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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, DC 20549**

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**FORM 10-Q**

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**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2019.

OR

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from \_\_\_\_\_ to \_\_\_\_\_.

Commission File Number: 001-38298

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**Zomedica Pharmaceuticals Corp.**

(Exact name of registrant as specified in its charter)

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Alberta, Canada  
(State or other jurisdiction of  
incorporation or organization)

N/A  
(I.R.S. Employer  
Identification Number)

100 Phoenix Drive, Suite 190  
Ann Arbor, Michigan  
(Address of principal executive offices)

48108  
(Zip code)

(734) 369-2555  
(Registrant's telephone number, including area code)

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Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes  No

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Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input checked="" type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
		Emerging growth company	<input checked="" type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Shares, without par value	ZOM	NYSE American

As of May 10, 2019, 108,038,398 shares of the registrant’s common shares, without par value, were issued and outstanding.

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**ZOMEDICA PHARMACEUTICALS CORPORATION**  
**FORM 10-Q**  
**FOR THE QUARTERLY PERIOD ENDED**  
**MARCH 31, 2019**

**TABLE OF CONTENTS**

**PART I**

**FINANCIAL INFORMATION**

	<b><u>Page</u></b>
<u>1. Condensed Financial Statements</u>	<u>3</u>
<u>2. Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	<u>22</u>
<u>3. Quantitative and Qualitative Disclosures about Market Risk</u>	<u>32</u>
<u>4. Controls and Procedures</u>	<u>32</u>

**PART II**

**OTHER INFORMATION**

<u>1. Legal Proceedings</u>	<u>32</u>
<u>1A. Risk Factors</u>	<u>33</u>
<u>2. Unregistered Sales of Equity Securities and Use of Proceeds</u>	<u>36</u>
<u>3. Defaults Upon Senior Securities</u>	<u>37</u>
<u>4. Mine Safety Disclosures</u>	<u>37</u>
<u>5. Other Information</u>	<u>37</u>
<u>6. Exhibits</u>	<u>37</u>

PART I — FINANCIAL INFORMATION

Item 1. Financial Statements.

**Zomedica Pharmaceuticals Corp.**

Condensed unaudited interim consolidated balance sheets

As at March 31, 2019 and December 31, 2018

(Stated in United States dollars)

	Note	March 31, 2019	December 31, 2018
<b>Assets</b>			
<b>Current assets:</b>			
Cash and cash equivalents		\$ 2,296,731	\$ 1,940,265
Prepaid expenses and deposits	5	1,113,775	1,867,034
Trade and other receivable		77,971	53,659
		3,488,477	3,860,958
Prepaid expenses and deposits	5	47,982	1,442,415
Property and equipment	6	859,121	717,088
Right-of-use asset		1,485,693	-
Intangible assets	7	12,791	13,058
		\$ 5,894,064	\$ 6,033,519
<b>Liabilities and shareholders' (deficiency) equity</b>			
<b>Current liabilities:</b>			
Accounts payable and accrued liabilities		\$ 7,773,936	\$ 2,376,519
		7,773,936	2,376,519
<b>Shareholders' (deficiency) equity:</b>			
Capital stock			
Authorized			
Unlimited common shares without par value			
Issued and outstanding			
108,038,398 common shares (2018 - 97,598,898)	10	38,643,728	30,410,648
Common stock subscribed		-	4,280,000
Additional paid-in capital	11	3,427,095	1,240,139
Accumulated deficit		(43,950,695)	(32,273,787)
		(1,879,872)	3,657,000
		\$ 5,894,064	\$ 6,033,519

Nature of operations and going concern (Note 1)

Commitments and contingencies (Note 12)

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

**Zomedica Pharmaceuticals Corp.**

Condensed unaudited interim consolidated statements of operations and comprehensive loss

For the three months ended March 31, 2019 and 2018

(Stated in United States dollars)

	Note	March 31, 2019	March 31, 2018
<b>Expenses:</b>			
Research and development	15	\$ 7,531,375	\$ 600,341
General and administrative	15	3,231,261	1,160,171
Professional fees	15	739,394	371,947
Amortization - right-of-use asset	8	127,345	-
Amortization - intangible	7	267	686
Depreciation	6	62,054	36,699
Loss from operations		11,691,696	2,169,844
Interest expense		6,174	-
Gain on settlement of liabilities	10	(19,737)	-
Foreign exchange (gain) loss		(1,225)	1,484
<b>Loss before income taxes</b>		11,676,908	2,171,328
Income tax expense		-	-
<b>Net loss and comprehensive loss</b>		\$ 11,676,908	\$ 2,171,328
Weighted average number of common shares - basic and diluted		100,864,022	90,517,702
Loss per share - basic and diluted		\$ (0.12)	\$ (0.02)

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

**Zomedica Pharmaceuticals Corp.**

Condensed unaudited interim consolidated statements of shareholders' (deficiency) equity

For the three months ended March 31, 2019 and 2018

(Stated in United States dollars)

	Note	Number of capital stock	Capital stock	Common stock subscribed	Additional paid-in capital	Accumulated deficit	Total
Balance at December 31, 2017		90,225,869	\$ 18,244,659	\$ -	\$ 1,768,526	\$(15,626,100)	\$ 4,387,085
Stock-based compensation	11	-	-	-	5,691	-	5,691
Stock issued due to exercise of options	10	1,627,996	1,759,224	-	(351,438)	-	1,407,786
Net loss		-	-	-	-	(2,171,328)	(2,171,328)
<b>Balance at March 31, 2018</b>		<b>91,853,865</b>	<b>\$ 20,003,883</b>	<b>\$ -</b>	<b>\$ 1,422,779</b>	<b>\$(17,797,428)</b>	<b>\$ 3,629,234</b>
Balance at December 31, 2018		97,598,898	\$ 30,410,648	\$ 4,280,000	\$ 1,240,139	\$(32,273,787)	\$ 3,657,000
Stock issuance for services	10	707,236	792,104	-	-	-	792,104
Stock-based compensation	11	-	-	-	2,341,104	-	2,341,104
Stock issuance for financing, net of cost	10	9,337,529	6,686,828	(4,280,000)	-	-	2,406,828
Stock issued due to exercise of options	10, 11	394,735	754,148	-	(154,148)	-	600,000
Net loss		-	-	-	-	(11,676,908)	(11,676,908)
<b>Balance at March 31, 2019</b>		<b>108,038,398</b>	<b>\$ 38,643,728</b>	<b>\$ -</b>	<b>\$ 3,427,095</b>	<b>\$(43,950,695)</b>	<b>\$ (1,879,872)</b>

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  
For the three months ended March 31, 2019 and 2018  
(Stated in United States dollars)

	Note	March 31, 2019	March 31, 2018
<b>Cash flows used in operating activities:</b>			
Net loss		\$ (11,676,908)	\$ (2,171,328)
Adjustments for			
Depreciation	6	62,054	36,699
Amortization - intangible assets	7	267	686
Amortization - right-of-use asset		127,345	
Stock issued for services	10	792,104	-
Stock-based compensation	11	2,341,104	5,691
Change in non-cash operating working capital			
Trade and other receivable		(24,313)	(41,109)
Prepaid expenses		170,591	(6,494)
Deposits		364,063	30,474
Accounts payable and accrued liabilities		5,397,418	437,587
		(2,581,275)	(1,707,794)
<b>Cash flows from financing activities:</b>			
Cash received from financing	10	3,000,000	-
Cash received from stock option exercises	11	600,000	1,407,786
Stock issuance costs		(593,172)	-
		3,006,828	1,407,786
<b>Cash flows used in investing activities:</b>			
Investment in property and equipment	6	(69,087)	(13,219)
		(69,087)	(13,219)
<b>Decrease in cash and cash equivalents</b>		356,466	(313,227)
Cash and cash equivalents, beginning of period		1,940,265	3,448,147
<b>Cash and cash equivalents, end of period</b>		\$ 2,296,731	\$ 3,134,920
<b>Supplemental cash flows information:</b>			
Interest paid		\$ 6,174	\$ -

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

## 1. Nature of operations and going concern

Zomedica Pharmaceuticals Corp. ("Zomedica" or 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. ZoMedica Pharmaceuticals Inc. was incorporated on May 14, 2015 under the Canada Business Corporations Act.

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 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 these 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 100 Phoenix Drive, Suite 190, Ann Arbor, MI 48108 and its registered office is located at Suite 1250, 639 – 5th Avenue S.W., Calgary, Alberta T2P 0M9.

On November 20, 2017, Zomedica announced that its registration statement on Form S-1 was declared effective by the U.S. Securities and Exchange Commission and on November 21, 2017, the Company's common shares began trading on the NYSE American under the symbol "ZOM".

### *Going concern*

The consolidated financial statements are prepared on a going concern basis, which assumes that the Company will be able to meet its obligations and continue its operations for the next twelve months. The Company has incurred losses from operations since inception and has an accumulated deficit of \$43,950,695 as at March 31, 2019 (December 31, 2018 - \$32,273,787). The Company has funded its research and development ("R&D") activities principally through the issuance of securities and loans from related parties. There is no certainty that such funding will be available going forward. These conditions raise substantial doubt about its ability to continue as a going concern and realize its assets and pay its liabilities as they become due.

In order for the Company to continue as a going concern and fund any significant expansion of its operation or R&D activities, the Company will require significant additional capital. The Company's ultimate success will depend on whether its future product candidates receive the necessary regulatory approval and it is able to successfully market approved products. The Company cannot be certain that it will be able to receive regulatory approval for any of its future product candidates, or that it will reach the level of sales and revenues necessary to achieve and sustain profitability.



## **1. Nature of operations and going concern (continued)**

### *Going concern (continued)*

The availability of equity or debt financing will be affected by, among other things, the results of the Company's research and development, its ability to obtain regulatory approvals, the market acceptance of its products, the state of the capital markets generally, strategic alliance agreements, and other relevant commercial considerations. In addition, if the Company raises additional funds by issuing equity securities, its then existing security holders will likely experience dilution, and the incurring of indebtedness would result in increased debt service obligations and could require the Company to agree to operating and financial covenants that would restrict its operations. Any failure on its part to raise additional funds on terms favorable to the Company or at all, may require the Company to significantly change or curtail its 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 the Company not taking advantage of business opportunities.

## **2. Basis of preparation**

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

### *Basis of consolidation*

These condensed unaudited interim consolidated financial statements include the accounts of the Company and its wholly owned operating subsidiary, Zomedica Pharmaceuticals, Inc.

All inter-company accounts and transactions have been eliminated on consolidation.

## **3. Significant accounting policies**

### *Use of estimates*

The preparation of the condensed unaudited interim consolidated financial statements in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the condensed unaudited interim consolidated financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

Areas where significant judgment is involved in making estimates are: the fair values of financial assets and liabilities; the determination of fair value of stock-based compensation; the useful lives of property and equipment; deferred income taxes and forecasting future cash flows for assessing the going concern assumption.

### *Basis of measurement*

The condensed unaudited interim consolidated financial statements have been prepared on the historical cost basis except as otherwise noted.

### *Functional and reporting currencies*

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

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

### 3. Significant accounting policies (continued)

#### *Research and development*

Research and development costs related to continued research and development programs are expensed as incurred in accordance with ASC topic 730.

#### *Share issue costs*

Share issue costs are recorded as a reduction of the proceeds from the issuance of capital stock.

#### *Translation of foreign currencies*

In respect of other transactions denominated in currencies other than the Company and its wholly owned operating subsidiaries' functional currencies, the monetary assets and liabilities are translated at the period end rates. Revenue and expenses are translated at rates of exchange prevailing on the transaction dates. All of the exchange gains or losses resulting from these other transactions are recognized in the condensed unaudited interim consolidated statements of operations and comprehensive loss.

#### *Stock-based compensation*

The Company measures the cost of equity-settled transactions by reference to the fair value of the equity instruments at the date at which they are granted if the fair value of the goods or services received by the Company cannot be reliably estimated.

The Company calculates stock-based compensation using the fair value method, under which the fair value of the options at the grant date is calculated using the Black-Scholes Option Pricing Model, and subsequently expensed over the vesting period of the option. The provisions of the Company's stock-based compensation plans do not require the Company to settle any options by transferring cash or other assets, and therefore the Company classifies the awards as equity. Stock-based compensation expense recognized during the period is based on the value of stock-based payment awards that are ultimately expected to vest.

The Company estimates forfeitures at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates.

#### *Loss per share*

Basic loss per share ("EPS") is computed by dividing the loss attributable to common shareholders by the weighted average number of common shares outstanding. Diluted EPS reflects the potential dilution that could occur from common shares issuable through the exercise or conversion of stock options, restricted stock awards, warrants and convertible securities. In certain circumstances, the conversion of options are excluded from diluted EPS if the effect of such inclusion would be anti-dilutive.

The dilutive effect of stock options is determined using the treasury stock method. Stock options to purchase common shares of the Company during the period were not included in the computation of diluted EPS because the Company has incurred a loss for the three months ended March 31, 2019 as the effect would be anti-dilutive.

### **3. Significant accounting policies (continued)**

#### *Comprehensive loss*

The Company follows ASC topic 220. This statement establishes standards for reporting and display of comprehensive (loss) income and its components. Comprehensive loss is net loss plus certain items that are recorded directly to shareholders' equity. The Company has no other comprehensive loss items

#### *Recently adopted accounting pronouncements*

In February 2016, the FASB issued new guidance, ASU No. 2016-02, Leases (Topic 842). The new standard establishes a right-of-use model ("ROU") that requires a lessee to recognize a ROU asset and lease liability on the balance sheet for all leases with a term longer than 12 months. Leases will be classified as finance or operating, with classification affecting the pattern and classification of expense recognition in the income statement. Additional qualitative and quantitative disclosures are also required by the new guidance. Topic 842 is effective for annual reporting periods (including interim reporting periods) beginning after December 15, 2018. Early adoption is permitted.

A modified retrospective transition approach is required, applying the new standard to all leases existing at the date of initial application. The Company adopted the new standard with an initial application date of January 1, 2019 and used the effective date as its date of initial application. Consequently, financial information was not updated, and the disclosures required under the new standard were not provided for dates and periods before January 1, 2019.

The new standard provides a number of optional practical expedients in transition. The Company has elected the 'package of practical expedients', which permits the Company not to reassess under the new standard prior conclusions about lease identification, lease classification and initial direct costs. The Company has not elected the use-of-hindsight or the practical expedient pertaining to land easements; the latter not being applicable to the Company.

### **4. Critical accounting judgments and key sources of estimation uncertainty**

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and revenue and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

#### 4. Critical accounting judgements and key sources of estimation uncertainty (continued)

*Critical areas of estimation and judgements in applying accounting policies include the following:*

##### *Going concern*

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

##### *Stock-based payments*

The Company estimates the fair value of convertible securities such as options using the Black-Scholes option-pricing model which requires significant estimation around assumptions and inputs such as expected term to maturity, expected volatility and expected dividends.

##### *Useful lives of property and equipment*

The Company reviews the estimated useful lives of property and equipment with definite useful lives at the end of each year and assesses whether the useful lives of certain items should be shortened or extended, due to various factors including technology, competition and revised service offerings. During the three months ended March 31, 2019 and 2018, the Company was not required to adjust the useful lives of any assets based on the factors described above. Long-lived assets are reviewed for impairment when events or circumstances indicate that the carrying value of an asset may not be recoverable.

##### *Deferred income taxes*

The calculation of deferred income taxes is based on assumptions which are subject to uncertainty as to timing and which tax rates are expected to apply when temporary differences reverse. Deferred tax recorded is also subject to uncertainty regarding the magnitude of non-capital losses available for carry forward and of the balances in various tax pools. By their nature, these estimates are subject to measurement uncertainty, and the effect on the financial statements from changes in such estimates in future period could be material. Deferred tax assets are recognized to the extent that it is probable that they will be able to be utilized against future taxable income. Deferred tax assets are reviewed at each balance sheet date and adjusted to the extent that it is no longer probable that the related tax benefit will be realized.

## 5. Prepaid expenses and deposits

	March 31, 2019	December 31, 2018
Prepaid rent (i)	\$ -	\$ 1,613,038
Deposits (ii)	947,042	1,596,104
Prepaid FDA fees	94,493	-
Prepaid marketing (iii)	20,014	37,465
Prepaid insurance (iii)	15,459	33,372
Other (iv)	84,749	29,470
<b>Total</b>	<b>\$ 1,161,757</b>	<b>\$ 3,309,449</b>

- (i) On July 31, 2018, the Company entered into an amended lease agreement with Wickfield Phoenix LLC for an additional 18,640 square feet of office space. The Company prepaid the full outstanding balance of \$1,269,073. As of January 1, 2019 the balance of the prepaid rent, inclusive of the original and amended lease amounts was 1,613,038. In accordance with ASC 842, this amount was reclassified as a right-of-use asset in the consolidated balance sheet. As of December 31, 2018, the Company classified \$509,380 as a current asset in the consolidated balance sheet;
- (ii) Deposits include payments made to vendors in advance and are primarily associated with research activity, design fees for additional office space and equipment purchases. In February 2019 the Company reclassified \$135,000 to property and equipment. As of March 31, 2019 and December 31, 2018, the Company classified \$899,060 and \$1,257,347 as a current asset in the consolidated balance sheet, respectively;
- (iii) As of March 31, 2019 and December 31, 2018, all amounts were classified as a current asset in the consolidated balance sheet;
- (iv) Other is comprised of subscription payments and software licensing. As of March 31, 2019 and December 31, 2018, the Company classified all amounts as a current asset in the consolidated balance sheet.

## 6. Property and equipment

	Computer equipment	Furniture and equipment	Laboratory equipment	Leasehold improvements	Total
<b>Cost</b>					
Balance at December 31, 2017	\$ 151,155	\$ 76,058	\$ 245,729	\$ 36,957	\$ 509,899
Additions	18,847	105,821	246,375	256,954	627,997
Disposals	-	-	(139,467)	(10,936)	(150,403)
Balance at December 31, 2018	170,002	181,879	352,637	282,975	987,493
Additions	135,000	3,414	-	65,673	204,087
Balance at March 31, 2019	305,002	185,293	352,637	348,648	1,191,580
<b>Accumulated depreciation</b>					
Balance at December 31, 2017	42,802	11,845	74,875	9,220	138,742
Depreciation	62,116	17,740	86,368	37,460	203,684
Disposals	-	-	(61,547)	(10,474)	(72,021)
Balance at December 31, 2018	104,918	29,585	99,696	36,206	270,405
Depreciation	17,346	6,494	16,714	21,500	62,054
Balance at March 31, 2019	122,264	36,079	116,410	57,706	332,459
<b>Net book value as at:</b>					
December 31, 2018	\$ 65,084	\$ 152,294	\$ 252,941	\$ 246,769	\$ 717,088
March 31, 2019	\$ 182,738	\$ 149,214	\$ 236,227	\$ 290,942	\$ 859,121

## 7. Intangible assets

	Computer software	Trademarks	Total intangible assets
<b>Cost</b>			
Balance at December 31, 2017	\$ 5,143	\$ 16,236	\$ 21,379
Additions	-	-	-
Balance at December 31, 2018	5,143	16,236	21,379
Additions	-	-	-
Balance at March 31, 2019	5,143	16,236	21,379
<b>Accumulated amortization</b>			
Balance at December 31, 2017	4,143	2,095	6,238
Amortization	1,000	1,083	2,083
Balance at December 31, 2018	5,143	3,178	8,321
Amortization	-	267	267
Balance at March 31, 2019	5,143	3,445	8,588
<b>Net book value as at:</b>			
December 31, 2018	\$ -	\$ 13,058	\$ 13,058
March 31, 2019	\$ -	\$ 12,791	\$ 12,791

## 8. Leases

As discussed in Note 3, the Company adopted ASC 842 with an initial application date of January 1, 2019. The Company is party to two lease agreements under which it rents office and laboratory space. The rent for both of these leases was prepaid upon inception and therefore at adoption the Company reclassified its prepaid lease balances of \$1,613,038 to a right-of-use asset.

The Company amortizes the asset on a straight-line basis and records the expense in the consolidated statement of operations and comprehensive loss. During the three months ended March 31, 2019, the Company recognized \$127,345 (2017 – nil) in amortization expense in the consolidated statements of operations and comprehensive loss.

## 9. Loan arrangements

On October 17, 2017, the Company entered into a loan arrangement with a shareholder of the Company, pursuant to which such shareholder has agreed to provide a loan facility to the Company, whereby the Company may borrow up to \$5,000,000, with the proceeds to be used for working capital and general corporate purposes. The term of the loan facility is five (5) years, with principal and interest payments being due only at the time of maturity. Under the loan agreement, the Company may borrow in one or more advances, provided however that a minimum amount of \$250,000 must be borrowed at any one time and not more than two advances may occur per month. Interest shall accrue at a rate of fourteen percent (14%) per annum, payable upon maturity. As of March 31, 2019, no amounts have been borrowed.

## 10. Capital stock

The Company is authorized to issue an unlimited number of common stock, all without par value.

Issued and outstanding common stock:

	Number of common stock	Capital stock
Balance at December 31, 2017	90,225,869	\$ 18,244,659
Stock issued due to exercise of options (Note 11)	1,627,996	1,759,224
Balance at March 31, 2018	91,853,865	\$ 20,003,883
Balance at December 31, 2018	97,598,898	\$ 30,410,648
Stock issued for services (i and ii)	707,236	792,104
Stock issued from financing (iii and iv)	9,337,529	6,686,828
Stock issued due to exercise of options	394,735	754,148
Balance at March 31, 2019	108,038,398	\$ 38,643,728

- (i) On January 14, 2019, the Company settled \$75,000 of amounts due to a vendor by issuing 49,342 common shares valued at \$55,263 at the date of issuance. The Company recorded a \$19,737 gain on the settlement of liabilities.
- (ii) On January 14, 2019, the Company issued 657,894 common shares in satisfaction of \$1,000,000 of all remaining milestones under a License and Supply Agreement with a third party. The Company recognized \$736,841 as research and development expense, based on the value of the common stock on the date of issuance.
- (iii) On January 14, 2019, the Company completed a non-brokered private placement, and issued 2,815,789 common shares. Gross proceeds of \$4,280,000 were received prior to December 31, 2018. The Company recorded \$465 of share issuance costs as an offset to capital stock.
- (iv) On March 28, 2019, the Company completed an underwritten public offering of its common stock pursuant to which the Company sold an aggregate 6,521,740 common shares for gross proceeds of \$3,000,000. The Company recorded \$592,707 of share issuance costs as an offset to capital stock.

## 11. Stock-based compensation

During the three months ended March 31, 2019, the Company issued 5,995,000 stock options, each option entitling the holder to purchase one common share of the Company. During the three months ended March 31, 2019, an aggregate of 394,735 options were exercised. During the three months ended March 31, 2018, the Company issued nil stock options, with an aggregate of 1,627,996 stock options exercised.

The continuity of stock options are as follows:

	Number of Options	Weighted Avg Exercise Price (US\$)(i)
Balance at December 31, 2018	422,004	\$ 1.95
Stock options granted January 10, 2019	5,995,000	\$ 1.52
Stock options expired February 24, 2019	(35,000)	\$ 2.06
Stock options exercised March 8, 2019	(164,473)	\$ 1.52
Stock options exercised March 15, 2019	(164,473)	\$ 1.52
Stock options exercised March 29, 2019	(65,789)	\$ 1.52
Balance at March 31, 2019	5,987,269	\$ 1.55

(i) As of the year ended December 2018, the weighted average exercised price in CDN\$ was \$2.65.

As at March 31, 2019, details of the issued and outstanding stock options were as follows:

Grant date	Exercise price (US\$)	Number of options issued and outstanding	Number of vested options outstanding	Weighted Avg Remaining Life (years)
August 14, 2017	\$ 2.16	387,004	387,004	0.37
January 10, 2019	\$ 1.52	5,985,000	5,600,265	1.78
January 10, 2019	\$ 1.52	10,000	10,000	0.15



## 11. Stock-based compensation (continued)

The fair value of options granted during the three months ended March 31, 2019 was estimated using the Black-Scholes option pricing model to determine the fair value of options granted using the following assumptions:

	<b>January 10, 2019</b>
Volatility	68%
Risk-free interest rate	2.56%
Expected life (years)	2
Dividend yield	0%
Common share price	\$ 1.23
Strike price	\$ 1.52
Forfeiture rate	nil

The Company recorded \$2,341,104 of stock-based compensation for the three months ended March 31, 2019. The Company recorded the cash receipt of \$600,000 as capital stock and reclassified \$154,148 of stock-based compensation to capital stock due to the exercise of options disclosed above.

