



**IMMUNOPRECISE ANTIBODIES LTD.
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED JULY 31, 2017 AND 2016**

(Unaudited – Expressed in Canadian Dollars)

**NOTICE OF NO AUDITOR REVIEW OF
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

The accompanying unaudited condensed interim consolidated financial statements of the Company and all information contained in the first quarter 2018 report have been prepared by and are the responsibility of the Company's management.

The Audit Committee of the Board of Directors has reviewed the condensed interim consolidated financial statements and related financial reporting matters.

The Company's independent auditor has not performed a review of these condensed interim consolidated financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of condensed interim consolidated financial statements by an entity's auditor.

IMMUNOPRECISE ANTIBODIES LTD.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Unaudited – Expressed in Canadian Dollars)

	Note	July 31, 2017 \$	April 30, 2017 \$
ASSETS			
Current assets			
Cash		1,269,771	2,578,445
Amounts receivable		706,293	432,559
Inventory		58,499	58,499
Unbilled revenue		57,230	36,929
Prepaid expenses		123,182	116,808
Investment tax credits recoverable		-	61,151
		2,214,975	3,284,391
Deferred acquisition costs	13	12,670	-
Equipment and leasehold improvements	6	779,963	644,578
Total assets		3,007,608	3,928,969
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	9	291,106	664,447
Deferred revenue		249,562	172,468
		540,668	836,915
SHAREHOLDERS' EQUITY			
Share capital	8	7,459,909	7,459,909
Contributed surplus	8	356,295	198,032
Shares to be issued	13	74,455	-
Deficit		(5,423,719)	(4,565,887)
		2,466,940	3,092,054
Total liabilities and equity		3,007,608	3,928,969
Nature of operations (Note 1)			
Commitments (Note 10)			
Subsequent events (Note 13)			

Approved and authorized on behalf of the Board of Directors on September 26, 2017

"Robert Beecroft" Director

"Thomas D'Orazio" Director

IMMUNOPRECISE ANTIBODIES LTD.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

For the three months ended July 31, 2017 and 2016
(Unaudited – Expressed in Canadian Dollars)

	Note	July 31, 2017 \$	July 31, 2016 \$
REVENUE:			
Antibody services		534,645	670,176
Cryostorage		56,413	57,249
		591,058	727,425
OPERATING EXPENSES			
Advertising		33,001	4,002
Amortization	6	37,504	8,792
Consulting fees		100,687	15,859
Insurance		8,750	7,976
Interest and bank charges		2,937	2,502
Lab operating costs		128,914	112,865
Office and general		62,563	16,105
Professional fees		88,386	11,865
Rent		70,799	33,852
Repairs and maintenance		13,300	1,524
Research and development		106,322	59,220
Salaries and benefits	9	551,929	276,755
Share-based payments	8,9	158,263	-
Telephone and utilities		8,821	3,305
Travel		76,714	619
		1,448,890	555,241
(Loss) income before income taxes		(857,832)	172,184
Income taxes		-	23,245
NET AND COMPREHENSIVE (LOSS) INCOME FOR THE PERIOD		(857,832)	148,939
(LOSS) EARNINGS PER SHARE – BASIC AND DILUTED		(0.02)	53.58
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING		38,578,522	2,780

IMMUNOPRECISE ANTIBODIES LTD.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Unaudited – Expressed in Canadian dollars, except for share figures)

	Number of Shares	Share Capital \$	Contributed Surplus \$	Shares to be Issued \$	Retained Earnings (Deficit) \$	Total \$
Balance, April 30, 2016	2,780	332	-	-	907,933	908,265
Dividends paid	-	-	-	-	(90,000)	(90,000)
Comprehensive income for the period	-	-	-	-	148,939	148,939
Balance, July 31, 2016	2,780	332	-	-	966,872	967,204
Recapitalization transactions (Note 5)						
Shares issued to Tanqueray shareholders for RTO	13,275,639	3,982,692	-	-	-	3,982,692
Exchanged for shares issued to 0496106 BC Ltd. Shareholders pursuant to RTO	9,602,966	-	-	-	-	-
0496106 BC Ltd. shares cancelled pursuant to RTO	(2,780)	-	-	-	-	-
Return of capital	-	(1,000,000)	-	-	-	(1,000,000)
Shares issued pursuant to private placements	14,883,250	4,313,250	-	-	-	4,313,250
Shares issued pursuant to debt settlement	166,667	213,333	-	-	-	213,333
Shares issued pursuant to exchangeable note	650,000	104,215	-	-	-	104,215
Cash issue costs	-	(153,913)	-	-	-	(153,913)
Share-based payments	-	-	198,032	-	-	198,032
Comprehensive loss for the period	-	-	-	-	(5,532,759)	(5,532,759)
Balance, April 30, 2017	38,578,522	7,459,909	198,032	-	(4,565,887)	3,092,054
Shares to be issued	-	-	-	74,455	-	74,455
Share-based payments	-	-	158,263	-	-	158,263
Comprehensive loss for the period	-	-	-	-	(857,832)	(857,832)
Balance, July 31, 2017	38,578,522	7,459,909	356,295	74,455	(5,423,719)	2,466,940

