result of the transaction, Zomedica Pharmaceuticals Ltd. became a wholly-owned subsidiary of Zomedica Pharmaceuticals Corp. The shares of Zomedica Pharmaceuticals Corp. began trading under the new symbol "ZOM" on Monday May 2, 2016 on the TSX Venture Exchange.

WOW's share capital of CDN \$309,589, contributed surplus of CDN \$32,467 and deficit of CDN \$232,984 were all eliminated and the transaction was accounted for as a reverse takeover. The transaction is the equivalent of the issuance of shares by the resulting company for the net assets and listing status of the non-operating public company.

As part of the transaction, WOW's previously issued 200,000 stock options were deemed to be converted to 80,000 post consolidation options. These options were exercised immediately after the close of the qualifying transaction as disclosed in Note 8.

		CDN		USD
Deemed issuance of 1,900,000 Zomedica Pharmaceuticals Corp. shares	\$	475,000	\$	373,207
Deemed issuance of 80,000 options		2,737		2,058
Total deemed issuance	\$	477,737	\$	375,265
<hr/>				
Cash	\$	138,687	\$	108,966
Prepaid fees		94,778		74,467
Accounts payable and accrued liabilities		(102,485)		(80,522)
Listing expenses		346,757		272,354
	\$	477,737	\$	375,265

16. Vertical amalgamation

On June 21, 2016, Zomedica Pharmaceuticals Corp. amalgamated with Zomedica Pharmaceuticals Ltd. as Zomedica Pharmaceuticals Corp. (the "Amalgamated Corporation") pursuant to Section 184(1) of the Business Corporation Act (Alberta). As a result of the transaction, Zomedica Pharmaceuticals Inc., a Delaware incorporated has become a wholly-owned subsidiary of the Amalgamated Corporation.