Volatility is determined based on volatilities of comparable companies when the Company does not have its own sufficient trading history. The expected term, which represents the period of time that options granted are expected to be outstanding, is estimated based on an average of the term of the options.

The Company has estimated its stock option forfeitures to be nil for the three months ended March 31, 2019 (three months ended March 31, 2018 - \$nil).

## 12. Commitments and contingencies

On October 1, 2018, the Company entered into a one-year rental agreement. The Company elected not to disclose this lease in accordance with ASC 842 as it is a one-year term. Total future annual lease payments for the premises are as follows:

2019	\$	7,920
Total	\$	7,920

On November 26, 2018, the Company entered into a Development and Supply Agreement and as part of this agreement, the Company has contingent future outflows as follows:

- 1<sup>st</sup> payment: At the later of the achievement of a future milestone event or March 15, 2019 - \$2,000,000 in cash
- 2<sup>nd</sup> payment: At the later of the achievement of a future milestone event or March 15, 2019, can decide to receive payment as follows:
  - o \$3,000,000 in cash or
  - o \$1,500,000 in cash and \$1.95 million in equity

## 12. Commitments and contingencies (continued)

- 3<sup>rd</sup> payment: At the later of the achievement of a future milestone event or September 12, 2019, can decide to receive payment as follows:
  - o \$3,000,000 in cash or
  - o \$1,500,000 in cash and \$1.95 million in equity
- 4<sup>th</sup> payment: At the later of the achievement of a future milestone or February 19, 2020 - \$2,000,000 in cash.

As at March 31, 2019, the first two milestone payments have been met. The Company recorded an accrued liability for \$5,000,000 in accordance with the terms.

On May 10, 2018, the Company entered into a Development, Commercialization and Exclusive Distribution Agreement. As part of the agreement, the Company is required to make the following future milestone payments:

- \$3,500,000 in cash payment upon the achievement of future development milestones
- \$3,500,000 in equity based on the number of the Company's common stock determined by dividing the amount due by the volume-weighted average price of the Company's common stock on the NYSE American exchange over the 10 trading days prior to the achievement of the milestone event.

As at March 31, 2019, none of the future development milestones related to the above agreement have been met.

On December 20, 2017, the Company entered into a License and Supply Agreement and as part of this agreement, the Company has contingent future outflows as follows:

- 1<sup>st</sup> payment: At the achievement of a future milestone event - \$250,000 in cash and \$250,000 in equity
- 2<sup>nd</sup> payment: At the achievement of a future milestone event - \$250,000 in cash and \$250,000 in equity

Under the agreement, the Company was obligated to pay up to \$1 million, payable 50 percent in cash and 50 percent in unregistered common shares, upon the achievement of specified milestones. As at March 31, 2019, each of these development milestones related to the above agreement have been met. Rather than taking the aforementioned payments in cash (50 percent) and equity (50 percent), the partner company elected to receive all of its compensation through the issuance of common shares of the Company. Accordingly, as discussed in Note 10(ii), the Company issued 657,894 common shares in satisfaction of the agreement and recognized \$736,841 as research and development expense in the consolidated statement of operations and comprehensive loss.

## 13. Financial instruments

### (a) Fair values

The Company follows ASC topic 820, "Fair Value Measurements" which defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. The provisions of ASC topic 820 apply to other accounting pronouncements that require or permit fair value measurements. ASC topic 820 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date; and establishes a three level hierarchy for fair value measurements based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. Inputs refers broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. To increase consistency and comparability in fair value measurements and related disclosures, the fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. The three levels of the hierarchy are defined as follows:

### 13. Financial instruments (continued)

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly for substantially the full term of the financial instrument.

Level 3 inputs are unobservable inputs for asset or liabilities.

The categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

- (i) The Company calculates expected volatility based on historical volatility of the Company's peer group that is publicly traded for options.

An increase/decrease in the volatility would have resulted in an increase/decrease in the fair value of the options.

The carrying values of cash, trade and other receivable, accounts payable and accrued liabilities and shareholder loans payable approximates their fair values because of the short-term nature of these instruments.

#### *(b) Interest rate and credit risk*

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in interest rates. The Company does not believe that the results of operations or cash flows would be affected to any significant degree by a sudden change in market interest rates, relative to interest rates on cash and cash equivalents, due to related parties due to the short-term nature of these balances.

The Company is also exposed to credit risk at period end from the carrying value of its cash. The Company manages this risk by maintaining bank accounts with a Canadian Chartered Bank. The Company's cash is not subject to any external restrictions.

#### *(c) Foreign exchange risk*

The Company has balances in Canadian dollars that give rise to exposure to foreign exchange ("FX") risk relating to the impact of translating certain non-U.S. dollar balance sheet accounts as these statements are presented in U.S. dollars. A strengthening U.S. dollar will lead to a FX loss while a weakening U.S. dollar will lead to a FX gain. For each Canadian dollar balance of \$1.0 million, a +/- 10% movement in the Canadian currency held by the Company versus the U.S. dollar would affect the Company's loss and other comprehensive loss by \$0.1 million.

#### *(d) Liquidity risk*

Liquidity risk is the risk that the Company will encounter difficulty raising liquid funds to meet commitments as they fall due. In meeting its liquidity requirements, the Company closely monitors its forecasted cash requirements with expected cash drawdown.

The following are the contractual maturities of the undiscounted cash flows of financial liabilities as at March 31, 2019 and December 31, 2018:

13. Financial instruments (continued)

	March 31, 2019					
	Less than 3 months	3 to 6 months	6 to 9 months	9 months 1 year	Greater than 1 year	Total
	\$	\$	\$	\$	\$	\$
Third parties						
Accounts payable and accrued liabilities	7,773,936	-	-	-	-	7,773,936
	7,773,936	-	-	-	-	7,773,936

	December 31, 2018					
	Less than 3 months	3 to 6 months	6 to 9 months	9 months 1 year	Greater than 1 year	Total
	\$	\$	\$	\$	\$	\$
Third parties						
Accounts payable and accrued liabilities	2,376,519	-	-	-	-	2,376,519
	2,376,519	-	-	-	-	2,376,519

#### 14. Segmented information

The Company's operations comprise a single reportable segment engaged in the research, development targeting health and wellness solutions for the companion animal. As the operations comprise a single reportable segment, amounts disclosed in the financial statements for loss for the period, depreciation and total assets also represent segmented amounts. In addition, all of the Company's long-lived assets are in the United States of America ("US").

		March 31, 2019	December 31, 2018
		\$	\$
Total assets			
	Canada	1,545,662	383,567
	US	4,348,402	5,649,952
Total US property and equipment		859,121	717,088
Total US right-of-use asset		1,485,693	-
		2,344,814	717,088

#### 15. Schedule of expenses

	For the three months ended March 31, 2019		
	Research and Development	Professional Fees	General and Administrative
Salaries, bonus and benefits	\$ 216,861	\$ -	\$ 2,929,502
Contracted expenditures	1,254,847	-	-
Marketing and investor relations	-	-	52,509
Travel and accommodation	10,049	-	57,264
Insurance	29,912	-	63,451
License fees	5,886,841	-	-
Office	6,428	-	86,147
Consultants	59,786	739,394	-
Regulatory	20,998	-	24,104
Rent	-	-	5,940
Supplies	45,653	-	12,344
Total	\$ 7,531,375	\$ 739,394	\$ 3,231,261

	For the three months ended March 31, 2018		
	Research and Development	Professional Fees	General and Administrative
Salaries, bonus and benefits	\$ 152,372	\$ -	\$ 643,288
Contracted expenditures	269,523	-	-
Marketing and investor relations	-	-	81,193
Travel and accommodation	1,789	-	121,404
Insurance	15,960	-	80,460
License fees	25,000	-	-
Office	6,517	-	76,947
Consultants	37,116	371,947	-
Regulatory	18,788	-	103,558
Amortization right-of-use asset	-	-	-
Rent	7,826	-	43,019
Supplies	65,450	-	10,302
Total	\$ 600,341	\$ 371,947	\$ 1,160,171

## 16. Capital risk management

The capital of the Company includes equity, which is comprised of issued common capital stock, additional paid-in capital, and accumulated 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.

## 17. Loss per share

	For the three months ended March 31, 2019	For the three months ended March 31, 2018
Numerator		
Net loss for the period	\$ 11,676,908	\$ 2,171,328
Denominator		
Weighted average shares - basic	100,864,022	90,517,702
Stock options	-	-
Denominator for diluted loss per share	100,864,022	90,517,702
Loss per share - basic and diluted	\$ (0.12)	\$ (0.02)

For the above-mentioned periods, 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 periods presented, as their effect would have been anti-dilutive.

## 18. Related party transactions and key management compensation

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 the three months ended March 31, 2019	For the three months ended March 31, 2018
Salaries and benefits, including bonuses	\$ 320,647	\$ 344,891
Stock-based compensation	1,644,325	-
Total	\$ 1,964,972	\$ 344,891

## 19. Subsequent events

On May 9, 2019, the Company entered into subscription agreements to sell \$12,000,000 of its Series 1 Preferred Shares to an accredited investor in a private placement at a purchase price of \$1,000,000 per Series 1 Preferred Share; \$5,000,000 of the purchase price was paid on May 9, 2019 and the remaining \$7,000,000 is expected to be paid on or prior to June 7, 2019. The Company may conduct one or more additional closings of the offering at any time on or prior to June 7, 2019 for total aggregate proceeds of up to \$20,000,000.

## Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

*The following discussion and analysis of our financial condition and results of operations should be read together with our financial statements and the related notes and the other financial information included elsewhere in this Quarterly Report. This discussion contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of various factors, including those discussed below and elsewhere in this Quarterly Report, and those set forth in our most recent Annual Report on Form 10-K particularly those under "Risk Factors" discussed below and in our most recent Annual Report on Form 10-K.*

### CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This report on Form 10-Q contains forward-looking statements made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 under Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, that are based on management's beliefs and assumptions and on information currently available to management. Some of the statements under "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Business" and elsewhere in this Form 10-Q contain forward-looking statements. In some cases, you can identify forward-looking statements through our use of words such as "may," "might," "will," "could," "would," "should," "expect," "intend," "plan," "anticipate," "believe," "estimate," "predict," "project," "potential," "continue," "ongoing" or the negative of these terms or other comparable terminology, although not all forward-looking statements contain these words.

There are a number of important factors that could cause the actual results to differ materially from those expressed in any forward-looking statement made by us. These factors include, but are not limited to:

- the success, cost and timing of our research and development activities, validation studies and pivotal trials, including with respect to our lead product candidates, ZM-024, ZM-020, ZM-017, ZM-012, ZM-006, ZM-007 and ZM-011;
- our ability to obtain regulatory approval from the Food and Drug Administration's Center for Veterinary Medicine (FDA-CVM) and/or the USDA Center for Veterinary Biologics (USDA-CVB) for our pharmaceutical and diagnostic product candidates, as applicable;
- our ability to obtain funding for our operations;
- our obligation to pay a portion of our "net sales" to holders of our Series 1 Preferred Shares;
- our ability to raise additional capital, in light of the significant obligations under our Series 1 Preferred Shares;
- the ability of our contract research organizations to appropriately conduct our safety studies and certain development activities;
- the ability of our contract manufacturing organizations to manufacture and supply our product candidates in accordance with current Good Manufacturing Practices and our clinical needs;
- the ability of our contract manufacturing organizations to manufacture and supply our product candidates in accordance with current Good Manufacturing Practices and our clinical needs;
- our plans to develop and commercialize our product candidates;

- our ability to develop and commercialize product candidates that can compete effectively against the product candidates developed and commercialized by our competitors or that can meet the current standards of care (including human generic drugs);
- the size and growth of the veterinary diagnostics and therapeutics markets;
- our ability to obtain and maintain intellectual property protection for our current and future product candidates;
- regulatory developments in the United States;
- the loss of key scientific or management personnel;
- our expectations regarding the period during which we will be an “emerging growth company” under the JOBS Act;
- the accuracy of our estimates regarding expenses, future revenues, capital requirements and needs for additional financing; and
- our status as a “passive foreign investment company” for U.S. federal income tax purposes.

The foregoing does not represent an exhaustive list of matters that may be covered by the forward-looking statements contained herein or risk factors that we are faced with that may cause our actual results to differ from those anticipated in our forward-looking statements. Please see “Risk Factors” below and in our most recent Annual Report on Form 10-K for additional risks which could adversely impact our business and financial performance.

All forward-looking statements are expressly qualified in their entirety by this cautionary notice. You are cautioned not to place undue reliance on any forward-looking statements, which speak only as of the date of this report or the date of the document incorporated by reference into this report. We have no obligation, and expressly disclaim any obligation, to update, revise or correct any of the forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. We have expressed our expectations, beliefs and projections in good faith and we believe they have a reasonable basis. However, we cannot assure you that our expectations, beliefs or projections will result or be achieved or accomplished.

## Overview

We are a development stage veterinary diagnostic and pharmaceutical company creating products for companion animals (canine, feline, and equine) by focusing on the unmet needs of clinical veterinarians. We believe that we have identified and are developing diagnostics and therapeutics that have the potential to significantly improve the diagnosis and treatment of various diseases affecting companion animals. We believe that there are significant unmet medical needs for pets, and that the pet diagnostic and therapeutic segments of the animal health industry are likely to grow substantially as new diagnostic tools and treatments are identified, developed, and marketed specifically for companion animals.

Together with our strategic partners, we are developing three diagnostic platforms, a Bulk Acoustic Wave sensor-based veterinary point-of-care diagnostic platform for performing immunodiagnostic testing, a Raman spectroscopy-based point-of-care diagnostic platform for the detection of pathogens, and liquid biopsy assays for the detection of cancer, along with related consumables. We believe that the regulatory pathway to approval of companion animal diagnostics is significantly shorter than for similar diagnostic products intended for human use. In certain cases, pre-market clearance may be unnecessary, depending on the intended use of the diagnostic.

We also have identified a number of drugs that have proven safe and effective in humans that we are developing for use in canines and felines. We believe this development approach enables us to reduce the risks associated with obtaining regulatory approval for unproven product candidates and shortens the development timeline necessary to bring our product candidates to market. We have four drug product candidates in early development and have identified several other potential product candidates for further investigation.



In addition, we are investigating the development of alternative drug delivery technologies for our drug product candidates. Many of the human-approved therapeutics used in companion animals are only available in pill or injectable form. However, it can be difficult to give a companion animal an injection or to assure that the animal has swallowed a pill. As a result, we believe that compliance with treatment regimens is a significant problem for veterinarians and pet owners. The challenges associated with medicating pets are unique, and we believe that developing product candidates that can be easily taken by the pet or easily administered by pet owners will help increase compliance.

We are a development-stage company with no products approved for marketing and sale, and we have not generated any revenue. We have incurred significant net losses since our inception. We incurred net losses of \$11,676,908 and \$2,171,328 for the three months ended March 31, 2019 and March 31, 2018, respectively, and \$16,647,687 and \$8,065,072 for the years ended December 31, 2018 and December 31, 2017, respectively. These losses have resulted principally from costs incurred in connection with investigating and developing our product candidates, research and development activities and general and administrative costs associated with our operations. As of March 31, 2019, we had an accumulated deficit of \$43,950,695 and cash and cash equivalents of \$2,296,731.

For the foreseeable future, we expect to continue to incur losses, which will increase significantly from historical levels as we expand our product development activities, commercialize them if they do not require U.S. Food and Drug Administration's Center for Veterinary Medicine, or FDA-CVM, pre-market approval, seek regulatory approvals for our product candidates where required from the FDA-CVM or the United States Department of Agriculture Center for Veterinary Biologics, or the USDA-CVB.

For further information on the regulatory, business and product pipeline, please see the "Business" section of this Annual Report on Form 10-K. For further information on the risk factors, please see the "Risk Factors" section of the Annual Report on Form 10-K.

### **Revenue**

We do not have any products approved for sale, have not generated any revenue from product sales since our inception and do not expect to generate any revenue from the sale of products in the near future. If our development efforts result in clinical success and regulatory approval or collaboration agreements with third parties for any of our product candidates, we may generate revenue from those product candidates.

### **Operating Expenses**

The majority of our operating expenses to date have been for the general and administrative activities related to general business activities, capital market activities and stock-based compensation, and research and development activities related to our lead product candidates.

### **Research and Development Expense**

All costs of research and development are expensed in the period in which they are incurred. Research and development costs primarily consist of salaries and related expenses for personnel, fees paid to consultants, outside service providers, professional services, travel costs and materials used in clinical trials and research and development.

We have a point-of-care biosensor platform, ZM-024, that we are developing for diagnosis and treatment management of disorders such as thyroid and adrenal disorders, a point-of-care diagnostic platform, ZM-020, for the detection of pathogens in urine and fecal samples, and a non-invasive diagnostic assay or blood test, ZM-017, that we are developing as an aid for veterinarians in diagnosing cancer in canines.

We have four drug product candidates in development. Our lead drug product candidate is ZM-007, an oral suspension formulation of metronidazole targeting the treatment of acute diarrhea in small dog breeds and puppies under nine pounds or four kilograms. Our second drug product candidate is ZM-012, a novel tablet formulation of metronidazole, most commonly known as Flagyl®, its human pharmaceutical brand name, and a complementary formulation to ZM-007, targeting the treatment of acute diarrhea in larger dogs. Our third drug product candidate is ZM-006, a transdermal gel formulation of methimazole, most commonly known as Tapazole®, its human pharmaceutical brand name, and Felimazole®, its feline pharmaceutical brand name, targeting hyperthyroidism in cats. Our fourth drug product candidate is ZM-011, a transdermal gel formulation of fluoxetine, most commonly known as Prozac®, its human pharmaceutical brand name.

## **General and Administrative Expense**

General and administrative expense consists primarily of personnel costs, including salaries, related benefits and stock-based compensation for employees, consultants and directors. General and administrative expenses also include rent and other facilities costs and professional and consulting fees for legal, accounting, tax services and other general business services.

## **Professional Fees**

Professional fees include attorney's fees, accounting fees and consulting fees incurred in connection with product investigation and analysis, regulatory analysis, government relations, audit, securities offerings, investor relations, and general corporate and intellectual property advice.

## **Income Taxes**

As of December 31, 2018, we had net operating loss carryforwards for federal and state income tax purposes of \$11,522,620 and non-capital loss carryforwards for Canada of approximately \$13,353,870, which will begin to expire in fiscal year 2036. We have evaluated the factors bearing upon the realizability of our deferred tax assets, which are comprised principally of net operating loss carryforwards and non-capital loss carryforwards. We concluded that, due to the uncertainty of realizing any tax benefits as of December 31, 2018, a valuation allowance was necessary to fully offset our deferred tax assets.

## **Critical Accounting Policies and Significant Judgments and Estimates**

Our management's discussion and analysis of financial condition and results of operations is based on our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States, or U.S. GAAP. The preparation of our consolidated financial statements and related disclosures requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities, and revenue, costs and expenses and related disclosures during the reporting periods. On an ongoing basis, we evaluate our estimates and judgments, including those described below. We base our estimates on historical experience and on various other factors that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

While our significant accounting policies are more fully described in Note 3 of the notes to our consolidated financial statements appearing elsewhere in this document, we believe that the estimates and assumptions involved in the following accounting policies may have the greatest potential impact on our financial statements.

### ***JOBS Act***

The Jumpstart Our Business Startups Act, or the JOBS Act, contains provisions that, among other things, reduce certain reporting requirements for an "emerging growth company." We have irrevocably elected not to avail ourselves of the JOBS Act provision that an emerging growth company may delay adopting new or revised accounting standards until such times as those standards apply to private companies.

In addition, we are in the process of evaluating the benefits of relying on the other exemptions and reduced reporting requirements provided by the JOBS Act. Subject to certain conditions set forth in the JOBS Act, if as an "emerging growth company" we choose to rely on such exemptions, we may not be required to, among other things, (i) provide an auditor's attestation report on our system of internal controls over financial reporting pursuant to Section 404, and (ii) comply with any requirement that may be adopted by the Public Company Accounting Oversight Board regarding mandatory audit firm rotation or a supplement to the auditor's report providing additional information about the audit and the financial statements (auditor discussion and analysis). These exemptions will apply until December 31, 2022 or until we no longer meet the requirements of being an "emerging growth company," whichever is earlier.

### *Use of Estimates*

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of expenses during the year. Actual results could differ from those estimates.

Areas where significant judgment is involved in making estimates are: the fair values of financial assets and liabilities; the determination of fair value of stock-based compensation; the useful lives and recoverability of property and equipment; deferred income taxes and forecasting future cash flows for assessing the going concern assumption.

### *Research and Development Costs*

Research and development expenses comprise costs incurred in performing research and development activities, including salaries and benefits, safety and efficacy studies and contract manufacturing costs, contract research costs, patent procurement costs, materials and supplies and occupancy costs. Research and development activities include internal and external activities associated with research and development studies of current product candidates and advancing product candidates towards a goal of obtaining regulatory approval to manufacture and market the product candidate.

Research and development costs related to continued research and development programs are expensed as incurred in accordance with ASC topic 730.

### *Translation of Foreign Currencies*

The functional currency, as determined by management, is U.S. dollars, which is also our reporting currency. Transactions denominated in currencies other than U.S. dollars and the monetary value of assets and liabilities are translated at the period end exchange rates. Revenue and expenses are translated at rates of exchange prevailing on the transaction dates. All of the exchange gains or losses resulting from these other transactions are recognized in the consolidated statements of operations and comprehensive loss.

### *Stock-Based Compensation*

We measure the cost of equity-settled transactions by reference to the fair value of the equity instruments at the date at which they are granted if the fair value of the goods or services received by us cannot be reliably estimated.

We calculate stock-based compensation using the fair value method, under which the fair value of the options at the grant date is calculated using the Black-Scholes Option Pricing Model, and subsequently expensed over the vesting period of the option. The provisions of our stock-based compensation plans do not require us to settle any options by transferring cash or other assets, and therefore we classify the awards as equity. Stock-based compensation expense recognized during the period is based on the value of stock-based payment awards that are ultimately expected to vest. We estimate forfeitures at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates. Volatility is determined based on volatilities of comparable companies when the Company does not have its own trading history. The expected term, which represents the period of time that options granted are expected to be outstanding, is estimated based on an average of the term of the options. The risk-free rate assumed in valuing the options is based on the Canadian treasury yield curve in effect at the time of grant for the expected term of the option. The expected dividend yield percentage at the date of grant is nil as we are not expected to pay dividends in the foreseeable future.

### Loss Per Share

Basic loss per share, or EPS, is computed by dividing the loss attributable to common shareholders by the weighted average number of common shares outstanding. Diluted EPS reflects the potential dilution that could occur from common shares issuable through the exercise or conversion of stock options, restricted stock awards, warrants and convertible securities. In certain circumstances, the conversion of options, warrants and convertible securities are excluded from diluted EPS if the effect of such inclusion would be anti-dilutive.

The dilutive effect of stock options is determined using the treasury stock method. Stock options and warrants to purchase our common shares issued during the period were not included in the computation of diluted EPS, as the effect would be anti-dilutive.

### Comprehensive Loss

We follow ASC topic 220. This statement establishes standards for reporting and display of comprehensive (loss) income and its components. Comprehensive loss is net loss plus certain items that are recorded directly to shareholders' equity. We currently have no other comprehensive loss items.

### Results of Operations

#### Three months ended March 31, 2019 compared to three months ended March 31, 2018

Our results of operations for the three months ended March 31, 2019 and March 31, 2018 are as follows:

	Three months ended March 31, 2019	Three months ended March 31, 2018	Change	
	\$	\$	\$	%
<b>Expenses</b>				
Research and development	7,531,375	600,341	6,931,034	1155%
General and administrative	3,231,261	1,160,171	2,071,090	179%
Professional fees	739,394	371,947	367,447	99%
Amortization - right-of-use asset	127,345	-	127,345	N/A
Amortization - intangible	267	686	(419)	-61%
Depreciation	62,054	36,699	25,355	69%
<b>Loss from operations</b>	<b>11,691,696</b>	<b>2,169,844</b>	<b>9,521,852</b>	<b>439%</b>
Interest expense	6,174	-	6,174	N/A
Gain on settlement of liabilities	(19,737)	-	(19,737)	N/A
Foreign exchange (gain) loss	(1,225)	1,484	(2,709)	-183%
<b>Loss before income taxes</b>	<b>11,676,908</b>	<b>2,171,328</b>	<b>9,505,580</b>	<b>438%</b>
<b>Income tax expense</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>N/A</b>
<b>Net loss and comprehensive loss</b>	<b>11,676,908</b>	<b>2,171,328</b>	<b>9,505,580</b>	<b>438%</b>

### Revenue

We did not generate any revenue during the three months ended March 31, 2019 and March 31, 2018.

