

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This Prospectus Supplement, together with the accompanying short form base shelf prospectus to which it relates dated September 11, 2017, as amended or supplemented, and each document incorporated by reference into the short form base shelf prospectus and into this Prospectus Supplement, constitutes an offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. These securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”), or any state securities laws and may not be offered or sold in the United States except in compliance with exemptions from the registration requirements of the U.S. Securities Act and applicable state securities laws. This Prospectus Supplement does not constitute an offer to sell or a solicitation of an offer to buy any of these securities in the United States. See “Plan of Distribution”.

Information has been incorporated by reference in this Prospectus Supplement from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Chief Financial Officer of InMed Pharmaceuticals Inc., Suite 340 – 200 Granville Street, Vancouver, British Columbia V6C 1S4, Telephone (604) 669-7202, and are also available electronically on SEDAR at www.sedar.com.

PROSPECTUS SUPPLEMENT TO THE SHORT FORM BASE SHELF PROSPECTUS DATED SEPTEMBER 11, 2017

New Issue

June 14, 2018



INMED PHARMACEUTICALS INC.

\$13,000,104
14,444,560 Units
Price: \$0.90 per Unit

This prospectus supplement (“**Prospectus Supplement**”) and the accompanying short form base shelf prospectus dated September 11, 2017 (the “**Base Prospectus**”) qualifies the distribution (the “**Offering**”) of 14,444,560 units (the “**Initial Units**”) of InMed Pharmaceuticals Inc. (the “**Company**”) as well as the units of the Company issuable under the Over-Allotment Option (as defined below) (collectively with the Initial Units, the “**Units**”) on a bought deal basis at a price of \$0.90 per Unit (the “**Offering Price**”). Each Unit is comprised of one common share of the Company (a “**Unit Share**”), and one common share purchase warrant of the Company (each common share purchase warrant, a “**Warrant**”). Each Warrant is exercisable into one common share of the Company (a “**Warrant Share**”) at an exercise price of \$1.25 per Warrant Share at any time prior to 5:00 p.m. (Vancouver time) on the date that is two (2) years following the Closing Date (as defined below) (the “**Warrant Expiry Date**”), subject to adjustment in certain events. The Warrants will be governed by a warrant indenture (the “**Warrant Indenture**”), to be entered into on the closing date for the Offering (the “**Closing Date**”) between the Company and Computershare Trust Company of Canada, as agent for the holders of the Warrants, (the “**Warrant Agent**”). The Units will immediately separate into Unit Shares and Warrants upon issuance. See “*Description of Securities Being Distributed*”.

The Offering is being made pursuant to an underwriting agreement dated June 14, 2018 (the “**Underwriting Agreement**”) among the Company and Eight Capital (the “**Underwriter**”).

The outstanding common shares of the Company trade on the Toronto Stock Exchange (the “**Exchange**”) under the symbol “IN” and on the OTCQX® Venture Market marketplace under the symbol “IMLFF”. The Company is, concurrent with the filing of this Prospectus Supplement, applying to concurrently list both the Unit Shares and the Warrants (including the Unit Shares and the Warrants underlying the Over-Allotment Units, as defined below) issuable pursuant to the terms of the Offering, and the Warrant Shares and Broker Warrant Shares issuable upon the exercise of the Warrants and the Broker Warrants, respectively, on the Exchange. Listing is subject to the Company fulfilling all of the requirements of the Exchange, including, in the case of the Warrants, a

minimum number of purchasers. On June 11, 2018, the business day immediately preceding the date of the announcement of the Offering, the closing price of the underlying common shares of the Company on the Exchange was \$1.00 per common share. On June 14, 2018, the last business day prior to the filing of this Prospectus Supplement, the closing price of the underlying common shares of the Company on the Exchange was \$0.87 per common share.