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

IMMUNOPRECISE ANTIBODIES LTD.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

For the three months ended July 31, 2017 and 2016
(Unaudited – Expressed in Canadian Dollars)

	2017 \$	2016 \$
Operating activities:		
Net (loss) income for the period	(857,832)	148,939
Items not affecting cash:		
Amortization	37,504	8,792
Income taxes	-	23,245
Share-based payments	158,263	-
	(662,065)	180,976
Changes in non-cash working capital related to operations:		
Amounts receivable	(273,734)	(99,890)
Unbilled revenue	(20,301)	7,815
Investment tax credits recoverable	61,151	-
Prepaid expenses	(6,374)	-
Accounts payable and accrued liabilities	(373,341)	(53,107)
Deferred revenue	77,094	(30,214)
Net cash (used in) provided by operating activities	(1,197,570)	5,580
Investing activities:		
Investments and marketable securities	-	(50,000)
Deferred acquisition costs	(12,670)	-
Purchase of equipment	(172,889)	(6,409)
Net cash used in investing activities	(185,559)	(56,409)
Financing activities:		
Shares to be issued	74,455	-
Dividends paid	-	(90,000)
Net cash provided by (used in) financing activities	74,455	(90,000)
(Decrease) increase in cash during the period	(1,308,674)	(140,829)
Cash – beginning of the period	2,578,445	340,881
Cash – end of the period	1,269,771	200,052
Cash paid for interest	-	-
Cash paid for income tax	-	-
Non-cash transactions:		
Shares issued pursuant to debt settlement	213,333	-
Shares issued pursuant to exchangeable note	104,215	-

IMMUNOPRECISE ANTIBODIES LTD.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
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1. NATURE OF OPERATIONS

ImmunoPrecise Antibodies Ltd. (the "Company" or "IPA") (formerly Tanqueray Exploration Ltd. ("Tanqueray")) was incorporated under the laws of Alberta on November 22, 1983. The Company is listed on the TSX Venture Exchange (the "Exchange") as a Tier 2 life science issuer under the trading symbol "IPA". The Company's OTC symbol is "IPATF". The address of the Company's corporate office is 3204 – 4464 Markham Street, Victoria, BC V8Z 7X8.

On December 21, 2016, IPA completed a reverse takeover transaction (the "RTO" or the "Transaction") with 0496106 BC Ltd., pursuant to which IPA acquired all of the issued and outstanding common shares of 0496106 BC Ltd. Upon completion of the Transaction, the consolidated entity has continued to carry on the business of 0496106 BC Ltd., which is as a supplier of custom hybridoma development services. Refer to Note 5.

2. BASIS OF PRESENTATION

(a) Statement of compliance

These condensed interim consolidated financial statements have been prepared in conformity with International Accounting Standard ("IAS") 34, Interim Financial Reporting, using the same accounting policies as detailed in the Company's audited annual financial statements for the year ended April 30, 2017. They do not include all the information required for complete annual financial statements in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC") and therefore should be read together with the audited annual financial statements for the year ended April 30, 2017.

These condensed interim consolidated financial statements were approved by the Board of Directors for issue on September 26, 2017.

(b) Basis of measurement

These condensed interim consolidated financial statements have been prepared on the historical cost basis.

(c) Functional and presentation currency

The functional currency of a company is the currency of the primary economic environment in which the company operates. The presentation currency for a company is the currency in which the company chooses to present its financial statements.

These condensed interim consolidated financial statements are presented in Canadian dollars, which is the Company's functional currency.

(d) Basis of consolidation

These condensed interim consolidated financial statements include the financial statements of the Company and its wholly-owned subsidiaries, 0496106 BC Ltd. and ImmunoPrecise Antibodies (USA) Ltd.

