
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM S-8
REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

InMed Pharmaceuticals Inc.

(Exact name of registrant as specified in its charter)

British Columbia

(State or other jurisdiction of
incorporation or organization)

98-1428279

(I.R.S. Employer
Identification Number)

**Suite 310 – 815 West Hastings Street
Vancouver, British Columbia
Canada**

(Address of Principal Executive Offices)

V6C 1B4

(Zip Code)

InMed Pharmaceuticals Inc. Amended 2017 Stock Option Plan

(Full title of the plan)

Registered Agent Solutions, Inc.

1100 H Street NW

Suite 840

Washington, DC 20005

(888) 705-7274

(Name, address and telephone number, including area code, of agent for service)

with copies to:

Bruce Colwill

Chief Financial Officer

InMed Pharmaceuticals Inc.

Suite 310 – 815 West Hastings Street

Vancouver, British Columbia V6C 1B4

Canada

(604) 669-7207

Daniel M. Miller

Dorsey & Whitney LLP

Suite 1070, 1095 West Pender Street

Vancouver, British Columbia V6E 2M6

Canada

(604) 630-5199

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or 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

Non-accelerated filer

Accelerated filer

Smaller reporting company

Emerging growth company

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 7(a)(2)(B) of the Securities Act.

CALCULATION OF REGISTRATION FEE

Title of securities to be registered	Amount to be registered⁽¹⁾	Proposed maximum offering price per share⁽²⁾	Proposed maximum aggregate offering price	Amount of registration fee
Common Shares, without par value	1,044,143	\$ 4.78	\$ 4,991,004	\$ 545

(1) Consists of Common Shares (without par value) issuable pursuant to exercise of options granted under the 2017 Stock Option Plan. Also includes such indeterminate number of common shares of the registrant as may be issued to prevent dilution resulting from stock dividends, stock splits or similar transactions in accordance with Rule 416 under the Securities Act of 1933.

(2) Estimated pursuant to Rule 457(c) and (h) under the Securities Act of 1933 solely for the purpose of calculating the registration fee on the basis of the average of the high and low sales price per share of the common shares of InMed Pharmaceuticals Inc. on the Nasdaq Capital Market on March 2, 2021.

PART I

INFORMATION REQUIRED IN THE SECTION 10(a) PROSPECTUS

The document(s) containing the information required by Item 1 of Form S-8 and the statement of availability of registrant information and any other information required by Item 2 of Form S-8 will be sent or given to participants as specified by Rule 428 under the Securities Act of 1933, as amended. In accordance with Rule 428 and the requirements of Part I of Form S-8, such documents are not being filed with the United States Securities and Exchange Commission, or the "Commission", either as part of this registration statement or as prospectuses or prospectus supplements pursuant to Rule 424 under the Securities Act. InMed Pharmaceuticals Inc., or "we", "our company" or the "Registrant", will maintain a file of such documents in accordance with the provisions of Rule 428. Upon request, the Registrant will furnish to the Commission or its staff a copy of any or all of the documents included in such file.

PART II

INFORMATION REQUIRED IN THE REGISTRATION STATEMENT

Item 3. Incorporation of Documents by Reference.

The following documents filed by the Registrant with the Commission pursuant to the Securities Exchange Act of 1934, as amended (the "Exchange Act"), are incorporated into this registration statement by reference:

- The [Registrant's prospectus](#), dated November 12, 2020, filed pursuant to Rule 424(b) under the Securities Act, containing audited financial statements for the fiscal year ended June 30, 2020;
- The Registrant's Current Reports on Form 8-K furnished to the Commission on [November 12, 2020](#); [November 13, 2020](#); [November 25, 2020](#); [December 4, 2020](#); [February 5, 2021](#); [February 12, 2021](#); and [March 3, 2021](#);
- The description of the Registrant's common shares contained in its Registration Statement on [Form 8-A](#) filed with the Commission on November 5, 2020 under Section 12 of the Exchange Act, and all amendments and reports filed for the purpose of updating such description; and
- All other reports filed by the Registrant pursuant to Section 13(a) or 15(d) of the Exchange Act since June 30, 2020.

Each document filed by the Registrant with the Commission pursuant to Sections 13(a), 13(c), 14 and 15(d) of the Exchange Act subsequent to the date of this registration statement and prior to the filing of any post-effective amendment to this registration statement which indicates that all securities offered hereby have been sold or which deregisters all securities then remaining unsold, shall be deemed to be incorporated by reference into this registration statement and to be a part hereof from the date of filing of such documents.

Any statement contained herein, in any amendment hereto or in a document incorporated by reference herein shall be deemed to be modified or superseded for purposes of this registration statement to the extent that a statement contained herein or in any subsequently-filed amendment to this registration statement or in any document that also is incorporated by reference herein modifies or supersedes such statement. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this registration statement.

Item 4. Description of Securities.

Not applicable.

Item 5. Interest of Named Experts and Counsel.

Not applicable.

Item 6. Indemnification of Directors and Officers.

We are subject to the provisions of Part 5, Division 5 of the Business Corporations Act (British Columbia), or “BCBCA”. Under Section 160 of the BCBCA, the Registrant may, subject to Section 163 of the BCBCA:

1. indemnify an individual who:

- is or was a director or officer of our company;
- is or was a director or officer of another corporation (i) at a time when such corporation is or was an affiliate of our company; or (ii) at our request, or
- at our request, is or was, or holds or held a position equivalent to that of, a director or officer of a partnership, trust, joint venture or other unincorporated entity,

and including, subject to certain limited exceptions, the heirs and personal or other legal representatives of that individual (collectively, an “eligible party”), against all eligible penalties to which the eligible party is or may be liable; and

2. after final disposition of an eligible proceeding, pay the expenses actually and reasonably incurred by an eligible party in respect of that proceeding, where:

- “eligible penalty” means a judgment, penalty or fine awarded or imposed in, or an amount paid in settlement of, and eligible proceeding.
- “eligible proceeding” means a proceeding in which an eligible party or any of the heirs and personal or other legal representatives of the eligible party, by reason of the eligible party being or having been a director or officer of, or holding or having held a position equivalent to that of a director or officer of, our company or an associated corporation (a) is or may be joined as a party, or

(b) is or may be liable for or in respect of a judgment, penalty or fine in, or expenses related to, the proceeding.
- “proceeding” includes any legal proceeding or investigative action, whether current, threatened, pending or completed.

Under Section 161 of the BCBCA, and subject to Section 163 of the BCBCA, we must, after the final disposition of an eligible proceeding, pay the expenses actually and reasonably incurred by an eligible party in respect of that proceeding if the eligible party (a) has not been reimbursed for those expenses, and (b) is wholly successful, on the merits or otherwise, in the outcome of the proceeding or is substantially successful on the merits in the outcome of the proceeding.

