



INMED PHARMACEUTICALS INC.

("InMed" or the "Company")

**AUDIT COMMITTEE
AUDITOR SERVICES PRE-APPROVAL POLICY**

1. Purpose of Auditor Services Pre-approval Policy

The Audit Committee of the Board of Directors (the "Board") of the Company has adopted this Auditor Services Pre-Approval Policy (the "Policy") in order to provide to its personnel the policies and procedures followed by the Audit Committee in reviewing and pre-approving services to be provided to the Company by the Company's independent external auditor (the "External Auditor"), and to disclose those policies and procedures to the Company's shareholders.

The policies and procedures in this policy are set forth as guidelines. They do not constitute requirements or create legal obligations. The Audit Committee may supplement or modify the policies and procedures as appropriate in its discretion, or it may choose to pre-approve External Auditor services in other ways that it deems advisable in its business judgment.

2. Statement of Principle

The Audit Committee should evaluate all services that are proposed to be performed by the External Auditor of the Company, before those services are commenced, in order to ensure that the provision of the services will not impair the External Auditor's independent status under applicable securities laws. Services should not be commenced by the External Auditor of the Company unless and until the specific service has been approved by the Audit Committee or its designee.

3. Delegation of Authority

To the extent a service is not pre-approved by the full Audit Committee, the Audit Committee elects to delegate its pre-approval authority to the Chair of the Audit Committee, and delegates the responsibility for coordinating the External Auditor services to the Chief Financial Officer, within the parameters of this Policy. The Chair of the Audit Committee shall report any granted pre-approvals to the Audit Committee at its next scheduled meeting. The Audit Committee shall not delegate to management the Audit Committee's responsibilities for pre-approving audit and non-audit services to be performed by the External Auditor.

4. Policy and Procedures

The Company will not engage the External Auditor to carry out any non-audit services prohibited by applicable law, regulation, rule or accounting or auditing standard. A list of prohibited services (“Prohibited Services”) is provided in Appendix A and may be amended from time to time to add any other services prohibited by applicable law, regulation, rule or accounting or auditing standard.

The Audit Committee, either directly or through delegated authority, will consider the pre-approval of permitted audit and non-audit services to be performed by the External Auditor. A non-exclusive list of permitted services is provided in Appendix A2 and may be amended from time to time to add any other services permitted by applicable law, regulation, rule and accounting or auditing standard.

All pre-approvals granted under this Policy shall be sufficiently detailed as to the particular services being provided that it will not be necessary for management of the Company to exercise any discretion in determining whether a particular service has been pre-approved hereunder.

For permitted services the following pre-approval policies will apply:

(a) Audit Services

Annually, the Audit Committee will pre-approve all audit services provided by the External Auditor, as submitted jointly by the Chief Financial Officer and the External Auditor. Any additional requests for pre-approval of audit services should be addressed as described in (c) below.

(b) Pre-Approval of Audit Related, Tax and Other Non-audit Services

Annually, the Audit Committee will pre-approve the audit-related, tax and other non-audit services to be provided by the External Auditor that are recurring or otherwise reasonably expected to be provided, as submitted jointly by the Chief Financial Officer and the External Auditor. The Audit Committee shall be subsequently informed, at least quarterly, of the services for which the External Auditor has been actually engaged. Any additional requests for pre-approval shall be addressed on a case-by-case specific engagement basis as described in (c) below.

(c) Approval of Additional Services

With respect to services not covered in (a) or (b) above, the employee of the Company making the pre-approval request shall submit the request to the Company’s Chief Financial Officer. The request should include a description of the service to be provided, the estimated fee, a statement that the service is not a Prohibited Service, and the reason the External Auditor is being engaged.

- (i) Services where the aggregate fees are estimated to be less than or equal to Cdn.\$50,000.

Recommendations in respect of each proposed engagement shall be submitted by the Company’s Chief Financial Officer to the Chair of the Audit Committee for consideration and approval. If the engagement is approved by the Chair pursuant to delegated authority, the Audit Committee shall be informed of the pre-approval at its next scheduled meeting. The engagement may commence upon approval by the Chair of the Audit Committee.

- (ii) Services where the aggregate fees are estimated to be greater than Cdn.\$50,000.

Recommendations in respect of each engagement shall be submitted by the Company's Chief Financial Officer to the full Audit Committee for consideration and approval, generally at its next meeting or at a special meeting called for the purpose of approving such services. The engagement may commence upon approval of the full Audit Committee.

5. *De Minimis* Exception

The Audit Committee recognizes that applicable laws provide for an exception to the pre-approval requirements for permitted non-audit services, provided all such services were not recognized at the time of the engagement to be non-audit services and, once recognized, are promptly brought to the attention of the Audit Committee and approved prior to the completion of the audit. The aggregate amount of all services approved in this manner may not constitute more than five percent of the total fees paid to the External Auditor during the fiscal year in which the services are provided.