	<u>Price to Public⁽¹⁾</u>	<u>Underwriter's Fee⁽²⁾⁽³⁾</u>	<u>Net Proceeds to the Company⁽⁴⁾</u>
Per Unit	\$0.90	\$0.063	\$0.837
Total	\$13,000,104	\$910,007.28	\$12,090,096.72

- (1) The Offering Price of the Units was determined by negotiation between the Underwriter and the Company with reference to the prevailing market price of the common shares of the Company.
- (2) Pursuant to the terms of the Underwriting Agreement, the Company has agreed to: (i) pay the Underwriter a cash fee of 7% of the aggregate gross proceeds of the Offering, payable on the Closing Date provided, however, that such cash commission shall be reduced to 3.5% for such portion of the gross proceeds raised under the Offering which is attributable to the 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 Underwriter at least three (3) business days prior to the Closing Date and (ii) issue to the Underwriter compensation warrants (the "**Broker Warrants**"), entitling the Underwriter to acquire that number of common shares of the Company equal to 7% of the number of Units, provided, however, that such Broker Warrants shall be reduced to 3.5% of the number of Units sold, for such portion of the gross proceeds raised under the Offering which is attributable to the Units issued and sold to persons identified on the President's List issuable on the Closing Date. Each Broker Warrant is exercisable into one common share of the Company (each a "**Broker Warrant Share**"), at a price of \$0.90, or such other amount as may be acceptable to the Exchange, for a period of two (2) years after the Closing Date. The issuance of the Broker Warrants and each Broker Warrant Share issuable upon the due exercise thereof is qualified by this Prospectus Supplement.
- (3) The Company has granted to the Underwriter an over-allotment option, exercisable in whole or in part to purchase up to an additional 2,166,684 Units or 15% of the aggregate number of Units sold on the Closing Date (the "**Over-Allotment Units**") on the same terms as set out above to cover over-allotments, if any, and for market stabilization purposes (collectively, the "**Over-Allotment Option**"). References herein to the "Offering" shall include the exercise of the Over-Allotment Option. If the Over-Allotment Option is exercised in full, the total aggregate "Price to Public", "Underwriter's Fee" and "Net Proceeds to the Company" (before deducting expenses of the Offering) will be \$14,950,119.60, \$1,046,508.37 and \$13,903,611.23 respectively. This Prospectus Supplement qualifies the grant of the Over-Allotment Option and the distribution of the Units issuable upon exercise of the Over-Allotment Option. A purchaser who acquires Units forming part of the Underwriter's over-allocation position acquires those Units under this Prospectus Supplement, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases. See "*Plan of Distribution*".
- (4) Before deducting expenses of the Offering which are estimated to be \$475,000. The Company will pay these expenses and the Underwriter Fee from the proceeds of the Offering. See "*Use of Proceeds*".

The following table sets out the Over-Allotment Option and the Broker Warrants to be issued to the Underwriter in connection with the Offering:

<u>Underwriter's Position</u>	<u>Maximum Number of Securities Available⁽¹⁾</u>	<u>Exercise Period / Acquisition Date</u>	<u>Exercise Price</u>
Over-Allotment Option	2,166,684 Units	30 days after Closing	\$0.90 per Unit
Broker Warrants	1,011,119 Broker Warrants ⁽²⁾	Two (2) years after Closing	\$0.90 per Broker Warrant Share ⁽³⁾

- (1) The maximum number of securities available set forth in the table above assumes that no Units will be sold to persons on the President's List.
- (2) This amount assumes no exercise of the Over-Allotment Option. If the Over-Allotment Option is exercised in full and no Units are sold to persons on the President's List, the number of Broker Warrants issued would be 1,162,787.
- (3) Each Broker Warrant is exercisable into one Broker Warrant Share, at a price of \$0.90, or such other amount as may be acceptable to the Exchange, for a period of two (2) years after the Closing Date.