### Research and Development

Research and development expense for the three months ended March 31, 2019 was \$7,531,375 compared to \$600,341 for the three months ended March 31, 2018, an increase of \$6,931,034 or 1,155%. The increase was primarily due to two milestone payments of \$3,000,000 and \$2,000,000, accrued pursuant to the achievement of the milestones as part of our development of ZM-024 under our development and supply agreement with Qorvo Biotechnologies, LLC. Milestone payments of \$736,841 accrued and paid in common stock pursuant to the achievement of milestones as part of our development of ZM-017 under our license and supply agreement with Celsee, Inc., and expensed \$150,000 in additional licensing fees from deposits pursuant to the achievement of milestone activities under our license and supply agreement with Celsee, Inc. During the three months ended March 31, 2018 we expensed \$25,000 in licensing fees from deposits pursuant to the achievement of milestone activities under our license and supply agreement with Celsee, Inc. After adjusting for the licensing fees, research and development expenses increased \$1,069,193. This increase is a result of a higher level of third-party expenses relating to the development of our product candidate developments and the addition of full-time employees. As a result, period over period, contracted outsourced activities increased \$985,324, salaries increased \$64,489, and consulting expenses increased \$22,670. The increase in contracted outsourced activities was largely due to the significant development activities of ZM-024, as evidenced by the achievement of the two milestones previously discussed. We expect that our research and development expenditures in 2019 will be significantly higher than in 2018, due to work related to verification and validation of ZM-024, ZM-020 and ZM-017, the initiation of pilot and pivotal studies related to our four INADs, as well as additional diagnostic developments and technologies.

### *General and Administrative*

General and administrative expense for the three months ended March 31, 2019 was \$3,231,261, compared to \$1,160,171 for the three months ended March 31, 2018, an increase of \$2,071,090 or 179%. The increase was primarily due to the increase in salaries, bonus and benefits of \$2,286,214, which included share-based compensation expense of \$2,341,104 as a result of the granting of options to purchase an aggregate of 5,995,000 common shares in January 2019, all of which vested upon the date of grant. After adjusting for the share-based compensation expense, general and administrative expense decreased \$270,014. This decrease was due to the reclassification of rent expense to amortization of right-of-use asset of \$127,345, a reduction in travel and accommodation for \$64,140 and the net decrease in salaries, bonus and benefits of \$54,890. We expect that general and administrative expense will increase in 2019 and future periods as we increase our level of activity.

### *Professional Fees*

Professional fees for the three months ended March 31, 2019 were \$739,394 compared to \$371,947 for the three months ended March 31, 2018, an increase of \$367,447 or 99%. The increase was primarily due to increased expenses related to the filing of our S-3 resale registration statement and our S-8 registration statement.

### *Net Loss*

Our net loss for the three months ended March 31, 2019 was \$11,676,908, or \$0.12 per share, compared with a net loss of \$2,171,328, or \$0.02 per share, for the three months ended March 31, 2018, an increase of \$9,505,580 or 438%. The net loss in each period was attributed to the matters described above. We expect to continue to record net losses in future periods until such time as we have sufficient revenue from our product candidates to offset our operating expenses.

## Cash Flows

### Three months ended March 31, 2019 compared to three months ended March 31, 2018

The following table shows a summary of our cash flows for the periods set forth below:

	Three months ended March 31, 2019	Three months ended March 31, 2018	Change	
	\$	\$	\$	%
Cash flows used in operating activities	(2,581,275)	(1,707,794)	(873,481)	51%
Cash flows from financing activities	3,006,828	1,407,786	1,599,042	114%
Cash flows used in investing activities	(69,087)	(13,219)	(55,868)	423%
Increase (decrease) in cash	356,466	(313,227)	669,693	-214%
Cash and cash equivalents, beginning of year	1,940,265	3,448,147	(1,507,882)	-44%
Cash and cash equivalents, end of year	2,296,731	3,134,920	(838,189)	-27%

### Operating Activities

Net cash used in operating activities for the three months ended March 31, 2019 was \$2,581,275, compared to \$1,707,794 for the three months ended March 31, 2018, an increase of \$873,481 or 51%. The largest uses of cash resulted primarily from an increase in salaries, bonus and benefits as we had 27 employees at March 31, 2019 compared to 21 employees at March 31, 2018. Other uses of cash include costs associated with regulatory costs, insurance and professional fees, and reporting costs associated with being subject to U.S. securities law reporting obligations.

Net cash used in operating activities for the three months ended March 31, 2018 was \$1,707,794, which resulted primarily from our net loss of \$2,171,328. The largest uses of cash stemmed from an increase in salaries, bonus and other significant uses of cash include regulatory and insurance expenses related to our listing on the NYSE American, and travel and accommodation expenses related to business development and pre-marketing activity.

### Financing Activities

Net cash from financing activities for the three months ended March 31, 2019 was \$3,006,828, compared to net cash from financing activities of \$1,407,786 for the three months ended March 31, 2018, an increase of \$1,599,042 or 114%. Cash from financing activities resulted primarily from the \$3,000,000 public offering of our common shares, and proceeds of \$600,000 from the exercise of stock options partially offset by stock issuance costs of \$593,172.

Net cash from financing activities for the three months ended March 31, 2018 was \$1,407,786, which was from the exercise of stock options.

### Investing Activities

Net cash used in investing activities for the three months ended March 31, 2019 was \$69,087, compared to \$13,219 for the three months ended March 31, 2018, an increase of \$55,868 or 423%. The increase resulted primarily from additional leasehold improvements in Ann Arbor.

Net cash used in investing activities for the three months ended March 31, 2018 was \$13,219 which resulted primarily from the completion of build-out of additional office space in Ann Arbor.

## Liquidity and Capital Resources

We have incurred losses and negative cash flows from operations and have not generated any revenue since our inception in May 2015. As of March 31, 2019, we had an accumulated deficit of \$43,950,695. We have funded our working capital requirements primarily through the sale of our common shares and the exercise of stock options.

As at March 31, 2019, the Company had cash of \$2,296,731, prepaid expenses and deposits of \$1,113,775, and accounts receivable of \$77,971. Current assets amounted to \$3,488,477 with current liabilities of \$7,773,936, resulting in a working capital deficit (defined as current assets minus current liabilities) of \$4,285,459.

On October 17, 2017 we entered into a five-year \$5,000,000 unsecured working capital facility with Equidebt LLC, one of our shareholders (the "Equidebt Facility"). Amounts borrowed under the Equidebt Facility bear interest at a rate of 14% per annum payable at maturity. All amounts borrowed under the Equidebt Facility become due and payable on October 17, 2022. We can make two borrowings per month under the Equidebt Facility, each of which must be for a minimum of \$250,000. The Equidebt Facility is unsecured; however Gerald A. Solensky Jr., our Chairman of the Board, President and Chief Executive Officer, has personally guaranteed our obligations under the Equidebt Facility.

On May 9, 2019, we entered into subscription agreements to sell \$12,000,000 of our Series 1 Preferred Shares to an accredited investor in a private placement at a purchase price of \$1,000,000 per Series 1 Preferred Share; \$5,000,000 of the purchase price was paid on May 9, 2019 and the remaining \$7,000,000 is expected to be paid on or prior to June 7, 2019.

We also entered into an at-the-market equity offering sales agreement with Cantor Fitzgerald & Co., effective as of December 20, 2018, under which Zomedica may sell pursuant to the universal shelf registration statement common shares in the United States only, from time to time, for up to \$50.0 million and was amended on March 25, 2019 to \$10.0 million in aggregate sales proceeds in "at the market" transactions.

If we raise additional funds by issuing equity securities, our existing security holders will likely experience dilution, and the incurring of indebtedness would result in increased debt service obligations and could require us to agree to operating and financial covenants that could restrict operations. In the event that we are unable to obtain sufficient capital to meet our working capital requirements, we may be required to change or curtail current or planned operations in order to conserve cash until such time, if ever, that sufficient proceeds from operations are generated. In such an event, we may not be able to take advantage of business opportunities, and may have to terminate or delay safety and efficacy studies, curtail our product development programs, or sell or assign rights to our product candidates, products and technologies.

Our future capital requirements depend on many factors, including, but not limited to:

- the scope, progress, results and costs of researching and developing our current or future product candidates;
- the timing of, and the costs involved in, obtaining regulatory approvals for any of our current or future product candidates;
- the number and characteristics of the product candidates we pursue;
- the cost of manufacturing our current and future product candidates and any products we successfully commercialize;
- the cost of commercialization activities if any of our current or future product candidates are approved for sale, including marketing, sales, service, customer support and distribution costs;
- the expenses needed to attract and retain skilled personnel;
- the costs associated with being a public company;
- our ability to establish and maintain strategic collaborations, licensing or other arrangements and the financial terms of such agreements; and
- the costs involved in preparing, filing, prosecuting, maintaining, defending and enforcing possible patent claims, including litigation costs and the outcome of any such litigation.

#### **Off Balance Sheet Arrangements**

Since inception, we have not engaged in the use of any off-balance sheet arrangements, such as structured finance entities, special purpose entities or variable interest entities.

#### **Recently Adopted Accounting Pronouncements**

In February 2016, the FASB issued new guidance, ASU No. 2016-02, Leases (Topic 842). The new standard establishes a right-of-use model (ROU) that requires a lessee to recognize a ROU asset and lease liability on the balance sheet for all leases with a term longer than 12 months. Leases will be classified as finance or operating, with classification affecting the pattern and classification of expense recognition in the income statement. Additional qualitative and quantitative disclosures are also required by the new guidance. Topic 842 is effective for annual reporting periods (including interim reporting periods) beginning after December 15, 2018. Early adoption is permitted.

A modified retrospective transition approach is required, applying the new standard to all leases existing at the date of initial application. The Company adopted the new standard with an initial application date of January 1, 2019 and used the effective date as its date of initial application. Consequently, financial information were not updated, and the disclosures required under the new standard were not provided for dates and periods before January 1, 2019.

The new standard provides a number of optional practical expedients in transition. The Company has elected the 'package of practical expedients', which permits the Company not to reassess under the new standard prior conclusions about lease identification, lease classification and initial direct costs. The Company has not elected the use-of-hindsight or the practical expedient pertaining to land easements; the latter not being applicable to the Company.



**Item 3. Quantitative and Qualitative Disclosures About Market Risk.**

Not applicable.

**Item 4. Controls and Procedures.**

**Disclosure Controls and Procedures**

*Evaluation of Our Disclosure Controls*

We maintain disclosure controls and procedures that are designed to provide reasonable assurance that material information required to be disclosed in our periodic reports filed under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms and to provide reasonable assurance that such information is accumulated and communicated to our management, our chief executive officer and our chief financial officer, to allow timely decisions regarding required disclosure. We carried out an evaluation, under the supervision and with the participation of our management, including our principal executive and principal financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures, as defined in Rule 13(a)-15(e) under the Exchange Act. Based on this evaluation, our principal executive officer and principal financial officer concluded that, as of March 31, 2019, our disclosure controls and procedures were effective.

*Management's Report on Internal Control Over Financial Reporting*

Our management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act. Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting based on criteria established in the framework in "Internal Control — Integrated Framework (2013)" issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation, our management concluded that our internal control over financial reporting was effective as of March 31, 2019.

**PART II — OTHER INFORMATION**

**Item 1. Legal Proceedings.**

We are not currently a party to any material legal proceedings.

## Item 1A. Risk Factors.

### RISK FACTORS

#### Risks Related to Our Business

*We have a limited operating history, are not profitable and may never become profitable.*

We have not generated any revenue to date, and we expect to continue to incur significant research and development costs and other expenses. Our net loss and comprehensive loss for the three months ended March 31, 2019 and March 31, 2018 was \$11,676,908 and \$2,171,328, respectively, and for the years ended December 31, 2018 and December 31, 2017 was \$16,647,687 and \$8,065,075, respectively. Our accumulated deficit as of March 31, 2019 was \$43,950,695. As of March 31, 2019, we had total shareholders' deficit of \$1,879,872. We expect to continue to incur losses for the foreseeable future, which will increase significantly from historical levels as we expand our product development activities (including conducting required clinical studies and trials), seek necessary approvals for our product candidates, and begin commercialization activities. Even if we succeed in developing and broadly commercializing one or more of our product candidates, we expect to continue to incur losses for the foreseeable future, and we may never become profitable. If we fail to achieve or maintain profitability, then we may be unable to continue our operations at planned levels and be forced to reduce or cease operations.

*We will need to raise additional capital to achieve our goals.*

We do not have any products approved for sale. Although we believe that we do not require pre-market approval from the U.S. Food and Drug Administration's Center for Veterinary Medicine, or the FDA-CVM, to market and sell ZM-024, a Bulk Acoustic Wave sensor-based veterinary point-of-care diagnostic platform for performing immunodiagnostic testing, ZM-020, our Raman spectroscopy-based point-of-care diagnostic platform, or ZM-017, the circulating tumor cell, or CTC, diagnostic assay that we are developing, we do not expect to commence marketing of these solutions until the first half of 2020.

Until, and unless, we receive approval from the FDA-CVM for our drug product candidates, we cannot market or sell our drug products in the United States and will have no material drug product revenue. Our lead drug product candidates are in the formulation, optimization and/or pilot study stage, and we have not yet begun pivotal trials. We anticipate that each of our drug product candidates will require approximately five years of development at a cost of approximately \$6 million per drug product candidate before we expect to be able to apply for marketing approval in the United States. In addition, certain assays that we may choose to pursue for use in our diagnostic platforms may require pre-market regulatory approval.

We are also seeking to identify potential complementary opportunities in the veterinary diagnostics and therapeutics sectors. We will continue to expend substantial resources for the foreseeable future to develop our existing product candidates and any other product candidates that we may develop or acquire. These expenditures will include: costs of developing and validating our diagnostic product candidates and related assays and consumables; costs associated with drug formulation; costs associated with conducting pilot and pivotal trials and clinical studies; costs associated with completing other research and development activities; costs of identifying additional potential product candidates; costs associated with payments to technology licensors and maintaining other intellectual property; costs of obtaining regulatory approvals; costs associated with securing contract manufacturers to meet our commercial manufacturing and supply capabilities; and costs associated with marketing and selling our products. In addition, under our existing development agreements, we are required make significant cash milestone payments to our development partners and to pay certain development costs. We do not control the timing of these payments. We also may incur unanticipated costs. Because the outcome of our development activities and commercialization efforts is inherently uncertain, the actual amounts necessary to successfully complete the development and commercialization of our existing or future product candidates may be greater or less than we anticipate.

As a result, we will need to obtain additional capital to fund the development of our business. Except for our \$5,000,000 unsecured working capital loan we have no existing agreements or arrangements with respect to any financings, and any such financings may result in dilution to our shareholders, the imposition of debt covenants and repayment obligations or other restrictions that may adversely affect our business or the value of our common shares.

Our future capital requirements depend on many factors, including, but not limited to:

- the scope, progress, results and costs of researching and developing our existing or future diagnostics and product candidates;
- the extent to which any of our future diagnostic assays may be subject to USDA-CVB pre-market regulation;
- the timing of, and the costs involved in, obtaining regulatory approvals for any of our existing or future diagnostics or product candidates;
- the number and characteristics of the diagnostics and/or product candidates we pursue;
- the cost of contract manufacturers to manufacture our existing and future diagnostics and product candidates and any products we successfully commercialize;
- the cost of commercialization activities if any of our existing or future diagnostics and product candidates are approved for sale, including marketing, sales and distribution costs;
- the expenses needed to attract and retain skilled personnel;
- the costs associated with being a public company;
- our ability to establish and maintain strategic partnerships, licensing or other arrangements and the financial terms of such agreements; and
- the costs involved in preparing and filing patent applications, maintaining any successfully obtained patents and protecting and enforcing any such patents.

Additional funds may not be available when we need them on terms that are acceptable to us, or at all. If adequate funds are not available to us on a timely basis, we may be required to delay, limit, reduce or terminate one or more of our product development programs or any future commercialization efforts.

In March of 2019, we completed an underwritten public offering of our common shares for \$3,000,000 however, we will need to obtain additional capital to fund the development of our business.

#### **Risks Related to Our Securities**

*We will be obligated to pay a significant portion of our net sales to the holders of our Series 1 Preferred Shares. This payment obligation will materially and adversely affect our liquidity and capital resources, may adversely impact our ability to raise additional capital, and could adversely affect the trading price of our common shares.*

We are obligated to make annual payments to the holders of our Series 1 Preferred Shares in an amount equal to nine percent of the net sales (as defined in the Series 1 Preferred Shares), if any, of our company and our affiliates (the "Net Sales Payments") until such time as the holders have received total Net Sales Payments equal to nine times the aggregate stated value of the outstanding Series 1 Preferred Shares. Such payments will materially and adversely affect our liquidity and capital resources which could result in a shortage of capital necessary to fund our operations or to take advantage of business opportunities as they arise. Our obligation to make these payments may make it more difficult for us to raise additional capital on terms acceptable to us, or at all. This payment obligation also may adversely affect investor perceptions of our company which could adversely affect the trading price of our common shares.

***In the event of a sale of our company, holders of our Series 1 Preferred Shares will be entitled to a substantial premium on the purchase price they paid for their Series 1 Preferred Shares, which will reduce the sale proceeds to be received by holders of our common shares.***

In the event that our company is the subject of a “fundamental transaction” (defined in the Series 1 Preferred Shares to include an amalgamation, merger or other business combination transaction involving our company in which our shareholders do not have the right to cast more than 50% of the votes that may be cast for the election of directors, or a sale, lease or other disposition of the properties and/or assets of our company as an entirety or substantially as an entirety to a third party) the holders of the Series 1 Preferred Shares will have the right, in preference to the holders of our common shares, to receive a portion of the aggregate consideration paid in the fundamental transaction that will represent a substantial premium on the purchase price they paid for their Series 1 Preferred Shares. Such premium will reduce the proceeds of any such fundamental transaction that would be received by holders of our common shares.

***In the event of the liquidation, dissolution or winding up of our company, holders of the Series 1 Preferred Shares will have a liquidation preference over holders of our common shares and if the net assets of our company available for distribution to holders of our equity securities is not sufficient to pay this liquidation preference in full, holders of our common shares would receive no liquidating distribution in respect of their common shares.***

In the event of the liquidation, dissolution or winding up of our company, holders of the Series 1 Preferred Shares will have a liquidation preference equal to the stated value of the Series 1 Preferred Shares less the Net Sales Payments paid on the Series 1 Preferred Shares before holders of our common shares would be entitled to any proceeds of such liquidation, dissolution or winding up. If the net assets of our company available for distribution to holders of our equity securities is not sufficient to pay this liquidation preference in full, holders of our common shares would receive no liquidating distribution in respect of their common shares.

## Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

As previously announced, on May 9, 2019, we commenced a private placement offering to an accredited investor in the United States (the “Offering”) of our Series 1 Preferred Shares, without par value (the “Series 1 Preferred Shares”). On May 9, 2019 we entered into subscription agreements (the “Subscription Agreements”) to sell \$12,000,000 of our Series 1 Preferred Shares to an accredited investor in a private placement at a purchase price of \$1,000,000 per Series 1 Preferred Share; \$5,000,000 of the purchase price was paid on May 9, 2019 and the remaining \$7,000,000 is expected to be paid on or prior to June 7, 2019. The Subscription Agreements contain certain customary representations, warranties and agreements, but the obligations of the investor’s party thereto are not subject to any financing condition. Pursuant to the terms of the Offering, we may conduct one or more additional closings of the Offering at any time on or prior to June 7, 2019 for total aggregate proceeds of up to \$20,000,000.

In connection with the Offering, on May 9, 2019, we filed Articles of Amendment (the “Articles of Amendment”) to our Articles of Incorporation with the Corporate Registrar of the Province of Alberta (being our governing corporate jurisdiction) to designate the preferences, rights and limitations of the Series 1 Preferred Shares. Pursuant to the Articles of Amendment, we designated 20 shares of our previously undesignated preferred stock as Series 1 Preferred Shares. Each Series 1 Preferred Share has a stated value of \$1,000,000. The Series 1 Preferred Shares do not have voting rights except to the extent required by applicable law and are not convertible into the Company’s common shares. Holders of the Series 1 Preferred Shares will not be entitled to dividends but, in lieu thereof, will receive Net Sales Payments until such time as the holders have received total Net Sales Payments equal to 9 times the aggregate stated value of the outstanding Series 1 Preferred Shares. We will have the right to redeem the outstanding Series 1 Preferred Shares at any time at a redemption price equal to 9 times the aggregate stated value of the Series 1 Preferred Shares outstanding less the aggregate amount of the Net Sales Payments paid (the “Redemption Amount”).

Upon any dissolution, liquidation or winding up, whether voluntary or involuntary, holders of Series 1 Preferred Shares will be entitled to a liquidation preference equal to the stated value of the Series 1 Preferred Shares less the Net Sales Payments paid on the Series 1 Preferred Shares

In the event of a fundamental transaction (defined in the Series 1 Preferred Shares to include an amalgamation, merger or other business combination transaction involving our company in which our shareholders do not have the right to cast more than 50% of the votes that may be cast for the election of directors, or a sale, lease or other disposition of the properties and/or assets of our company as an entirety or substantially as an entirety to a third party), the holders of the Series 1 Preferred Shares will be entitled to receive consideration for their Series 1 Preferred Shares equal to a multiple of the stated value of the Series 1 Preferred Shares ranging from 5.0 to 9.0 depending on the timing of the fundamental transaction, subject to a cap equal to the Redemption Amount.

The descriptions of the Series 1 Preferred Shares and the Subscription Agreements are summaries only, are not intended to be complete, and are qualified in their entirety by reference to the Articles of Amendment and the Form of Subscription Agreement, each of which is filed as an exhibit to this Quarterly Report on Form 10-Q.

The Series 1 Preferred Shares being sold in the Offering have not been registered under the Securities Act of 1933, as amended (the “Securities Act”), and are being sold pursuant to the exemption from registration provided by Section 4(a)(2) of the Securities Act and/or Rule 506(b) of Regulation D promulgated thereunder. Such securities are therefore restricted in accordance with Rule 144 under the Securities Act.

This Quarterly Report on Form 10-Q does not constitute an offer to sell or the solicitation of an offer to buy any security. The securities described herein have not been registered under the Securities Act or applicable state securities laws and may not be offered or sold in the United States or any state thereof absent registration under the Securities Act and applicable state securities laws or an applicable exemption from registration requirements.

**Item 3. Defaults Upon Senior Securities.**

Not applicable.

**Item 4. Mine Safety Disclosures.**

Not applicable.

**Item 5. Other Information.**

None.

**Item 6. Exhibits.**

The exhibits listed on the accompanying index to exhibits immediately preceding the exhibits are filed as part of, or hereby incorporated by reference into, this Quarterly Report.

**SIGNATURES**

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

**Zomedica Pharmaceuticals Corp.**

By: /s/ Gerald Solensky, Jr.

Name: Gerald Solensky Jr.