Control is achieved when the Company has the power to, directly or indirectly, govern the financial and operating policies of an entity so as to obtain benefits from its activities. Subsidiaries are fully consolidated from the date on which control is obtained and continue to be consolidated until the date that such control

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ceases. Intercompany balances, transactions and unrealized intercompany gains and losses are eliminated upon consolidation.

3. ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

The following revised standards are effective for the annual periods noted with earlier application permitted. The Company also has not early adopted any amendment, standard or interpretation that has been issued but is not yet effective.

Financial instruments

In July 2014, the IASB issued the final version of IFRS 9, *Financial Instruments* ("IFRS 9"), which reflects all phases of the financial instruments project and replaces IAS 39, *Financial Instruments: Recognition and Measurement* ("IAS 39") and all previous versions of IFRS 9. The new standard introduces new requirements for classification and measurement, impairment and hedge accounting. IFRS 9 is effective for annual periods beginning on or after January 1, 2018, with early application permitted. The Company intends to adopt IFRS 9 in its financial statements for the fiscal year beginning May 1, 2018. The extent of the impact of adoption has not yet been determined.

Revenue recognition

In May 2014, the IASB issued IFRS 15, *Revenue from Contracts with Customers* ("IFRS 15") establishing a comprehensive framework for revenue recognition. The standard replaces IAS 18, *Revenue* and IAS 11, *Construction Contracts* and related interpretations and is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted. The Company intends to adopt IFRS 15 in its financial statements for the fiscal year beginning May 1, 2018. The extent of the impact of adoption has not yet been determined.

Leases

In January 2016, the IASB issued IFRS 16, *Leases*, which supersedes IAS 17, *Leases*. IFRS 16 establishes principles for the recognition, measurement, presentation and disclosure of leases. The standard establishes a single model for lessees to bring leases on-balance sheet while lessor accounting remains largely unchanged and retains the finance and operating lease distinctions. The Company intends to adopt IFRS 16 in its financial statements for the annual period beginning May 1, 2019. The extent of the impact of adoption has not yet been determined.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of the consolidated financial statements in conformity with IFRS required estimates and judgments that affect the amounts reported in the financial statements. Actual results could differ from these estimates and judgments. Significant areas requiring the use of estimates and judgments are as follows:

Functional currency

The Company has used judgment in determining the currency of the primary economic environment in which the entity operates.

Amounts receivable

The Company monitors the financial stability of its customers and the environment in which they operate to make estimates regarding the likelihood that the individual trade receivable balances will be paid. Credit risks for outstanding customer receivables are regularly assessed and allowances are recorded for estimated losses.

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Investment tax credit receivable

The investment tax credits are estimated by management based on quantitative and qualitative analysis and interpretation of various government programmes, related restrictions, limitations, definitions, and eligibility conditions. Management involves its technical staff and external specialists in determining if the expenditures meet the requirements of the different tax credit claims.

Equipment

The Company has used estimates in the determination of the expected useful lives and amortization rates of equipment and leasehold improvements.

Revenue recognition

The percentage-of-completion method requires the use of estimates to determine the stage of completion which is used to determine the recorded amount of revenue, unbilled revenue and deferred revenue on uncompleted contracts. The determination of anticipated revenues includes the contractually agreed revenue and may also involve estimates of future revenues if such additional revenues can be reliably estimated and it is considered probable that they will be recovered. The determination of anticipated costs for completing a contract is based on estimates that can be affected by a variety of factors, including the cost of materials, labour, and sub-contractors. The determination of estimates is based on the Company's business practices as well as its historical experience. Estimates are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimate is revised.

5. REVERSE TAKEOVER

On December 21, 2016, IPA completed the Transaction with 0496106 BC Ltd., pursuant to which IPA acquired all of the issued and outstanding common shares of 0496106 BC Ltd. Upon completion of the Transaction, the consolidated entity (the "Resulting Issuer") has continued to carry on the business of 0496106 BC Ltd., which is as a supplier of custom hybridoma development services. As part of the Transaction, the Company changed its name from Tanqueray Exploration Ltd. to ImmunoPrecise Antibodies Ltd. and commenced trading on the Exchange under the symbol "IPA" on December 29, 2016.