The Underwriter, as principal, conditionally offer the Units, subject to prior sale, if, as and when issued by the Company and accepted by the Underwriter in accordance with the conditions contained in the Underwriting Agreement referred to under "*Plan of Distribution*" and subject to approval of certain legal matters on behalf of the Company by Farris, Vaughan, Wills & Murphy LLP and as to certain legal matters on behalf of the Underwriter by Borden Ladner Gervais LLP. The Company has been advised by the Underwriter that, in connection with the Offering, the Underwriter may effect transactions which stabilize or maintain the market price of the common shares of the Company at levels other than those which might otherwise prevail in the open market. Those transactions, if commenced, may be discontinued at any time. See "*Plan of Distribution*". **The Underwriter may offer the Units at price lower than the Offering Price. See "*Plan of Distribution*".**

Subscriptions for Units will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. The Unit Shares and Warrants comprising the Units will be issued electronically through the non-certificated inventory system of, and held by, or on behalf of, CDS Clearing and Depository Services Inc. or its successor (collectively, the “**Depository**”), as custodian for the direct and indirect participants of the Depository. Purchasers of Units will receive only a customer confirmation from a registered dealer that is a participant in the Depository’s service and from or through which the Units are purchased. See “*Description of the Securities Being Distributed – Book-Entry, Delivery and Form*” and “*Plan of Distribution*”.

The Closing Date is expected to be on or about June 21, 2018 or such other date as the Company and the Underwriter may agree but in any event, no later than June 28, 2018.

An investment in the Units is subject to a number of risks. See “Risk Factors” for a more complete discussion of these risks as well as the Company’s assessment of those risks and their potential consequences. Potential investors are advised to consult their own legal counsel and other professional advisors in order to assess legal, tax and other aspects of an investment in the securities being offered hereunder.

Prospective investors should rely only on the information contained in this Prospectus Supplement and the Base Prospectus and in the documents incorporated by reference herein. No person is authorized by the Company to provide any information or to make any representation other than as contained in this Prospectus Supplement or the Base Prospectus in connection with the issue and sale of the securities offered hereunder. Subject to the Company’s obligations under applicable securities laws, the information contained in this Prospectus Supplement is accurate only as of the date of this Prospectus Supplement (or in the case of information contained in a document incorporated by reference herein, as of the date of such document), regardless of the time of delivery of this Prospectus Supplement or any sale of the Units.

Each of Martin Bott, Adam Cutler, William Garner and Andrew Hull: (i) is a director of the Company; (ii) resides outside of Canada; and (iii) has appointed the Company as its agent for service of process in Canada at the Company’s head office at Suite 340 – 200 Granville Street, Vancouver, British Columbia V6C 1S4. Purchasers are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person or company that is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada, even if the party has appointed an agent for service of process.

The Company was incorporated under the laws of British Columbia. The head office of the Company is located at Suite 340 – 200 Granville Street, Vancouver, British Columbia V6C 1S4, and the registered office of the Company is located at 25th Floor, 700 West Georgia St., Vancouver, British Columbia V7Y 1B3.

Unless otherwise indicated, references in this Prospectus Supplement to “\$” or “dollars” are to Canadian dollars.

TABLE OF CONTENTS

RISK FACTORS.....	2
DOCUMENTS INCORPORATED BY REFERENCE.....	3
MARKETING MATERIALS.....	5
FORWARD-LOOKING STATEMENTS	5
THIRD PARTY INFORMATION	6
ELIGIBILITY FOR INVESTMENT	6
INMED PHARMACEUTICALS INC.....	7
RECENT DEVELOPMENTS	9
DESCRIPTION OF THE SECURITIES BEING DISTRIBUTED	9
PRIOR SALES	12
TRADING PRICE AND VOLUME	13
USE OF PROCEEDS	13
CONSOLIDATED CAPITALIZATION OF THE COMPANY	16
PLAN OF DISTRIBUTION.....	16
CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS.....	18
AUDITORS, TRANSFER AGENT, WARRANT AGENT AND REGISTRAR.....	21
LEGAL PROCEEDINGS	21
INTEREST OF EXPERTS.....	21
PURCHASER’S STATUTORY AND CONTRACTUAL RIGHTS	21
CERTIFICATE OF THE COMPANY	C - 1
CERTIFICATE OF THE UNDERWRITER.....	C - 2