Title: *Chief Executive Officer*

By: /s/ Shameze Rampertab

Name: Shameze Rampertab

Title: *Chief Financial Officer*

## EXHIBIT INDEX

Exhibit No.	Description
<a href="#">3.1</a>	<a href="#">Articles of Amalgamation of Zomedica Pharmaceuticals Corp. (incorporated by reference to Exhibit 3.1 to the Company's Registration Statement on Form S-1 filed with the Commission on November 20, 2017 (File No. 333-217409))</a>
<a href="#">3.2</a>	<a href="#">Amended and Restated By-Law No. 1 of Zomedica Pharmaceuticals Corp. (incorporated by reference to Exhibit 3.2 to the Company's Registration Statement on Form S-1 filed with the Commission on November 20, 2017 (File No. 333-217409))</a>
<a href="#">3.3</a>	<a href="#">Certificate of Amendment and Registration of Restated Articles of Zomedica Pharmaceuticals Corp. (incorporated by reference to Exhibit 3.3 to the Company's Registration Statement on Form S-1 filed with the Commission on November 20, 2017 (File No. 333-217409))</a>
<a href="#">3.4</a>	<a href="#">Certificate of Amalgamation of Zomedica Pharmaceuticals Corp. (incorporated by reference to Exhibit 3.4 to the Company's Registration Statement on Form S-1 filed with the Commission on November 20, 2017 (File No. 333-217409))</a>
<a href="#">3.5</a>	<a href="#">Articles of Amendment to the Articles of Incorporation of Zomedica Pharmaceuticals Corp.</a>
<a href="#">10.29</a>	<a href="#">Form of Preferred Share Subscription Agreement for May 2019 Offering</a>
<a href="#">31.1</a>	<a href="#">Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>
<a href="#">31.2</a>	<a href="#">Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>
<a href="#">32.1*</a>	<a href="#">Certification of Chief Executive Officer and Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350.</a>
101.INS	XBRL Instance Document.*
101.SCH	XBRL Taxonomy Extension Schema Document.*
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document.*
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document.*
101.LAB	XBRL Taxonomy Extension Label Linkbase Document.*
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document.*

\* This certification is not deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, or otherwise subject to the liability of that section. Such certification will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934, except to the extent that the registrant specifically incorporates it by reference.



## Articles Of Amendment

Business Corporations Act  
Section 29 or 177

<b>1. Name of Corporation</b>	<b>2. Corporate Access Number</b>
ZOMEDICA PHARMACEUTICALS CORP.	2019774088

**3. The Articles of the above named corporation are amended as follows:**

Pursuant to subsection 29(5) of the *Business Corporations Act* (Alberta), the Articles of the Corporation are hereby amended by the creation of the first series of Preferred Shares, to be designated as "Series 1 Preferred Shares", to be limited in number to 20, each such Series 1 Preferred Share having attached thereto the rights, privileges, restrictions and conditions set out in the Schedule attached hereto and forming a part of this form.

Date	Signature	Title
May 9, 2019	/s/ Gerald Solensky, Jr.	Chairman - CEO



SCHEDULE TO THE ARTICLES OF AMENDMENT OF  
ZOMEDICA PHARMACEUTICALS CORP.  
(the "Corporation")

SERIES 1 PREFERRED SHARES

TERMS AND CONDITIONS

The Corporation is authorized to issue an unlimited number of Preferred Shares, issuable in series. The rights, privileges, restrictions and conditions attaching to the Series 1 Preferred Shares are as follows:

**1. Authorization**

1.1 The Corporation is authorized to issue up to 20 Series 1 Preferred Shares (each a "**Preferred Share**").

**2. Stated Value**

2.1 The stated value of the Preferred Shares (the "**Stated Value**") shall be U.S.\$1,000,000 per Preferred Share.

**3. Voting Rights**

3.1 Subject to applicable law, including the provisions of the *Business Corporations Act* (Alberta), the holders of the Preferred Shares shall not, as such, be entitled to receive notice of, to attend or to vote at any meeting of the shareholders of the Corporation.

**4. Dividends**

4.1 The holders of the Preferred Shares shall not be entitled to receive any dividends that are declared by the Board of Directors of the Corporation.

4.2 Notwithstanding the foregoing, the directors may declare dividends on any class of share other than the Preferred Shares.

**5. Net Sales Return**

5.1 The holders of the Preferred Shares shall have the right to receive a return on their investment in the Preferred Shares in lieu of the payment of dividends, with such return being in the aggregate amount of *nine percent (9%)* of Net Sales (the "**Net Sales Return**"), subject to the terms and conditions set forth herein. Such return shall be payable until such time as the aggregate Net Sales Returns paid to the holders of the Preferred Shares equals the Redemption Amount (as hereinafter defined), at which time such right shall terminate and no further Net Sales Returns shall be paid or payable to the holders of Preferred Shares.

5.2 Definitions. For purposes of this Section 5, the following terms have the following meanings:

- a. "**Affiliate**" means any person controlled directly or indirectly through one or more intermediaries, by the Corporation. A Person shall be regarded as in control of the Corporation if the Corporation owns or directly or indirectly controls more than fifty percent (50%) of the voting shares or other ownership interest of the other person, or if it possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of such person;

- b. **"Licensing Proceeds"** means all cash received by the Corporation and its Affiliates from third party licensees or partners with respect to licensing or partnering arrangements with respect to a Product, including, without limitation: (i) royalties based on sales of Products by third party licensees or their sublicensees; (ii) any licensing fees (including, without limitation, upfront fees) for rights to develop or commercialize Products, or other payments in connection with the licensing of rights with respect to Products; (iii) milestone payments (including without limitation, those based on development, regulatory or commercialization milestones for Products); and (iv) research and development funding;
- c. **"Net Sales"** means for any period, the gross amount invoiced by the Corporation and its Affiliates for the sale of Products, (including, without limitation, third party agents, distributors and wholesalers), less the total of the following, to the extent applicable:
- (i) trade, cash and/or quantity discounts not already reflected in the amount invoiced;
  - (ii) all excise, sales and other consumption taxes (including VAT) and custom duties, whether or not specifically identified as such in the invoice to the third party;
  - (iii) freight, distribution, insurance and other transportation charges, whether or not specifically identified as such in the invoice to the third party;
  - (iv) amounts repaid or credited by reason of rejections, defects or returns or because of chargebacks, retroactive price reductions, refunds or billing errors;
  - (v) any royalty amounts or license fees payable by the Corporation to a non-Affiliate third party for access to, or licensing in of, such non-Affiliate third party's intellectual property rights for use or exploitation of the Products; and
  - (vi) rebates and similar payments made with respect to sales paid for or reimbursed by any governmental or regulatory authority such as, by way of illustration, United States Federal or state Medicaid, Medicare or similar state program or equivalent foreign governmental program.

For purposes of determining Net Sales, "sale" will not include transfers or dispositions for charitable, promotional, pre-clinical, clinical, regulatory or governmental purposes; and

- d. **"Product"** means any product produced or sold by the Corporation.

5.3 **Timing of Net Sales Return Payments.** With respect to Products that the Corporation commercializes directly, Net Sales Returns, if any, will be paid annually 15 business days after the issuance of the Corporation's audited financial statements for the prior year. With respect to Products that the Corporation sublicenses or otherwise disposes of to a third-party, Net Sales Returns, if any, will be paid 7 business days after the end of the applicable quarter in which such Licensing Proceeds were received by the Corporation (each of the foregoing dates upon which Net Sales Returns are to be calculated are hereinafter referred to as a **"Net Sales Return Record Date"**, as applicable).

- 5.4 Allocation of Net Sales Returns. Once the Net Sales Returns have been calculated in accordance with this Section, the Net Sales Return shall be allocated and payable in cash on a *pro rata* basis to the holders of the Preferred Shares as of the applicable Net Sales Return Record Date.
- 5.5 Termination upon Redemption. Upon the exercise by the Corporation of its right of Redemption pursuant to Section 6 herein, the right of the holders of the Preferred Shares to receive the Net Sales Returns shall terminate.
- 5.6 Unsecured Obligations. The Net Sales Returns are unsecured obligations of the Corporation.
- 5.7 Amendments, Modifications and Waivers. All modifications, amendments or waivers to the Net Sales Returns shall require the written consent of the Corporation and the Holders of the majority of the issued and outstanding Preferred Shares.

## 6. **Redemption**

- 6.1 The redemption amount of the Preferred Shares (the "**Redemption Amount**") shall be equal to the following:

[Stated Value multiplied by nine (9)] less	[cumulative aggregate Net Sales Returns that have been paid to holders (as of the Redemption Date)].
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- 6.2 Subject to applicable law, including the provisions of the *Business Corporations Act* (Alberta), the Corporation shall have the right to redeem, at any time following the payment to the holders of the Preferred Shares of the Redemption Amount, all, or from time to time any part of, the then outstanding Preferred Shares via the delivery to such holders of a Redemption Notice in accordance with Section 6.4 herein, together with all accrued and unpaid Net Sales Returns in respect thereof up to the most recent Net Sales Return Record Date (the foregoing is herein referred to as the "**Redemption**").
- 6.3 In case only a part of the then outstanding Preferred Shares is at any time to be redeemed, the Preferred Shares so to be redeemed shall be redeemed *pro rata*, excluding fractions, from the holdings of all shareholders of Preferred Shares or in such other manner as the Board of Directors deems reasonable.
- 6.4 On any Redemption of Preferred Shares under this Section 6, the Corporation shall, subject to the unanimous waiver of notice by the registered holders thereof, give at least 10 days before the date fixed for redemption (the "**Redemption Date**"), a notice in writing of the intention of the Corporation to redeem Preferred Shares (the "**Redemption Notice**") to each person who at the date of giving of such notice is a registered holder of Preferred Shares to be redeemed. The Redemption Notice shall set out the calculation of the Redemption Amount, the Redemption Date and the number of Preferred Shares so held that are to be redeemed.
- 6.5 The delivery of the Redemption Amount by such reasonable means as the Corporation deems desirable, on or before the Redemption Date shall be deemed to give effect to the Redemption on the Redemption Date. Notwithstanding the foregoing, the Corporation shall be entitled to require at any time, and from time to time, that the Redemption Amount be delivered to holders of Preferred Shares only upon presentation and surrender at the registered office of the Corporation or at any other place or places in Alberta designated by the Redemption Notice of the certificate or certificates for such Preferred Shares to be redeemed.

6.6 From and after the Redemption Date, the Preferred Shares shall no longer be deemed to be outstanding for any purpose and shall represent only the right to receive the Redemption Amount.

6.7 Preferred Shares that are redeemed or deemed to be redeemed in accordance with this Section 6 shall, subject to applicable law, be and be deemed to be returned to the authorized but unissued capital of the Corporation.

## 7. **Liquidation and Fundamental Transactions**

7.1 In the event of the liquidation, dissolution or winding up of the Corporation or other distribution of the assets of the Corporation among its shareholders for the purpose of winding up its affairs (other than in the case of a Fundamental Transaction), the holders of Preferred Shares shall be entitled to receive the Stated Value per share (on a *pro rata* basis) less Net Sales Returns paid or payable up to the most recent Net Sales Return Record Date prior to the commencement of any such liquidation, dissolution, winding up or other distribution of the assets of the Corporation, to be paid all such money before any money shall be paid or property or assets distributed to the holders of any Common Shares or other shares in the capital of the Corporation ranking junior to the Preferred Shares with respect to return of capital.

7.2 A "**Fundamental Transaction**" means a transaction or series of transactions that result in any of the following:

- a. an amalgamation, arrangement, merger, consolidation, takeover, reverse takeover, reorganization or other business combination or other similar transaction of the Corporation with or into any other person (provided that the other person is not an affiliate of the Corporation) whereby all or substantially all of the issued and outstanding Common Shares are sold, transferred or exchanged for cash and/or securities pursuant to which the shareholders of the Corporation immediately prior to such Fundamental Transaction do not immediately thereafter own shares of a successor continuing corporation that entitle them to cast more than 50% of the votes attaching to all shares in the capital of the successor or continuing corporation that may be cast to elect directors of that corporation;
- b. a sale, lease, disposition or conveyance of the property and/or assets of the Corporation as an entirety or substantially as an entirety to any other person (provided that the other person is not an affiliate of the Corporation) for consideration consisting of cash and/or securities and the subsequent distribution of all of such consideration to all of the holders of Common Shares, on a *pro rata* basis;

7.3 In the event of a Fundamental Transaction, the holders of the Preferred Shares shall be entitled to receive in exchange for their Preferred Shares the following amount (such amount, the "**Fundamental Transaction Amount**"):

- a. Fundamental Transaction completed within the first year from issuance of Preferred Shares:  
[5 x Stated Capital];
- b. Fundamental Transaction completed within the second year from issuance of Preferred Shares:  
[5.5 x Stated Capital];
- c. Fundamental Transaction completed within the third or fourth year from issuance of Preferred Shares:  
[6 x Stated Capital];
- d. Fundamental Transaction completed within the fifth year from issuance of Preferred Shares:  
[7 x Stated Capital]; and
- e. Fundamental Transaction completed more than six (6) years from issuance of Preferred Shares:  
[9 x Stated Capital].

provided however that in each case, the maximum aggregate amount payable under this Section 7.3 shall be lesser of: (a) the aggregate consideration payable under the Fundamental Transaction plus any Net Sales Returns paid to date; and (b) the Redemption Amount.

- 7.4 The Fundamental Transaction Amount shall be paid in cash or, if the consideration payable under the Fundamental Transaction consists of securities or other assets (other than cash), the value attributed to such consideration in the Fundamental Transaction. The acquirer under the Fundamental Transaction (whether that be the Corporation, any successor entity or any other third party offeror) shall pay to each holder of Preferred Shares, such holder's *pro rata* portion of the Fundamental Transaction Amount in cash, securities or other assets (as applicable under the Fundamental Transaction) no later than 30 days after the consummation of the Fundamental Transaction upon surrender of the Preferred Shares for cancellation.
- 7.5 The right of the holders to receive the Fundamental Transaction Amount shall be prior in right of payment to the the right of the holders of any Common Shares or other shares in the capital of the Corporation ranking junior to the Preferred Shares with respect to return of capital to receive any payment in connection with a Fundamental Transaction.
- 7.6 From and after the effective date of a Fundamental Transaction, the Preferred Shares shall no longer be deemed to be outstanding for any purpose and shall represent only the right to receive the Fundamental Transaction Amount.
- 7.7 In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation, after the payment of all preferential amounts required to be paid to the holders of Preferred Shares, the remaining assets of the Corporation available for distribution to its shareholders shall be distributed among the holders of Common Shares, *pro rata* based on the number of shares held by each holder.

**8. Amendments**

8.1 The rights, privileges, restrictions and conditions attached to the Preferred Shares may be amended, modified, suspended, altered or repealed but only if consented to, or approved by, the holders of the Preferred Shares in the manner hereinafter specified and in accordance with any requirements of applicable law.

**9. Approval by Holders of Preferred Shares**

9.1 For the purpose of Section 8, any consent or approval given by the holders of Preferred Shares shall be deemed to have been sufficiently given if it shall have been given in writing by all the holders of the outstanding Preferred Shares or by a resolution passed at a meeting of holders of Preferred Shares duly called and held upon not less than 21 days' notice in writing to the holders at which the holders of at least 50% of the outstanding Preferred Shares are present or are represented by proxy and carried by the affirmative vote of not less than two-thirds of the votes cast at such meeting. On every ballot cast at every meeting of the holders of the Preferred Shares, every holder of a Preferred Share shall be entitled to one (1) vote in respect of each Preferred Share held. Subject to the foregoing, the formalities to be observed in respect of the giving or waiving of notice of any such meeting or adjourned meeting and the conduct thereof shall be those from time to time prescribed in the by-laws of the Corporation.

**SUBSCRIPTION FOR PREFERRED SHARES – TRANCHE 1 (May 2019)**

**TO: Zomedica Pharmaceuticals Corp. (the "Corporation")**

The undersigned (the "**Subscriber**") hereby irrevocably subscribes for and agrees to purchase the number of series 1 preferred shares ("**Preferred Shares**") of the Corporation set forth below for the aggregate subscription price ("**Aggregate Subscription Amount**") set forth below, representing a subscription price of U.S.\$1,000,000 per Preferred Share, upon and subject to the terms and conditions set forth in "Terms and Conditions of Subscription for Preferred Shares of Zomedica Pharmaceuticals Corp." attached hereto (together with this page and attached Schedules, the "**Subscription Agreement**"). **In addition to this face page, the Subscriber must also complete all applicable schedules attached hereto.**

\_\_\_\_\_

Full Legal Name of Subscriber (please print)

By: \_\_\_\_\_

Signature of Subscriber or its Authorized Representative

\_\_\_\_\_

Official Title or Capacity (please print)

\_\_\_\_\_

Name of Signatory (please print name of individual whose signature appears above if different than name of Subscriber)

\_\_\_\_\_

Subscriber's Address (including postal code)

\_\_\_\_\_

Telephone Number (including area code)

\_\_\_\_\_

e-mail Address

*By executing this Subscription Agreement, you are consenting to the collection, use and disclosure of personal information in the manner described in the privacy notices on pages 14 and 15 of this Subscription Agreement.*

**Aggregate Subscription Amount: U.S.\$** \_\_\_\_\_

**Number of Preferred Shares:** \_\_\_\_\_

**Disclosed Beneficial Purchaser Information:**  
 If the Subscriber is signing as agent for a principal and is not deemed to be purchasing as principal pursuant to applicable securities legislation, complete the following and ensure that the Schedules and Exhibits, as applicable, are completed in respect of such principal:

\_\_\_\_\_

(Name of Principal)

\_\_\_\_\_

(Principal's Address)

\_\_\_\_\_

\_\_\_\_\_

(Telephone Number) (E-mail Address)

**Register the Preferred Shares (if different from address given above) as follows:**

\_\_\_\_\_

Name

\_\_\_\_\_

Account reference, if applicable

\_\_\_\_\_

Address (including postal code)

\_\_\_\_\_

\_\_\_\_\_

**Deliver the Preferred Shares (if different from address given above) as follows:**

\_\_\_\_\_

Name

\_\_\_\_\_

Account reference, if applicable

\_\_\_\_\_

Contact Name

\_\_\_\_\_

Address (including postal code)

\_\_\_\_\_

Telephone Number (including area code)

**ACCEPTANCE:** The Corporation hereby accepts the subscription as set forth above on the terms and conditions contained in this Subscription Agreement.

**ZOMEDICA PHARMACEUTICALS CORP.**

\_\_\_\_\_, 2019

Per: \_\_\_\_\_

No.: \_\_\_\_\_

*This is the first page of an agreement comprised of 15 pages (excluding the Schedules and Exhibits hereto).*



**PLEASE MAKE SURE THAT YOUR SUBSCRIPTION INCLUDES:**

1. a signed copy of this Subscription Agreement;
2. a certified cheque or bank draft in an amount equal to the Aggregate Subscription Amount payable to "Zomedica Pharmaceuticals Corp." OR

a wire transfer to:

**Incoming Canadian \$ wires:**

Beneficiary Bank: RBC Royal Bank  
Bank Address: 6880 FINANCIAL DR, MISSISSAUGA, ON, L5N 7Y5  
Transit/Branch #: 03212  
Account #: 1001593  
Bank #:003  
SWIFT Code: ROYCCAT2  
Currency: Canadian  
Beneficiary: Zomedica Pharmaceuticals Corp.

**Incoming US \$ wires:**

Intermediary/Correspondent Bank: JP Morgan Chase  
SWIFT Code: CHASUS33  
ABA #: 021000021  
Beneficiary Bank: RBC Royal Bank  
Bank Address: 6880 FINANCIAL DR, MISSISSAUGA, ON, L5N 7Y5  
Transit #:03212  
Account #: 4006227  
Bank #:003  
SWIFT Code: ROYCCAT2  
Currency: US  
Beneficiary: Zomedica Pharmaceuticals Corp.

PLEASE NOTE THAT THE FAILURE TO PROVIDE ALL OF THE ABOVE INFORMATION IN RESPECT OF WIRE TRANSFERS MAY RESULT IN THE COMPLETION OF YOUR SUBSCRIPTION FOR SECURITIES HEREUNDER BEING REJECTED OR DELAYED.

3. if the Subscriber is purchasing Preferred Shares as an "accredited investor", one (1) copy of the Representation Letter in the form attached to this Subscription Agreement as Schedule "A" (including a duly completed and initialed copy of Exhibit A to Schedule "A") **and, if you are an individual described in paragraphs (j), (k), or (l) of the definition of "accredited investor" in Section 1.1 of NI 45-106 (which definition is reproduced in Exhibit A to Schedule "A")**, a duly completed and signed copy of Exhibit B to Schedule "A";
  4. if the Subscriber is purchasing as a "family member, close personal friend or close personal business associate" and:
    - o resident in, or subject to the laws of, any province of Canada except Saskatchewan or Ontario, one (1) copy of a Representation Letter in the form attached to this Subscription Agreement as Schedule "B";
    - o resident in, or subject to the laws of, the Province of Saskatchewan, one (1) copy of a Representation Letter in the form attached to this Subscription Agreement as Schedule "B" and one (1) copy of a Risk Acknowledgement Form in the form attached to this Subscription Agreement as Schedule "C" [*Note: If applicable, the Subscriber must sign 2 copies of Schedule "C" and the Subscriber and the Corporation must each receive a signed copy*]; and
    - o resident in, or subject to the laws of, the Province of Ontario, one (1) duly completed copy of the Risk Acknowledgement Form in the form attached to this Subscription Agreement as Schedule "D" and executed by the Subscriber and by the applicable family member, close personal friend or close personal business associate and has retained one signed copy of such Risk Acknowledgement Form for the Subscriber's records;
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5. if the Subscriber is a resident of a jurisdiction outside of both Canada and the United States, a copy of the Representation Letter in the form attached to this Subscription Agreement as Schedule "E";
6. if the Subscriber is a U.S. Purchaser, a copy of the Certification of U.S. Purchaser in the form attached to this Subscription Agreement as Schedule "F";
7. all Subscribers must provide a properly completed and duly executed copy of the Private Placement Questionnaire in the form attached as Schedule "G" to this Subscription Agreement; and
8. if the Subscriber is not an individual, one manually signed and duly completed Corporate Placee Registration Form in the form required by the TSX Venture Exchange and as attached as Schedule "H" to this Subscription Agreement, provided that such form is not required if the Subscriber has previously filed a Corporate Placee Registration Form with the TSX Venture Exchange and the information contained in such form has not changed since the last filing.

**PLEASE DELIVER THE AFOREMENTIONED DOCUMENTS TO:**

Tingle Merrett LLP  
1250, 639 – 5<sup>th</sup> Avenue S.W.  
Calgary, Alberta T2P 0M9

Attention: Paul Bolger  
T: 403-571-8006  
F: 403-571-8008  
E: [pbolger@tinglemerrett.com](mailto:pbolger@tinglemerrett.com)

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**TERMS AND CONDITIONS OF SUBSCRIPTION FOR  
PREFERRED SHARES OF ZOMEDICA PHARMACEUTICALS CORP.**

1. **Definitions.** In this Subscription Agreement:
    - (a) "Aggregate Subscription Amount" has the meaning set forth on the face page hereof;
    - (b) "Closing Date" means **May 9, 2019** or such other date(s) as the Corporation may determine;
    - (c) "Common Shares" means common shares in the capital of the Corporation;
    - (d) "Corporation" means Zomedica Pharmaceuticals Corp., a corporation organized under the laws of Alberta;
    - (e) "Offering" shall have the meaning ascribed thereto in paragraph 2(b) hereof; and
    - (f) "Preferred Shares" means series 1 preferred shares in the capital of the Corporation;
    - (g) "U.S. Purchaser" is (a) any person that receives or received an offer of the securities while in the United States or (b) any person that is in the United States at the time the purchaser's buy order was originated or this Subscription Agreement was executed or delivered.
  
