



Management Discussion and Analysis of Operating Entity

Financial Statements of Operating Entity

For the three month period ended March 31, 2016

Management's Discussion and Analysis of Financial Condition and Results of Operations of ZoMedica Pharmaceuticals Inc. for the Three Months Ended March 31, 2016

The following Management Discussion and Analysis ("MD&A") prepared as of May 26, 2016 should be read in conjunction with the March 31, 2016 unaudited interim consolidated financial statements and related notes of ZoMedica Pharmaceuticals Inc. ("ZoMedica" or the "Company"). The unaudited interim consolidated financial statements of ZoMedica Pharmaceuticals Inc. and related notes as at March 31, 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

ZoMedica was incorporated on May 14, 2015 under the *Canada Business Corporations Act*. ZoMedica has one corporate subsidiary, ZoMedica Pharmaceuticals Inc., a Delaware company whose results and operations are included in the unaudited consolidated 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 added a 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, ZM-012, is an anti-infective therapeutic for companion animals. ZoMedica is also developing a novel therapeutic targeting a metabolic disorder specific to the companion animal.

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
- Initiate FDA Center for Veterinary Medicine regulatory process for second therapeutic
- Jointly develop IP with CTX Technology, Inc. for alternative drug delivery technology
- License or acquire technology for introduction into veterinary space
- Launch *Voice of the Vet*TM program to support customer-centric mission and focus on innovation

CORPORATE HIGHLIGHTS

- On April 27, 2016, Zomedica Pharmaceuticals Corp. (“Zomedica”, formerly “Wise Oakwood Ventures Inc.”) announced the completion of its Qualifying Transaction (“Transaction”) with ZoMedica. The shares of Zomedica began trading under the new symbol “ZOM” on Monday May 2, 2016 on the TSX Venture Exchange. Further information regarding Zomedica and the Transaction are set out in Zomedica’s filing statement dated March 30, 2016 which has been filed on SEDAR (www.sedar.com).
- On May 10, 2016, Zomedica announced that it opened its first Investigational New Animal Drug Application (INAD) with the U.S. Food and Drug Administration Center for Veterinary Medicine (FDA-CVM) for ZM-012, an anti-infective therapeutic for companion animals.
- On May 17, 2016, Zomedica announced the completion of a research collaboration agreement that includes an option for an exclusive worldwide animal health license with CTX Technology, Inc. for their peptide-based skin penetration platform technology.

SELECTED FINANCIAL INFORMATION

The following table sets forth selected consolidated financial information for ZoMedica as of and for the three months ended March 31, 2016. ZoMedica was incorporated on May 14, 2015, therefore there are no comparative period results. These results were prepared in accordance with IFRS. All of the following information is reported in US dollars unless otherwise noted.

Statement of Loss and Comprehensive Loss	For the three months ended March 31, 2016
	\$
Loss from operations	927,396
Loss and comprehensive loss	931,642
Loss per share - basic and diluted	0.01

Statement of Financial Position	As at March 31, 2016
	\$
Total Assets	3,206,416
Total Liabilities	277,681
Total Shareholders' equity	2,928,735

RESULTS OF OPERATIONS

The following are selected financial information for the three months ended March 31, 2016.

	For the three months ended March 31, 2016
	\$
Expenses	
Research and development	221,712
General and administrative	452,521
Professional fees	244,837
Amortization	539
Depreciation	7,787
Loss from operations	927,396
Foreign exchange loss	4,246
Loss before income taxes	931,642
Income tax expense	-
Net loss and comprehensive loss for the year	931,642

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 March 31, 2016 were \$221,712. The majority of these expenses related to salaries of \$128,445 and consulting costs of \$48,526 as ZoMedica ramped up activities in its lab including in vitro work to support the further development of its intellectual property, outsourcing of in vivo studies for additional support of its IP and preparation of opening its INAD for ZM-012. ZoMedica expects R&D expenditures throughout 2016 will be higher as activities accelerate.

