TSX:IN
OTCQX:IMLFF

Suite 340-200 Granville St.
Vancouver, BC, Canada V6C 1S4
Tel: +1.604.669.7207
Email: info@inmedpharma.com
www.inmedpharma.com

InMed Pharmaceuticals Reports Third Quarter Fiscal 2019 Financial Results and Provides R&D and Business Update

Vancouver, BC – May 15, 2019 – **InMed Pharmaceuticals Inc.** ("InMed" or the "Company") (TSX:IN; OTCQX:IMLFF), a biopharmaceutical company developing a proprietary biosynthesis platform technology for the manufacturing of pharmaceutical-grade cannabinoids as well as an R&D pipeline of medications targeting diseases with high unmet medical needs, today reported financial results for the three and nine months ended March 31, 2019, which is the Company's third quarter of fiscal year 2019 ("3Q19").

Eric A. Adams, InMed's President and Chief Executive Officer, commented, "The third quarter of fiscal year 2019 was all about execution: the team is firing on all cylinders, R&D milestones are being accomplished, and we remain enthusiastic about our scientific advancements. Further, our financial position remains strong and we are confident that our existing cash runway positions us to complete our forthcoming significant milestones – specifically to advance our INM-755 program for the treatment of epidermolysis bullosa ("EB") through the completion of Phase I healthy volunteer studies, to advance our biosynthesis program in preliminary commercial scale-up activities, and to advance the glaucoma program through several pre-clinical studies."

"During the third quarter," Mr. Adams continued, "we transitioned our EB program to a single cannabinoid formulation, which is now referred to as INM-755. This was an important decision for the program, as we believe a single molecule product, instead of a combination product, will improve our overall probability of success, both in terms of clinical development as well as from a regulatory standpoint. In terms of our preparation for our Phase I study, we have finalized our selection of the service provider for our final sterile cream production."

"With regard to our proprietary biosynthesis platform technology," Mr. Adams continued, "we completed a number of important milestones and made meaningful advancements on several others:

- Completed the tech transfer from our collaboration partners at the University of British Columbia ("UBC") to the National Research Council Canada ("NRC") by successfully converting precursors into a specific cannabinoid using the appropriate DNA plasmid construct in *E. coli.*
- Initiated downstream process ("DSP") activities involving purification of cannabinoids from the fermented material at a GMP-ready contract development and manufacturing operation (CDMO).
- Published the first in a series of pending patent applications directed to the Company's biosynthesis platform technology for the manufacturing of pharmaceutical-grade

cannabinoids. The first of which, entitled 'METABOLIC ENGINEERING OF E. COLI FOR THE BIOSYNTHESIS OF CANNABINOID PRODUCTS', addresses the enablement and maximization of cannabinoid production through optimization of the precursor substrates needed to support specific cannabinoid synthesis. This application and two more recently filed U.S. provisional patent applications cover various elements required to enable functional cannabinoid synthase production in an *E. coli* system."

Mr. Adams continued, "In the near term, we expect to complete the fermentation optimization initiative, to complete the process development of the DSP and to scale-up fermentation batches towards commercial scale. Finally, we will continue to pursue various avenues to maximize the yields and to lower the costs of cannabinoid manufacturing."

Results of Operations (expressed in Canadian Dollars):

- For 3Q19, the Company recorded a comprehensive net loss of $3.5 million, or $0.02 per share, compared with a comprehensive net loss of $2.1 million, or $0.01 per share, for the three months ended March 31, 2018 ("3Q18").

- Research and development expenses were $1.6 million for 3Q19, compared with $0.6 million for 3Q18. The increase in research and development expenses in 3Q19 as compared to 3Q18 was primarily due to: (a) increased spending on research supplies for the purchase of active pharmaceutical ingredients to be used in the clinical trial for INM-755; (b) increased spending on external contractors for work associated with preclinical studies for INM-755 required for the regulatory application to initiate clinical trials for INM-755 in the second half of calendar year 2019; (c) increased spending on the Company's biosynthesis program; and (d) increased R&D personnel compensation as a result of increased R&D staffing.

- The Company incurred general and administrative expenses of $1.0 million for 3Q19, compared with $0.8 million for 3Q18. The increase in general and administrative expenses in 3Q19 as compared to 3Q18 was primarily due to increased personnel compensation that reflects increased staffing, reflective of the growth in the Company's operations.