  2. **Acknowledgements of the Subscriber.** The Subscriber acknowledges (on its own behalf and, if applicable, on behalf of each person on whose behalf the Subscriber is contracting) that:
    - (a) this subscription is subject to rejection or acceptance by the Corporation in whole or in part, and is effective only upon acceptance by the Corporation;
    - (b) the Preferred Shares subscribed for by the Subscriber hereunder form part of a larger issue and sale by the Corporation of Preferred Shares at a subscription price of U.S.\$1,000,000 per Preferred Share (the "**Offering**");
    - (c) the Offering is not subject to any minimum amount and that the Subscriber's subscription may be the only subscription;
    - (d) **the Subscriber is responsible for obtaining such legal advice as it considers appropriate in connection with the execution, delivery and performance by it of this Subscription Agreement;**
    - (e) **there is no government or other insurance scheme covering the Preferred Shares; and**
    - (f) **there are risks associated with an investment in the Preferred Shares and, as a result, the Subscriber may lose its entire investment.**
  
  3. **Representations, Warranties and Covenants of the Subscriber.** By executing this Subscription Agreement, the Subscriber (on its own behalf and, if applicable, on behalf of each person on whose behalf the Subscriber is contracting) represents, warrants and covenants to the Corporation and its counsel (and acknowledges that the Corporation and its counsel are relying thereon) that:
    - (a) if the Subscriber is an individual, the Subscriber is of the full age of majority in the jurisdiction in which this Subscription Agreement is executed and is legally competent to execute and deliver this Subscription Agreement, to perform all of its obligations hereunder, and to undertake all actions required of the Subscriber hereunder;
    - (b) if the Subscriber is not an individual, the Subscriber has the requisite power, authority, legal capacity and competence to execute and deliver and be bound by this Subscription Agreement, to perform all of its obligations hereunder, and to undertake all actions required of the Subscriber hereunder, and all necessary approvals of its directors, partners, shareholders, trustees or otherwise with respect to such matters have been given or obtained;
    - (c) if the Subscriber is a body corporate, partnership, unincorporated association or other entity, the Subscriber has been duly incorporated or created and is validly subsisting under the laws of its jurisdiction of incorporation or creation;
    - (d) this Subscription Agreement has been duly and validly authorized, executed and delivered by, and constitutes a legal, valid, binding and enforceable obligation of, the Subscriber;
    - (e) the execution, delivery and performance by the Subscriber of this Subscription Agreement and the completion of the transactions contemplated hereby do not and will not result in a violation of any law, regulation, order or ruling applicable to the Subscriber, and do not and will not constitute a breach of or default under any of the Subscriber's constating documents (if the Subscriber is not an individual) or any agreement or covenant to which the Subscriber is a party or by which it is bound;
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- (f) the Subscriber confirms that the Subscriber (and, if the Subscriber is not purchasing as principal, each beneficial purchaser for whom the Subscriber is acting):
    - (i) has such knowledge in financial and business affairs as to be capable of evaluating the merits and risks of its investment in the Preferred Shares;
    - (ii) is capable of assessing the proposed investment in the Preferred Shares as a result of the Subscriber's own experience or as a result of advice received from a person registered under applicable securities legislation;
    - (iii) is aware of the characteristics of the Preferred Shares and the risks relating to an investment therein; and
    - (iv) is able to bear the economic risk of loss of its entire investment in the Preferred Shares;
  - (g) the Subscriber understands that no securities commission, stock exchange, governmental agency, regulatory body or similar authority has made any finding or determination or expressed any opinion with respect to the merits of investing in the Preferred Shares;
  - (h) the Subscriber understands and acknowledges that no prospectus or registration statement has been filed by the Corporation with any securities commission or similar regulatory authority in any jurisdiction in connection with the issuance of the Preferred Shares and that the Preferred Shares are being offered for sale only on a "private placement" basis and that the sale of the Preferred Shares is conditional upon such sale being exempt from the requirements to file and obtain a receipt for a prospectus or file a registration statement, and the requirement to sell securities through a registered dealer, or upon the issuance of such orders, consents or approvals as may be required to enable such sale to be made without complying with such requirements, and that as a consequence of acquiring the Preferred Shares pursuant to such exemptions:
    - (i) the Subscriber is restricted from using some of the civil remedies otherwise available under applicable securities laws in Canada;
    - (ii) the Subscriber will not receive information that would otherwise be required to be provided to it under applicable securities laws in Canada; and
    - (iii) the Corporation is relieved from certain obligations that would otherwise apply under applicable securities laws in Canada;
  - (i) the Subscriber confirms that neither the Corporation nor any of its directors, employees, officers, agents, representatives or affiliates have made any representations (written or oral) to the Subscriber:
    - (i) regarding the future value of the Preferred Shares;
    - (ii) that any person will resell or repurchase the Preferred Shares; or
    - (iii) that any person will refund the purchase price of the Preferred Shares;
  - (j) the Subscriber confirms that it has been advised to consult its own legal and financial advisors with respect to the suitability of the Preferred Shares as an investment for the Subscriber, the tax consequences of purchasing and dealing with the Preferred Shares, and the resale restrictions and "hold periods" to which the Preferred Shares are or may be subject under applicable securities legislation or stock exchange rules, and has not relied upon any statements made by or purporting to have been made on behalf of the Corporation with respect to such suitability, tax consequences, resale restrictions and "hold periods";
  - (k) [intentionally deleted];
  - (l) the Subscriber is resident in the jurisdiction indicated on the face page of this Subscription Agreement as the "Subscriber's Address" and the purchase by and sale to the Subscriber of the Preferred Shares, and any act, solicitation, conduct or negotiation directly or indirectly in furtherance of such purchase and sale (whether with or with respect to the Subscriber or any beneficial purchaser) has occurred only in such jurisdiction;
  - (m) the Subscriber acknowledges that it and/or the Corporation may be required to provide applicable securities regulatory authorities or stock exchanges with information concerning the identities of the beneficial purchasers of the Preferred Shares and the Subscriber agrees that, notwithstanding that the Subscriber may be purchasing the Preferred Shares as agent for an undisclosed principal, the Subscriber will provide to the Corporation, on request, particulars as to the identity of such undisclosed principal as may be required by the Corporation in order to comply with the foregoing;
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- (n) unless the Subscriber satisfies subsection 3(o), the Subscriber satisfies one of subsections (i), (ii), (iii) or (iv) below:
- (i) **if the Subscriber is resident in or otherwise subject to the applicable securities laws of any province of Canada**, the Subscriber is purchasing the Preferred Shares as principal (or is deemed to be purchasing as principal) for its own account, not for the benefit of any other person, the Subscriber is an "accredited investor" as defined in National Instrument 45-106 entitled *Prospectus Exemptions* ("NI 45-106") (or, if applicable for Subscribers in Ontario, the corresponding categories for the definition of an "accredited investor" as defined in Section 73.3 of the *Securities Act* (Ontario)), which definitions are reproduced in Exhibit A to Schedule "A" attached hereto, the Subscriber was not created or used solely to purchase or hold securities as an accredited investor as described in paragraph (m) of the definition of "accredited investor" in NI 45-106 and reproduced in Exhibit A to Schedule "A" hereto, the Subscriber is not a trust company or trust corporation registered under the laws of Prince Edward Island that is not registered or authorized under the *Trust and Loan Companies Act* (Canada) or under comparable legislation in another jurisdiction of Canada and **the Subscriber has executed and delivered to the Corporation a Representation Letter in the form attached hereto as Schedule "A" indicating that the Subscriber fits within one of the categories of "accredited investor" set forth in such definitions (including a duly completed and initialed copy of Exhibit A to Schedule "A") and, if the Subscriber is an individual described in paragraphs (j), (k), or (l) of the definition of "accredited investor" in Section 1.1 of NI 45-106, a duly completed and signed copy of Exhibit B to Schedule "A";** OR
- (ii) **if the Subscriber is resident in or otherwise subject to the applicable securities laws of any province of Canada except Ontario and is not an "accredited investor" as defined in NI 45-106**, it is purchasing the Preferred Shares as principal for its own account and not for the benefit of any other person, and the Subscriber is a "family member, close personal friend or close personal business associate" of the Corporation or an affiliate of the Corporation, as defined in NI 45-106 (which definition is reproduced in the Exhibit to Schedule "B" attached hereto) and **the Subscriber has executed and delivered to the Corporation a Representation Letter in the form attached hereto as Schedule "B" (and, if resident in Saskatchewan, has executed and delivered to the Corporation a Risk Acknowledgement Form in the form attached as Schedule "C" hereto and has retained one signed copy for the Subscriber's records) and no commission or finder's fee will be paid to any director, officer, founder or control person of the Corporation or an affiliate, and to the best of the Subscriber's knowledge, no director, officer, founder or control person of the Corporation or an affiliate is entitled to a finder's fee or commission, in each case in connection with the purchase of Preferred Shares pursuant to this section 3(n)(ii);** OR
- (iii) **if the Subscriber is resident in or otherwise subject to the applicable securities laws of Ontario and is not an "accredited investor" as defined in NI 45-106**, it is purchasing the Preferred Shares as principal for its own account and not for the benefit of any other person, and the Subscriber is a "family member, close personal friend or close personal business associate" of the Corporation or an affiliate of the Corporation, as defined in NI 45-106 (which definition is reproduced in the Exhibit to Schedule "B" attached hereto) and **the Subscriber has delivered to the Corporation a Risk Acknowledgement Form in the form attached as Schedule "D" hereto duly signed by the Subscriber AND by the applicable family member, close personal friend or close personal business associate (as directed in the Risk Acknowledgement Form in the form attached as Schedule "D" hereto) and has retained one signed copy for the Subscriber's records and no commission or finder's fee will be paid to any director, officer, founder or control person of the Corporation or an affiliate, and to the best of the Subscriber's knowledge, no director, officer, founder or control person of the Corporation or an affiliate is entitled to a finder's fee or commission, in each case in connection with the Offering pursuant to this section 3(n)(iii);** OR
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- (iv) **if the Subscriber is not purchasing the Preferred Shares as principal or pursuant to section 3(n)(i), 3(n)(ii) or 3(n)(iii)**, it is duly authorized to enter into this Subscription Agreement and to execute and deliver all documentation in connection with the purchase on behalf of each beneficial purchaser, each of whom is purchasing as principal for its own account, not for the benefit of any other person, and not with a view to the resale or distribution of all or any of the Preferred Shares, it acknowledges that the Corporation may be required by law to disclose to certain regulatory authorities the identity of each beneficial purchaser of Preferred Shares for whom it may be acting, and it and each beneficial purchaser is resident in the jurisdiction set out as the "Subscriber's Residential Address" and the purchase by and sale of the Preferred Shares, and any act, solicitation, conduct or negotiation directly or indirectly in furtherance of such purchase and sale (whether with or with respect to the Subscriber or any beneficial purchaser) has occurred only in such jurisdiction, and:
- (A) it is acting as agent for a beneficial purchaser, who is disclosed on the face page of this Subscription Agreement, who is resident in the jurisdiction set out in the "Disclosed Beneficial Purchaser Information" and who complies with section 3(n)(i) hereof as if all references therein were to the beneficial purchaser rather than to the Subscriber and the Subscriber has concurrently **executed and delivered to the Corporation a Representation Letter in the form attached hereto as Schedule "A" indicating that the Subscriber fits within the category of "accredited investor" set forth in such definitions (including a duly completed and initialed copy of Exhibit A to Schedule "A") and, if the Subscriber is an individual described in paragraphs (j), (k), or (l) of the definition of "accredited investor" in Section 1.1 of NI 45-106, a duly completed and signed copy of Exhibit B to Schedule "A";** or
  - (B) it is deemed to be purchasing as principal under NI 45-106 because it is an "accredited investor" as such term is defined in paragraphs (p) or (q) of the definition of "accredited investor" in NI 45-106 and reproduced in Exhibit A to Schedule "A" of this Subscription Agreement (provided, however, that it is not a trust company or trust corporation registered under the laws of Prince Edward Island that is not registered or authorized under the *Trust and Loan Companies Act* (Canada) or under comparable legislation in another jurisdiction of Canada) and has concurrently **executed and delivered a Representation Letter in the form attached hereto as Schedule "A" and has initialed in the Exhibit thereto indicating that the Subscriber satisfies one of the categories of "accredited investor" set out in paragraphs (p) or (q) of the definition of "accredited investor" in NI 45-106 and reproduced in Exhibit A to Schedule "A" hereto;**
- (o) **if it is not purchasing the Preferred Shares pursuant to section 3(n), it and each person on whose behalf the Subscriber is contracting is a resident of a jurisdiction outside of both Canada and the United States, it has concurrently executed and delivered the Representation Letter in the form attached to this Subscription Agreement as Schedule "E"** and will provide such evidence of compliance with all matters described in such Representation Letter as the Corporation or its counsel may request including that: (a) the purchase of the Preferred Shares does not contravene any of the applicable securities laws in the Subscriber's jurisdiction of residence and does not trigger (i) any obligation to prepare and file a prospectus, an offering memorandum or similar document, or any other ongoing reporting requirements with respect to such purchase or otherwise, or (ii) any registration or other obligation on the part of the Corporation; and (b) the sale of the Preferred Shares as contemplated in this Subscription Agreement would, if completed, be made pursuant to an exemption from the prospectus and registration requirements under applicable securities legislation of the Subscriber's jurisdiction of residence;
- (p) **if it is a "U.S. Purchaser", it and each person on whose behalf the Subscriber is contracting is a resident in the United States, it has concurrently executed and delivered the "Certification of U.S. Purchaser" in the form attached hereto as Schedule "F"** and will provide such evidence of compliance with all matters described in such Certification of U.S. Purchaser as the Corporation or its counsel may request including that: (a) the purchase of the Preferred Shares does not contravene any of the applicable securities laws in the Subscriber's jurisdiction of residence and does not trigger (i) any obligation to prepare and file a prospectus, an offering memorandum or similar document, or any other ongoing reporting requirements with respect to such purchase or otherwise, or (ii) any registration or other obligation on the part of the Corporation; and (b) the sale of the Preferred Shares as contemplated in this Subscription Agreement would, if completed, be made pursuant to an exemption from the prospectus and registration requirements under applicable securities legislation of the Subscriber's jurisdiction of residence;
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- (q) the Subscriber understands that it may not be able to resell the Preferred Shares except in accordance with limited exemptions available under applicable securities legislation, regulatory policy and stock exchange rules, and that the Subscriber is solely responsible for (and the Corporation is not in any way responsible for) the Subscriber's compliance with applicable resale restrictions;
- (r) the Subscriber acknowledges that:
- (i) no securities commission or similar regulatory authority has reviewed or passed on the merits of the Preferred Shares;
  - (ii) there is no government or other insurance covering the Preferred Shares;
  - (iii) there are risks associated with the purchase of the Preferred Shares;
  - (iv) there are restrictions on the Subscriber's ability to resell the Preferred Shares and it is the responsibility of the Subscriber to find out what those restrictions are and to comply with them before selling the Preferred Shares; and
  - (v) the Corporation has advised the Subscriber that the Corporation is relying on an exemption from the requirements to provide the Subscriber with a prospectus and to sell securities through a person or company registered to sell securities under the *Securities Act* (Alberta) and other applicable securities laws and, as a consequence of acquiring Preferred Shares pursuant to this exemption, certain protections, rights and remedies provided by the *Securities Act* (Alberta) and other applicable securities laws, including statutory rights of rescission or damages, will not be available to the Subscriber;
- (s) the Subscriber understands that, in addition to any further legend which may be required by the TSX Venture Exchange, any certificates representing the Preferred Shares are to bear a legend substantially in the following form indicating that the resale of such securities is restricted:
- "Unless permitted under securities legislation, the holder of this security must not trade the security before [insert the date that is 4 months and a day after the Closing Date]"**
- and the Subscriber further acknowledges that it has been advised to consult its own legal counsel in its jurisdiction of residence for full particulars of the resale restrictions applicable to it;
- (t) the Subscriber has not received or been provided with, nor has it requested, nor does it have any need to receive, any offering memorandum, or any other document (other than the annual financial statements, interim financial statements or any other document (excluding offering memoranda, prospectuses or other offering documents) the content of which is prescribed by statute or regulation) describing the business and affairs of the Corporation, which has been prepared for delivery to and review by prospective purchasers in order to assist them in making an investment decision in respect of the purchase of Preferred Shares pursuant to the Offering;
- (u) the Subscriber has not become aware of any advertisement in printed media of general and regular paid circulation or on radio, television or other form of telecommunication or any other form of advertisement (including electronic display or the Internet) or sales literature with respect to the distribution of the Preferred Shares;
- (v) the Subscriber is aware that the Preferred Shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or the securities laws of any state and that the Preferred Shares may not be offered or sold, directly or indirectly, in the United States without registration under the U.S. Securities Act or applicable state securities laws or compliance with requirements of an exemption from registration and it acknowledges that the Corporation has no present intention of filing a registration statement under the U.S. Securities Act or applicable state securities laws in respect of the Preferred Shares;
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- (w) unless the Subscriber is completing the Certification of U.S. Purchaser in the form attached to this Subscription Agreement as Schedule "F" hereto, the Subscriber did not receive an offer of the Preferred Shares while in the United States and was not in the United States at the time the Subscriber's buy order was originated or this Subscription Agreement was executed or delivered;
  - (x) the Subscriber undertakes and agrees that it will not offer or sell any of the Preferred Shares in the United States unless such securities are registered under the U.S. Securities Act and the securities laws of all applicable states of the United States, or an exemption from such registration requirements is available;
  - (y) if required by applicable securities legislation, regulations, rules, policies or orders or by any securities commission, stock exchange or other regulatory authority, the Subscriber will execute, deliver, file and otherwise assist the Corporation in filing, such reports, undertakings and other documents with respect to the issue of the Preferred Shares;
  - (z) except as disclosed in writing to the Corporation, the Subscriber does not act jointly or in concert with any other person or company for the purposes of acquiring securities of the Corporation;
  - (aa) except for this Subscription Agreement, the Subscriber has relied solely upon publicly available information relating to the Corporation and not upon any verbal or written representation as to fact or otherwise made by or on behalf of the Corporation, and acknowledges that the Corporation's counsel is acting as counsel to the Corporation and not as counsel to the Subscriber;
  - (bb) the Subscriber has reviewed the "Privacy Notice" attached to this Subscription Agreement, and agrees to and accepts all covenants, representations and consents as set out therein;
  - (cc) the funds representing the Aggregate Subscription Amount which will be advanced by the Subscriber to the Corporation hereunder will not represent proceeds of crime for the purposes of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada)* (the "PCMLTFA") and the Subscriber acknowledges that the Corporation may in the future be required by law to disclose the Subscriber's name and other information relating to this Subscription Agreement and the Subscriber's subscription hereunder, on a confidential basis, pursuant to the PCMLTFA. To the best of its knowledge: (i) none of the subscription funds to be provided by the Subscriber: (A) have been or will be derived from or related to any activity that is deemed criminal under the law of Canada, the United States of America, or any other jurisdiction; or (B) are being tendered on behalf of a person or entity who has not been identified to the Subscriber; and (ii) it shall promptly notify the Corporation if the Subscriber discovers that any of such representations ceases to be true, and to provide the Corporation with appropriate information in connection therewith
  - (dd) the Subscriber acknowledges that the Corporation may complete additional financings in the future in order to develop the business of the Corporation and to fund ongoing development. There is no assurance that such financing will be available and if available, on reasonable terms. Any such financings may have a dilutive effect on current shareholders, including the Subscriber;
  - (ee) if the Subscriber is contracting under this Subscription Agreement on behalf of another person or persons, the representations, warranties, covenants, acknowledgements, confirmations and statements made by the Subscriber in this Subscription Agreement are true and correct with respect to such person or persons on whose behalf the Subscriber is so contracting, as if such representations, warranties, covenants, acknowledgements, confirmations and statements were made directly by such person or persons; and
  - (ff) **the Subscriber acknowledges that an investment in the Preferred Shares is subject to a number of risk factors and the Subscriber covenants and agrees to comply with applicable securities legislation, orders or policies concerning the purchase, holding of, and resale of the Preferred Shares.**
4. **Timeliness of Representations, etc.** The Subscriber agrees (on its own behalf and, if applicable, on behalf of each person on whose behalf the Subscriber is contracting) that the representations, warranties and covenants of the Subscriber herein will be true and correct both as of the execution of this Subscription Agreement and as of the Closing Time (as defined herein), and will survive the completion of the distribution of the Preferred Shares and any subsequent disposition by the Subscriber of any of the Preferred Shares.
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5. **Indemnity.** The Subscriber acknowledges that the Corporation and its counsel are relying upon the representations, warranties and covenants of the Subscriber set forth herein in determining the eligibility (from a securities law perspective) of the Subscriber (or, if applicable, the eligibility of another on whose behalf the Subscriber is contracting hereunder to subscribe for Preferred Shares) to purchase Preferred Shares under the Offering, and hereby agrees to indemnify the Corporation and its directors, officers, employees, advisers, affiliates, shareholders and agents (including their respective legal counsel) against all losses, claims, costs, expenses, damages or liabilities that they may suffer or incur as a result of or in connection with their reliance on such representations, warranties and covenants. The Subscriber undertakes to immediately notify the Corporation's counsel at Tingle Merrett LLP, 1250, 639 – 5<sup>th</sup> Avenue S.W., Calgary, Alberta T2P 0M9, Attention: Paul Bolger (fax: (403) 571-8008), of any change in any statement or other information relating to the Subscriber set forth herein that occurs prior to the Closing Time.
6. **Deliveries by Subscriber prior to Closing.** The Subscriber agrees to deliver to the Corporation, or as the Corporation may direct, not later than 5:00 p.m. (Calgary time) on the day that is two business days before any Closing Date of which the Subscriber receives notice:
- (a) this duly completed and executed Subscription Agreement;
  - (b) a cheque or bank draft made payable to "Zomedica Pharmaceuticals Corp." or to "Tingle Merrett LLP, in trust" in an amount equal to the Aggregate Subscription Amount, or payment of the same amount in such other manner as is acceptable to the Corporation;
  - (c) a properly completed and duly executed copy of the appropriate investor qualification form(s) as described on pages 2 and 3 of this Subscription Agreement;
  - (d) one manually signed and duly completed Private Placement Questionnaire in the form attached as Schedule "G";
  - (e) if the Subscriber is not an individual, one manually signed and duly completed Corporate Placee Registration Form in the form required by the TSX Venture Exchange and as attached as Schedule "H", provided that such form is not required if the Subscriber has previously filed a Corporate Placee Registration Form with the TSX Venture Exchange and the information contained in such form has not changed since the last filing; and
  - (f) such other documents as may be requested by the Corporation as contemplated by this Subscription Agreement.
7. **Partial Acceptance or Rejection of Subscription.** The Corporation may, in its absolute discretion, accept or reject the Subscriber's subscription for Preferred Shares as set forth in this Subscription Agreement, in whole or in part, and the Corporation reserves the right to allot to the Subscriber less than the amount of Preferred Shares subscribed for under this Subscription Agreement. Notwithstanding the foregoing, the Subscriber acknowledges and agrees that the acceptance of this Subscription Agreement will be conditional upon among other things, the sale of the Preferred Shares to the Subscriber being exempt from any prospectus and offering memorandum requirements of applicable securities laws. The Corporation will be deemed to have accepted this Subscription Agreement upon the delivery at Closing of the certificates representing the Preferred Shares to the Subscriber or upon the direction of the Subscriber in accordance with the provisions hereof. If this Subscription Agreement is rejected in whole, any certified cheque(s) or bank draft(s) delivered by the Subscriber to the Corporation on account of the Aggregate Subscription Amount for the Preferred Shares subscribed for will be promptly returned to the Subscriber without interest. If this Subscription Agreement is accepted only in part, a cheque representing the amount by which the payment delivered by the Subscriber to the Corporation (or its counsel) exceeds the subscription price of the number of Preferred Shares sold to the Subscriber pursuant to a partial acceptance of this Subscription Agreement will be promptly delivered to the Subscriber without interest.
8. **Time and Place of Closing.** The sale of the Preferred Shares will be completed at the offices of Tingle Merrett LLP, counsel to the Corporation, in Calgary, Alberta at 10:00 a.m. (Calgary time) or such other time as the Corporation may determine (the "**Closing Time**") on the Closing Date. The Corporation reserves the right to close the Offering in multiple tranches, so that one or more closings may occur after the initial closing.
9. **Subject to Regulatory Approval.** The obligations of the parties hereunder are subject to all required regulatory approvals being obtained.
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10. **Representations and Warranties of the Corporation.** The Corporation hereby represents and warrants to the Subscriber (and acknowledges that the Subscriber is relying thereon) that:
- (a) the Corporation has the full corporate right, power and authority to execute and deliver this Subscription Agreement and to issue the Preferred Shares to the Subscriber;
  - (b) the Corporation is duly incorporated and validly subsisting, and is qualified to carry on business in each jurisdiction in respect of which the carrying out of the activities contemplated hereby make such qualification necessary;
  - (c) the Corporation has complied or will comply with all applicable corporate and securities laws in connection with the offer and sale of the Preferred Shares;
  - (d) upon acceptance by the Corporation, this Subscription Agreement shall constitute a binding obligation of the Corporation enforceable in accordance with its terms subject to applicable bankruptcy, insolvency, reorganization and other laws of general application limiting the enforcement of creditors' rights generally and to the general principles of equity including the fact that specific performance is available only in the discretion of the court;
  - (e) the execution, delivery and performance of this Subscription Agreement by the Corporation and the issue of the Preferred Shares to the Subscriber pursuant hereto does not and will not constitute a breach of or default under the constating documents of the Corporation, or any law, regulation, order or ruling applicable to the Corporation, or any agreement to which the Corporation is a party or by which it is bound;
  - (f) the issued and outstanding Common Shares are listed and posted for trading on NYSE American in the United States and on the TSX Venture Exchange in Canada; the Preferred Shares are not listed or posted for trading on any stock exchange and it is not intended that any application for listing of such shares would be made;
  - (g) no order ceasing or suspending trading in any securities of the Corporation has been issued or prohibiting the sale of the Preferred Shares issuable pursuant to the terms of this Subscription Agreement and no proceedings for such purpose are threatened or, to the best of the Corporation's knowledge, information and belief, pending;
  - (h) to its knowledge, the Corporation is not in default of any requirement of applicable securities or corporate laws, regulations, orders, notices and policies and no securities commission has issued any order which is currently outstanding preventing or suspending trading in the Preferred Shares or preventing the issuance of the Preferred Shares in accordance with this Subscription Agreement;
  - (i) the Corporation is a "reporting issuer" in each of British Columbia and Alberta and is not included in a list of defaulting reporting issuers maintained by the securities commission in such provinces and in particular, without limiting the foregoing, the Corporation has at all relevant times complied with its obligations to make timely disclosure of all material changes relating to it, no such disclosure has been made on a confidential basis that is still maintained on a confidential basis, and there is no material change relating to the Corporation which has occurred and with respect to which the requisite material change report has not been filed with a securities commission in such provinces.
11. **No Partnership.** Nothing herein shall constitute or be construed to constitute a partnership of any kind whatsoever between the Subscriber and the Corporation.
12. **Governing Law.** The contract arising out of acceptance of this Subscription Agreement by the Corporation shall be governed by and construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein. The parties irrevocably attorn to the exclusive jurisdiction of the courts of the Province of Alberta.
13. **Time of Essence.** Time shall be of the essence of this Subscription Agreement.
14. **Entire Agreement.** This Subscription Agreement represents the entire agreement of the parties hereto relating to the subject matter hereof, and there are no representations, covenants or other agreements relating to the subject matter hereof except as stated or referred to herein.
15. **Electronic Copies.** The Corporation shall be entitled to rely on delivery of a facsimile or other electronic copy of executed subscriptions, and acceptance by the Corporation of such facsimile or electronic copies shall be legally effective to create a valid and binding agreement between the Subscriber and the Corporation in accordance with the terms hereof.
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16. **Counterpart.** This Subscription Agreement may be executed in one or more counterparts each of which so executed shall constitute an original and all of which together shall constitute one and the same agreement.
  17. **Severability.** The invalidity, illegality or unenforceability of any provision of this Subscription Agreement shall not affect the validity, legality or enforceability of any other provision hereof.
  18. **Survival.** The covenants, representations and warranties contained in this Subscription Agreement shall survive the closing of the transactions contemplated hereby, and shall be binding upon and enure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors and permitted assigns.
  19. **Interpretation.** The headings used in this Subscription Agreement have been inserted for convenience of reference only and shall not affect the meaning or interpretation of this Subscription Agreement or any provision hereof. In this Subscription Agreement, unless otherwise indicated, all references to money amounts are to United States dollars.
  20. **Amendment.** Except as otherwise provided herein, this Subscription Agreement may only be amended by the parties hereto in writing.
  21. **Costs.** The Subscriber acknowledges and agrees that all costs incurred by the Subscriber (including any fees and disbursements of any special counsel retained by the Subscriber) relating to the sale of the Preferred Shares to the Subscriber shall be borne by the Subscriber.
  22. **Withdrawal.** The Subscriber, on its own behalf and, if applicable, on behalf of others for whom it is contracting hereunder, agrees that this subscription is made for valuable consideration and may not be withdrawn, cancelled, terminated or revoked by the Subscriber, on its own behalf and, if applicable, on behalf of others for whom it is contracting hereunder.
  23. **Assignment.** Neither party may assign all or part of its interest in or to this Subscription Agreement without the consent of the other party in writing.
  24. **Language.** The Subscriber acknowledges that it has consented to and requested that all documents evidencing or relating in any way to the sale of the Preferred Shares be drawn up in the English language only.
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#### PRIVACY NOTICE