General and Administrative

General and administrative 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.

General and administrative expenses for the three months ended March 31, 2016 were \$452,521. This is largely attributable to the addition of personnel accounting for salaries of \$156,739, share-based compensation expense of \$146,332, and office costs of \$55,176. The share-based compensation expense is on account of an annual grant of stock options issued on March 28, 2016. ZoMedica expects general and administrative expenditures throughout 2016 will be higher as activities accelerate and subsequent to the closing of the Transaction and public listing on the TSX Venture Exchange discussed below under the heading, “Subsequent Events”.

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 March 31, 2016 were \$244,837 and relate to the use of various consultants including lawyers and accountants in establishing the initial operations, preparing ZoMedica to execute the business plan, and the closing of the Transaction and public listing on the TSX Venture Exchange.

Loss

ZoMedica recorded loss for the three months ended March 31, 2016 of \$931,642 or \$0.01 per share. The loss was attributed to the R&D expenses of \$221,712, the general and administrative expenses of \$452,521, and professional fees of \$244,837, with no revenues as ZoMedica does not currently have an approved product.

SUMMARY OF RESULTS

Period Ended	Basic and diluted net loss	
	Net loss	per common share
	\$	\$
March 31, 2016	931,642	0.01
Inception to December 31, 2015	1,520,536	0.03

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 first quarter of 2016 of \$931,642 was attributed to the ongoing R&D expenses of \$221,712, the general and administrative 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 from inception to December 31, 2015 of \$1,520,536 or \$0.03 per share was attributed to the R&D expenses of \$505,369, the general administrative expenses of \$341,239, and professional fees of \$672,138. A significant portion of these expenses were paid in shares issued for services of \$652,705.

LIQUIDITY AND CAPITAL RESOURCES

	For the three months ended March 31, 2016
	\$
Cash flows used in operating activities	(616,012)
Cash flows used in financing activities	(4,688)
Cash flows used in investing activities	(80,306)
Decrease in cash	(701,006)
Cash and cash equivalents, beginning of period	3,243,710
Cash and cash equivalents, end of period	2,542,704

ZoMedica had cash of \$2,542,704 as at March 31, 2016. The decrease in cash during the three months ended March 31, 2016 is mainly a result of the cash flows used in operating activities as discussed below.

For the three months ended March 31, 2016, cash flows used in operating activities amounted to \$616,012. The largest use of cash within the operating activities was for employees' wages and benefits, and various consultants related to the Transaction discussed below. ZoMedica did not have an approved product and therefore did not have revenues.

Cash flows used in investing activities for the three months ended March 31, 2016 of \$80,306 related mainly to the investment in research equipment and lab-related leasehold improvements in support of the expanding R&D activities.

For the three months ended March 31, 2016, cash flows used in financing activities of \$4,688 relate to the repayment of a shareholder loan.

Working capital (defined as current assets minus current liabilities) was \$2,428,126 as at March 31, 2016. This was primarily due to cash of \$2,542,704 partially offset by accounts payables and accrued liabilities of \$277,656.

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 March 31, 2016 was 77,370,716, no change from December 31, 2015. The number of stock options outstanding as of March 31, 2016 was 4,500,000, an increase of 3,500,000 from December 31, 2015 due to options that were granted to employees, directors, officers and consultants.

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 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.

RELATED PARTY TRANSACTIONS

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

- During the three months ended March 31, 2016, a director and executive officer was repaid \$4,713 from ZoMedica, which was recorded as shareholder loans payable as at December 31, 2015.

Key management includes ZoMedica's directors and executive officers. The remuneration of directors and the senior management team for the period ended December 31, 2015 was as follows:

	For the three months ended March 31, 2016
	\$
Salaries	169,456
Share-based compensation	117,180
	286,636

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 March 31, 2016, ZoMedica had working capital of \$2,428,126.

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.