Under Section 162 of the BCBCA, and subject to Section 163 of the BCBCA, we may pay, as they are incurred in advance of the final disposition of an eligible proceeding, the expenses actually and reasonably incurred by an eligible party in respect of the proceeding, provided that we must not make such payments unless we first receive from the eligible party a written undertaking that, if it is ultimately determined that the payment of expenses is prohibited under Section 163 of the BCBCA, the eligible party will repay the amounts advanced.

Under Section 163 of the BCBCA, we must not indemnify an eligible party against eligible penalties to which the eligible party is or may be liable or pay the expenses of an eligible party in respect of that proceeding under Sections 160, 161 or 162 of the BCBCA, as the case may be, if any of the following circumstances apply:

- if the indemnity or payment is made under an earlier agreement to indemnify or pay expenses and, at the time that the agreement to indemnify or pay expenses was made, we were prohibited from giving the indemnity or paying the expenses by our memorandum or articles;
- if the indemnity or payment is made otherwise than under an earlier agreement to indemnify or pay expenses and, at the time that the indemnity or payment is made, we are prohibited from giving the indemnity or paying the expenses by our memorandum or articles;
- if, in relation to the subject matter of the eligible proceeding, the eligible party did not act honestly and in good faith with a view to the best interests of our company or the associated corporation, as the case may be; or
- in the case of an eligible proceeding other than a civil proceeding, if the eligible party did not have reasonable grounds for believing that the eligible party's conduct in respect of which the proceeding was brought was lawful.

If an eligible proceeding is brought against an eligible party by or on behalf of our company or by or on behalf of an associated corporation, we must not either indemnify the eligible party against eligible penalties to which the eligible party is or may be liable, or pay the expenses of the eligible party under Sections 160, 161 or 162 of the BCBCA, as the case may be, in respect of the proceeding.

Under Section 164 of the BCBCA, and despite any other provision of Part 5, Division 5 of the BCBCA and whether or not payment of expenses or indemnification has been sought, authorized or declined under Part 5, Division 5 of the BCBCA, on application of our company or an eligible party, the Supreme Court of British Columbia may do one or more of the following:

- order us to indemnify an eligible party against any liability incurred by the eligible party in respect of an eligible proceeding;
- order us to pay some or all of the expenses incurred by an eligible party in respect of an eligible proceeding;
- order the enforcement of, or payment under, an agreement of indemnification entered into by us;
- order us to pay some or all of the expenses actually and reasonably incurred by any person in obtaining an order under Section 164 of the BCBCA; or
- make any other order the court considers appropriate.

Section 165 of the BCBCA provides that we may purchase and maintain insurance for the benefit of an eligible party or the heirs and personal or other legal representatives of the eligible party against any liability that may be incurred by reason of the eligible party being or having been a director or officer of, or holding or having held a position equivalent to that of a director or officer of, our company or an associated corporation.

Under our articles, and subject to the BCBCA, we must indemnify our directors, former directors or alternate directors and his or her heirs and legal personal representatives against all eligible penalties to which such person is or may be liable, and we must, after the final disposition of an eligible proceeding, pay the expenses actually and reasonably incurred by such person in respect of that proceeding. Each director and alternate director is deemed to have contracted with our company on the terms of the indemnity contained in our articles.

Under our articles, and subject to the BCBCA, we may agree to indemnify and may indemnify any person (including an eligible party) against eligible penalties and pay expenses incurred in connection with the performance of services by that person for us. We have entered into indemnity agreements with our directors and certain of our officers.

Pursuant to our articles, the failure of an eligible party to comply with the BCBCA or our articles does not, of itself, invalidate any indemnity to which he or she is entitled under our articles.

Under our articles, we may purchase and maintain insurance for the benefit of any person (or his or her heirs or legal personal representatives) who:

- is or was our director, alternate director, officer, employee or agent;
- is or was a director, alternate director, officer, employee or agent of a corporation at a time when the corporation is or was our affiliate;
- at our request, is or was a director, alternate director, officer, employee or agent of a corporation or of a partnership, trust, joint venture or other unincorporated entity; or
- at our request, holds or held a position equivalent to that of a director, alternate director or officer of a partnership, trust, joint venture or other unincorporated entity;
- against any liability incurred by him or her as such director, alternate director, officer, employee or agent or person who holds or held such equivalent position.

In addition, we have entered into an indemnification agreement with each of our directors and our Chief Financial Officer, which requires us to indemnify them.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers or persons controlling the Registrant pursuant to the foregoing provisions, the Registrant has been informed that in the opinion of the Commission such indemnification is against public policy as expressed in the act and is therefore unenforceable.

Item 7. Exemption from Registration Claimed.

Not applicable.

Item 8. Exhibits.

Exhibit No.	Description
4.1	Amended and Restated Articles (incorporated by reference to Exhibit 3.1 to the Registrant's Registration Statement on Form S-1 (File No. 333-239319), initially filed on June 19, 2020).
4.2	InMed Pharmaceuticals Inc. Amended 2017 Stock Option Plan
4.3	Form of Stock Option Agreement
5.1	Opinion of Farris LLP
23.1	Consent of KPMG LLP
23.2	Consent of Farris LLP (included in Exhibit 5.1)
24.1	Powers of Attorney (included on the signature pages to this registration statement)

Item 9. Undertakings.

(a) The undersigned registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) to include any prospectus required by section 10(a)(3) of the Securities Act;

(ii) to reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of a prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20% change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement;

(iii) to include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement;

provided, however, that the undertakings set forth in paragraphs (a)(1)(i) and (a)(1)(ii) of this section do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in reports filed with or furnished to the Commission by the Registrant pursuant to Section 13 or Section 15(d) of the Exchange Act that are incorporated by reference in the registration statement.

(2) That, for the purpose of determining any liability under the Securities Act, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(b) The undersigned registrant hereby undertakes that, for purposes of determining any liability under the Securities Act, each filing of the registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Exchange Act (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Exchange Act) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(c) Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-8 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Vancouver, British Columbia, Canada on March 5, 2021.

INMED PHARMACEUTICALS INC.