RISK FACTORS

An investment in the Unit Shares and Warrants comprising the Units involves a number of risks. Prior to making an investment in the Units, investors should carefully consider the risks described at pages 4 – 12 under the heading “Risk Factors” of the annual information form of the Company dated November 15, 2017 for the period ended June 30, 2017 which is incorporated by reference herein, the risks identified elsewhere in this Prospectus Supplement, the Base Prospectus and the other documents incorporated by reference herein and the risk factors set forth below. The risks described above and below are not the only risks that affect the Company. Other risks and uncertainties that the Company does not presently consider to be material, or of which the Company is not presently aware, may become important factors that materially affect the Company’s future business prospectus, financial condition and results of operations.

Risks Related to the Offering

Loss of Entire Investment

An investment in the Unit Shares and Warrants comprising the Units is speculative and involves a high degree of risk and is appropriate only for investors who have the capacity to absorb a loss of all of their investment.

Fluctuations in Operating Cash Flow

For the year ended June 30, 2017 and the nine months ended March 31, 2018, the Company had negative cash flows from operating activities of \$3,076,398 and \$3,304,642, respectively. If the Company has negative cash flow from operating activities in future periods, it may need to use existing working capital or seek additional debt or equity financing. There can be no assurance that debt or equity financing, if required, will be available to the Company or, if available, will be on terms acceptable to the Company.

Unpredictability and Volatility of Share Prices

The common shares of the Company have been and could continue to be subject to significant fluctuations in market price and trading volumes. In addition, industry specific fluctuations in the stock market may adversely affect the market price of the common shares of the Company regardless of the Company’s operating performance. There can be no assurance that the price of the common shares of the Company will remain at current levels. In addition, the securities markets have experienced significant price and volume fluctuations from time to time in recent years that often have been unrelated or disproportionate to the operating performance of particular issuers. These broad fluctuations may adversely affect the market price of the common shares of the Company, and the market price of the Company’s common shares may decline below the Offering Price.

Dilution of Existing Shareholders

The Company is authorized to issue an unlimited number of common shares for such consideration and on those terms and conditions as shall be established by the board of directors of the Company without the approval of any shareholders. The shareholders have no pre-emptive rights in connection with such further issues. Additional common shares may be issued by the Company on the exercise of stock options and upon the exercise of previously issued share purchase warrants as well as upon the exercise of the Warrants or the Broker Warrants. The Company may also make future acquisitions or enter into financing or other transactions involving the issuance of the Company’s securities which may be dilutive to shareholders.

Use of Proceeds

The Company intends to use the net proceeds from the Offering as set out under “*Use of Proceeds*” in this Prospectus Supplement. The use of proceeds as set out herein are based on the current expectations of management of the Company; however, there may be circumstances where, for business reasons, a reallocation of funds may be necessary as determined at the discretion of the Company, and there can be no assurance as of the date of this Prospectus Supplement as to how those funds may be reallocated.

Completion of the Offering

There can be no certainty that the Offering will be completed. If the Offering is not completed, the Company may not be able to raise the funds required for the purposes contemplated under “*Use of Proceeds*” from other sources on commercially reasonable terms or at all. Further, there is no certainty that the Company will meet minimum distribution requirements for the listing of the Warrants.

Transactions in the Cannabinoid Pharmaceutical and Non-Pharmaceutical Cannabis Industry are not indicative of the Company’s prospects

A number of mergers, acquisitions and investments involving companies in the cannabinoid pharmaceutical and non-pharmaceutical cannabis industry have been reported. However, these transactions are not indicative of current or future opportunities for the Company and there is no certainty that any will materialize.