Under the terms of the Transaction, IPA acquired all of the issued and outstanding common shares of 0496106 BC Ltd. and, in consideration of which, IPA (A) paid the principal shareholders of 0496106 BC Ltd. \$1,000,000 and (B) issued a total of 9,602,966 common shares to the shareholders of 0496106 BC Ltd. such that they hold 25% of the issued and outstanding shares of the Company on closing of the Transaction and the concurrent private placement that closed at the same time.

As a result of the Transaction, the former shareholders of 0496106 BC Ltd., for accounting purposes, were considered to have acquired control of IPA. Accordingly, the acquisition of 0496106 BC Ltd. was accounted for as a reverse takeover that was not a business combination and effectively was a capital transaction of 0496106 BC Ltd. 0496106 BC Ltd. has been treated as the accounting parent company (legal subsidiary) and IPA has been treated as the accounting subsidiary (legal parent) in these consolidated financial statements. As 0496106 BC Ltd. was deemed to be the acquirer for accounting purposes, its assets, liabilities and operations since incorporation are included in these consolidated financial statements at their historical carrying value. IPA's results have been included from December 21, 2016, the date of the Transaction.

The cash consideration has been treated as a return of capital. Since IPA's operations do not constitute a business, the carrying value of the net assets of IPA has been credited to the share capital of the Resulting Issuer. Listing expense is expensed and represents the excess of fair value of IPA shares issued in the concurrent financing at \$0.30 per share over the net assets of IPA.

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The purchase price has been allocated as follows:

	\$
13,275,639 common shares of the Company at \$0.30 per share	3,982,692
Fair value of consideration	3,982,692
Cash	141,994
Amounts receivable	3,595
Prepaid expenses	5,000
Equipment and leasehold improvements	1,784
Accounts payable and accrued liabilities	(56,841)
Listing expense	3,887,160
	3,982,692

As part of the Transaction, the Company paid a finder's fee of \$97,022.

6. EQUIPMENT AND LEASEHOLD IMPROVEMENTS

	Computer Hardware	Furniture & Equipment	Computer Software	Leasehold Improvements	Lab Equipment	Total
	\$	\$	\$	\$	\$	\$
Cost:						
Balance, April 30, 2016	62,399	75,384	6,754	49,221	655,503	849,261
Additions	4,313	4,953	-	238,365	284,903	532,534
Balance, April 30, 2017	66,712	80,337	6,754	287,586	940,406	1,381,795
Additions	6,985	39,858	1,050	105,835	19,161	172,889
Balance, July 31, 2017	73,697	120,195	7,804	393,421	959,567	1,554,684
Accumulated Amortization:						
Balance, April 30, 2016	56,689	63,090	6,754	33,901	526,174	686,608
Amortization	2,731	4,333	-	8,537	35,008	50,609
Balance, April 30, 2017	59,420	67,423	6,754	42,438	561,182	737,217
Amortization	1,443	14,101	116	15,679	6,165	37,504
Balance, July 31, 2017	60,863	81,524	6,870	58,117	567,347	774,721
Net Book Value:						
April 30, 2017	7,292	12,914	-	245,148	379,224	644,578
July 31, 2017	12,834	38,671	934	335,304	392,220	779,963

The Company acquired \$1,784 of furniture and equipment on completion of the RTO.

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7. EXCHANGEABLE NOTE

On September 12, 2016, the Company entered into an exchangeable note for an aggregate sum of \$97,500. The exchangeable note bore interest at a rate of 5% per annum and was due and payable on September 12, 2017. The holder of the exchangeable note may exchange principal amount of the note for 650,000 units of the Company. Each unit is comprised of one common share of the Company and one share purchase warrant. Each share purchase warrant will be exercisable into one additional common share at a price of \$0.30 per share for a period of one year from the date of issuance of the warrants.

For accounting purposes, the exchangeable note was separated into liability and equity components. The fair value of the liability component was calculated as the discounted cash flows for the exchangeable note assuming a 15% effective interest rate which was the estimated rate for exchangeable notes without a conversion feature. On initial recognition, the Company bifurcated \$89,022 to the carrying value of the loan and \$8,478 to equity.

On March 17, 2017 the exchangeable note was converted into 650,000 units of the Company. On conversion date the Company had recorded interest and accretion of \$6,715.