By: /s/ Eric A. Adams

Name: Eric A. Adams

Title: President and Chief Executive Officer

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below hereby constitutes and appoints Eric A. Adams and Bruce Colwill, and each of them (with full power to act alone), as his true and lawful attorneys-in-fact and agents, with full power of substitution and re-substitution, for him in his name, place and stead, in any and all capacity, in connection with this registration statement, including to sign and file in the name and on behalf of the undersigned as director or officer of the registrant any and all amendments or supplements (including any and all stickers and post-effective amendments) to this registration statement, with all exhibits thereto, and other documents in connection therewith with the Securities and Exchange Commission and any applicable securities exchange, securities self-regulatory body or other regulatory authority, granting unto said attorneys-in-fact and agents, and each of them (with full power to act alone), full power and authority to do and perform each and every act and thing requisite or necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any of them, or their substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed below by the following persons in the capacities indicated on March 5, 2021:

<u>Signature</u>	<u>Title</u>
<u>/s/ Eric A. Adams</u> Eric A. Adams	President, Chief Executive Officer and Director (Principal Executive Officer)
<u>/s/ Bruce Colwill</u> Bruce Colwill	Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)
<u>/s/ William J. Garner</u> William J. Garner	Director
<u>/s/ Catherine A. Sazdanoff</u> Catherine A. Sazdanoff	Director
<u>/s/ Adam Cutler</u> Adam Cutler	Director
<u>/s/ Andrew Hull</u> Andrew Hull	Director

AUTHORIZED REPRESENTATIVE

Pursuant to the requirements to Section 6(a) of the Securities Act of 1933, the undersigned has signed this registration statement solely in the capacity of the duly authorized representative of InMed Pharmaceuticals Inc. in the United States on March 5, 2021.

By: /s/ Catherine Sazdanoff
Name: Catherine Sazdanoff



**INMED PHARMACEUTICALS INC.
AMENDED 2017 STOCK OPTION PLAN**

INMED PHARMACEUTICALS INC.

INMED PHARMACEUTICALS INC. 2017 STOCK OPTION PLAN

1. PURPOSE OF THE PLAN

1.1 Purpose of this Plan. The purpose of this Plan is to promote the interests of the Company by:

- (a) furnishing certain directors, officers, employees or consultants of the Company or any Affiliate or other persons as the Compensation Committee may approve with greater incentive to further develop and promote the business and financial success of the Company;
- (b) furthering the identity of interests of persons to whom Options may be granted with those of the shareholders of the Company generally through share ownership in the Company; and
- (c) assisting the Company in attracting, retaining and motivating its directors, officers, employees and consultants.

The Company believes that these purposes may best be effected by granting of Options to Eligible Participants.

2. DEFINITIONS

2.1 Definitions. In this Plan, unless there is something in the subject matter or context inconsistent therewith, capitalized words and terms will have the following meanings:

- (a) **"Affiliate"** means, in relation to the Company, an affiliate company as defined in the Securities Act;
- (b) **"Associate"** means an associate as defined in the Securities Act;
- (c) **"Blackout Period"** means: (i) to the extent that the Company has in place an insider trading policy or any similar policy, such period of time during which trading in securities of the Company by officers, directors and employees of the Company is prohibited by such policy; (ii) such period or periods, as may be determined from time to time by the Board of Directors or chief executive officer of the Company, during which the officers, directors and employees of the Company are prohibited from trading in securities of the Company due to management or the Board of Directors having knowledge of material undisclosed information with respect the Company or its operations or assets; (iii) the exercise of the Option is prohibited by applicable law and (iv) shares may not be purchased or sold by certain employees or directors of the Company due to a "lock-up" agreement undertaken in connection with an issuance of securities by the Company;

- (d) **“Board of Directors”** means the board of directors of the Company as constituted from time to time;
- (e) **“Change in Control”** means:
- (i) any merger or consolidation in which voting securities of the Company possessing more than fifty percent (50%) of the total combined voting power of the Company’s outstanding securities are transferred to a person or persons different from the persons holding those securities immediately prior to such transaction and the composition of the Board of Directors following such transaction is such that the directors of the Company prior to the transaction constitute less than fifty percent (50%) of the Board of Directors membership following the transaction;
 - (ii) any acquisition, directly or indirectly, by a person or related group of persons (other than the Company or a person that directly or indirectly controls, is controlled by, or is under common control with, the Company) of beneficial ownership of voting securities of the Company possessing more than fifty percent (50%) of the total combined voting power of the Company’s outstanding securities;
 - (iii) any acquisition, directly or indirectly, by a person or related group of persons of the right to appoint a majority of the directors of the Company or otherwise directly or indirectly control the management, affairs and business of the Company;
 - (iv) any sale, transfer or other disposition of all or substantially all of the assets of the Company to a non-Affiliate; and
 - (v) a complete liquidation or dissolution of the Company;

provided however, that a Change in Control shall not be deemed to have occurred if such Change in Control results solely from the issuance, in connection with a *bona fide* financing or series of financings by the Company or any of its Affiliates, of voting securities of the Company or any of its Affiliates or any rights to acquire voting securities of the Company or any of its Affiliates which are convertible into voting securities;

- (f) **“Common Shares”** means the common shares in the capital of the Company as constituted on the Effective Date, provided that if the rights of any Participant are subsequently adjusted pursuant to Article 16 hereof, “Common Shares” thereafter means the shares or other securities or property which such Participant is entitled to purchase after giving effect to such adjustment;

- (g) **“Compensation Committee”** has the meaning ascribed thereto in Section 5.1 of this Plan;
- (h) **“Company”** means InMed Pharmaceuticals Inc.;
- (i) **“Consultant”** means any individual, corporation or other person engaged, from time to time, to provide valuable services to the Company or an Affiliate;
- (j) **“Director”** shall mean a member of the Board of Directors.
- (k) **“Effective Date”** has the meaning ascribed thereto by Section 3.1 of this Plan;
- (l) **“Eligible Person”** means a director, officer, employee or Consultant of the Company or an Affiliate or a person otherwise approved by the Compensation Committee;
- (m) **“Exercise Price”** means the price per Common Share at which a Participant may purchase Common Shares pursuant to an Option, provided that if such price is adjusted pursuant to Section 16.1 hereof, “Exercise Price” thereafter means the price per Common Share at which such Participant may purchase Common Shares pursuant to such Option after giving effect to such adjustment;
- (n) **“Fair Market Value”** as it relates to Common Shares means:
 - (i) where the Common Shares are listed for trading on a Stock Exchange, the closing price of the Common Shares on such Stock Exchange as determined by the Compensation Committee, for the Trading Session on the day prior to the relevant time as it relates to an Option; or
 - (ii) where the Common Shares are not publicly traded, the value which is determined by the Compensation Committee to be the fair value of the Common Shares at the relevant time as it relates to an Option, taking into consideration all factors that the Compensation Committee deems appropriate, including, without limitation, recent sale and offer prices of the Common Shares in private transactions negotiated at arm’s length;
- (o) **“Insider”** means:
 - (i) an insider as defined in the Securities Act; and
 - (ii) an Associate or Affiliate of any person who is an insider;
- (p) **“Legacy Options”** has the meaning ascribed thereto by Section 3.2 of this Plan;
- (q) **“Legal Representative”** has the meaning ascribed thereto by Section 10.1 of this Plan;

