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InMed Pharmaceuticals Reports Fourth Quarter and Full Year Fiscal 2018 Financial Results and Provides R&D and Business Update

Vancouver, BC – September 13, 2018 – **InMed Pharmaceuticals Inc.** ("InMed" or the "Company") (TSX:IN; OTCQX:IMLFF), a fully integrated, cannabinoid-based biopharmaceutical company that leverages its proprietary platform technologies to develop novel therapeutics for the treatment of diseases with high unmet medical needs, today reported financial results for the three and twelve months ended June 30, 2018, which is the Company's fourth quarter of fiscal year 2018 ("4Q18").

Conference Call & Webcast:
Thursday, September 13, 2018 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:	06140730
Webcast:	https://event.on24.com/wcc/r/1825233/41E80E655BB542139BF0CC542AD952D5

Replays, Available through September 20, 2018:

Toronto:	+1-416-764-8677
North America (Toll Free):	+1-888-390-0541
Playback Passcode:	140730#

The Company's full financial statements and related MD&A for the three and twelve months ended June 30, 2018 will be available at www.sedar.com on September 13, 2018.

"During the fourth quarter of fiscal 2018, InMed continued to execute on its R&D and business strategy," stated President and Chief Executive Officer, Eric A. Adams. "The Company's progress is on track to help establish our leadership position in the field of cannabinoid pharmaceutical research. Our goal is to develop innovative therapies for the treatment of important diseases with high unmet medical needs and to lead the burgeoning cannabinoid sector with our first-in-class biosynthetic manufacturing technology. Over the course of this next fiscal year," Mr. Adams concluded, "we will remain focused on building shareholder value via innovative scientific research and development, as well as attaining greater exposure within the investment community in the United States and other key markets."

R&D and Business Update:

- ***Biosynthesis manufacturing technology***. The Company, in conjunction with its collaborators at the University of British Columbia, continued to advance the production platform for the bio-fermentation of cannabinoids. Optimization of the underlying gene vector will continue with our partners at UBC and, in parallel, we will be contracting with several external Contract Manufacturing Organizations (CMOs) for the identification of optimal fermentation conditions as well as purification processes. The Company also expects to continue to protect its intellectual property via additional patent filings in the coming months.

- ***INM-750 for the treatment of the orphan disease epidermolysis bullosa (EB)***. During the fiscal 4Q18, we continued working to optimize the formulation for INM-750 and initiated work on IND-enabling pharmacology and toxicology studies. These studies may be grouped into the following three general categories: (1) Formulation studies that will allow us to select our final topical formulation by the end of calendar 2018 for our first-in-man clinical trial; (2) Pharmacology studies, which have been designed to augment our understanding of the pharmacological roles of each component of INM-750 that we also expect to complete by the end of calendar 2018; and (3) Other pre-clinical studies, the first group of which will serve as the basis for detailed discussions with the regulatory authorities and the second set of the pre-clinical studies, which will be based on the outcomes of those discussions, will enable an IND submission. We continue to believe that we are on track to begin discussions of our clinical development plans with regulatory authorities in the first half of 2019 and to file an IND for INM-750 in the second half of 2019.

Results of Operations (expressed in Canadian Dollars):

- For the three and twelve months ended June 30, 2018, the Company recorded a net loss of $3.03 million and $8.52 million, or $0.02 and $0.06 per share, respectively, compared with a net loss of $1.88 million and $4.47 million, or $0.02 and $0.05 per share, for the three and twelve months ended June 30, 2017.

- Research and development expenses were $0.58 million for the three months ended June 30, 2018, compared with $0.38 million for the three months ended June 30, 2017. For the twelve months ended June 30, 2018, research and development expenses totaled $1.93 million, which compares with $0.75 million for the corresponding period in 2017. The increase in research and development expenses in the three months ended June 30, 2018 as compared to the same quarter in 2017 was primarily due to increased spending with external contractors for expenditures related to the advancement of INM-750 for the treatment for EB, as well as higher R&D personnel compensation as a result of increased R&D staffing.