SUBSEQUENT EVENTS

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. The Transaction proceeded by way of a three-cornered amalgamation, pursuant to which ZoMedica amalgamated with 9674128 Canada Inc., a wholly-owned subsidiary of WOW formed solely for the purposes of facilitating the Transaction. The Transaction constituted WOW's qualifying transaction under TSX Venture Exchange Policy 2.4 – Capital Pool Companies. The Transaction was an arm's-length transaction. In accordance with the approvals of the shareholders of WOW at its annual and special meeting on April 21, 2016, WOW changed its name to Zomedica Pharmaceuticals Corp. and has 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 (the "Consolidation"). As a result of the Transaction, ZoMedica has become a wholly-owned subsidiary of WOW and renamed Zomedica Pharmaceuticals Ltd. ZoMedica Pharmaceuticals Inc., a Delaware incorporated remains a wholly-owned subsidiary of ZoMedica Pharmaceuticals Ltd. The shares of Zomedica began trading under the new symbol "ZOM" on Monday May 2, 2016 on the TSX Venture Exchange.

ZoMedica Pharmaceuticals Inc.

Condensed consolidated interim financial statements

(Unaudited - expressed in United States Dollars)

For the three month period ended March 31, 2016

ZoMedica Pharmaceuticals Inc.

Condensed consolidated interim statements of financial position

As at March 31, 2016 and December 31, 2015

(Unaudited - in United States dollars)

	Note	March 31, 2016	December 31, 2015
Assets			
Current assets:			
Cash and cash equivalents		\$ 2,542,704	\$ 3,243,710
Prepaid expenses		125,688	151,492
Deposits		32,577	37,578
Other receivable		4,838	-
		2,705,807	3,432,780
Deposits		17,051	15,976
Property and equipment	5	163,469	100,561
Intangibles	6	320,089	311,017
		\$ 3,206,416	\$ 3,860,334
Liabilities and shareholders' equity			
Current liabilities:			
Accounts payable and accrued liabilities		\$ 277,656	\$ 141,576
Shareholder loans payable	13	25	4,713
		277,681	146,289
Shareholders' equity:			
Share capital	7	5,214,691	5,214,691
Share-based payment reserve		166,222	19,890
Deficit		(2,452,178)	(1,520,536)
		2,928,735	3,714,045
		\$ 3,206,416	\$ 3,860,334

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

ZoMedica Pharmaceuticals Inc.

Condensed consolidated interim statements of loss and comprehensive loss
For the three month period ended March 31, 2016
(Unaudited - in United States dollars)

	Note	Three months ended March 31, 2016
Expenses:		
Research and development	10	\$ 221,712
General and administrative	10	452,521
Professional fees		244,837
Amortization	6	539
Depreciation	5	7,787
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Loss from operations		927,396
Foreign exchange loss		4,246
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Loss before income taxes		931,642
Income tax expense		-
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Net loss and comprehensive loss		\$ 931,642
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Weighted average number of common shares - basic and diluted	12	77,370,716
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Loss per share - basic and diluted	12	\$ (0.01)
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Nature of operations (Note 1)
Commitments and contingencies (Note 9)

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

ZoMedica Pharmaceuticals Inc.

Condensed consolidated interim statements of changes in equity

For the three month period ended March 31, 2016

(Unaudited - in United States dollars)

	Note	Number of common shares	Share capital	Share-based payment reserve	Deficit	Total
Balance at January 1, 2016		77,370,716	\$ 5,214,691	\$ 19,890	\$ (1,520,536)	\$ 3,714,045
Share-based compensation	8	-	-	146,332	-	146,332
Net loss for the period		-	-	-	(931,642)	(931,642)
Balance at March 31, 2016		77,370,716	\$ 5,214,691	\$ 166,222	\$ (2,452,178)	\$ 2,928,735

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

ZoMedica Pharmaceuticals Inc.