- (t) **“Merger and Acquisition Transaction”** means:
- (i) any merger;
 - (ii) any acquisition;
 - (iii) any amalgamation;
 - (iv) any offer for shares of the Company which if successful would entitle the offeror to acquire all of the voting securities of the Company; or
 - (v) any arrangement or other scheme of reorganization;
- that results in a Change in Control;
- (s) **“Non Blackout Trading Day”** means a day on which (i) a Trading Session occurs, and (ii) no Blackout Period is in place;
- (t) **“Options”** means stock options granted hereunder to purchase Common Shares from treasury pursuant to the terms and conditions hereof and as evidenced by an Option Agreement and “Option” means any one of them;
- (u) **“Option Agreement”** means an agreement evidencing an Option, entered into by and between the Company and an Eligible Person;
- (v) **“Outstanding Common Shares”** at the time of any share issuance or grant of Options means the number of Common Shares that are outstanding immediately prior to the share issuance or grant of Options in question, on a non-diluted basis, or such other number as may be determined under the applicable rules and regulations of all regulatory authorities to which the Company is subject, including the Stock Exchange;
- (w) **“Participant”** means a person to whom an Option has been granted under this Plan;
- (x) **“Plan”** means this InMed Pharmaceuticals Inc. 2017 Stock Option Plan, as the same may from time to time be supplemented or amended and in effect;
- (y) **“Securities Act”** means the *Securities Act*, R.S.B.C. 1996, c.418, as amended from time to time;
- (z) **“Stock Exchange”** means such stock exchange or other organized market on which the Common Shares are listed or posted for trading;
- (aa) **“Trading Session”** means a trading session on a day which the applicable Stock Exchange is open for trading;

3. EFFECTIVE DATE OF PLAN AND APPLICATION

3.1 Effective Date of this Plan. The effective date (the “Effective Date”) of this Plan is March 24, 2017, the date on which this Plan was adopted by the shareholders of the Company.

3.2 Application of this Plan. This Plan applies to all Options granted under this Plan on or after the Effective Date and all stock options of the Company that are outstanding as of the Effective Date (the “Legacy Options”) notwithstanding that such Options were issued under a predecessor stock option plan of the Company. The term “Option” in this Plan shall be read to include all Legacy Options.

4. COMMON SHARES SUBJECT TO PLAN

4.1 Common Shares Subject to this Plan. Subject to adjustment as provided in Article 16 and the applicable rules and regulations of all regulatory authorities to which the Company is subject, including the Stock Exchange, the total number of Common Shares issuable from treasury by the Company pursuant to the Plan and all other securities-based compensation arrangements of the Company (including, for greater certainty, any Common Shares issuable upon the exercise of any Legacy Options) shall not exceed 20% of the issued and Outstanding Common Shares on a rolling basis. The number of Common Shares in respect of which Options may be granted pursuant to this Plan may be increased, decreased or fixed by the Board of Directors, as permitted under the applicable rules and regulations of all regulatory authorities to which the Company is subject, including the Stock Exchange.

4.2 Computation of Available Shares. For the purposes of computing the number of Common Shares available for grant under this Plan, Common Shares subject to any Option (or any portion thereof) that have expired or are forfeited, surrendered, cancelled or otherwise terminated prior to the issuance or transfer of such Common Shares and Common Shares subject to an Option (or any portion thereof) that is settled in cash in lieu of settlement in Common Shares shall again be available for grant under this Plan. Notwithstanding the foregoing, any Common Shares subject to an Option that are withheld or otherwise not issued (upon an exercise of any Option) in order to satisfy the Participant’s withholding obligations or in payment of any Option Exercise Price shall reduce the number of Common Shares available for grant under the limitations set forth in this Article 4.

4.3 Reservation of Shares. The Board of Directors will reserve for allotment from time to time out of the authorized but unissued Common Shares sufficient Common Shares to provide for issuance of all Common Shares which are issuable under all outstanding Options.

4.4 No Fractional Shares. No fractional Common Shares may be purchased or issued under this Plan.

5. ADMINISTRATION OF PLAN

5.1 Administration of Plan. The Board of Directors may at any time appoint a committee (the “**Compensation Committee**”) to, among other things, interpret, administer and implement this Plan on behalf of the Board of Directors in accordance with such terms and conditions as the Board of Directors may prescribe, consistent with this Plan (provided that if at any such time such a committee has not been appointed by the Board of Directors or the Board of Directors otherwise determines, this Plan will be administered by the Board of Directors, and in such event references herein to the Compensation Committee shall be construed to be a reference to the Board of Directors). The Board of Directors will take such steps which in its opinion are required to ensure that the Compensation Committee has the necessary authority to fulfil its functions under this Plan.

5.2 Option Agreements. Each Option will be evidenced by an Option Agreement which incorporates such terms and conditions as the Compensation Committee in its discretion deems appropriate and consistent with the provisions of this Plan (and the execution and delivery by the Company of an Option Agreement with a Participant shall be conclusive evidence that such Option Agreement incorporates terms and conditions approved by the Compensation Committee and is consistent with the provisions of this Plan). Each Option Agreement will be executed by the Participant to whom the Option is granted and on behalf of the Company by any member of the Compensation Committee or any officer of the Company or such other person as the Compensation Committee may designate for such purpose.

5.3 Powers of Compensation Committee. The Compensation Committee is authorized, subject to the provisions of this Plan, to establish from time to time such rules and regulations, make such determinations and to take such steps in connection with this Plan as in the opinion of the Compensation Committee are necessary or desirable for the proper administration of this Plan. For greater certainty, without limiting the generality of the foregoing, the Compensation Committee will have the power, where consistent with the general purpose and intent of this Plan and subject to the specific provisions of this Plan and any approval of the Stock Exchange, if applicable:

- (a) to interpret and construe this Plan and any Option Agreement and to determine all questions arising out of this Plan and any Option Agreement, and any such interpretation, construction or determination made by the Compensation Committee will be final, binding and conclusive for all purposes;
- (b) to determine to which Eligible Persons Options are granted, and to grant Options;
- (c) to determine the number of Common Shares issuable pursuant to each Option;
- (d) to determine the Exercise Price for each Option;
- (e) to determine the time or times when Options will be granted, vest and be exercisable, as applicable;
- (f) to determine the vesting terms of Options, which may be based upon the passage of time, continued employment or service, on the basis of corporate or personal performance objectives, or any combination of the foregoing as determined by the Compensation Committee;
- (g) to determine any acceleration of vesting;
- (h) to determine if the Common Shares that are subject to an Option will be subject to any restrictions or repurchase rights upon the exercise or settlement of such Option including, where applicable, the endorsement of a legend on any certificate representing Common Shares acquired on the exercise or settlement of any Option to the effect that such Common Shares may not be offered, sold or delivered except in compliance with the applicable securities laws and regulations of Canada, the United States or any other country and if any rights or restrictions exist they will be described in the applicable Option Agreement;