- The Company incurred general and administrative expenses of $0.98 million for the three months ended June 30, 2018, compared with $0.75 million for the three months ended June 30, 2017. For the twelve months ended June 30, 2018, general and administrative expenses totaled $3.37 million, which compares with $2.32 million for the corresponding period in 2017. The increase in general and administrative expenses in the three months ended June 30, 2018 as compared to the same quarter in 2017, was

primarily due to increased personnel compensation that reflects increased staffing, reflective of the growth in the Company's operations.

- The Company also incurred non-cash, share-based payments, in connection with the grant of stock options, of $1.51 million for the three months ended June 30, 2018, compared with $0.72 million for the three months ended June 30, 2017. For the twelve months ended June 30, 2018, non-cash, share-based payments totaled $3.20 million, which compares with $1.31 million for the corresponding period in 2017.

- At June 30, 2018, the Company's cash, cash equivalents and short-term investments were $26.48 million, which compares to $6.71 million at June 30, 2017. During the twelve months to June 30, 2018, the Company's cash, cash equivalents and short-term investments increased by $19.77 million, which resulted primarily from receipt of net cash proceeds of $22.14 million from its June 21, 2018 financing and its non-brokered private placement completed on January 3, 2018 and $2.34 million proceeds from the exercise of warrants and stock options less $4.67 million cash outflows from operating activities.

Corporate Update (expressed in Canadian Dollars):

- On June 21, 2018, the Company completed a bought deal financing of 16,611,244 Units, at a price of $0.90 per Unit, for gross proceeds of $14.95 million (the "Financing"). Each Unit consists of one common share and one share purchase warrant. Each share purchase warrant is exercisable by the holder to acquire one additional common share at a price of $1.25 for a period of 24 months. As part of this Financing, 1,106,397 agent warrants, with an exercise price of $1.05 per share, were issued to the underwriter of the Financing. Net cash proceeds from the Financing totaled $13.51 million.

- At June 30, 2018, the Company's total issued and outstanding shares were 170,851,069. Including outstanding stock options and warrants, as at June 30, 2018, the Company had 221,398,726 shares on a fully diluted basis. During the three months ending June 30, 2018, the weighted average number of common shares was 155,143,970, which is used for the calculation of loss per share.

Table 1: Consolidated statements of financial position (audited):

InMed Pharmaceuticals Inc.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at June 30

Expressed in Canadian Dollars

	2018	2017
ASSETS		
Current		
Cash and cash equivalents	$ 24,134,277	$ 6,707,796
Short-term investments	2,342,615	-
Taxes recoverable	53,373	59,148
Prepaids and advances	203,477	177,577
Total current assets	26,733,742	6,944,521
Non-Current		
Property and equipment	55,732	27,049
Intangible assets	1,273,670	1,364,558
Total Assets	$ 28,063,144	$ 8,336,128
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Trade payables	937,759	369,674
SHAREHOLDERS' EQUITY		
Share capital	68,058,698	43,153,871
Contributed surplus	10,381,759	7,606,735
Accumulated deficit	(51,315,072)	(42,794,152)
	27,125,385	7,966,454
	$ 28,063,144	$ 8,336,128

Table 2: Consolidated statements of comprehensive loss:

InMed Pharmaceuticals Inc.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

For the three and twelve months ended June 30, 2018 and June 30, 2017

Expressed in Canadian Dollars

	UNAUDITED Three Months Ended June 30		AUDITED Twelve Months Ended June 30	
	2018	2017	**2018**	2017
Expenses				
General and administrative	$ **976,082**	$ 754,091	$ **3,367,698**	$ 2,320,922
Research and development	**576,954**	378,249	**1,927,137**	746,162
Amortization and depreciation	**30,722**	23,629	**117,845**	97,823
Foreign exchange (gain) loss	**(6,129)**	2,151	**(287)**	322
Share-based payments	**1,505,142**	717,534	**3,196,864**	1,308,620
Total expenses	**3,082,771**	1,875,654	**8,609,257**	4,473,849
Interest income	**53,571**	-	**88,337**	-
Total comprehensive loss for the period	$ **(3,029,200)**	$ (1,875,654)	$ **(8,520,920)**	$ (4,473,849)
Basic and diluted loss per share for the period	$ **(0.02)**	$ (0.02)	$ **(0.06)**	$ (0.05)
Basic and diluted weighted average number of common shares outstanding	**155,143,970**	118,904,411	**142,451,768**	89,452,627