Condensed consolidated interim statements of cash flows
For the three month period ended March 31, 2016
(Unaudited - in United States dollars)

	Note	For three months ended March 31, 2016
Cash flows used in operating activities:		
Net loss for the period		\$ (931,642)
Adjustments for		
Depreciation	5	7,787
Amortization	6	539
Share-based compensation		146,332
Change in non-cash operating working capital		
Prepaid expenses		25,804
Deposits		3,926
Other receivable		(4,838)
Accounts payable and accrued liabilities		136,080
		<u>(616,012)</u>
Cash flows used in financing activities:		
Repayments of shareholder loan		(4,688)
		<u>(4,688)</u>
Cash flows used in investing activities:		
Investment in intangibles		(9,611)
Investment in property and equipment		(70,695)
		<u>(80,306)</u>
Decrease in cash and cash equivalents during the period		(701,006)
Cash and cash equivalents, beginning of period		3,243,710
Cash and cash equivalents, end of period		<u>\$ 2,542,704</u>

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

ZoMedica Pharmaceuticals Inc.

Notes to the condensed consolidated interim financial statements

For the three month period ended March 31, 2016

(Unaudited - in United States dollars)

1. Nature of operations

ZoMedica Pharmaceuticals Inc. (the “Company” or “ZoMedica”) was incorporated on May 14, 2015 under the Canada Business Corporations Act. The Company has one corporate subsidiary, ZoMedica Pharmaceuticals Inc., a Delaware company (the “Subsidiary”) included in these condensed consolidated interim 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. The Company’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 consolidated interim 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 consolidated condensed interim 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 combined 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 \$2,452,178 as at March 31, 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 March 31, 2016, the Company had current assets of \$2,705,807 to cover current liabilities of \$277,681.

3. Basis of preparation

These unaudited condensed consolidated interim financial statements (“Interim Financial Statements”) are prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and International Financial Reporting Interpretations Committee (“IFRIC”) interpretations. These Interim Financial Statements have been prepared in accordance with IAS 34, Interim Financial Reporting (“IAS 34”).

The Interim Financial Statements 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.

The Interim Financial Statements were approved by the Board of Directors on May 26, 2016.

ZoMedica Pharmaceuticals Inc.

Notes to the condensed consolidated interim financial statements

For the three month period ended March 31, 2016

(Unaudited - in United States dollars)

4. Accounting standards

The accounting policies set out below have been applied consistently to all periods presented in the financial statements

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 intended 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 Inc.

Notes to the condensed consolidated interim financial statements

For the three month period ended March 31, 2016

(Unaudited - in United States dollars)

5. Property and equipment

	Computer equipment	Furniture and equipment	Laboratory equipment	Leasehold improvements	Total
Cost					
Balance at January 1, 2016	\$ 51,795	\$ 7,364	\$ 32,665	\$ 14,735	\$ 106,559
Additions	2,638	-	63,557	4,500	70,695
Balance at March 31, 2016	54,433	7,364	96,222	19,235	177,254
Accumulated depreciation					
Balance at January 1, 2016	3,163	438	1,578	819	5,998
Depreciation	2,565	262	4,175	785	7,787
Balance at March 31, 2016	5,728	700	5,753	1,604	13,785
Net book value as at:					
January 1, 2016	\$ 48,632	\$ 6,926	\$ 31,087	\$ 13,916	\$ 100,561
March 31, 2016	\$ 48,705	\$ 6,664	\$ 90,469	\$ 17,631	\$ 163,469

6. Intangible assets

	Computer software	Trademarks	Intellectual property	Total
Cost				
Balance at January 1, 2016	\$ 5,143	\$ 6,625	\$ 300,000	\$ 311,768
Additions	-	9,611	-	9,611
Balance at March 31, 2016	5,143	16,236	300,000	321,379
Accumulated amortization				
Balance at January 1, 2016	714	37	-	751
Amortization	429	110	-	539
Balance at March 31, 2016	1,143	147	-	1,290
Net book value as at:				
January 1, 2016	\$ 4,429	\$ 6,588	\$ 300,000	\$ 311,017
March 31, 2016	\$ 4,000	\$ 16,089	\$ 300,000	\$ 320,089

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.