- (i) to determine the expiration date for each Option and to extend the period of time for which any Option is to remain exercisable or may be settled in appropriate circumstances, including, without limitation, in the event of the Participant's cessation of employment or service, subject to compliance with Section 8.1(a) and Article 14 of this Plan;
- (j) to prescribe the form of the instruments relating to the grant, exercise, or settlement, as applicable, and other terms of Options;
- (k) to enter into an Option Agreement evidencing each Option which will incorporate such terms as the Compensation Committee in its discretion deems consistent with this Plan;
- (l) to take such steps and require such documentation from Eligible Persons which in its opinion are necessary or desirable to ensure compliance with the rules and regulations of the Stock Exchange and all applicable laws;
- (m) to adopt such modifications, procedures and subplans as may be necessary or desirable to comply with the provisions of the laws of Canada, the United States and other countries in which the Company or its Affiliates may operate to ensure the viability and maximization of the benefits from the Options granted to Participants residing in such countries and to meet the objectives of this Plan; and
- (n) to determine such other matters as provided for herein.

6. GRANT OF OPTIONS

Subject to the rules set out below, the Compensation Committee or the Board of Directors (or in the case of any proposed Participant who is a member of the Compensation Committee, the Board of Directors) may from time to time grant to any Eligible Person one or more Options as the Compensation Committee or the Board of Directors deems appropriate.

6.1 Date Option Granted. The date on which an Option will be deemed to have been granted under this Plan will be the date on which the Compensation Committee or the Board of Directors, as applicable, authorizes the grant of such Option or such other date as may be specified by the Compensation Committee or the Board of Directors, as applicable, at the time of such authorization.

6.2 Number of Common Shares/Maximum Grant. Subject to the applicable rules and regulations of all regulatory authorities to which the Company is subject, including the Stock Exchange, and Article 4 of this Plan, the number of Common Shares that may be purchased under any Option will be determined by the Compensation Committee.

6.3 Exercise Price. The Exercise Price per Common Share under each Option will be determined by the Compensation Committee, in its sole discretion, but will in no event be less than the Fair Market Value of the date of the grant.

6.4 Vesting Terms. Subject to Sections 8.3 and 16.3 of this Plan, Options shall become vested at such times, in such instalments, and subject to such terms and conditions as may be determined by the Compensation Committee and set forth in the applicable Option Agreement.

7. EXERCISE OF OPTIONS

7.1 Exercise of Options. Subject to the terms and conditions of this Plan, the Compensation Committee may impose such limitations or conditions on the exercise or vesting of any Option as the Compensation Committee in its discretion deems appropriate, including limiting the number of Common Shares for which any Option may be exercised during any period as may be specified by the Compensation Committee and which number of Common Shares for which such Option may be exercised in any period will be specified in the Option Agreement with respect to such Option. Each Option Agreement will provide that the Option granted thereunder may be exercised only by notice signed by the Participant or the Legal Representative of the Participant and accompanied by full payment for the Common Shares being purchased. Such consideration may be paid in any combination of the following:

- (a) cash, bank draft or certified cheque; or
- (b) such other consideration as the Compensation Committee may permit consistent with applicable laws.

As soon as practicable after any exercise of an Option, a certificate or certificates representing the Common Shares in respect of which such Option is exercised will be delivered by the Company to the Participant.

7.2 Net Exercises. Notwithstanding Section 7.1, the Compensation Committee may, in its discretion, permit an Option to be exercised by delivering to the Participant a number Common Shares having an aggregate Fair Market Value (determined as of the date of exercise) equal to the excess, if positive, of the Fair Market Value of the Common Shares underlying the Options being exercised on the date of exercise, over the exercise price of the Option for such Common Shares.

7.3 Conditions. Notwithstanding any of the provisions contained in this Plan or in any Option Agreement, the Company's obligation to issue Common Shares to a Participant pursuant to the exercise of an Option will be subject to, if applicable:

- (a) completion of such registration or other qualification of such Common Shares or obtaining approval of such governmental authority as the Company will determine to be necessary or advisable in connection with the authorization, issuance or sale thereof;
- (b) the admission of such Common Shares to listing or quotation on the Stock Exchange; and

- (c) the receipt from the Participant of such representations, agreements and undertakings, including as to future dealings in such Common Shares, as the Company or its counsel determines to be necessary or advisable in order to safeguard against the violation of the securities laws of any jurisdiction.

8. TERM OF OPTIONS

8.1 Term of Options. Unless otherwise determined by the Compensation Committee, each Option granted pursuant to this Plan will, subject to the provisions of this Plan, expire automatically on the earlier of:

- (a) the date determined by the Compensation Committee and specified in the Option Agreement pursuant to which such Option is granted, provided that such date may not be, subject to Article 14 later than the earlier of (A) the date which is the tenth anniversary of the date on which such Option is granted, and (B) the latest date permitted under the applicable rules and regulations of all regulatory authorities to which the Company is subject, including the Stock Exchange;
- (b) in the event the Participant ceases to be an Eligible Person for any reason, other than the death of the Participant or the termination of the Participant for cause, such period of time after the date on which the Participant ceases to be an Eligible Person as may be specified by the Compensation Committee or as specified in an agreement among the Participant and the Company, and in the absence of such specification or agreement, will be deemed to be the date that is three months following the date on which the Company provides notice in writing to the Participant that the Participant has ceased to be an Eligible Person;
- (c) in the event of the termination of the Participant as a director, officer, employee or Consultant of the Company or an Affiliate for cause, the date of such termination;
- (d) in the event of the death of a Participant prior to: (A) the Participant ceasing to be an Eligible Person; or (B) the date which is the number of days specified by the Compensation Committee pursuant to subparagraph (b) above from the date on which the Participant ceased to be an Eligible Person; the date which is one year after the date of death of such Participant or such other date as may be specified by the Compensation Committee and which period will be specified in the Option Agreement with the Participant with respect to such Option; and
- (e) notwithstanding the foregoing provisions of subparagraphs (b), (c) and (d) of this Section 8.1, the Compensation Committee may, subject Article 15 and to regulatory approval, at any time prior to expiry of an Option extend the period of time within which an Option may be exercised by a Participant who has ceased to be an Eligible Person, but such an extension shall not be granted beyond the original expiry date of the Option as provided for in subparagraph (a) above.

8.2 Options Cease to Vest. Notwithstanding the foregoing, except as expressly permitted by the Compensation Committee, all Options will cease to vest as at the date upon which the Participant ceases to be an Eligible Person.

8.3 Accelerated Vesting of Options on Death. In the event of the death of the Participant prior to the Participant ceasing to be an Eligible Person, the Compensation Committee may exercise its discretion to provide for the immediate vesting of all, or a portion of, the then unvested Options of such Participant.