Table 3: Consolidated statements of cash flows (audited):

InMed Pharmaceuticals Inc.
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the years ended June 30
Expressed in Canadian Dollars

	2018	2017
OPERATING ACTIVITIES		
Cash flows from operating activities		
Loss for the year	$ (8,520,920)	$ (4,473,849)
Adjustments to reconcile loss to net cash used in operating activities		
Amortization and depreciation	117,845	97,823
Share-based payments	3,196,864	1,308,620
Shares issued for services	-	206,646
Accrued interest income on short-term investments	(13,868)	-
Changes in non-cash working capital balances:		
Prepaids and advances	(25,900)	(129,276)
Taxes recoverable	5,775	25,974
Trade payables	568,086	(112,334)
Total cash outflows from operating activities	(4,672,118)	(3,076,396)
Cash Flows From Investing Activities		
Purchase of short-term investments	(2,328,750)	-
Purchase of property and equipment	(55,639)	(25,393)
Total cash outflows from investing activities	(2,384,389)	(25,393)
Cash Flows From Financing Activities		
Shares issued for cash	26,694,465	10,749,780
Share issue costs	(2,211,477)	(994,436)
Cash provided by financing activities	24,482,988	9,755,344
Increase in cash during the year	17,426,481	6,653,555
Cash and cash equivalents beginning of the year	6,707,796	54,241
Cash and cash equivalents end of the year	$ 24,134,277	$ 6,707,796

The Company's full financial statements and related MD&A for the year ended June 30, 2018 are available at www.sedar.com.

About InMed:
InMed is a pre-clinical stage biopharmaceutical company that specializes in developing novel therapies through the research and development into the extensive pharmacology of cannabinoids coupled with innovative drug delivery systems. InMed's proprietary bioinformatics database drug/disease targeting tool, cannabinoid biosynthesis technology and drug development pipeline are the fundamental value drivers of the Company. For more information, visit www.inmedpharma.com

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About Epidermolysis Bullosa (EB). EB is a group of rare diseases that cause fragile, blistering skin. The blisters may appear in response to minor injury, even from heat, rubbing, scratching or adhesive tape. In severe cases, the blisters may occur inside the body, such as the lining of the mouth or the stomach. Most types of epidermolysis bullosa are inherited. The condition usually presents in infancy or early childhood. Epidermolysis bullosa has no cure.

About INM-750. INM-750 is a proprietary, topical cannabinoid product candidate targeted as a therapy in epidermolysis bullosa (EB) and other potential dermatological and wound-healing applications. It has been specifically designed with the intent to: (i) modify the underlying cause of the disease in certain patients with EB Simplex (EBS, the most common form of EB), and (ii) to treat the major symptoms of the disease in all patients with EB. Preclinical data generated previously demonstrates that INM-750 may have a significant impact on certain symptoms of EB (which may include improvement of wound area to promote healing, reduction in pain, itch and inflammation, and providing antimicrobial activity). These disease hallmarks are key therapeutic targets for the effective treatment of EB as well as several other dermatological conditions. Additionally, our data indicate that INM-750 may have an impact on the underlying disease by increasing the production of certain proteins, called keratins, in the skin.

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: establishing a leadership position as a fully-integrated cannabinoid pharmaceutical company; developing innovative therapies for the treatment of important diseases with high unmet medical needs; leading the burgeoning cannabinoid sector with our first-in-class biosynthetic manufacturing technology; building shareholder value via innovative scientific research and development; attaining greater exposure within the investment community in the United States and other key markets; continuing to optimize our biosynthesis manufacturing technology with our partners at UBC; contracting with several individual CMOs to optimize both the fermentation and purification processes; additional patent filings in the coming months; the timeline for completing IND-enabling pharmacology and toxicology studies for INM-750; discussing INM-750 clinical development plans with regulatory authorities in the first half of

2019, and filing an IND application in the second half of 2019; the potential of INM-750 to impact EB; and the expected fundamental value drivers of the Company.

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; suitable partners may not be located; economic or market conditions may worsen; and InMed's proprietary bioinformatics platform, biosynthesis manufacturing process and drug development programs may not deliver the expected level of results nor become the fundamental value drivers of the Company. 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.

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