6. Disclosure of Pre-Approval Policies and Procedures

Annually, the Company shall publicly disclose the Audit Committee's pre-approval policies and procedures and the fees billed or, if applicable, paid to the External Auditors, in accordance with applicable securities laws and regulatory requirements.

This Policy was adopted by the Board on April 22, 2020.

Appendix A1

Background and Prohibited Services

Background

On January 1, 2004, the Canadian Institute of Chartered Accountants' (CICA) revised Rules of Professional Conduct on auditor independence became effective. As they relate to public companies these new rules are very similar to the revised independence rules of the Securities and Exchange Commission ("SEC"). They include prohibitions or restrictions on services that may be provided by auditors to their audit clients and require that all services provided to a listed entity audit client, including its subsidiaries, be pre-approved by the client's audit committee.

In addition, under Canadian Securities Administrators ("CSA") and SEC rules, a public company's Audit Committee shall be responsible for pre-approving all audit and permitted non-audit services to be provided to the company or its subsidiaries by the company's external auditors or the external auditors of the company's subsidiaries.

Under both Canadian and United States rules, pre-approval of services by the Audit Committee may be accomplished either by specific approval of each engagement or by adopting proper pre-approval policies and procedures.

Prohibited Services

The rules identify the following ten types of non-audit services that are deemed inconsistent with an auditors' independence ("Prohibited Services"):

1. Bookkeeping or other services related to the audit client's accounting records or financial statements.
2. Financial information systems design and implementation.
3. Appraisal or valuation services, fairness opinions, or contributions-in-kind reports.
4. Actuarial services.
5. Internal audit outsourcing services.
6. Management functions.
7. Human resources.
8. Certain corporate finance and other services.
9. Legal services.
10. Certain expert services unrelated to the audit.

The rules provide further details as to the specific nature of services within these categories that are prohibited.

Appendix A2

Permitted Services

Permitted Services

The Audit Committee will consider the pre-approval of permitted services to be performed by the External Auditor in each of the following broad categories:

(a) Audit Services:

Include services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements. Examples of such services may include:

- (i) Annual audit of consolidated financial statements.
- (ii) Quarterly intermediate review of interim consolidated financial statements.
- (iii) Other audit and special reports which include among others:
 - accounting consultations and tax services required to perform an audit;
 - periodic reports and other documents filed with securities regulatory bodies or other documents; and
 - reports issued in connection with securities offerings.
- (iv) Attestation engagements relative to applicable securities laws.

(b) Audit-Related Services:

Include services by an external auditor that are reasonably related to the performance of the audit of the issuer's financial statements and are not reported as Audit Services. Examples of such services may include:

- (i) Audits of pension and other benefit plans.
- (ii) Consultations concerning accounting and financial reporting standards, such as discussion, research consultations and auditing procedures relating to new pronouncements, usual or non-recurring transactions and other technical topics which are generally non-recurring.
- (iii) Assistance with statutory financial reporting, such as providing technical advice and compliance (preparation) services in connection with required statutory filings.
- (iv) Assistance with financial due diligence (non-tax) performed on potential acquisition targets.
- (v) Auditing procedures and special reports (as periodically requested).
- (vi) Internal control reviews and assistance with internal control reporting requirements.
- (vii) Consultations by the Company's management as to the accounting or disclosure treatment of transactions or events and/or the actual or potential impact of final or proposed rules, standards or interpretations by securities regulators, or other regulatory or standard-setting bodies (Note: Under securities laws, some consultations may be "audit" services rather than "audit-related" services) .

(c) Tax Services:

Include professional services rendered by an external auditor for tax compliance, tax advice, and tax planning. Examples of such services may include:

- (i) Advice and assistance with regard to tax compliance, tax planning and audit defense.
- (ii) Tax-related due diligence performed on potential acquisition targets.
- (iii) Review of tax returns on a pre-filing basis.
- (iv) Consultation on tax technical matters, such as tax basis and earnings and profits computations; evaluating the deductibility of certain expenses and creditability of certain expenses and income items; and advice on accounting methods, timing issues, compliance matters and characterization issues.
- (v) Technical and procedural advice in connection with examination by various tax jurisdictions.

(d) Other Services

Include products and services provided by the external auditor not included in the previous three categories. Examples of such services may include, if not Prohibited Services:

- (i) Valuations.
- (ii) Information technology advisory and risk management.
- (iii) Actuarial; forensic and related services.
- (iv) Corporate recovery.
- (v) Transactions.
- (vi) Corporate finance.
- (vii) Project risk management.
- (viii) Operational advisory and risk management; and
- (ix) Regulatory and compliance.