Internal Controls

Consistent with other entities in similar stages of development, the Company has a limited number of employees and informal review processes in place currently in the accounting group, limiting the Company’s ability to provide for segregation of duties and secondary review. A lack of resources in the accounting group could lead to material misstatements resulting from undetected errors occurring from one individual performing primarily all areas of accounting with limited secondary review.

DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference in this Prospectus Supplement and the Base Prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Chief Financial Officer of the Company at Suite 340 – 200 Granville Street, Vancouver, British Columbia V6C 1S4 or by accessing such documents under the Company’s profile on the System for Electronic Document Analysis and Retrieval, or SEDAR, which can be accessed on SEDAR at www.sedar.com.

This Prospectus Supplement is incorporated by reference into the Base Prospectus as of the date hereof and only for the purposes of the distribution of the Units offered hereby. Other documents are also incorporated or deemed to be incorporated by reference into the Base Prospectus and reference should be made to the Base Prospectus for full details. See “Documents Incorporated by Reference” in the Base Prospectus.

The following documents of the Company, filed with the securities commissions or similar authorities in each of the Provinces of British Columbia, Alberta and Ontario, are specifically incorporated by reference into and form an integral part of this Prospectus Supplement, provided that such documents are not incorporated by reference to the extent that their contents are modified or superseded by a statement contained in this Prospectus Supplement or in any other subsequently filed document that is also incorporated by reference in this Prospectus Supplement, as further described below:

- (a) the Base Prospectus of the Company dated September 11, 2017;
- (b) the annual information form of the Company dated November 15, 2017 for the year ended June 30, 2017;
- (c) the audited consolidated financial statements of the Company as at and for the years ended June 30, 2016 and June 30, 2017, together with the auditors’ reports thereon and the notes thereto;
- (d) the un-audited condensed consolidated interim financial statements of the Company as at and for the three and nine months ended March 31, 2018, together with the notes thereto;
- (e) the management’s discussion and analysis dated October 11, 2017 for the year ended June 30, 2017;
- (f) the management’s discussion and analysis dated May 10, 2018 for the three and nine months ended March 31, 2018;

- (g) the material change report of the Company dated January 4, 2018, with respect to the Company completing a non-brokered private placement of 13,428,571 units at a price of \$0.70 per unit for gross proceeds of \$9,400,000;
- (h) the material change report of the Company dated March 23, 2018 with respect to the Company delisting their common shares on the Canadian Securities Exchange and listing their common shares of the Company on the Exchange;
- (i) the material change report of the Company dated April 11, 2018 with respect to the Company appointing Joshua Blacher as Chief Business Officer of the Company;
- (j) the material change report of the Company dated June 13, 2018 with respect to the Company entering into an engagement letter with the Underwriter for the Offering and an amendment thereto;
- (k) the information circular of the Company dated November 1, 2017 issued in connection with the annual general meeting of the shareholders held on December 14, 2017;
- (l) news release of the Company dated May 11, 2018 with respect to the Company providing financial results for the three and nine months ended March 31, 2018 and a business and research and development update;
- (m) the term sheet ("**Original Term Sheet**") dated June 12, 2018 and filed June 12, 2018 between the Company and the Underwriter for the Offering; and
- (n) the amended term sheet ("**Amended Term Sheet**") dated June 12, 2018 and filed June 13, 2018 between the Company and the Underwriter reflecting the increase of the Units of the Offering by 3,333,360 Units from 11,11,200 Units to 14,444,560 Units.

Any material change reports (excluding confidential material change reports), business acquisition reports, annual information forms, interim financial statements, annual financial statements and the auditors' report thereon, management's discussion and analysis of financial condition and results of operations in respect of the periods covered by such interim or annual financial statements, management information circulars (excluding those portions that are not required pursuant to National Instrument 44-101 – *Short Form Prospectus Distributions* ("**NI 44-101**") and National Instrument 44-102 – *Shelf Distributions* ("**NI 44-102**") of the Canadian Securities Administrators to be incorporated by reference herein) and all other documents of the type required by NI 44-101 and NI 44-102 of the Canadian Securities Administrators, which are filed by the Company with a securities commission or similar authority in any of the provinces of Canada after the date of this Prospectus Supplement and prior to the termination of the Offering, shall be deemed to be incorporated by reference into this Prospectus Supplement and the Base Prospectus.