8.4 Termination of a Participant for Cause. Notwithstanding any other provision hereof or in any Option Agreement, in the case of a Participant's termination for cause, any and all then outstanding Options granted to the Participant, whether or not vested, shall be immediately forfeited and cancelled, without any consideration therefore, and any and all rights of such Participant with respect to and arising from this Plan or any Option Agreement shall terminate, as of the commencement of the date that notice of such termination is given, without regard to any period of reasonable notice or any salary continuance, unless otherwise determined by the Compensation Committee.

9. CHANGE IN STATUS

9.1 A change in the status, office, position or duties of a Participant from the status, office, position or duties held by such Participant on the date on which the Option was granted to such Participant will not result in the termination of the Option granted to such Participant provided that such Participant remains a director, officer, employee or Consultant of the Company or an Affiliate.

10. NON-TRANSFERABILITY OF OPTIONS

10.1 Each Option Agreement will provide that the Options granted thereunder are not transferable or assignable and may be exercised or settled, as the case may be, only by the Participant or, in the event of the death of the Participant or the appointment of a committee or duly appointed attorney of the Participant or of the estate of the Participant on the grounds that the Participant is incapable, by reason of physical or mental infirmity, of managing their affairs, the Participant's legal representative or such committee or attorney, as the case may be (the "**Legal Representative**").

11. REPRESENTATIONS AND COVENANTS OF PARTICIPANTS

11.1 Each Option Agreement will contain representations and covenants of the Participant that:

- (a) the Participant is a director, officer, employee, or Consultant of the Company or an Affiliate or a person otherwise approved as an "Eligible Person" under this Plan by the Compensation Committee;
- (b) the Participant has not been induced to enter into such Option Agreement by the expectation of employment or continued employment with the Company or an Affiliate;

- (c) the Participant is aware that the grant of the Options and the issuance by the Company of Common Shares thereunder are exempt from the obligation under applicable securities laws to file a prospectus or other registration document qualifying the distribution of the Options or the Common Shares to be distributed thereunder under any applicable securities laws;
- (d) upon each exercise or settlement of an Option, the Participant, or the Legal Representative of the Participant, as the case may be, will, if requested by the Company, represent and agree in writing that the person is, or the Participant was, a director, officer, employee or Consultant of the Company or an Affiliate or a person otherwise approved as an “Eligible Person” under this Plan by the Compensation Committee and has not been induced to purchase the Common Shares by expectation of employment or continued employment with the Company or an Affiliate, and that such person is not aware of any commission or other remuneration having been paid or given to others in respect of the trade in the Common Shares; and
- (e) if the Participant or the Legal Representative of the Participant exercises or settles the Option, the Participant or the Legal Representative, as the case may be, will prior to and upon any sale or disposition of any Common Shares received pursuant to the exercise or settlement of the Option, comply with all applicable securities laws and all applicable rules and regulations of all regulatory authorities to which the Company is subject, including the Stock Exchange, and will not offer, sell or deliver any of such Common Shares, directly or indirectly, in the United States or to any citizen or resident of, or any corporation, partnership or other entity created or organized in or under the laws of, the United States, or any estate or trust the income of which is subject to United States federal income taxation regardless of its source, except in compliance with the securities laws of the United States.

12. PROVISIONS RELATED TO SHARE ISSUANCES

12.1 Each Option Agreement will contain such provisions as in the opinion of the Compensation Committee are required to ensure that no Common Shares are issued on the exercise or settlement of an Option unless the Compensation Committee is satisfied that the issuance of such Common Shares will be exempt from all registration or qualification requirements of applicable securities laws and will be permitted under the applicable rules and regulations of all regulatory authorities to which the Company is subject, including the Stock Exchange. In particular, if required by any regulatory authority to which the Company is subject, including the Stock Exchange, an Option Agreement may provide that shareholder approval to the grant of an Option must be obtained prior to the exercise or settlement of the Option or to the amendment of the Option Agreement.

13. WITHHOLDING TAX

13.1 The Participant will be solely responsible for paying any applicable withholding taxes arising from the grant, vesting, exercise or settlement of any Option and payment is to be made in a manner satisfactory to the Company. Notwithstanding the foregoing, the Company will have the right to withhold from any Option or any Common Shares issuable pursuant to an Option or from any cash amounts otherwise due or to become due from the Company to the Participant, an amount equal to any such taxes.

14. EXERCISE AND SETTLEMENT OF OPTIONS DURING BLACKOUT PERIODS

14.1 Adjustment for Exercise of Options during Blackout Periods. Where the expiry date of an Option occurs during a Blackout Period or within twenty Non-Blackout Trading Days following the end of a Blackout Period, the expiry date for such Option shall be the date which is twenty Non-Blackout Trading Days following the end of such Blackout Period.

15. SUSPENSION, AMENDMENT OR TERMINATION OF PLAN

15.1 Suspension, Amendment or Termination of Plan. The Compensation Committee will have the right at any time to suspend, amend or terminate this Plan and, subject to Section 15.2, may:

- (a) with approval of shareholders of the Company by ordinary resolution make any amendment to any Option Agreement or the Plan; and
- (b) without approval of shareholders of the Company make the following amendments to any Option Agreement or the Plan:
 - (i) amendments of a clerical nature, including but not limited to the correction of grammatical or typographical errors or clarification of terms;
 - (ii) amendments to reflect any requirements of any regulatory authorities to which the Company is subject, including the Stock Exchange;
 - (iii) subject to the terms and conditions of the Plan, amendments to vesting provisions of Option Agreements;
 - (iv) extend the term of Options held by non-Insiders of the Company;
 - (v) reduce the Exercise Price per Common Share under any Option held by non-Insiders of the Company or replace such Option with a lower Exercise Price per Common Share under such replacement Option; and
 - (vi) amendments which provide cashless exercise features to an Option that require the full deduction of the number of underlying Common Shares from the total number of Common Shares subject to the Plan.

Notwithstanding the foregoing, all procedures and necessary approvals required under the applicable rules and regulations of all regulatory authorities to which the Company is subject shall be complied with and obtained in connection with any such suspension, termination or amendment to the Plan or amendments to any Option Agreement.