- At March 31, 2019, the Company's cash, cash equivalents and short-term investments were $20.4 million, which compares to $23.0 million at December 31, 2018.

- At March 31, 2019, the Company's total issued and outstanding shares were 172,133,633. Including outstanding stock options and warrants, as at March 31, 2019, the Company had 222,648,790 shares on a diluted basis. During 3Q19, the weighted average number of common shares was 171,328,077, which is used for the calculation of loss per share.

Conference Call & Webcast:

Wednesday, May 15, 2019 at 10:00 AM Pacific Time, 1:00 PM Eastern Time

Toronto:	+1.416.764.8688
Vancouver:	+1.778.383.7413
North America (Toll Free):	+1.888.390.0546
Conference ID:	17193517
Webcast:	https://event.on24.com/wcc/r/1999675/955779A89027D040E64A5A3804E51DBE

Replays, Available through May 22, 2019:

Toronto:	+1.416.764.8677
North America (Toll Free):	+1.888.390.0541
Playback Passcode:	193517 #

The Company's full financial statements and related MD&A for the three months ended March 31, 2019 will be available at www.sedar.com on May 15, 2019.

Table 1: Condensed consolidated interim statements of financial position (unaudited):

InMed Pharmaceuticals Inc.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION (unaudited)

As at March 31, 2019 and June 30, 2018

Expressed in Canadian Dollars

		March 31 2019		June 30 2018
ASSETS				
Current				
Cash and cash equivalents	$	**12,931,236**	$	24,134,277
Short-term investments		**7,440,225**		2,342,615
Accounts receivable		**76,886**		53,373
Prepaids and advances		**649,179**		203,477
Total current assets		**21,097,526**		26,733,742
Non-Current				
Property and equipment		**47,478**		55,732
Intangible assets		**1,205,441**		1,273,670
Total Assets	$	**22,350,445**	$	28,063,144
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current				
Trade payables		**667,786**		937,759
SHAREHOLDERS' EQUITY				
Share capital		**68,454,340**		68,058,698
Contributed surplus		**13,528,757**		10,381,759
Accumulated deficit		**(60,300,438)**		(51,315,072)
		21,682,659		27,125,385
	$	**22,350,445**	$	28,063,144

Table 2: Condensed consolidated interim statements of comprehensive loss (unaudited):

InMed Pharmaceuticals Inc.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE LOSS (unaudited)
For the three and nine months ended March 31, 2019 and 2018
Expressed in Canadian Dollars

	Three Months Ended March 31		Nine Months Ended March 31	
	2019	2018	**2019**	2018
Expenses				
General and administrative	**$ 988,632**	$ 814,982	**$ 2,723,265**	$ 2,391,617
Research and development	**1,615,729**	554,750	**3,189,671**	1,350,182
Amortization and depreciation	**31,538**	30,088	**94,267**	87,123
Foreign exchange (gain) loss	**72,978**	2,846	**(18,024)**	5,842
Share-based payments	**890,581**	758,350	**3,337,640**	1,691,722
Total expenses	**3,599,458**	2,161,016	**9,326,819**	5,526,486
Interest income	**108,887**	33,059	**341,453**	34,766
Total comprehensive loss for the period	**$ (3,490,571)**	$ (2,127,957)	**$ (8,985,366)**	$ (5,491,720)
Basic and diluted loss per share for the period	**$ - 0.02**	$ - 0.01	**$ - 0.05**	$ - 0.04

Table 3: Condensed consolidated interim statements of cash flows (unaudited):

InMed Pharmaceuticals Inc.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS (unaudited)
For the nine months ended March 31, 2019 and 2018
Expressed in Canadian Dollars