Any statement contained herein, in the Base Prospectus or in a document incorporated or deemed to be incorporated by reference herein or the Base Prospectus shall be deemed to be modified or superseded, for purposes of this Prospectus Supplement and the Base Prospectus to the extent that a statement contained herein or in the Base Prospectus or in any other subsequently filed document that also is or is deemed to be incorporated by reference herein or in the Base Prospectus modifies or supersedes that statement. Any such modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be considered in its unmodified or un-superseded form to constitute part of this Prospectus Supplement or the Base Prospectus; rather only such statement as so modified or superseded shall be considered to constitute part of this Prospectus Supplement or the Base Prospectus.

Neither the Company nor the Underwriter have provided, or otherwise authorized any other person to provide, investors with information other than as contained or incorporated by reference in this Prospectus Supplement or the Base Prospectus. If an investor is provided with different or inconsistent information, he or she should not rely on it.

MARKETING MATERIALS

Any “template version” of any “marketing materials” (as such terms are defined under applicable Canadian securities laws) that are utilized by the Underwriter in connection with the Offering are not part of this Prospectus Supplement to the extent that the contents of the template version of the marketing materials have been modified or superseded by a statement contained in this Prospectus Supplement. Any template version of any marketing material that has been, or will be, filed on SEDAR before termination of the distribution under the Offering (including any amendments to, or an amended version of, any template version of any marketing materials) is deemed to be incorporated into this Prospectus Supplement. The marketing materials can be viewed under the Company’s profile on SEDAR at www.sedar.com.

The size of the base Offering included in the Term Sheet was increased from \$10,000,080 to \$13,000,104 (or from \$11,500,092 to \$14,950,116, assuming exercise of the Over-Allotment Option in full). The Company prepared the Amended Term Sheet, which is a revised version of the Original Term Sheet. The foregoing summary is not exhaustive and is qualified by the information contained in the Amended Term Sheet which has been filed under the Company’s profile on SEDAR at www.sedar.com.

FORWARD-LOOKING STATEMENTS

Certain statements in this Prospectus Supplement, including the Base Prospectus and documents incorporated by reference herein or therein, may constitute “forward-looking” information within the meaning of applicable securities laws that involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements or industry results, to be materially different from any future results, performance or achievements or industry results expressed or implied by such forward-looking information. Forward-looking information is identified by the use of terms and phrases such as “anticipate”, “believe”, “could”, “estimate”, “expect”, “intend”, “may”, “plan”, “predict”, “project”, “will”, “would”, and similar terms and phrases, including references to assumptions. Such information may involve, but is not limited to, comments with respect to strategies, expectations, planned operations or future actions. Forward-looking information in this Prospectus Supplement includes, without limitation, statements with respect to: the anticipated closing of the Offering, including the date therefor; the anticipated use of net proceeds of the Offering; that the Company will enter into the Warrant Indenture at the Closing Date and that Computershare Trust Company of Canada will be the Warrant Agent; the expected terms of the Warrant Indenture; the goals and milestones the Company intends to achieve through the use of the net proceeds of the Offering and the key steps to reaching those goals and milestones and estimated costs thereof; the expected Canadian federal income tax treatment of an investment in the Unit Shares and the Warrants; the listing of the Unit Shares, Warrant Shares and Broker Warrant Shares on the Toronto Stock Exchange; the potential for the Company’s patent applications to provide intellectual property protection for the Company; the Company developing a vehicle for controlled delivery of ophthalmic drugs into the eye; the potential to out-license the Company’s delivery vehicle to other companies with ophthalmic drugs; the ability to re-invigorate the commercial potential of off-patent products; initiating discussions with potential partners; the outlook of the Company’s business and the global economic and geopolitical conditions; the competitive environment in which the Company and its business units operate; continuing to outsource the majority of the Company’s research and development activities through scientific collaboration agreements and fee for service arrangements with various scientific collaborators, academic institutions and their personnel; positioning the Company to achieve value-driving, near-term milestones for its product candidates with limited investment; the steps in the Company’s drug development pathways, including INM-750, INM-085, INM-405, and the Company’s cannabinoid biosynthesis manufacturing process; anticipated product milestones; the anticipated effectiveness of the Company’s product candidates; completing multiple patent filings for its product candidates; the Company’s ability to execute its business strategy; critical accounting estimates; management’s assessment of future plans and operations. Actual events or results may differ materially.