The Subscriber acknowledges that this Subscription Agreement and the Exhibits hereto require the Subscriber to provide certain personal information to the Corporation. Such information is being collected by the Corporation for the purposes of completing the Offering, which includes, without limitation, determining the Subscriber's eligibility (or that of any Disclosed Beneficial Purchaser) to purchase the Preferred Shares under applicable securities laws, preparing and registering certificates representing the Preferred Shares to be issued to the Subscriber and completing filings required by any stock exchange or securities regulatory authority. In addition, such personal information may be used or disclosed by the Corporation for the purpose of administering the Corporation's relationship with the Subscriber or, if applicable, the beneficial purchaser for whom the Subscriber is contracting. For example, such personal information may be used by the Corporation to communicate with the Subscriber or, if applicable, the beneficial purchaser for whom the Subscriber is contracting (such as by providing annual or quarterly reports), to prepare tax filings and forms or to comply with its obligations under taxation, securities and other laws (such as maintaining a list of holders of shares). The Subscriber's personal information (and that of any Disclosed Beneficial Purchaser) may also be disclosed by the Corporation to (a) stock exchanges or securities regulatory authorities (including the Ontario Securities Commission (the "**OSC**") and the British Columbia Securities Commission (the "**BCSC**")), (b) the Corporation's registrar and transfer agent, (c) Canadian tax authorities, and (d) any of the other parties involved in the Offering, including legal counsel, and may be included in closing books in connection with the Offering.

By executing this Subscription Agreement, the Subscriber (on its own behalf and on behalf of any Disclosed Beneficial Purchaser for whom it is contracting hereunder) consents to the foregoing collection, use and disclosure of the Subscriber's (and any Disclosed Beneficial Purchaser's) personal information. The Subscriber (on its own behalf and on behalf of any Disclosed Beneficial Purchaser for whom it is contracting hereunder) also consents to the filing of copies or originals of any of the Subscriber's documents delivered in connection with this Subscription Agreement as may be required to be filed with any stock exchange or securities regulatory authority in connection with the transactions contemplated hereby and expressly consents to the collection, use and disclosure of the Subscriber's (and any Disclosed Beneficial Purchaser's) personal information by the TSX Venture Exchange or the Toronto Stock Exchange for the purposes identified by such exchange, from time to time. The Subscriber (on its own behalf and on behalf of any Disclosed Beneficial Purchaser for whom it is contracting hereunder) further acknowledges that it has been notified by the Corporation (a) of the requirement to deliver to the OSC and the BCSC the full name, residential address and telephone number of the purchaser of the securities, the number and type of securities purchased, the total purchase price, the exemption relied upon and the date of distribution; (b) that this information is being collected indirectly by the OSC and BCSC under the authority granted to it in securities legislation; (c) that this information is being collected for the purposes of the administration and enforcement of the securities legislation of Ontario and British Columbia; (d) that the Administrative Support Clerk can be contacted at Ontario Securities Commission, Suite 1903, Box 55, 20 Queen Street West, Toronto, Ontario, M5H 3S8, or at (416) 593-3684, and can answer any questions about the OSC's indirect collection of this information; and (e) that the BCSC can be contacted at British Columbia Securities Commission, P.O. Box 10142, Pacific Centre, 701 West Georgia Street, Vancouver, British Columbia, V7Y 1L2, Telephone: (604) 899-6500, Toll free across Canada: 1-800-373-6393, Facsimile: (604) 899-658, and can answer any questions about the BCSC's indirect collection of this information.

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**TSX VENTURE EXCHANGE APPENDIX 6A  
ACKNOWLEDGEMENT – PERSONAL INFORMATION**

The Subscriber acknowledges as follows:

TSX Venture Exchange Inc. and its affiliates, authorized agents, subsidiaries and divisions, including the TSX Venture Exchange (collectively referred to as "the Exchange") collect Personal Information in certain Forms that are submitted by the individual and/or by an Issuer or Applicant and use it for the following purposes:

- to conduct background checks,
- to verify the Personal Information that has been provided about each individual,
- to consider the suitability of the individual to act as an officer, director, insider, promoter, investor relations provider or, as applicable, an employee or consultant, of the Issuer or Applicant,
- to consider the eligibility of the Issuer or Applicant to list on the Exchange,
- to provide disclosure to market participants as to the security holdings of directors, officers, other insiders and promoters of the Issuer, or its associates or affiliates,
- to conduct enforcement proceedings, and
- to perform other investigations as required by and to ensure compliance with all applicable rules, policies, rulings and regulations of the Exchange, securities legislation and other legal and regulatory requirements governing the conduct and protection of the public markets in Canada.

As part of this process, the Exchange also collects additional Personal Information from other sources, including but not limited to, securities regulatory authorities in Canada or elsewhere, investigative, law enforcement or self-regulatory organizations, regulations services providers and each of their subsidiaries, affiliates, regulators and authorized agents, to ensure that the purposes set out above can be accomplished.

The Personal Information the Exchange collects may also be disclosed:

- (a) to the agencies and organizations in the preceding paragraph, or as otherwise permitted or required by law, and they may use it in their own investigations for the purposes described above; and
- (b) on the Exchange's website or through printed materials published by or pursuant to the directions of the Exchange.

The Exchange may from time to time use third parties to process information and/or provide other administrative services. In this regard, the Exchange may share the information with such third party service providers

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**SCHEDULE "A"**

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**REPRESENTATION LETTER**  
**TO BE COMPLETED BY ACCREDITED INVESTORS**

**TO: Zomedica Pharmaceuticals Corp. (the "Corporation")**

*(Capitalized terms not specifically defined in this Schedule have the meaning ascribed to them in the Subscription Agreement to which this Schedule is attached)*

In connection with the execution by the undersigned Subscriber of the Subscription Agreement which this Representation Letter forms a part of, the undersigned Subscriber hereby represents, warrants, covenants and certifies to the Corporation and its counsel that:

1. the undersigned Subscriber is resident in the jurisdiction set out as the "Subscriber's Residential Address" on the face page of the Subscription Agreement and, if the undersigned Subscriber is purchasing as agent for a disclosed beneficial purchaser, the disclosed beneficial purchaser is resident in the jurisdiction set out as the "Disclosed Beneficial Purchaser Information" on the face page of the Subscription Agreement;
2. the undersigned Subscriber is either (a) purchasing the Preferred Shares as principal for its own account, (b) deemed to be purchasing the Preferred Shares as principal in accordance with section 2.3(2) or (4) of NI 45-106, or (c) acting as agent for a disclosed beneficial purchaser who is purchasing the Preferred Shares as principal for its own account;
3. the undersigned Subscriber (or if the undersigned Subscriber is purchasing as agent for a disclosed beneficial purchaser, the disclosed beneficial purchaser) is an "accredited investor" within the meaning of NI 45-106 and Section 73.3(1) of the *Securities Act* (Ontario), as applicable, by virtue of satisfying the indicated criterion as set out in Exhibit A to this Representation Letter;
4. the Subscriber (or if the undersigned Subscriber is purchasing as agent for a disclosed beneficial purchaser, the disclosed beneficial purchaser) fully understands the meaning of the terms and conditions of the category of "accredited investor" applicable to it and confirms that it has reviewed and understands the definitions in Exhibit A to this Representation Letter in respect of the category of "accredited investor" applicable to it and, in particular, if the Subscriber is an "accredited investor" by virtue of satisfying paragraph (j), (j.1), (k) or (l) of Exhibit A to this Representation Letter, it has reviewed and understands the definitions of "financial assets", "related liabilities" and "financial assets", as applicable, contained in Exhibit A hereto;
5. the undersigned Subscriber (or if the undersigned Subscriber is purchasing as agent for a disclosed beneficial purchaser, the disclosed beneficial purchaser) was not created, and is not used, solely to purchase or hold securities as an accredited investor as described in paragraph (m) of the definition of "accredited investor" in NI 45-106;
6. if the Subscriber (or if the undersigned Subscriber is purchasing as agent for a disclosed beneficial purchaser, the disclosed beneficial purchaser) is an "accredited investor" by virtue of satisfying paragraph (j), (k) or (l) on Exhibit A to this Representation Letter, it acknowledges that it needs to complete Exhibit B to this Representation Letter and upon execution of Exhibit B by the Subscriber, Exhibit B shall be incorporated into and form a part of this Representation Letter and the Corporation and its counsel shall be entitled to rely thereon; and

7. upon execution of this Representation Letter by the undersigned Subscriber, this Representation Letter, including the Exhibits hereto, shall be incorporated into and form a part of the Subscription Agreement.

\_\_\_\_\_  
Name of Subscriber (please print)

By: \_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Official Title or Capacity (please print)

\_\_\_\_\_  
Name of Signatory (please print name of individual  
whose signature appears above if different than name  
of Subscriber)

DATED at \_\_\_\_\_ this \_\_\_\_ day of \_\_\_\_\_, 2019.

**IMPORTANT**  
**PLEASE COMPLETE THE EXHIBITS TO THIS REPRESENTATION LETTER**

**EXHIBIT A TO SCHEDULE "A"**  
**TO BE COMPLETED BY ACCREDITED INVESTORS**

**PLEASE MARK YOUR INITIALS BESIDE THE CATEGORY BELOW TO WHICH YOU BELONG**

Please complete the Representation Letter to the Corporation by marking your initials beside the category of "accredited investor" to which you belong within the meaning of Section 1.1 of NI 45-106 and Section 73.3(1) of the *Securities Act* (Ontario), as applicable:

**Meaning of "Accredited Investor"**

"Accredited investor" is defined in Section 1.1 of NI 45-106 to mean any person who fits within any of the following categories at the time of the sale of securities to that person:

- \_\_\_\_\_ (a) (i) except in Ontario, a Canadian financial institution, or a bank listed in Schedule III of the *Bank Act* (Canada),
- (ii) in Ontario, (A) a bank listed in Schedule I, II or III to the *Bank Act* (Canada); (B) an association to which the *Cooperative Credit Associations Act* (Canada) applies or a central cooperative credit society for which an order has been made under subsection 473 (1) of that Act; or (C) a loan corporation, trust company, trust corporation, insurance company, treasury branch, credit union, caisse populaire, financial services cooperative or credit union league or federation that is authorized by a statute of Canada or Ontario to carry on business in Canada or Ontario, as the case may be,
- \_\_\_\_\_ (b) (i) except in Ontario, the Business Development Bank of Canada incorporated under the *Business Development Bank of Canada Act* (Canada),
- (ii) in Ontario, the Business Development Bank of Canada,
- \_\_\_\_\_ (c) (i) except in Ontario, a subsidiary of any person referred to in paragraphs (a) or (b), if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by directors of that subsidiary,
- (ii) in Ontario, a subsidiary of any person referred to in paragraphs (a) through (e) above, if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by directors of that subsidiary,
- \_\_\_\_\_ (d) (i) except in Ontario, a person registered under the securities legislation of a jurisdiction of Canada as an adviser or dealer,
- (ii) in Ontario, a person or company registered under the securities legislation of a province or territory of Canada as an adviser or dealer, except as otherwise prescribed by the regulations under the *Securities Act* (Ontario),
- \_\_\_\_\_ (e) an individual registered under the securities legislation of a jurisdiction of Canada as a representative of a person referred to in paragraph (d),
- \_\_\_\_\_ (e.1) an individual formerly registered under the securities legislation of a jurisdiction of Canada, other than an individual formerly registered solely as a representative of a limited market dealer under one or both of the *Securities Act* (Ontario) or the *Securities Act* (Newfoundland and Labrador),
- \_\_\_\_\_ (f) (i) except in Ontario, the Government of Canada or a jurisdiction of Canada, or any crown corporation, agency or wholly owned entity of the government of Canada or a jurisdiction of Canada,
- (ii) in Ontario, the Government of Canada, the government of a province or territory of Canada, or any Crown corporation, agency or wholly owned entity of the Government of Canada or the government of a province or territory of Canada,
- \_\_\_\_\_ (g) (i) except in Ontario, a municipality, public board or commission in Canada and a metropolitan community, school board, the Comité de gestion de la taxe scolaire de l'île de Montréal or an intermunicipal management board in Québec,
- (ii) in Ontario, a municipality, public board or commission in Canada and a metropolitan community, school board, the Comité de gestion de la taxe scolaire de l'île de Montréal or an intermunicipal management board in Québec,



- \_\_\_\_\_ (h) (i) except in Ontario, any national, federal, state, provincial, territorial or municipal government of or in any foreign jurisdiction, or any agency of that government,
- (ii) in Ontario, any national, federal, state, provincial, territorial or municipal government of or in any foreign jurisdiction, or any agency of that government,
- \_\_\_\_\_ (i) (i) except in Ontario, a pension fund that is regulated by either the Office of the Superintendent of Financial Institutions (Canada) or a pension commission or similar regulatory authority of a jurisdiction of Canada,
- (ii) in Ontario, a pension fund that is regulated by the Office of the Superintendent of Financial Institutions (Canada) or a pension commission or similar regulatory authority of a province or territory of Canada,
- \_\_\_\_\_ (j) an individual who, either alone or with a spouse, beneficially owns, directly or indirectly, financial assets having an aggregate realizable value that, before taxes, but net of any related liabilities, exceeds C\$1,000,000,

***[Note: Financial assets include cash and securities, but do not include a personal residence – see the definition of "financial assets" later in this certificate. Financial assets are generally liquid or relatively easy to liquidate. You must subtract any liabilities related to your financial assets to calculate your net financial assets—see the definition of "related liabilities". Financial assets held in a group RRSP under which you do not have the ability to acquire the financial assets and deal with them directly are not considered to be beneficially owned by you. If you meet the higher financial asset threshold set out in paragraph (j.1), then initial paragraph (j.1) instead of this paragraph (j).]***

***[Note: If you are an accredited investor described in this paragraph (j), and do not meet the higher financial asset threshold set out in paragraph (j.1), you must deliver a completed Form 45-106F9 – Form for Individual Accredited Investors (See Exhibit B hereto).]***

- \_\_\_\_\_ (j.1) an individual who beneficially owns financial assets having an aggregate realizable value that, before taxes but net of any related liabilities, exceeds C\$5,000,000,

***[Note: The financial assets of your spouse (including financial assets in a spousal RRSP) cannot be included in the calculation of net financial assets under this paragraph (j.1). See definition of "financial assets" below. If you meet the financial asset threshold set out in this paragraph (j.1), you are not required to complete Exhibit B.]***

- \_\_\_\_\_ (k) an individual whose net income before taxes exceeded C\$200,000 in each of the two most recent calendar years or whose net income before taxes combined with that of a spouse exceeded C\$300,000 in each of the two most recent calendar years and who, in either case, reasonably expects to exceed that net income level in the current calendar year, ***[Note: You are required to complete Exhibit B]***

***[Note: If individual accredited investors wish to purchase through wholly-owned holding companies or similar entities, such purchasing entities must qualify under section (t) below, which must be initialed and complete. If you are an accredited investor described in this paragraph (k), you must deliver a completed Form 45-106F9 – Form for Individual Accredited Investors (See Exhibit B hereto).]***

- \_\_\_\_\_ (l) an individual who, either alone or with a spouse, has net assets of at least C\$5,000,000,

***[Note: To calculate net assets, take the value of your total assets (which may include a personal residence) and subtract your total liabilities (which may include a mortgage). The value attributed to assets should reasonably reflect their estimated fair value. Income tax should be considered a liability if the obligation to pay it is outstanding at the time of the subscription.]***

***[Note: If you are an accredited investor described in this paragraph (l), you must deliver a completed Form 45-106F9 – Form for Individual Accredited Investors (See Exhibit B hereto).]***

- \_\_\_\_\_ (m) a person, other than an individual or an investment fund, that has net assets of at least C\$5,000,000, as shown on its most recently prepared financial statements,
- \_\_\_\_\_ (n) an investment fund that distributes or has distributed its securities only to:
  - (i) a person that is or was an accredited investor at the time of the distribution,
  - (ii) a person that acquires or acquired securities in the circumstances referred to in section 2.10 of National Instrument 45-106 (where the person subscribes for a minimum amount investment) and Section 2.19 of National Instrument 45-106 (where the person makes an additional investment in investment funds), or
  - (iii) a person described in paragraph (i) or (ii) that acquires or acquired securities under section 2.18 of National Instrument 45-106 (investment fund reinvestment),
- \_\_\_\_\_ (o) an investment fund that distributes or has distributed securities under a prospectus in a jurisdiction of Canada for which the regulator or, in Quebec, the securities regulatory authority, has issued a receipt,
- \_\_\_\_\_ (p) a trust company or trust corporation registered or authorized to carry on business under the *Trust and Loan Companies Act* (Canada) or under comparable legislation in a jurisdiction of Canada or a foreign jurisdiction, acting on behalf of a fully managed account managed by the trust company or trust corporation, as the case may be,
- \_\_\_\_\_ (q) a person acting on behalf of a fully managed account managed by that person, if that person is registered or authorized to carry on business as an adviser or the equivalent under the securities legislation of a jurisdiction of Canada or a foreign jurisdiction,
- \_\_\_\_\_ (r) a registered charity under the *Income Tax Act* (Canada) that, in regard to the trade, has obtained advice from an eligibility adviser or an adviser registered under the securities legislation of the jurisdiction of the registered charity to give advice on the securities being traded,
- \_\_\_\_\_ (s) an entity organized in a foreign jurisdiction that is analogous to any of the entities referred to in paragraphs (a) to (d) or paragraph (i) in form and function,
- \_\_\_\_\_ (t) a person in respect of which all of the owners of interests, direct, indirect or beneficial, except the voting securities required by law to be owned by directors, are persons that are accredited investors,

**Note: If you initialed (t), then indicate the name and category of accredited investor (by reference to the applicable letter of this Exhibit A) of each of the owners of interests (attach additional pages if more than three):**

Name	Category of Accredited Investor
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- \_\_\_\_\_ (u) an investment fund that is advised by a person registered as an adviser or a person that is exempt from registration as an adviser,
- \_\_\_\_\_ (v) a person that is recognized or designated by the securities regulatory authority or, except in Ontario and Québec, the regulator as an accredited investor, or
- \_\_\_\_\_ (w) a trust established by an accredited investor for the benefit of the accredited investor's family members of which a majority of the trustees are accredited investors and all of the beneficiaries are the accredited investor's spouse, a former spouse of the accredited investor or a parent, grandparent, brother, sister, child or grandchild of that accredited investor, of that accredited investor's spouse or of that accredited investor's former spouse.

