

**PUBLIC OFFERING OF SECURITIES
INMED PHARMACEUTICALS INC.**

May 23, 2017

A preliminary short form prospectus containing important information relating to the securities described in this document has been filed with securities regulatory authorities in each of the provinces of British Columbia, Alberta and Ontario. A copy of the preliminary short form prospectus, and any amendment, is required to be delivered with this document.

The preliminary short form prospectus is still subject to completion. There will not be any sale or any acceptance of an offer to buy the securities described herein until a receipt for the final short form prospectus has been issued. This document does not provide full disclosure of all material facts relating to the securities offered. Investors should read the preliminary short form prospectus, the final short form prospectus and any amendment for disclosure of those facts, especially risk factors relating to the securities offered, before making an investment decision.

- Issuer:** InMed Pharmaceuticals Inc. (the “**Company**”).
- Gross Proceeds:** C\$5,004,000 (C\$5,754,600 assuming the Over-Allotment Option is exercised in full).
- Issue:** 11,120,000 units of the Company (the “**Base Units**”) (12,788,000 units assuming the Over-Allotment Option is exercised in full), each unit consisting of one common share of the Company (a “**Unit Share**”) and one half of one common share purchase warrant (each whole warrant, a “**Warrant**”).
- Issue Price:** C\$0.45 per Offered Unit (as defined below)
- Type of Offering:** Marketed public offering on an underwritten basis by way of short form prospectus (the “**Offering**”).
- Over-Allotment Option:** The Company has granted Canaccord Genuity Corp. (the “**Lead Underwriter**”) an option, exercisable in whole or in part, to acquire additional units of the Company (the “**Over-Allotment Units**” and together with the Base Units, the “**Offered Units**”), of up to 15% of the base offering (the “**Over-Allotment Option**”) exercisable at the Issue Price within 30 days following the closing date of the Offering for the purposes of covering an over-allocation position (as such term is defined in National Instrument 41-101 - *General Prospectus Requirements*), if any, and for market stabilization purposes.

**Selling
Jurisdictions:**

The Offered Units will be offered in British Columbia, Alberta, Ontario, and additional provinces of Canada, other than Quebec, to be agreed upon by the Company and the Lead Underwriter, in certain offshore jurisdictions (provided that placement of Offered Units or marketing or other activities conducted in connection therewith does not give rise to the obligation to file a prospectus, registration statement or similar document or to any continuous disclosure obligations in such jurisdictions), and in the United States on a private placement basis pursuant to one or more exemptions from the registration requirements of the U.S. Securities Act of 1933, as amended (the "**1933 Act**").

Syndicate:

Canaccord Genuity Corp.	55%
Eight Capital	20%
Roth Capital Partners, LLC	25%
Total	100%

Use of Proceeds:

The net proceeds from the Offering are expected to be used: to support the continued research and development of INM-750 for the treatment of Epidermolysis Bullosa; to further develop the Company's other research and development programs including its biosynthesis assets; for general and administrative expenses of the Company; and to fund working capital.

Warrants:

Each Warrant will entitle the holder thereof to purchase one common share of the Company (a "**Warrant Share**") for a period of 24 months after the closing date of the Offering at an exercise price of C\$0.65 per Warrant Share. The Warrants are fully transferable, subject to compliance with applicable laws and exercisable on a net cashless basis at any time for a period of 24 months following the closing date of the Offering based on the five-day volume-weighted average trading price of the common shares of the Company on the Canadian Securities Exchange ("**CSE**") ending on the date immediately preceding the date of exercise. The terms of the Warrants will be governed by a warrant indenture to be entered into between the Company and Computershare Trust Company of Canada, as warrant agent.

Additional Issues:

The Company agrees that it will not issue or sell any common shares of the Company or any securities convertible into or exchangeable for or exercisable to acquire common shares for a period ending 90 days after the Closing Date without the prior written consent of the Lead Underwriter, not to be unreasonably withheld or delayed, except in conjunction with: (i) the grant or exercise of incentive securities pursuant to existing incentive plans, including, without limitation, pursuant to the Company's stock option plan; (ii) outstanding convertible securities; (iii) any transaction with an arm's length third party whereby the Company directly or indirectly acquires shares or assets of a business; or (iv) the issuance of securities to a strategic investor in connection with a private placement.

- Listing:** The Company will obtain all necessary approvals of the CSE and any other applicable regulatory authority or stock exchange in connection with the Offering and will cause the Unit Shares, the Warrant Shares and the shares issuable upon exercise of the Broker Warrants (as defined below) to be listed and posted for trading on the CSE.
- Eligibility:** Eligible for RRSP, RESP, RRIF, TFSA and DPSP accounts.
- Commission:** The Company shall pay to the Lead Underwriter, on behalf of the underwriting syndicate, a cash fee equal to 7.0% of the gross proceeds raised under the Offering, including the exercise of the Over-Allotment Option; provided, however, that such cash fee shall be reduced to 3.5% for such portion of the gross proceeds raised under the Offering which is attributable to the Offered Units issued and sold to persons identified on the president's list (the "**President's List**"), consisting of such officers, directors, employees, consultants and other insiders of the Company, their families and other investors identified by the Company to the Lead Underwriter at least three business days prior to the closing date (collectively, the "**Underwriters' Commission**"). In addition, the Company shall issue to the Lead Underwriter warrants (the "**Broker Warrants**") in that number which is equal to 5.0% of the number of Offered Units sold, excluding any Offered Units issued to subscribers comprising the President's List. Each Broker Warrant shall be exercisable into one common share of the Company for a period of 12 months from the closing date at an exercise price equal to the Issue Price.
- Closing Date:** May 30, 2017 or such earlier or later date as may be agreed upon.