ZoMedica Pharmaceuticals Inc.

Notes to the condensed consolidated interim financial statements
For the three month period ended March 31, 2016
(Unaudited - in United States dollars)

7. Share capital

Authorized - Unlimited number of common shares without par value.

Issued and outstanding common shares:

	Number of common shares	Share capital
Balance at January 1 and March 31, 2016	77,370,716	\$ 5,214,691

8. Share-based payments

During the three month ended March 31, 2016, the Company issued 3,500,000 stock options, each option entitling the holder to purchase one common share of the Company. The Company does not currently have a stock option plan. The stock options vested immediately on the date of issuance. The continuity of the issuance of stock options are as follows:

	Number of Options	Weighted Avg Exercise Price
Balance at January 1, 2016	1,000,000	\$ 0.05
Options issued	3,500,000	0.25
Balance at March 31, 2016	4,500,000	\$ 0.21

As at March 31, 2016, details of the issued stock options are as follows:

Grant date	Exercise price (CDN\$)	Number of options	Number of vested options	Weighted Avg Remaining Life (years)
July 31, 2015	\$ 0.05	1,000,000	1,000,000	4.34
March 28, 2016	\$ 0.25	3,500,000	3,500,000	2.06

The fair value of options granted during the three month period ended March 31, 2016 was estimated using the Black-Scholes option pricing model to determine the fair value of options granted using the following assumptions:

Volatility	63%
Risk-free interest rate	0.56%
Expected life	2.06 years
Dividend yield	0%
Common share price	\$0.20
Strike price	\$0.25
Forfeiture rate	nil

The Company recorded \$146,332 of share-based compensation for the three month period ended March 31, 2016. Volatility is determined based on volatilities of comparable companies given the Company does not have sufficient trading history.

ZoMedica Pharmaceuticals Inc.

Notes to the condensed consolidated interim financial statements
For the three month period ended March 31, 2016
(Unaudited - in United States dollars)

9. Commitments and contingencies

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

2017	51,414
2018	34,784
Total	\$ 86,198

10. Schedule of expenses

	For three months period ended March 31, 2016		
	Research and Development	Professional Fees	General and Administrative
Salaries	\$ 128,445	\$ -	\$ 303,071
Advertising	-	-	42,431
Travel and accomodation	-	-	19,292
Insurance	10,573	-	25,177
Office	725	-	55,326
Consultant	48,526	244,837	-
Rent	4,816	-	7,224
Supplies	28,627	-	-
Total	\$ 221,712	\$ 244,837	\$ 452,521

11. 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.

12. Loss per share

	For three months ended March 31, 2016	
Numerator		
Net loss for the period	\$	931,642
Denominator		
Weighted average shares - basic		77,370,716
Stock options		-
Denominator for diluted loss per share		77,370,716
Loss per share - basic and diluted	\$	0.01

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.

ZoMedica Pharmaceuticals Inc.

Notes to the condensed consolidated interim financial statements

For the three month period ended March 31, 2016

(Unaudited - in United States dollars)

13. Related party transactions and key management compensation

During the three month period ended March 31, 2016, the Company incurred the following related party transactions:

- The Company repaid \$4,688 to a director and executive officer, which was recorded as shareholder loans payable as at December 31, 2015.

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 March 31, 2016	
Salaries	\$	169,456
Share-based compensation		117,180
Total	\$	286,636

14. Subsequent events

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. The Transaction proceeded by way of a three-cornered amalgamation, pursuant to which ZoMedica amalgamated with 9674128 Canada Inc., a wholly-owned subsidiary of WOW formed solely for the purposes of facilitating the Transaction. The Transaction constituted WOW's qualifying transaction under TSX Venture Exchange Policy 2.4 – Capital Pool Companies.