**Note: If you initialed (w), then indicate the name and category of accredited investor (by reference to the applicable letter of this Exhibit A) of each of the following (attach additional pages if more than three trustees):**

	Name	Category of Accredited Investor
Individual who established trust:	_____	_____
Trustee	_____	_____
Trustee	_____	_____
Trustee	_____	_____

**PLEASE MARK YOUR INITIALS BESIDE THE CATEGORY ABOVE TO WHICH YOU BELONG**

**Interpretative Aids**

The following definitions relate to certain of the categories set forth above:

- (a) "Canadian financial institution" means:
  - (i) an association governed by the *Cooperative Credit Associations Act* (Canada) or a central cooperative credit society for which an order has been made under section 473(1) of that Act, or
  - (ii) a bank, loan corporation, trust company, trust corporation, insurance company, treasury branch, credit union, caisse populaire, financial services cooperative, or league that, in each case, is authorized by an enactment of Canada or a jurisdiction of Canada to carry on business in Canada or a jurisdiction of Canada;
- (b) "Canadian securities regulatory authorities" means the securities commissions and similar regulatory authorities of each of the provinces or territories of Canada;
- (c) "eligibility adviser" means:
  - (i) a person that is registered as an investment dealer or in an equivalent category of registration under the securities legislation of the jurisdiction of a purchaser and authorized to give advice with respect to the type of security being distributed; and
  - (ii) in Saskatchewan or Manitoba, also means a lawyer who is a practicing member in good standing with a law society of a jurisdiction of Canada or a public accountant who is a member in good standing of an institute or association of chartered accountants, certified general accountants or certified management accountants in a jurisdiction of Canada provided that the lawyer or public accountant must not:
    - (A) have a professional, business or personal relationship with the issuer, or any of its directors, executive officers, founders, or control persons; and
    - (B) have acted for or been retained personally or otherwise as an employee, executive officer, director, associate or partner of a person that has acted for or been retained by the issuer or any of its directors, executive officers, founders or control persons within the previous 12 months;
- (d) "EVCC" means an employee venture capital corporation that does not have a restricted constitution, and is registered under Part 2 of the *Employee Investment Act* (British Columbia), R.S.B.C. 1996 c. 112, and whose business objective is making multiple investments;
- (e) "financial assets" means:
  - (i) cash;
  - (ii) securities; or
  - (iii) a contract of insurance, a deposit or an evidence of a deposit that is not a security for the purposes of securities legislation;
- (f) "foreign jurisdiction" means a country other than Canada or a political subdivision of a country other than Canada;
- (g) "fully managed account" means an account for which a person or company makes the investment decisions if that person or company has full discretion to trade in securities for the account without requiring the client's express consent to a transaction;

- (h) "investment fund" means a mutual fund or a non-redeemable investment fund, and, for greater certainty in British Columbia, includes an EVCC and a VCC;
- (i) "jurisdiction" means a province or territory of Canada;
- (j) "non-redeemable investment fund" means an issuer, (i) whose primary purpose is to invest money provided by its securityholders; (ii) that does not invest (A) for the purpose of exercising or seeking to exercise control of an issuer, other than an issuer that is a mutual fund or a non-redeemable investment fund, or (B) for the purpose of being actively involved in the management of any issuer in which it invests, other than an issuer that is a mutual fund or a non-redeemable investment fund; and (iii) that is not a mutual fund;
- (k) "person" includes:
  - (a) an individual,
  - (ii) a corporation,
  - (iii) a partnership, trust, fund and an association, syndicate, organization or other organized group of persons, whether incorporated or not, and
  - (iv) an individual or other person in that person's capacity as a trustee, executor, administrator or personal or other legal representative;
- (l) "related liabilities" means:
  - (i) liabilities incurred or assumed for the purpose of financing the acquisition or ownership of financial assets, or
  - (ii) liabilities that are secured by financial assets;
- (m) "securities legislation" means, for the local jurisdiction, the statute and other instruments issued by the securities regulator authority of the local jurisdiction;
- (n) "subsidiary" means an issuer that is controlled directly or indirectly by another issuer and includes a subsidiary of that subsidiary; and
- (o) "VCC" means a venture capital corporation registered under Part 1 of the *Small Business Venture Capital Act* (British Columbia), R.S.B.C. 1996 c. 429 whose business objective is making multiple investments.

All monetary references in this Schedule "A" are in Canadian dollars.

**EXHIBIT B TO SCHEDULE "A"**  
**FORM 45-106F9**  
**FORM FOR INDIVIDUAL ACCREDITED INVESTORS**

**WARNING!**  
**This investment is risky. Don't invest unless you can afford to lose all the money you pay for this investment.**

<b>SECTION 1 TO BE COMPLETED BY THE ISSUER OR SELLING SECURITYHOLDER:</b>	
<b>1. About your investment</b>	
Type of securities: Preferred Shares	Issuer: Zomedica Pharmaceuticals Corp.
Purchased from: Zomedica Pharmaceuticals Corp. (the Issuer of the Preferred Shares)	
<b>SECTIONS 2 TO 4 TO BE COMPLETED BY THE PURCHASER</b>	
<b>2. Risk acknowledgement</b>	
This investment is risky. Initial that you understand that:	<b>Your initials</b>
<b>Risk of loss</b> – You could lose your entire investment of U.S.\$_____. [Instruction: Insert the total dollar amount of the investment.]	
<b>Liquidity risk</b> – You may not be able to sell your investment quickly – or at all.	
<b>Lack of information</b> – You may receive little or no information about your investment.	
<b>Lack of advice</b> – You will not receive advice from the salesperson about whether this investment is suitable for you unless the salesperson is registered. The salesperson is the person who meets with, or provides information to, you about making this investment. To check whether the salesperson is registered, go to <a href="http://www.aretheyregistered.ca">www.aretheyregistered.ca</a> .	
<b>3. Accredited investor status</b>	
You must meet at least <b>one</b> of the following criteria to be able to make this investment. Initial the statement that applies to you. (You may initial more than one statement.) The person identified in section 6 is responsible for ensuring that you meet the definition of accredited investor. That person, or the salesperson identified in section 5, can help you if you have questions about whether you meet these criteria.	<b>Your initials</b>
• Your net income before taxes was more than C\$200,000 in each of the 2 most recent calendar years, and you expect it to be more than C\$200,000 in the current calendar year. (You can find your net income before taxes on your personal income tax return.)	
• Your net income before taxes combined with your spouse's was more than C\$300,000 in each of the 2 most recent calendar years, and you expect your combined net income before taxes to be more than C\$300,000 in the current calendar year.	
• Either alone or with your spouse, you own more than C\$1 million in cash and securities, after subtracting any debt related to the cash and securities.	
• Either alone or with your spouse, you have net assets worth more than C\$5 million. (Your net assets are your total assets (including real estate) minus your total debt.)	
<b>4. Your name and signature</b>	
By signing this form, you confirm that you have read this form and you understand the risks of making this investment as identified in this form.	
First and last name (please print):	
Signature:	Date:

**SECTION 5 TO BE COMPLETED BY THE SALESPERSON****5. Salesperson information**

*[Instruction: The salesperson is the person who meets with, or provides information to, the purchaser with respect to making this investment. That could include a representative of the issuer or selling security holder, a registrant or a person who is exempt from the registration requirement.]*

First and last name of salesperson (please print):

Telephone:

Email:

Name of firm (if registered):

**SECTION 6 TO BE COMPLETED BY THE ISSUER OR SELLING SECURITY HOLDER****6. For more information about this investment**

For investment in a non-investment fund

**Zomedica Pharmaceuticals Corp.** *[Insert name of issuer/selling security holder]*

**100 Phoenix Drive, Suite 190, Ann Arbor Michigan 48108** *[Insert address of issuer/selling security holder]*

**Gerald Solensky Jr.** *[Insert contact person name, if applicable]*

**734-369-2555** *[Insert telephone number]*

**gsolensky@zomedica.com** *[Insert email address]*

**Zomedica.com** *[Insert website address, if applicable]*

For investment in an investment fund

*[Insert name of investment fund]*

*[Insert name of investment fund manager]*

*[Insert address of investment fund manager]*

*[Insert telephone number of investment fund manager]*

*[Insert email address of investment fund manager]*

*[If investment is purchased from a selling security holder, also insert name, address, telephone number and email address of selling security holder here]*

For more information about prospectus exemptions, contact your local securities regulator. You can find contact information at [www.securities-administrators.ca](http://www.securities-administrators.ca).

**Form instructions:**

1. This form does not mandate the use of a specific font size or style but the font must be legible.
2. The information in sections 1, 5 and 6 must be completed before the purchaser completes and signs the form.
3. **The purchaser must sign this form. Each of the purchaser and the issuer or selling security holder must receive a copy of this form signed by the purchaser. The issuer or selling security holder is required to keep a copy of this form for 8 years after the distribution.**

**SCHEDULE "B"**

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**REPRESENTATION LETTER**

***TO BE COMPLETED BY SUBSCRIBERS WHO ARE FAMILY MEMBERS, CLOSE PERSONAL FRIENDS OR CLOSE PERSONAL BUSINESS ASSOCIATES (EXCEPT FOR RESIDENTS OF ONTARIO)***

**TO: Zomedica Pharmaceuticals Corp. (the "Corporation")**

*(Capitalized terms not specifically defined in this Schedule have the meaning ascribed to them in the Subscription Agreement to which this Schedule is attached)*

In connection with the execution by the undersigned Subscriber of the Subscription Agreement which this Representation Letter forms a part of, the undersigned Subscriber hereby represents, warrants, covenants and certifies to the Corporation that:

1. The Subscriber is resident in the jurisdiction described on the face page of this Subscription Agreement, other than Ontario;
2. The Subscriber is purchasing the Preferred Shares as principal for its own account;
3. In connection with the purchase of Preferred Shares of the Corporation by the Subscriber, the Subscriber hereby represents and warrants that the Subscriber is:
  - (a) a director, executive officer or control person of the Corporation or an affiliate of the Corporation;
  - (b) a spouse, parent, grandparent, brother, sister, child or grandchild of a director, executive officer or control person of the Corporation, or affiliate of the Corporation;
  - (c) a parent, grandparent, brother, sister, child or grandchild of the spouse of a director, executive officer or control person of the Corporation, or affiliate of the Corporation;
  - (d) a close personal friend of director, executive officer or control person of the Corporation, or affiliate of the Corporation;
  - (e) a close business associate of director, executive officer or control person of the Corporation, or affiliate of the Corporation;
  - (f) a founder of the Corporation or a spouse, parent, grandparent, brother, sister, child close personal friend or close business associate of a founder of the Corporation;
  - (g) a parent, grandparent, brother, sister, child or grandchild of the spouse of a founder of the Corporation;
  - (h) a person of which a majority of the voting securities are beneficially owned by, or a majority of the directors are, persons described in paragraphs (a) to (g); or
  - (i) a trust or estate of which all of the beneficiaries or a majority of the trustees or executors are persons described in paragraphs (a) to (g).

<b>PLEASE MARK YOUR INITIALS BESIDE THE CATEGORY TO WHICH YOU BELONG</b>
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**Please briefly describe the nature of the relationship and name of the person to whom you are related:**

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**Interpretive Aids**

**"Close Personal Friend"** is an individual who has known the director, executive officer, founder or control person well enough and for a sufficient period of time to be in a position to assess their capabilities and trustworthiness. The term "close personal friend" can include family members not already specifically identified in the exemption if the family member satisfies the criteria described above. An individual is not a close personal friend solely because the individual is a relative; a member of the same club, organization, association or religious group; a co-worker, colleague or associate at the same workplace; a client, customer or former client or customer; a mere acquaintance; or connected through some form of social media such as Facebook, Twitter or LinkedIn. The relationship between the purchaser and director, executive officer, founder or control person must be direct. For example, the exemption is not available for a close personal friend of a close personal friend of the director, executive officer, founder or control person.

**"Close Business Associate"** is an individual who has had sufficient prior business dealings with the director, executive officer, founder or control person to be in a position to assess their capabilities and trustworthiness. An individual is not a close business associate solely because the individual is a member of the same club, organization, association or religious group; a co-worker, colleague or associate at the same workplace; a client, customer or former client or customer; a mere acquaintance; or connected through some form of social media such as Facebook, Twitter or LinkedIn. The relationship between the purchaser and director, executive officer, founder or control person must be direct. For example, the exemption is not available for a close business associate of a close business associate of a director, executive officer, founder or control person.

**"Control Person"** means any person that holds or is one of a combination of persons that holds: (a) a sufficient number of any of the securities of the Corporation so as to affect materially the control of the Corporation; or (b) more than 20% of the voting shares of the Corporation except where there is evidence showing the holding of the shares does not affect materially the control of the Corporation.

**"Executive Officer"** means, for the Corporation, an individual who is:

- (a) a chair, vice-chair or president;
- (b) a vice-president in charge of a principal business unit, division or function including sales, finance or production,
- (c) an officer of the Corporation or any of its subsidiaries and who performs a policy-making function in respect of the Corporation, or
- (d) performing a policy-making function in respect of the Corporation.

**"Founder"** means a person or company who,

- (a) acting alone, in conjunction or in concert with one or more other persons or companies, directly or indirectly, takes the initiative in founding, organizing or substantially reorganizing the business of the Corporation, and
- (b) at the time of the proposed trade, is actively involved in the business of the Corporation.

**"Person"** includes:

- (a) an individual;
- (b) a corporation;
- (c) a partnership, trust, fund and an association, syndicate, organization or other organized group of persons, whether incorporated or not; and
- (d) an individual or other person in that person's capacity as a trustee, executor, administrator or personal or other legal representative.

\_\_\_\_\_  
Name of Subscriber (please print)

By: \_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Official Title or Capacity (please print)

\_\_\_\_\_  
Name of Signatory (please print name of individual whose signature appears above if different than name of Subscriber)

DATED at \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_, 2019.



SCHEDULE "C"

RISK ACKNOWLEDGMENT FORM

TO BE COMPLETED BY SUBSCRIBERS RESIDENT IN SASKATCHEWAN WHO ARE FAMILY MEMBERS, CLOSE PERSONAL FRIENDS OR CLOSE PERSONAL BUSINESS ASSOCIATES BUT ARE NOT ACCREDITED INVESTORS AS PER SCHEDULE "A"

Risk Acknowledgement Form Saskatchewan Close Personal Friends and Close Business Associates

I acknowledge this is a risky investment:

- I am investing entirely at my own risk. No securities regulatory authority or regulator has evaluated or endorsed the merits of these securities. The person selling me these securities is not registered with a securities regulatory authority or regulator and has no duty to tell me whether this investment is suitable for me. I will not be able to sell these securities for 4 months. I could lose all the money I invest. I do not have a 2-day right to cancel my purchase of these securities or the statutory rights of action for misrepresentation I would have if I were purchasing the securities under a prospectus. I do have a 2-day right to cancel my purchase of these securities if I receive an amended offering document.

I am investing U.S.\$ [total consideration] in total; this includes any amount I am obliged to pay in future.

I am a close personal friend or close business associate of [state name], who is a [state title - founder, director, senior officer or control person] of Zomedica Pharmaceuticals Corp. or its affiliate.

I acknowledge that I am purchasing based on my close relationship with [state name of founder, director, senior officer or control person] whom I know well enough and for a sufficient period of time to be able to assess her/his capabilities and trustworthiness.

I acknowledge that this is a risky investment and that I could lose all the money I invest.

Date Signature of Purchaser

Print name of Purchaser

Sign 2 copies of this document. Keep one copy for your records.

WARNING

**You are buying Exempt Market Securities**

They are called *exempt market securities* because two parts of securities law do not apply to them. If an issuer wants to sell *exempt market securities* to you:

- the issuer does not have to give you a prospectus (a document that describes the investment in detail and gives you some legal protections), and
- the securities do not have to be sold by an investment dealer registered with a securities regulatory authority.

There are restrictions on your ability to resell *exempt market securities*. Exempt market securities are more risky than other securities.

**You may not receive any written information about the issuer or its business**

If you have any questions about the issuer or its business, ask for written clarification before you purchase the securities. You should consult your own professional advisers before investing in the securities.

**You will not receive advice**

Unless you consult your own professional advisers, you will not get professional advice about whether the investment is suitable for you.

For more information on the exempt market, refer to the Saskatchewan Financial Services Commission's website at <http://www.sfsc.gov.sk.ca>.

*[Instruction: The purchaser must sign 2 copies of this form. The purchaser and the issuer must each receive a signed copy.]*

**SCHEDULE "D"**

*Ontario Investors Only*

**FORM 45-106F12  
RISK ACKNOWLEDGEMENT FORM FOR ONTARIO FAMILY, FRIENDS AND BUSINESS ASSOCIATES**

<p><b>WARNING!</b> This investment is risky. Don't invest unless you can afford to lose all the money you pay for this investment</p>
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**SECTION 1 TO BE COMPLETED BY THE ISSUER**

**1. About your investment**

Type of securities: Preferred Shares	Issuer: Zomedica Pharmaceuticals Corp.
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Purchased from: Zomedica Pharmaceuticals Corp. (the Issuer of the Preferred Shares)

**SECTIONS 2 TO 4 TO BE COMPLETED BY THE PURCHASER**

**2. Risk acknowledgement** *[Instruction: initial all boxes in Section 2]*

This investment is risky. <i>Initial that you understand that:</i>	<b>Your initials</b>
<b>Risk of loss</b> – You could lose your entire investment of U.S.\$ _____. <i>[Instruction: Insert the total dollar amount of the investment.]</i>	
<b>Liquidity risk</b> – You may not be able to sell your investment quickly – or at all.	
<b>Lack of information</b> – You may receive little or no information about your investment. The information you receive may be limited to the information provided to you by the family member, friend or close business associate specified in section 3 of this form.	

**3. Family, friend or business associate status** *[Instruction: initial one or more boxes that apply]*

You must meet at least <b>one</b> of the following criteria to be able to make this investment. Initial the statement that applies to you.	<b>Your initials</b>
<p>A) You are:</p> <p>1. <i>[check all applicable boxes]</i></p> <p><input type="checkbox"/> a director of the issuer or an affiliate of the issuer</p> <p><input type="checkbox"/> an executive officer of the issuer or an affiliate of the issuer</p> <p><input type="checkbox"/> a control person of the issuer or an affiliate of the issuer</p> <p><input type="checkbox"/> a founder of the issuer</p>	

<p>2. [check all applicable boxes]</p> <p><input type="checkbox"/> a person of which a majority of the voting securities are beneficially owned by, or a majority of the directors are, (i) individuals listed in (1) above and/or (ii) family members, close personal friends or close business associates of individuals listed in (1) above</p> <p><input type="checkbox"/> a trust or estate of which all of the beneficiaries or a majority of the trustees or executors are (i) individuals listed in (1) above and/or (ii) family members, close personal friends or close business associates of individuals listed in (1) above</p>	
<p>B) You are a family member of _____ [Instruction: Insert the name of the person who is your relative either directly or through his or her spouse], who holds the following position at the issuer or an affiliate of the issuer: _____.</p> <p>You are the _____ of that person or that person's spouse.</p> <p>[Instruction: To qualify for this investment, the person listed above must be (a) your spouse or (b) your or your spouse's parent, grandparent, brother, sister, child or grandchild.]</p>	
<p>C) You are a close personal friend of _____ [Instruction: Insert the name of your close personal friend], who holds the following position at the issuer or an affiliate of the issuer: _____.</p> <p>You have known that person for _____ years.</p>	
<p>D) You are a close business associate of _____ [Instruction: Insert the name of your close business associate], who holds the following position at the issuer or an affiliate of the issuer: _____.</p> <p>You have known that person for _____ years.</p>	
<p><b>4. Your name and signature</b></p> <p><i>By signing this form, you confirm that you have read this form and you understand the risks of making this investment as identified in this form. You also confirm that you are eligible to make this investment because you are a family member, close personal friend or close business associate of the person identified in section 5 of this form.</i></p> <p><b>First and last name (please print):</b></p> <p><b>Signature:</b> _____ <b>Date:</b> _____</p>	
<p><b>SECTION 5 TO BE COMPLETED BY PERSON WHO CLAIMS THE CLOSE PERSONAL RELATIONSHIP, IF APPLICABLE</b></p>	
<p><b>5. Contact person at the issuer or an affiliate of the issuer</b></p> <p><i>[Instruction: To be completed by the director, executive officer, control person or founder with whom the purchaser has a close personal relationship indicated under sections 3B, C or D of this form.]</i></p> <p><i>By signing this form, you confirm that you have, or your spouse has, the following relationship with the purchaser: [check the box that applies]</i></p> <p><input type="checkbox"/> family relationship as set out in section 3B of this form</p> <p><input type="checkbox"/> close personal friendship as set out in section 3C of this form</p> <p><input type="checkbox"/> close business associate relationship as set out in section 3D of this form</p>	
<p><b>First and last name of contact person (please print):</b></p> <p>Position with the issuer or affiliate of the issuer (director, executive officer, control person or founder):</p> <p><b>Telephone:</b> _____ <b>Email:</b> _____</p>	

Signature:		Date:
<b>SECTION 6 TO BE COMPLETED BY THE ISSUER</b>		
<b>6. For more information about this investment</b>		
<b>Zomedica Pharmaceuticals Corp.</b> <b>100 Phoenix Drive, Suite 190, Ann Arbor Michigan 48108</b> <b>Attention: Gerald Solensky Jr.</b> <b>Phone: 734-369-2555</b> <b>e-mail: gsolensky@zomedica.com</b> <b>Website Zomedica.com</b>		
<b>For more information about prospectus exemptions, contact your local securities regulator. You can find contact information at <a href="http://www.securities-administrators.ca">www.securities-administrators.ca</a>.</b>		
Signature of executive officer of the issuer (other than the purchaser):		Date:

**Form instructions:**

1. *The information in sections 1, 5 and 6 must be completed before the purchaser completes and signs the form.*
2. **The purchaser, an executive officer who is not the purchaser and, if applicable, the person who claims the close personal relationship to the purchaser must sign this form. Each of the purchaser, contact person at the issuer and the issuer must receive a copy of this form signed by the purchaser. The issuer is required to keep a copy of this form for 8 years after the distribution.**
3. *The detailed relationships required to purchase securities under this exemption are set out in section 2.5 of National Instrument 45-106 Prospectus Exemptions. For guidance on the meaning of "close personal friend" and "close business associate", please refer to sections 2.7 and 2.8, respectively, of Companion Policy 45-106CP Prospectus Exemptions.*

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**SCHEDULE "E"**

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**REPRESENTATION LETTER  
(FOR NON-CANADIAN RESIDENT INVESTORS ONLY, EXCLUDING U.S. PURCHASERS)**

**TO: Zomedica Pharmaceuticals Corp. (the "Corporation")**

*(Capitalized terms not specifically defined in this Schedule have the meaning ascribed to them in the Subscription Agreement to which this Schedule is attached)*

In connection with the execution by the undersigned Subscriber of the Subscription Agreement which this Representation Letter forms a part of, the undersigned Subscriber hereby represents, warrants, covenants and certifies to the Corporation that:

1. The undersigned Subscriber and (if applicable) any other purchaser for whom it is acting hereunder, is resident in the jurisdiction set out as the "Subscriber's Residential Address" on the face page of the Subscription Agreement (the "Foreign Jurisdiction") and the undersigned Subscriber certifies that it and (if applicable) any other purchaser for whom it is acting hereunder is not resident in or otherwise subject to applicable securities laws of any province or territory of Canada.
2. The undersigned Subscriber and (if applicable) any other purchaser for whom it is acting hereunder, is a purchaser which is purchasing the Preferred Shares pursuant to an exemption from any prospectus or securities registration or similar requirements under the applicable securities laws of the Foreign Jurisdiction or any other securities laws to which the Subscriber and (if applicable) any other purchaser for whom the Subscriber is acting hereunder are otherwise subject.
3. The purchase of Preferred Shares by the Subscriber, and any other purchaser for whom it is acting hereunder, does not contravene any of the applicable securities laws in the Foreign Jurisdiction or any other securities laws to which the Subscriber and (if applicable) any other purchaser for whom the Subscriber is acting hereunder are otherwise subject and does not result in: (i) any obligation of the Corporation to prepare and file a prospectus, an offering memorandum or similar document; or (ii) any obligation of the Corporation to make any filings with or seek any approvals of any kind from any regulatory body in such jurisdiction or any other ongoing reporting requirements with respect to such purchase or otherwise; or (iii) any registration or other obligation on the part of the Corporation under the applicable securities laws in the Foreign Jurisdiction or any other securities laws to which the Subscriber and (if applicable) any other purchaser for whom the Subscriber is acting hereunder are otherwise subject.
4. The Preferred Shares are being acquired for investment purposes only and not with a view to the resale or distribution of all or any of the Preferred Shares.
5. The undersigned Subscriber and (if applicable) any other purchaser for whom it is acting hereunder, are knowledgeable of, and have been independently advised as to, the securities laws of the Foreign Jurisdiction or any other securities laws to which the Subscriber and (if applicable) any other purchaser for whom the Subscriber is acting hereunder are otherwise subject.
6. The undersigned Subscriber and (if applicable) any other purchaser for whom it is acting hereunder, is aware that its ability to enforce civil liabilities under applicable securities laws may be affected adversely by, among other things: (A) the fact that the Corporation is organized under the laws of a province of Canada; (B) some or all of the directors and officers may be residents of Canada; and (C) all or a substantial portion of the assets of the Corporation and said persons may be located outside the Foreign Jurisdiction.

7. Upon execution of this Schedule by the undersigned Subscriber, this Representation Letter shall be incorporated into and form a part of the Subscription Agreement.

Dated: \_\_\_\_\_, 2019.