15.2 Limitations. In exercising its rights pursuant to Section 15.1, the Compensation Committee will not have the right to:

- (a) make any amendment to any Option Agreement or the Plan which requires the approval of the shareholders of the Company under the applicable rules and regulations of the regulatory authorities to which the Company is subject, including the Stock Exchange, without first obtaining such required shareholder approval except as permitted pursuant to Article 16;
- (b) affect in a manner that is adverse or prejudicial to, or that impairs, the benefits and rights of any Participant under any Option previously granted under this Plan (except as permitted pursuant to Article 16 and except for the purpose of complying with applicable securities laws or the bylaws, rules and regulations of any regulatory authority to which the Company is subject, including the Stock Exchange);
- (c) decrease the number of Common Shares which may be purchased pursuant to any Option (except as permitted pursuant to Article 16) without the consent of such Participant;
- (d) set the Exercise Price of any Option below the Fair Market Value of such Option on the date of grant;
- (e) increase the Exercise Price at which Common Shares may be purchased pursuant to any Option (except as permitted pursuant to Article 16) without the consent of such Participant;
- (f) extend the term of any Option beyond a period of ten years or the latest date permitted under the applicable rules and regulations of all regulatory authorities to which the Company is subject, including the Stock Exchange; or
- (g) grant any Option if this Plan is suspended or has been terminated.

15.3 Powers of Compensation Committee Survive Termination. The full powers of the Compensation Committee as provided for in this Plan will survive the termination of this Plan until all Options have been exercised or settled in full or have otherwise expired.

16. ADJUSTMENTS

16.1 Adjustments. Appropriate adjustments in the number of Common Shares subject to this Plan, as regards Options granted or to be granted, in the Option Exercise Price of an Option, in the number of Common Shares to be issued or cash payments to be made in respect of the settlement of any Option, or any other matter will be conclusively determined by the Compensation Committee to give effect to adjustments in the number of Common Shares resulting from subdivisions, consolidations, substitutions, or reclassifications of the Common Shares, the payment of stock dividends by the Company (other than dividends in the ordinary course) or other relevant changes in the capital of the Company or from a proposed merger, amalgamation or other corporate arrangement or reorganization involving the exchange or replacement of Common Shares of the Company for those in another corporation. Any dispute that arises at any time with respect to any such adjustment will be conclusively determined by the Compensation Committee, and any such determination will be binding on the Company, the Participant and all other affected parties.

16.2 Merger and Acquisition Transaction. In the event of a Merger and Acquisition Transaction or proposed Merger and Acquisition Transaction, the Compensation Committee, at its option, may do any of the following:

- (a) the Compensation Committee may, in a fair and equitable manner, determine the manner in which all unexercised Options or unsettled Options granted under this Plan will be treated including, without limitation, requiring the acceleration of the time for the exercise or settlement of Options by the Participants, the time for the fulfilment of any conditions or restrictions on such exercise or settlement, and the time for the expiry of such rights; or
- (b) the Compensation Committee or any corporation which is or would be the successor to the Company or which may issue securities in exchange for Common Shares upon the Merger and Acquisition Transaction becoming effective may offer any Participant the opportunity to obtain a new or replacement awards over any securities into which the Common Shares are changed or are convertible or exchangeable, on a basis proportionate to the number of Common Shares under Option, including Exercise Price, as applicable (and otherwise substantially upon the terms of the Option being replaced, or upon terms no less favourable to the Participant) including, without limitation, the periods during which the Option may be exercised or settled and expiry dates of such Options; and in such event, the Participant shall, if he accepts such offer, be deemed to have released his Option over the Common Shares and such Option shall be deemed to have lapsed and be cancelled; or
- (c) the Compensation Committee may commute for or into any other security or any other property or cash, any Option that is still capable of being exercised or settled, upon giving to the Participant to whom such Option has been granted at least 30 days written notice of its intention to commute such Option, and during such period of notice, the Option, to the extent it has not been exercised or settled, may be exercised or settled by the Participant without regard to any vesting conditions attached thereto; and on the expiry of such period of notice, the unexercised or unsettled portion of the Option shall lapse and be cancelled.

Section 16.1 and subsections (a), (b) and (c) of this Section 16.2 are intended to be permissive and may be utilized independently or successively in combination or otherwise, and nothing therein contained shall be construed as limiting or affecting the ability of the Compensation Committee to deal with Options in any other manner. All determinations by the Compensation Committee under this Section will be final, binding and conclusive for all purposes.

16.3 Accelerated Vesting on Change in Control. Notwithstanding any other provision hereof, all outstanding Options (including, for greater certainty, any outstanding Legacy Options) shall become immediately vested and exercisable upon: (i) the Company entering into a definitive agreement with respect to a Merger and Acquisition Transaction; or (ii) a Change in Control of the Company. For greater clarity, any Options that become vested in the circumstances contemplated by this Section 16.3 may only be exercised on a Non Blackout Trading Day.

16.4 Limitations. The grant of Options under this Plan will in no way affect the Company's right to adjust, reclassify, reorganize or otherwise change its capital or business structure or to merge, amalgamate, reorganize, consolidate, dissolve, liquidate or sell or transfer all or any part of its business or assets or engage in any like transaction.

16.5 No Fractional Shares. No adjustment or substitution provided for in this Article 16 will require the Company to issue a fractional share in respect of any Option and the total substitution or adjustment with respect to each Option will be limited accordingly.

17. GENERAL

17.1 No Rights as Shareholder. Nothing herein or otherwise shall be construed so as to confer on any Participant any rights as a shareholder of the Company with respect to any Common Shares reserved for the purpose of any Option.

17.2 No Effect on Employment. Nothing in this Plan or any Option Agreement will confer upon any Participant any right to continue in the employ of or under contract with the Company or an Affiliate or affect in any way the right of the Company or any such Affiliate to terminate his or her employment at any time or terminate his or her consulting contract; nor will anything in this Plan or any Option Agreement be deemed or construed to constitute an agreement, or an expression of intent, on the part of the Company or any such Affiliate to extend the employment of any Participant beyond the time that he or she would normally be retired pursuant to the provisions of any present or future retirement plan of the Company or an Affiliate or any present or future retirement policy of the Company or an Affiliate, or beyond the time at which he or she would otherwise be retired pursuant to the provisions of any contract of employment with the Company or an Affiliate. Neither any period of notice nor any payment in lieu thereof upon termination of employment shall be considered as extending the period of employment for the purposes of the Plan.

17.3 No Fettering of Directors' Discretion. Nothing contained in this Plan will restrict or limit or be deemed to restrict or limit the right or power of the Board of Directors in connection with any allotment and issuance of Common Shares which are not allotted and issued under this Plan including, without limitation, with respect to other compensation arrangements.

17.4 Applicable Law. The Plan and any Option Agreement granted hereunder will be governed, construed and administered in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein.

17.5 Interpretation. References herein to any gender include all genders and to the plural includes the singular and vice versa. The insertion of headings are for convenience of reference only and will not affect the construction or interpretation of this Plan.