8. SHARE CAPITAL

a) Authorized:

Unlimited common shares without par value.

b) Share capital transactions:

Prior to completion of the RTO, 0496106 BC Ltd. had the following shares outstanding:

Issued	\$
1,000 Class D non-voting participating common shares without par value	10
1,000 Class E non-voting participating common shares without par value	10
500 Class F non-voting participating common shares without par value	5
280 Class G non-voting participating common shares without par value	207
400 Class H voting non-participating shares, redeemable at a price of \$0.01 per share	4
11,400 Class I preferred non-voting, non-cumulative redeemable retractable shares redeemable at a price of \$100 per share	96
	332

Prior to the completion of the RTO, 0496106 BC Ltd. declared dividends of \$180 per class F common share for total dividends of \$90,000. Upon completion of the RTO the original shares of 0496106 BC Ltd. were cancelled.

On December 21, 2016, 13,275,639 common shares were deemed to be issued by 0496106 BC Ltd. as a result of the RTO (refer to Note 5). The fair value of the 13,275,639 common shares deemed issued (\$3,982,692) was estimated using a fair value of \$0.30 per share.

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On December 21, 2016 the Company completed a private placement, issuing 14,377,500 common shares at \$0.30 per share for gross proceeds of \$4,313,250. The Company also issued 505,750 finders' shares and incurred \$153,913 of cash issue costs.

On March 17, 2017 the Company issued 650,000 units pursuant to the settlement of the exchangeable note (note 7). Each unit consists of one common share of the Company and one share purchase warrant. Each share purchase warrant is exercisable into one additional common share of the Company at a price of \$0.30 per share and expires on March 17, 2018.

The Company also issued 166,667 common shares to settle debt of \$25,000. The shares were fair valued at \$213,333 and therefore the Company recorded a loss on debt settlement of \$188,333 during the year ended April 30, 2017.

c) Escrow

There are 8,139,725 common shares of the Company held in escrow as at July 31, 2017. Under the Escrow Agreement, the common shares held in escrow will be released from escrow as to 1,627,945 common shares on each of December 29, 2017, June 29, 2018, December 29, 2018, June 29, 2019 and December 29, 2019.

d) Options

The Company has an incentive Stock Option Plan ("the Plan") under which non-transferable options to purchase common shares of the Company may be granted to directors, officers, employees or service providers of the Company. The terms of the plan provide that the Directors have the right to grant options to acquire common shares of the Company at not less than the closing market price of the shares on the day preceding the grant at terms of up to five years. The maximum number of options outstanding under the Plan shall not result, at any time, in more than 10% of the issued and outstanding common shares.

On December 21, 2016, the Company granted 1,655,000 stock options, exercisable at \$0.30 per option, to officers, directors, employees and consultants of the Company. The options are subject to vesting conditions as follows: one-third 6 months after grant date; one-third 12 months after grant date and one-third 18 months after grant date. The fair value of these options was estimated to be \$375,839 using the Black-Scholes option pricing model and the following assumptions: dividend yield of 0%, expected volatility of 102%, a risk-free interest rate of 1.38%, and an expected life of 5 years.

On March 15 2017, the Company granted 305,000 stock options, exercisable at \$1.24 per option, to consultants and employees of the Company. The options are subject to vesting conditions as follows: one-third 6 months after grant date; one-third 12 months after grant date and one-third 18 months after grant date. 105,000 options expire on March 15, 2022 and the fair value of these options was estimated to be \$97,201 using the Black-Scholes option pricing model using the following assumptions: dividend yield of 0%, expected volatility of 100%, a risk-free interest rate of 1.55%, and an expected life of 5 years. 200,000 options expire on March 15, 2019 and the fair value of these options was estimated to be \$130,569 using the Black-Scholes option pricing model using the following assumptions: dividend yield of 0%, expected volatility of 100%, a risk-free interest rate of 1.25%, and an expected life of 2 years.

Expected volatility was based on the historical volatility of similar companies.

During the three months ended July 31, 2017 the Company has recorded \$158,263 (July 31, 2016 - \$nil) of share based payments expense.

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The changes in the stock options for the three months ended July 31, 2017 and the year ended April 30, 2017 are as follows:

	Number of options #	Weighted average exercise price \$	Weighted average life remaining (years)
Balance, April 30, 2016	-	-	-
Granted	1,960,000	0.45	-
Balance, April 30, 2017 and July 31, 2017	1,960,000	0.45	4.12
Unvested	(1,408,333)	0.45	4.12
Exercisable, July 31, 2017	551,667	0.45	4.12

Details of the options outstanding as at July 31, 2017 are as follows:

Expiry Date	Exercise price \$	Remaining life (year)	Options outstanding	Unvested	Vested
March 15, 2019	1.24	1.62	200,000	200,000	-
December 20, 2021	0.30	4.39	1,655,000	1,103,333	551,667
March 15, 2022	1.24	4.62	105,000	105,000	-
	0.45	4.12	1,960,000	1,408,333	551,667

e) Warrants

As at July 31, 2017 the Company has 650,000 warrants outstanding. The warrants have an exercise price of \$0.30 per share and expire on March 17, 2018.