\_\_\_\_\_  
Print name of Subscriber

By: \_\_\_\_\_  
Signature

\_\_\_\_\_  
Print name of Signatory (if different from the Subscriber)

\_\_\_\_\_  
Title

SCHEDULE "F"

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PROVISIONS APPLICABLE TO A U.S. PURCHASER

CERTIFICATION OF U.S. PURCHASER

**NOTE: the provisions on this page are applicable ONLY if the Purchaser was offered the Preferred Shares while in the United States or was in the United States at the time the buy order was originated or the Subscription Agreement to which this Schedule is attached was executed or delivered.**

**TO: Zomedica Pharmaceuticals Corp. (the "Corporation")**

*(Capitalized terms not specifically defined in this Certification have the meaning ascribed to them in the Subscription Agreement to which this Schedule is attached.)*

In connection with the execution of the Subscription Agreement to which this Schedule is attached, the undersigned (the "Purchaser") represents, warrants and covenants (which representations, warranties and covenants shall survive the Closing Date) to the Corporation (and acknowledges that the Corporation is relying thereon) that:

- (a) It, alone or with the assistance of its professional advisors, has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of the investment and it is able to bear the economic risk of loss of the investment in the Preferred Shares and is able, without impairing its financial condition, to hold the Preferred Shares for an indefinite period of time and to bear the economic risks, and withstand a complete loss, of such investment;
- (b) it is authorized to consummate the purchase of the Preferred Shares;
- (c) the Corporation has provided to it the opportunity to ask questions and receive answers concerning the terms and conditions of the Offering and it has had access to such information concerning the Corporation as it has considered necessary or appropriate in connection with its investment decision to acquire the Preferred Shares, including access to the Corporation's public filings available on the Internet at [www.sedar.com](http://www.sedar.com), and that any answers to questions and any request for information have been complied with to the Purchaser's satisfaction;
- (d) it is purchasing the Preferred Shares for its own account or for the account of one or more persons for whom it is exercising sole investment discretion, (a "Beneficial Purchaser"), for investment purposes only and not with a view to resale or distribution in violation of applicable securities laws and, in particular, neither it nor any Beneficial Purchaser for whose account it is purchasing the Preferred Shares has any intention to distribute either directly or indirectly any of the Preferred Shares in the United States; provided, however, that this paragraph shall not restrict the Purchaser from selling or otherwise disposing of any of the Preferred Shares pursuant to registration thereof pursuant to the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), and any applicable state securities laws or under an exemption from such registration requirements;
- (e) it, and if applicable, each Beneficial Purchaser for whose account it is purchasing the Preferred Shares is an "accredited investor" as defined in Rule 501(a) of Regulation D under the U.S. Securities Act ("U.S. Accredited Investor") and, as such, satisfies one or more of the categories of U.S. Accredited Investor indicated below and acknowledges that the offer and sale of the Preferred Shares to it is being made in reliance upon Rule 506(b) of Regulation D under the U.S. Securities Act (**the Purchaser must initial "SUB" for the Purchaser, and "BP" for each Beneficial Purchaser, if any, on the appropriate line(s):**

- \_\_\_\_\_ Category 1. A bank, as defined in Section 3(a)(2) of the U.S. Securities Act, whether acting in its individual or fiduciary capacity; or
- \_\_\_\_\_ Category 2. A savings and loan association or other institution as defined in Section 3(a)(5)(A) of the U.S. Securities Act, whether acting in its individual or fiduciary capacity; or
- \_\_\_\_\_ Category 3. A broker or dealer registered pursuant to Section 15 of the United States Securities Exchange Act of 1934, as amended; or
- \_\_\_\_\_ Category 4. An insurance company as defined in Section 2(13) of the U.S. Securities Act; or



- \_\_\_\_\_ Category 5. An investment company registered under the United States Investment Company Act of 1940, as amended; or
- \_\_\_\_\_ Category 6. A business development company as defined in Section 2(a)(48) of the United States Investment Company Act of 1940, as amended; or
- \_\_\_\_\_ Category 7. A small business investment company licensed by the U.S. Small Business Administration under Section 301 (c) or (d) of the United States Small Business Investment Act of 1958, as amended; or
- \_\_\_\_\_ Category 8. A plan established and maintained by a state, its political subdivisions or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees, with total assets in excess of U.S. \$5,000,000; or
- \_\_\_\_\_ Category 9. An employee benefit plan within the meaning of the United States Employee Retirement Income Security Act of 1974, as amended, in which the investment decision is made by a plan fiduciary, as defined in Section 3(21) of such Act, which is either a bank, savings and loan association, insurance company or registered investment adviser, or an employee benefit plan with total assets in excess of U.S. \$5,000,000 or, if a self-directed plan, with investment decisions made solely by persons who are "accredited investors" as such term is defined in Rule 501(a) of Regulation D under the U.S. Securities Act; or
- \_\_\_\_\_ Category 10. A private business development company as defined in Section 202(a)(22) of the United States Investment Advisers Act of 1940, as amended; or
- \_\_\_\_\_ Category 11. An organization described in Section 501(c)(3) of the United States Internal Revenue Code of 1986, as amended, a corporation, a Massachusetts or similar business trust, a limited liability company or a partnership, not formed for the specific purpose of acquiring the securities offered, with total assets in excess of U.S. \$5,000,000; or
- \_\_\_\_\_ Category 12. Any director or executive officer of the Corporation; or
- \_\_\_\_\_ Category 13. A natural person whose individual net worth, or joint net worth with that person's spouse, at the date hereof exceeds U.S.\$1,000,000 (**Note:** For purposes of calculating "net worth" under this paragraph: (i) the person's primary residence shall not be included as an asset; (ii) indebtedness that is secured by the person's primary residence, up to the estimated fair market value of the primary residence at the time of the sale of securities, shall not be included as a liability (except that if the amount of such indebtedness outstanding at the time of the sale of securities exceeds the amount outstanding 60 days before such time, other than as a result of the acquisition of the primary residence, the amount of such excess shall be included as a liability); and (iii) indebtedness that is secured by the person's primary residence in excess of the estimated fair market value of the primary residence at the time of the sale of securities shall be included as a liability.); or
- \_\_\_\_\_ Category 14. A natural person who had an individual income in excess of U.S. \$200,000 in each of the two most recent years or joint income with that person's spouse in excess of U.S. \$300,000 in each of those years and has a reasonable expectation of reaching the same income level in the current year; or
- \_\_\_\_\_ Category 15. A trust, with total assets in excess of U.S. \$5,000,000, not formed for the specific purpose of acquiring the securities offered, whose purchase is directed by a sophisticated person as described in Rule 506(b)(2)(i) under the U.S. Securities Act; or
- \_\_\_\_\_ Category 16. Any entity in which all of the equity owners meet the requirements of at least one of the above categories;
- (f) it understands and acknowledges that upon the original issuance thereof, and until such time as the same is no longer required under the applicable requirements of the U.S. Securities Act or applicable U.S. state securities laws, the certificates representing the Preferred Shares, and all certificates issued in exchange therefor or in substitution thereof, will bear a legend in substantially the following form:

"THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THE HOLDER HEREOF, BY PURCHASING THESE SECURITIES, AGREES FOR THE BENEFIT OF ZOMEDICA PHARMACEUTICALS CORP. (THE "COMPANY") THAT THESE SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO THE COMPANY, (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S ("REGULATION S") UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH APPLICABLE LOCAL LAWS AND REGULATIONS, (C) IN COMPLIANCE WITH THE EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY (1) RULE 144 THEREUNDER, IF AVAILABLE, OR (2) RULE 144A THEREUNDER, IF AVAILABLE, AND, IN BOTH CASES, IN COMPLIANCE WITH APPLICABLE STATE SECURITIES LAWS, (D) IN ANOTHER TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE SECURITIES LAWS, OR (E) PURSUANT TO A REGISTRATION STATEMENT THAT HAS BEEN DECLARED EFFECTIVE UNDER THE U.S. SECURITIES ACT, AND, IN THE CASE OF (C)(1) AND (D) ABOVE, AFTER THE SELLER FURNISHES TO THE COMPANY AN OPINION OF COUNSEL OF RECOGNIZED STANDING IN FORM AND SUBSTANCE REASONABLY SATISFACTORY TO THE COMPANY TO SUCH EFFECT. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE "GOOD DELIVERY" IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA.";

*provided that*, if any Preferred Shares are being sold in compliance with Rule 904 of Regulation S, as referred to above, and in compliance with local laws and regulations, the legend may be removed by providing to AST Trust Company (Canada) (i) a declaration in the form attached hereto as Appendix A (or as the Corporation may prescribe from time to time);

*notwithstanding the foregoing*, AST Trust Company (Canada) may impose additional requirements for the removal of legends from securities sold in accordance with Rule 904 of Regulation S in the future;

*and provided, further*, that, if any Preferred Shares are being sold pursuant to Rule 144 of the U.S. Securities Act, the legend may be removed by delivering to the Corporation and AST Trust Company (Canada) an opinion of counsel of recognized standing in form and substance reasonably satisfactory to the Corporation to the effect that the legend is no longer required under applicable requirements of the U.S. Securities Act or state securities laws;

- (g) it understands and acknowledges that the Preferred Shares have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States, and the Preferred Shares are, or will when issued be, "restricted securities" within the meaning of Rule 144 under the U.S. Securities Act, and it agrees that if it decides to resell, pledge or otherwise transfer any of the Preferred Shares, it will not resell, pledge or otherwise transfer any such securities, directly or indirectly, unless the transfer is made: (i) to the Corporation, (ii) outside the United States in accordance with the requirements of Rule 904 of Regulation S under the U.S. Securities Act and in compliance with applicable local laws and regulations, (iii) in compliance with the exemption from registration under the U.S. Securities Act provided by (A) Rule 144 thereunder, if available, or (B) Rule 144A thereunder, if available, (iv) in another transaction that does not require registration under the U.S. Securities Act or any applicable state securities laws, or (v) pursuant to a registration statement that has been declared effective under the U.S. Securities Act, and, in each case in compliance with applicable securities laws of any state of the United States, and, in the case of (iii)(A) and (iv) above, after it has furnished to the Corporation an opinion of counsel of recognized standing in form and substance reasonably satisfactory to the Corporation to such effect;
- (h) it consents to the Corporation making a notation on its records or giving instructions to the transfer agent for the Preferred Shares in order to implement the restrictions on transfer set forth and described herein;
- (i) it understands and acknowledges that (i) if the Corporation is deemed to have been at any time previously an issuer with no or nominal operations and no or nominal assets other than cash and cash equivalents, Rule 144 under the U.S. Securities Act may not be available for resales of the Preferred Shares and (ii) the Corporation is not obligated to make Rule 144 under the U.S. Securities Act available for resales of such Preferred Shares;
- (j) it understands and acknowledges that the Corporation has no obligation or present intention of filing with the United States Securities and Exchange Commission (the "SEC") or with any state securities administrator any registration statement in respect of resales of the Preferred Shares in the United States;
- (k) (i) the funds representing the Aggregate Subscription Amount which will be advanced by the undersigned to the Corporation will not represent proceeds of crime for the purposes of the United States Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act (the "**PATRIOT Act**"), and the undersigned acknowledges that the Corporation may in the future be required by law to disclose the undersigned's name and other information relating to the Subscription Agreement to which this Schedule is attached and the undersigned's subscription hereunder, on a confidential basis, pursuant to the PATRIOT Act, and (b) no portion of the Aggregate Subscription Amount to be provided by the undersigned (i) has been or will be derived from or related to any activity that is deemed criminal under the laws of the United States of America, or any other jurisdiction, or (ii) is being tendered on behalf of a person or entity that has not been identified to or by the undersigned; and the undersigned shall promptly notify the Corporation if the undersigned discovers that any of such representations ceases to be true and provide the Corporation with appropriate information in connection therewith

- (l) the office or other address of the Purchaser at which the Purchaser received and accepted the offer to purchase the Preferred Shares is the address listed on this Agreement on the first page of this Agreement;
- (m) it is aware that (i) purchasing, holding and disposing, as applicable, of the Preferred Shares may have tax consequences under the laws of both Canada and the United States; (ii) the Corporation gives no opinion and makes no representation with respect to the tax consequences to the Purchaser under United States, state, local or foreign tax law of the Purchaser's acquisition, holding or disposition of such Preferred Shares; (iii) it is solely responsible for determining the tax consequences applicable to its particular circumstances and should consult its own tax advisors concerning investment in such securities; and (iv) it is aware that the Corporation may be (in current and future taxable years, and may have been in prior tax years) a "passive foreign investment company" within the meaning of Section 1297 of the U.S. Internal Revenue Code of 1986, as amended, which could have adverse consequences for U.S. taxpayers;
- (n) it understands and agrees that the Preferred Shares have not been and will not be registered under the U.S. Securities Act, or applicable state securities laws, and the Preferred Shares are being offered and sold to the Purchaser in reliance upon exemptions available under Rule 506 of Regulation D under the U.S. Securities Act and/or Section 4(a)(2) of the U.S. Securities Act;
- (o) it understands and agrees that the financial statements of the Corporation have been prepared in accordance with Canadian generally accepted accounting principles, which differ in some respects from United States generally accepted accounting principles, and thus may not be comparable to financial statements of United States companies;
- (p) it has not purchased the Preferred Shares as a result of any form of "general solicitation" or "general advertising" (as those terms are used in Regulation D under the U.S. Securities Act), including, but not limited to, any advertisements, articles, notices or other communications published in any newspaper, magazine or similar media on the Internet or broadcast over radio, television or Internet or any seminar or meeting whose attendees have been invited by general solicitation or general advertising;
- (q) it understands and acknowledges that the Corporation is incorporated outside the United States and its properties are located outside the United States. Consequently, it may be difficult to provide service of process on the Corporation for court proceedings in the United States and it may be difficult to enforce any judgment against the Corporation in the United States;
- (r) it understands and acknowledges that no agency, governmental authority, regulatory body, stock exchange or other entity (including, without limitation, the SEC or any state securities commission) has made any finding or determination as to the merit of investment in, nor have any such agencies or governmental authorities made any recommendation or endorsement with respect to, the Preferred Shares;
- (s) if required by applicable securities legislation, regulatory policy or order or by any securities commission, stock exchange or other regulatory authority, it will execute, deliver and file and otherwise assist the Corporation in filing reports, questionnaires, undertakings and other documents with respect to the issue of the Preferred Shares; and
- (t) it acknowledges that the representations, warranties and covenants hereto are made by it with the intent that they may be relied upon by the Corporation in determining its eligibility or the eligibility of others on whose behalf it is contracting thereunder to purchase the Preferred Shares. It agrees that by accepting Preferred Shares it shall be representing and warranting that the representations and warranties above are true as at the Closing with the same force and effect as if they had been made by it at the Closing and that they shall survive the purchase by it of Preferred Shares and shall continue in full force and effect notwithstanding any subsequent disposition by it of such securities.

The Purchaser undertakes to notify the Corporation immediately of any change in any representation, warranty or other information relating to the Purchaser or any Beneficial Purchaser set forth herein which takes place prior to the Closing.

Dated: \_\_\_\_\_, 2019.

If a Corporation, Partnership or Other Entity:

If an Individual:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_  
Name of Entity

\_\_\_\_\_  
Signature

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_  
Type of Entity

\_\_\_\_\_  
Print or Type Name

\_\_\_\_\_

\_\_\_\_\_  
Signature of Person Signing

\_\_\_\_\_

\_\_\_\_\_  
Print or Type Name and Title of Person Signing

**APPENDIX "A" TO SCHEDULE "F"**

**Declaration for Removal of Legend**

TO: The registrar and transfer agent for the Preferred shares of Zomedica Pharmaceuticals Corp. (the "Corporation").

AND TO: Zomedica Pharmaceuticals Corp.

The undersigned (A) acknowledges that the sale of the preferred shares represented by certificate number \_\_\_\_\_, to which this declaration relates, is being made in reliance on Rule 904 of Regulation S under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), and (B) certifies that (1) the undersigned is not an "affiliate" (as defined in Rule 405 under the U.S. Securities Act) of the Corporation; (2) the offer of such securities was not made to a person in the United States and either (a) at the time the buy order was originated, the buyer was outside the United States, or the seller and any person acting on its behalf reasonably believed that the buyer was outside the United States, or (b) the transaction was in, executed on or through the facilities of a designated offshore securities market within the meaning of Rule 902(b) under the U.S. Securities Act, and neither the seller nor any person acting on its behalf knows that the transaction has been prearranged with a buyer in the United States; (3) neither the seller nor any affiliate of the seller nor any person acting on any of their behalf has engaged or will engage in any directed selling efforts in the United States in connection with the offer and sale of such securities; (4) the sale is bona fide and not for the purpose of "washing off" the resale restrictions imposed because the securities are "restricted securities" (as that term is defined in Rule 144(a)(3) under the U.S. Securities Act); (5) the seller does not intend to replace such securities with fungible unrestricted securities; and (6) the contemplated sale is not a transaction, or part of a series of transactions, which, although in technical compliance with Regulation S, is part of a plan or scheme to evade the registration provisions of the U.S. Securities Act. Unless otherwise defined herein, the terms used herein have the meanings given to them by Regulation S under the U.S. Securities Act.

By: \_\_\_\_\_ Dated: \_\_\_\_\_  
Signature  
Name (please print)

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**SCHEDULE "G"**

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**FOR COMPLETION BY ALL SUBSCRIBERS**  
**INFORMATION REGARDING THE SUBSCRIBER**

Please check the appropriate box (and complete the required information, if applicable) in each section:

1. **Security Holdings.** The Subscriber and all persons acting jointly and in concert with the Subscriber own, directly or indirectly, or exercises control or direction over (provide additional detail as applicable):
- \_\_\_\_\_ common shares of Zomedica Pharmaceuticals Corp. (the "Corporation") and/or the following other kinds of shares and convertible securities (including but not limited to convertible debt, warrants and options) entitling the Subscriber to acquire additional common shares or other kinds of shares of the Corporation:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
  - No shares of the Corporation or securities convertible into shares of the Corporation.
2. **Insider Status.** The Subscriber either:
- Is an "Insider" of the Corporation as defined in the Policies of the TSX Venture Exchange (the "Exchange"), by virtue of being:
    - (a) a director or senior officer of the Corporation;
    - (b) a director or senior officer of a company that is an Insider or subsidiary of the Corporation;
    - (c) a person that beneficially owns or controls, directly or indirectly, voting shares of the Corporation carrying more than 10% of the voting rights attached to all the Issuer's outstanding voting shares;
    - (d) the Corporation itself if it holds any of its own securities.
  - Is not an Insider of the Corporation.
3. **Pro Group Status.** The Subscriber either:
- Is a Member of the "Pro Group", which is defined in the Rules of the Exchange as either individually or as a group:
    - 1. the member (i.e. a member of the Exchange under the Exchange requirements);
    - 2. employees of the member;
    - 3. partners, officers and directors of the member;
    - 4. affiliates of the member; and
    - 5. associates of any parties referred to in subparagraphs 1 through 5;
  - Is not a member of the Pro Group.

4. **Corporate Status.** If the Subscriber is not an individual (mark one)

- (a)  the Subscriber confirms that the Subscriber has filed a Form 4C Corporate Placee Registration Form with the Exchange and the information contained in such form is accurate as at the date hereof; or
- (b)  the Subscriber has read and duly completed the Form 4C Corporate Placee Registration Form, a copy of which follows this form and is marked as Schedule "D", required by the Exchange and authorizes the Corporation to file the certification with Exchange.

Dated at \_\_\_\_\_, this \_\_\_\_ day of \_\_\_\_\_, 2019.

\_\_\_\_\_  
(Name of Subscriber – please print)

\_\_\_\_\_  
(Telephone Number of Subscriber)

\_\_\_\_\_  
(e-mail address)

\_\_\_\_\_  
(Signature of Subscriber or Authorized Signatory, as applicable)

\_\_\_\_\_  
(If applicable, print name of Authorized Signatory and Office)



## FORM 4C CORPORATE PLACEE REGISTRATION FORM

This Form will remain on file with the Exchange and must be completed if required under section 4(b) of Part II of Form 4B. The corporation, trust, portfolio manager or other entity (the "Placee") need only file it on one time basis, and it will be referenced for all subsequent Private Placements in which it participates. If any of the information provided in this Form changes, the Placee must notify the Exchange prior to participating in further placements with Exchange listed Issuers. If as a result of the Private Placement, the Placee becomes an Insider of the Issuer, Insiders of the Placee are reminded that they must file a Personal Information Form (2A) or, if applicable, Declarations, with the Exchange.

1. Placee Information:

- (a) Name: \_\_\_\_\_
- (b) Complete Address: \_\_\_\_\_
- (c) Jurisdiction of Incorporation or Creation: \_\_\_\_\_

2. (a) Is the Placee purchasing securities as a portfolio manager: (Yes/No)? \_\_\_\_\_

- (b) Is the Placee carrying on business as a portfolio manager outside of Canada: (Yes/No)? \_\_\_\_\_

3. If the answer to 2(b) above was "Yes", the undersigned certifies that:

- (a) it is purchasing securities of an Issuer on behalf of managed accounts for which it is making the investment decision to purchase the securities and has full discretion to purchase or sell securities for such accounts without requiring the client's express consent to a transaction;
- (b) it carries on the business of managing the investment portfolios of clients through discretionary authority granted by those clients (a "portfolio manager" business) in \_\_\_\_\_ [jurisdiction], and it is permitted by law to carry on a portfolio manager business in that jurisdiction;
- (c) it was not created solely or primarily for the purpose of purchasing securities of the Issuer;
- (d) the total asset value of the investment portfolios it manages on behalf of clients is not less than \$20,000,000; and
- (e) it has no reasonable grounds to believe, that any of the directors, senior officers and other insiders of the Issuer, and the persons that carry on investor relations activities for the Issuer has a beneficial interest in any of the managed accounts for which it is purchasing.



4. If the answer to 2(a). above was "No", please provide the names and addresses of Control Persons of the Placee:

Name *	City	Province or State	Country

\* If the Control Person is not an individual, provide the name of the individual that makes the investment decisions on behalf of the Control Person.

5. Acknowledgement - Personal Information and Securities Laws

(a) "Personal Information" means any information about an identifiable individual, and includes information contained in sections 1, 2 and 4, as applicable, of this Form.

The undersigned hereby acknowledges and agrees that it has obtained the express written consent of each individual to:

- (i) the disclosure of Personal Information by the undersigned to the Exchange (as defined in Appendix 6B) pursuant to this Form; and
- (ii) the collection, use and disclosure of Personal Information by the Exchange for the purposes described in Appendix 6B or as otherwise identified by the Exchange, from time to time.

(b) The undersigned acknowledges that it is bound by the provisions of applicable Securities Law, including provisions concerning the filing of insider reports and reports of acquisitions.

Dated and certified (if applicable), acknowledged and agreed, at \_\_\_\_\_ on \_\_\_\_\_, 2019.

\_\_\_\_\_  
(Name of Purchaser – please print)

\_\_\_\_\_  
(Authorized Signature)

\_\_\_\_\_  
(Official Capacity - please print)

\_\_\_\_\_  
(Please print name of individual whose signature appears above)

**THIS IS NOT A PUBLIC DOCUMENT**

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT  
TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Gerald Solensky, Jr., certify that:

1. I have reviewed this quarterly report on Form 10-Q for the period ended March 31, 2019 of Zomedica Pharmaceuticals Corp.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting

Date: May 10, 2019

/s/ Gerald Solensky, Jr.  
Gerald Solensky Jr.  
Chief Executive Officer  
(Principal Executive Officer)

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**CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT  
TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Shameze Rampertab, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the period ended March 31, 2019 of Zomedica Pharmaceuticals Corp.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 10, 2019

*/s/ Shameze Rampertab*

Shameze Rampertab  
Chief Financial Officer

(Principal Financial and Accounting Officer)

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**Certification of Chief Executive Officer and Chief Financial Officer Pursuant to  
Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350**

In connection with the Quarterly Report on Form 10-Q of Zomedica Pharmaceuticals Corp. (the "Company") for the three month period ended March 31, 2019 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned Gerald Solensky Jr., President and Chief Executive Officer of the Company, and Shameze Rampertab, Chief Financial Officer for the Company, hereby certify, to the knowledge of the undersigned, pursuant to 18 U.S.C. Section 1350, that:

(1) The Quarterly Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Quarterly Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 10, 2019

By: /s/ Gerald Solensky Jr.  
Gerald Solensky Jr.  
Chief Executive Officer  
(Principal Executive Officer)

Date: May 10, 2019

By: /s/ Shameze Rampertab  
Shameze Rampertab.  
Chief Financial Officer  
(Principal Financial and Accounting Officer)

This Certification is being furnished solely to accompany the Report pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, and shall not be deemed "filed" by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and shall not be incorporated by reference into any filing of the Company under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, whether made before or after the date of this Report, irrespective of any general incorporation language contained in such filing.

A signed original of this written statement required by Section 906 of the Sarbanes-Oxley Act of 2002 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

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