	2019	2018
OPERATING ACTIVITIES		
Cash flows from operating activities		
Loss for the period	$ (8,985,366)	$ (5,491,720)
Adjustments to reconcile loss to net cash used in operating activities		
Amortization and depreciation	94,267	87,123
Share-based payments	3,337,640	1,691,722
Accrued interest income on short-term investments	(68,860)	(2,905)
Changes in non-cash working capital balances:		
Prepaids and advances	(445,702)	136,015
Accounts receivable	(23,513)	8,643
Trade payables	(269,973)	266,480
Total cash outflows from operating activities	(6,361,507)	(3,304,642)
Cash Flows From Investing Activities		
Purchase of short-term investments	(5,028,750)	(2,328,750)
Purchase of property and equipment	(17,784)	(55,639)
Total cash outflows from investing activities	(5,046,534)	(2,384,389)
Cash Flows From Financing Activities		
Shares issued for cash	205,000	11,299,881
Share issue costs	-	(768,675)
Cash provided by financing activities	205,000	10,531,206
Increase (decrease) in cash during the period	(11,203,041)	4,842,175
Cash and cash equivalents beginning of the period	24,134,277	6,707,796
Cash and cash equivalents end of the period	$ 12,931,236	$ 11,549,971

About InMed:
InMed Pharmaceuticals is a biopharmaceutical company developing a proprietary biosynthesis system for the manufacturing of pharmaceutical-grade cannabinoids, as well as a pipeline of cannabinoid-based medications that target diseases with high unmet medical needs. The Company is dedicated to delivering new therapeutic alternatives to patients that may benefit from cannabinoid-based medicines. For more information, visit www.inmedpharma.com.

Investor Contact:
InMed Pharmaceuticals Inc.
Josh Blacher, Chief Business Officer
T: +1.646.452.7045
E: jblacher@inmedpharma.com

Cautionary Note Regarding Forward-Looking Information:
This news release contains "forward-looking information" and "forward-looking statements" (collectively, "forward-looking information") within the meaning of applicable securities laws. Forward-looking information is based on management's current expectations and beliefs and is subject to a number of risks and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements. Forward-looking information in this news release includes statements about: developing a proprietary biosynthesis platform technology for the manufacturing of pharmaceutical-grade cannabinoids as well as an R&D pipeline of medications targeting diseases with high unmet medical needs; the ability of our existing cash runway to position us to complete our forthcoming significant milestones, including advancing our INM-755 program through the completion of Phase I healthy volunteer studies, advancing our biosynthesis program in preliminary commercial scale-up activities, and advancing the glaucoma program through several pre-clinical studies; the ability of a single molecule product (INM-755), instead of a combination product, to improve our overall probability of success; in the near term, completing the fermentation optimization initiative, completing the process development of the DSP, and scaling-up fermentation batches towards commercial scale; continuing to pursue various avenues to maximize the yields and to lower the costs of cannabinoid manufacturing.

With respect to the forward-looking information contained in this news release, InMed has made numerous assumptions regarding, among other things: continued and timely positive preclinical and clinical efficacy data; the speed of regulatory approvals; the ability to contract with suitable partners; demand for InMed's products; and continued economic and market stability. While InMed considers these assumptions to be reasonable, these assumptions are inherently subject to significant business, economic, competitive, market and social uncertainties and contingencies.

Additionally, there are known and unknown risk factors which could cause InMed's actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information contained herein. Known risk factors include, among others: preclinical and clinical testing may not produce the desired results on a timely basis, or at all; regulatory applications may not be approved on a timely basis, or at all; cannabis licensing/importing issues may delay our projected development timelines; suitable partners may not be located; economic or market conditions may worsen; our existing cash runway may not allow us to complete our forthcoming significant milestones; INM-755 may not be as successful as desired, if at all; completion of the fermentation optimization initiative, completion of the process development of the DSP, and scaling-up fermentation batches towards commercial scale may not be completed in the near term, if at all; and the development of a

proprietary biosynthesis platform technology for the manufacturing of pharmaceutical-grade cannabinoids as well as an R&D pipeline of medications targeting diseases with high unmet medical needs may not be as successful as desired, if at all. A more complete discussion of the risks and uncertainties facing InMed is disclosed in InMed's most recent Annual Information Form and other continuous disclosure filed with Canadian securities regulatory authorities on SEDAR at www.sedar.com.

All forward-looking information herein is qualified in its entirety by this cautionary statement, and InMed disclaims any obligation to revise or update any such forward-looking information or to publicly announce the result of any revisions to any of the forward-looking information contained herein to reflect future results, events or developments, except as required by law.

NEITHER THE TORONTO STOCK EXCHANGE NOR ITS REGULATIONS SERVICES PROVIDER HAVE REVIEWED OR ACCEPT RESPONSIBILITY FOR THE ADEQUACY OR ACCURACY OF THIS RELEASE.