Forward-looking information contained in this Prospectus Supplement is based on certain key expectations and assumptions made by the Company, including, without limitation, expectations and assumptions respecting: the stability of the economy in Canada and the United States; growth in demand for the products and services of the Company’s business; the successful completion of the Offering; the ongoing availability of capital to the Company; the success of the Company’s preclinical research; the success and timeliness of regulatory and patent approvals for the Company’s product candidates; and the satisfactory timing and receipt of regulatory approval with respect to the Offering. Although the forward-looking information contained in this Prospectus Supplement is based upon what the Company’s management believes to be reasonable assumptions, the Company cannot assure investors that actual results will be consistent with such information. Undue reliance should not be placed on the forward-looking information since no assurance can be given that it will prove to be correct.

Forward-looking information reflects current expectations of the Company's management regarding future events and operating performance as of the date of this Prospectus Supplement. Such information involves significant risks and uncertainties, should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether or not such results will be achieved. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking information including, without limitation: failure to close the Offering; the Company's reliance on key personnel; the unpredictability and volatility of prices for the Company's common shares; dilution of existing shareholders of the Company; investment eligibility; current economic conditions; failure to access financing; financial health of the Company's business and cash flows; regulatory risk; regulatory filing and licensing requirements; patent applications may not be approved; product candidates may not produce the desired results; sensitivity to general economic conditions and levels of economic activity; financing constraints; supply disruptions; employee relations; dependence on information systems and technology; insurance coverage; competition; discontinuation of tax incentives and change in provincial tax structure; foreign exchange; import product restrictions; and volatility of industry conditions. Readers are cautioned that the foregoing list is not exhaustive. For additional information with respect to risks and uncertainties, readers should carefully review and consider the risk factors described under the section "*Risk Factors*" and elsewhere in this Prospectus Supplement. The information contained in this Prospectus Supplement, including the documents incorporated by reference herein, identifies additional factors that could affect the operating results and performance of the Company. Prospective investors are urged to carefully consider those factors.

Readers are cautioned that the preparation of financial statements in accordance with International Financial Reporting Standards in Canada requires management of the Company to make certain judgments and estimates that affect the reported amounts of assets, liabilities, revenues and expenses.

The forward-looking information contained herein is expressly qualified in its entirety by this cautionary statement. Forward-looking information reflects management's current beliefs and is based on information currently available to the Company. The forward-looking information is made as of the date of this Prospectus Supplement (or in the case of information contained in a document incorporated by reference herein, as of the date of such document), and the Company assumes no obligation to publicly update or revise such forward-looking information to reflect new information, subsequent or otherwise, except as may be required by applicable securities law.

THIRD PARTY INFORMATION

This Prospectus Supplement and the Base Prospectus, including documents incorporated by reference herein and therein, includes industry and market data and forecasts obtained from independent publications, market research and analyst reports, surveys and other publicly available sources. Although the Company and the Underwriter believe these sources to be generally reliable, market and industry data is subject to interpretation and cannot be verified with complete certainty due to limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in any statistical survey. Accordingly, the accuracy and completeness of this data is not guaranteed. The Company and the Underwriter have not independently verified any of the data from third party sources referred to in this Prospectus Supplement or the Base Prospectus, including documents incorporated by reference herein, nor ascertained the underlying assumptions relied upon by such sources.

