DIAMEDICA INC.

INSTRUMENT OF PROXY

FOR THE ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS OF DIAMEDICA INC. (THE "CORPORATION") TO BE HELD ON DECEMBER 16, 2013.

THIS PROXY IS SOLICITED BY AND ON BEHALF OF THE BOARD OF DIRECTORS AND MANAGEMENT OF THE CORPORATION. IN THE ABSENCE OF INSTRUCTIONS, THE VOTING COMMON SHARES (THE "COMMON SHARES") REPRESENTED HEREBY WILL BE VOTED FOR ALL RESOLUTIONS BROUGHT BEFORE THE ANNUAL GENERAL MEETING.

The undersigned, being a shareholder of the Corporation, hereby appoints Rick Pauls, Chair and Chief Executive Officer of the Corporation, or failing him James Parsons, Vice-President, Finance of the Corporation or, alternatively, _____, as proxyholder, to attend the Annual and Special Meeting of the Corporation to be held Suite 1700-360 Main St, Winnipeg, MB R3C 3Z3, on December 16, 2013, at 9:00 a.m. (Central Standard time) and at any adjournment thereof (the "**Meeting**") and to vote the Common Shares in the capital of the Corporation held by the undersigned with respect to the matters set forth below as follows:

1. Election of the Board of Directors as follows:

GIUFFRE, Michael	❑ VOTE FOR	❑ WITHHOLD VOTE
PAULS, Rick	❑ VOTE FOR	❑ WITHHOLD VOTE
PILNIK, Richard	❑ VOTE FOR	❑ WITHHOLD VOTE
REIMER, Dawson	❑ VOTE FOR	❑ WITHHOLD VOTE
WELLNER, Thomas	❑ VOTE FOR	❑ WITHHOLD VOTE

2. Appointment of KPMG LLP as auditors of the Corporation and authorization of the Board of Directors to fix the auditors' remuneration.

❑ VOTE FOR ❑ WITHHOLD VOTE

3. to pass a special resolution as more particularly set forth in the Management Information Circular to amend the articles of incorporation, to provide the Directors the power by resolution to subdivide or consolidate the Company's share capital;

❑ VOTE FOR ❑ AGAINST

4. To transact such further business as may properly come before the Meeting or any adjournment thereof.

❑ VOTE FOR ❑ AGAINST

THE UNDERSIGNED HEREBY REVOKES ANY PROXY PREVIOUSLY GIVEN.

Dated this ____ day of _____, 2013.

_____
(signature of shareholder)

_____

(Please see notes on the reverse side of this Instrument of Proxy)

NOTES AND GENERAL INSTRUCTIONS FOR SHAREHOLDERS:

1. **If the shareholder or an intermediary holding shares and acting on behalf of an unregistered shareholder has specified a choice with respect to any of the items above by marking an "X" in the space provided for that purpose the shares will be voted on any poll in accordance with that choice.** ***If no choice is specified, the proxyholder, if nominated by management, intends to vote the shares represented by the proxy as if the shareholder had specified an affirmative vote.*** **If any amendments or variations to matters identified in the Notice of Meeting are proposed at the Meeting or if any other matters properly come before the Meeting, discretionary authority is hereby conferred with respect thereto.**

2. **A shareholder or an intermediary holding shares and acting on behalf of an unregistered shareholder has the right to appoint a person (who need not be a shareholder) to attend and act on his behalf at the Meeting other than the persons named in the proxy as proxyholders. To exercise this right, the shareholder or intermediary must strike out the names of the persons named in the Proxy as proxyholders and insert the name of his nominee in the space provided, or complete another proxy.**

3. **This Proxy will not be valid unless it is dated and signed by the intermediary or by the shareholder or his attorney authorized in writing. In the case of a corporation, this Proxy must be dated and executed under its corporate seal or signed by a duly authorized officer or attorney for the corporation. If the proxy form is not dated in the space provided, it is deemed to bear the date on which it is mailed by management of the Corporation.**

4. **To be effective, the Proxy together with the power of attorney or other authority, if any, under which it was signed or a notarially certified copy thereof must be deposited with the Corporation's transfer agent, to the attention of Proxy Dept., CST Trust Company., P.O. Box 721, Agincourt, Ontario, M1S 0A1, by facsimile to 416-368-2502 (Toll Free:1-866-781-3111 Canada & US Only) or by email at proxy@canstockta.com, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time set for the holding of the Meeting or any adjournment thereof. A proxy is valid only at the meeting in respect of which it is given or any adjournment(s) of that meeting.**

   Unregistered shareholders who received the Proxy through an intermediary must deliver the Proxy in accordance with the instructions given by such intermediary.

5. **This Proxy is solicited on behalf of the management of the Corporation.**

6. **Your name and address are registered as shown. Please notify CST Trust Company of any change in your address.**

7. **If you have any questions with respect to the delivery of this proxy, please contact CST Trust Company toll free at 1-866-781-3111 or (416) 368-2502 in Toronto. You can also visit their website at www.canstockta.com**