9. RELATED PARTY TRANSACTIONS

Key management compensation:

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company. Key management consists of Thomas D'Orazio, President and Chief Executive Officer, Robert Beecroft, Chief Technical Officer, Natasha Tsai, Chief Financial Officer, Lauren Smith, Vice-President Sales and Marketing, Teri Otto, Director of Laboratory Services, and Directors of the Company. The compensation for key management is as follows:

	2017 \$	2016 \$
Salaries and other short-term benefits	134,600	87,338
Share-based payments	65,196	-
	199,796	87,338

At July 31, 2017, included in accounts payable and accrued liabilities is \$14,416 (April 30, 2017 - \$14,036) due to related parties.

During the three months ended July 31, 2017 and 2016, the spouse of the Chief Technical Officer provided administrative services for \$12,738 (2016 – \$8,333).

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10. COMMITMENTS

During the year ended April 30, 2017, the Company extended its existing operation lease agreements for rental of office and laboratory space to include one additional office space and for an additional term of 5 years. The new lease agreement commenced January 1, 2017 and terminates on December 31, 2021. The new lease is in the amount of \$12,553 per month for all three spaces from January 1, 2017 to April 30, 2018 and \$13,543 per month from May 1, 2018 to December 31, 2021. The Company also has two operating leases for laboratory equipment with commitments to August 2018.

The minimum annual payments under these leases, excluding operating costs, are as follows:

	\$
2018	165,479
2019	163,358
2020	162,518
2021	162,518
2022	108,345
	<u>762,218</u>

11. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to ensure sufficient liquidity for operations and adequate funding for growth and capital expenditures while maintaining an efficient balance between debt and equity. The capital structure of the Company consists of credit facilities and shareholders' equity.

The Company makes adjustments to its capital structure upon approval from its Board of Directors, in light of economic conditions and the Company's working capital requirements. There were no changes in the Company's approach to capital management during the year. The Company does not presently utilize any quantitative measures to monitor its capital. The Company is not subject to any externally imposed capital requirements.

12. SEGMENTED INFORMATION AND ECONOMIC DEPENDENCE

At July 31, 2017 and April 30, 2017, the Company has one reportable segment, being antibody production and related services.

During the three months ended July 31, 2017, the Company had sales to one (2016 - four) customer who in aggregate accounted for 24% (2016 – 53%) of revenue.

The Company's revenues are allocated to geographic segments for the three months ended July 31, 2017 and 2016 as follows:

	2017 \$	2016 \$
United States of America	539,653	703,929
Canada	51,405	23,496
	<u>591,058</u>	<u>727,425</u>

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13. SUBSEQUENT EVENTS

On August 23, 2017, the Company announced that it has completed the acquisition of U-Protein Express BV ("U-Protein") whereby the Company has acquired all of the issued and outstanding shares of U-Protein for €6,830,000 on terms as follows:

- €2,734,732 (CAD\$4,047,390) was paid in cash on closing;
- 3,030,503 common shares of the Company were issued on closing; and
- €2,047,634 (CAD\$3,030,498) in deferred payments over a three-year period. The deferred payments can be made in cash or common shares of the Company at the election of U-Protein shareholders.

Deferred acquisition costs of \$12,670 have been incurred in connection with the acquisition.

In conjunction with acquisition of U-Protein, the Company completed a non-brokered private placement, issuing 5,250,000 common shares at \$1.00 per share for gross proceeds of \$5,250,000. The Company issued 281,100 common shares and paid a total of \$12,000 as finders' fees. As at July 31, 2017, \$74,455 of net proceeds have been received in advance of the closing of the private placement.

On September 18, 2017, the Company granted 1,750,000 stock options, exercisable at \$1.01 per option, to officers and employees of the Company. The options expire on September 28, 2022 and are subject to vesting conditions as follows: one-third 6 months after grant date; one-third 12 months after grant date and one-third 18 months after grant date.