17.6 Reference. This Plan may be referred to as the "InMed Pharmaceuticals Inc. 2017 Stock Option Plan".



STOCK OPTION PLAN - OPTION AGREEMENT

This Option Agreement is entered into between INMED PHARMACEUTICALS INC. (the "Company") and the Optionee named below pursuant to the Company Stock Option Plan (the "Plan"), a copy of which is attached hereto, and confirms that:

1. on _____ (the "Grant Date");
2. _____ (the "Optionee");
3. was granted the option (the "Option") to purchase _____ Common Shares (the "Option Shares") of the Company;
4. for the price (the "Option Price") of _____ per share;
5. The following vesting provisions:
6. this Option terminates on _____ (the "Expiry Date");

all on the terms and subject to the conditions set out in the Plan. The Option Shares shall continue to be exercisable until the termination or cancellation thereof as provided in this Option Agreement and the Plan. However, should the Optionee cease to be an officer, director, employee or consultant ("Eligible Person") due to his or her termination by the Company other than for cause, or due to his or her voluntary resignation, the Option then held by the Optionee shall be exercisable to acquire vested unissued Option Shares at any time up to but not after the earlier of the Expiry Date and the date which is ninety (90) days after the Optionee ceases to be an Eligible Person.

To exercise your Option, deliver a written notice specifying the number of Optioned Shares you wish to acquire, together with cash or a certified cheque payable to the Company for the aggregate Option Price, to the Company. A certificate for the Optioned Shares so acquired will be issued by the transfer agent as soon as practicable thereafter.

By signing this Option Agreement, the Optionee acknowledges that the Optionee has read and understands the Plan and agrees to the terms and conditions of the Plan and this Option Agreement.

Acknowledgement – Personal Information

The undersigned hereby acknowledges and consents to:

- (a) the disclosure to the Toronto Stock Exchange and all other regulatory authorities of all personal information of the undersigned obtained by the Company; and
- (b) the collection, use and disclosure of such personal information by the Toronto Stock Exchange and all other regulatory authorities in accordance with their requirements, including the provision to third party service providers, from time to time.

Suite 310 – 815 West Hastings St., Vancouver, BC V6C 1B4 | T: 604.669.7207 | F: 778.945.6800 | www.inmedpharma.com

IN WITNESS WHEREOF the parties hereto have executed this Option Agreement with an effective date of the ____ day of _____, 20__.

INMED PHARMACEUTICALS INC.

Signature

Per: _____
Authorized Signatory

Print Name

Address



STOCK OPTION PLAN – EXERCISE NOTICE

To: INMED PHARMACEUTICALS INC. (the “Company”)

The undersigned hereby irrevocably gives notice, pursuant to the Company’s stock option plan (the “Plan”), of the exercise of the option to acquire and hereby subscribes for:

- (a) all of the shares; or
- (b) _____ of the shares, which are the subject of the option certificate attached hereto.

Calculation of the total exercise price:

(i) number of shares to be acquired on exercise:	_____	shares
(ii) multiplied by the exercise price per share:	\$ _____	
(iii) withholding taxes calculated	\$ _____	
TOTAL EXERCISE PRICE, enclosed herewith:	\$ _____	

The undersigned tenders herewith a certified cheque, bank draft or wire transfer in an amount equal to the total exercise price of the aforesaid shares, as calculated above, and directs the Company to issue the share certificate evidencing said shares in the name of the undersigned to be mailed to the undersigned at the following address:

DATED the _____ day of _____, 20_____.

Signature of Option Holder

Name of Option Holder (please print)

March 5, 2021

InMed Pharmaceuticals Inc.
Suite 310-815 W. Hastings St.
Vancouver, BC, Canada
V6C 1B4

Dear Sirs/Mesdames:

Re: InMed Pharmaceuticals Inc.

We have acted as counsel for InMed Pharmaceuticals Inc. (the “**Company**”), a company existing under the *Business Corporations Act* (British Columbia), and have been asked to give this opinion in connection with the filing with the Securities and Exchange Commission of a registration statement on Form S-8 (the “**Registration Statement**”) covering an aggregate of 1,044,143 common shares of the Company, without par value (the “**Plan Shares**”) issuable pursuant to the Company’s Amended 2017 Stock Option Plan (the “**Plan**”). This opinion letter is furnished to you at your request to enable you to fulfill the requirements of Item 601(b)(5) of Regulation S-K, 17 C.F.R. § 229.601(b)(5), in connection with the Registration Statement.

In connection with the opinions hereinafter expressed, we have conducted or caused to be conducted such searches as we have considered necessary, advisable or relevant. We have also prepared or examined all such documents, corporate records of the Company, certificates of officers of the Company, resolutions of the board of directors of the Company and the shareholders of the Company, and other materials as we consider advisable or relevant. We have also examined such statutes, corporate and public records and other documents including certificates of public officials, and considered such matters of law, as we have deemed necessary as a basis for the opinions hereinafter expressed.

For the purposes of the opinions set for below, we have assumed, with respect to all documents examined by us, the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity to authentic or original documents of all actual documents submitted to us as certified, conformed, telecopied or photostatic copies.

We are qualified to express opinions only with respect to the laws of the Province of British Columbia and the federal laws of Canada applicable therein. We express no opinion on the laws of any jurisdiction other than the Province of British Columbia and the federal laws of Canada applicable therein, all as at the date hereof.

Based upon and subject to the foregoing, we are of the opinion that the Plan Shares have been duly authorized for issuance and, when issued in accordance with the terms of the Plan, will be validly issued and outstanding as fully paid and non-assessable common shares of the Company.

We hereby consent to the use of our name in the Registration Statement relating to the Plan Shares and to the filing, as an exhibit to the Registration Statement, of this opinion.

This opinion is given solely in connection with the transactions referred to herein, and this opinion is limited to the matters expressly set forth herein, and no opinion has been implied, or may be inferred, beyond the matters expressly stated. This opinion speaks only as to law and facts in effect or existing as of the date hereof and we undertake no obligation or responsibility to update or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in any law that may hereafter occur.

Yours truly,

/s/ FARRIS LLP



KPMG LLP
PO Box 10426 777 Dunsmuir Street
Vancouver BC V7Y 1K3
Canada
Telephone (604) 691-3000
Fax (604) 691-3031

Consent of Independent Registered Public Accounting Firm

The Board of Directors
InMed Pharmaceuticals Inc.:

We, KPMG LLP, consent to the use of our report dated September 8, 2020, on the consolidated financial statements of InMed Pharmaceuticals Inc. (the “Company”), incorporated by reference herein.

Our report dated September 8, 2020 contains an explanatory paragraph that states the Company has incurred recurring losses and negative cash flows and has an accumulated deficit that raise substantial doubt about its ability to continue as a going concern. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Our report dated September 8, 2020 also refers to the Company’s change in accounting policy for leases as of July 1, 2019 due to the adoption of Accounting Standards Update (ASU) 2016-02 – *Leases (Topic 842)*.

/s/ KPMG LLP
Chartered Professional Accountants

Vancouver, Canada
March 5, 2021