ELIGIBILITY FOR INVESTMENT

In the opinion of Farris, Vaughan, Wills & Murphy LLP, counsel to the Company, and in the opinion of Borden Ladner Gervais LLP, counsel to the Underwriter, based on the current provisions of the Tax Act and specific proposals to amend the Tax Act publically announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (collectively, the "**Proposed Amendments**"), provided that, at the date hereof (i) the common shares of the Company are listed on a "designated stock exchange" (as defined in the Tax Act and which currently includes the Toronto Stock Exchange or the Company is otherwise a "public corporation" (as defined in the Tax Act), and (ii) in the case of the Warrants, each person who is an annuitant, a beneficiary, an employer or a subscriber under, or a holder of, such Registered Plans (as defined herein) deals at arm's length with the Company and is not the Company itself, the Unit Shares, Warrants and Warrant Shares will, if issued on the date hereof, be a "qualified investment" under the Tax Act for a trust governed by a registered retirement savings plans (a "**RRSP**"), a registered retirement income funds (a "**RRIF**"), a registered education savings plans (a "**RESP**"), a RDSP, or a tax-free savings accounts (a "**TFSA**") (each as defined in the Tax Act) (collectively, the "**Registered Plans**") or a deferred profit sharing plan.

Notwithstanding the foregoing, if the Unit Shares, Warrants or Warrant Shares are a “prohibited investment” (as defined in the Tax Act) for a particular Registered Plan, the annuitant of the RRSP or RRIF, the subscriber of the RESP or the holder of the RDSP or TFSA, as the case may be, will be subject to a penalty tax under the Tax Act. The Unit Shares, Warrants and Warrant Shares generally will not be a prohibited investment for these purposes provided that the annuitant of the RRSP or RRIF, the subscriber of the RESP or the holder of the RDSP or TFSA, as the case may be, (i) deals at arm’s length with the Company for purposes of the Tax Act, and (ii) does not have a “significant interest” (as defined in the Tax Act for purposes of the prohibited investment rules) in the Company. In addition, the Unit Shares and Warrant Shares generally will not be a “prohibited investment” for a RRSP, RRIF, RESP, RDSP or TFSA if the Unit Shares or Warrant Shares, as applicable, are “excluded property” (as defined in the Tax Act for purposes of the prohibited investment rules). Prospective investors who intend to hold the Unit Shares, Warrants or Warrant Shares in a RRSP, RRIF, RESP, RDSP or TFSA should consult their own tax advisors as to whether the Unit Shares, Warrants and Warrant Shares would constitute a prohibited investment in their particular circumstances.

INMED PHARMACEUTICALS INC.

Corporate Information

The Company was incorporated on May 19, 1981 under the *Company Act* (British Columbia), which legislation has since been repealed and replaced by the *Business Corporations Act* (British Columbia), under the name Kadrey Energy Corporation. The Company has undergone a number of corporate name changes since its incorporation, most recently changing its name from Cannabis Technologies Inc. to InMed Pharmaceuticals Inc. on October 6, 2014. The Company’s head office is located at Suite 340 – 200 Granville Street, Vancouver, British Columbia V6C 1S4 and its registered office is located at 25th Floor, 700 West Georgia St., Vancouver, British Columbia V7Y 1B3.

On March 23, 2018, the Company received final approval for the listing of the common shares of the Company on the Exchange and to commence trading as of the open of the market on March 26, 2018. The common shares of the Company continue to trade under the symbol “IN”. In conjunction with listing on the Exchange, the common shares of the Company were concurrently delisted from the Canadian Securities Exchange.

Business of the Company

Overview

The Company is a preclinical stage biopharmaceutical company specializing in the research and development of novel, cannabinoid-based prescription drug therapies utilizing novel drug delivery systems. The Company conducts research, discovery, preclinical, clinical, regulatory, manufacturing and commercial development activities for its product candidates. The three core asset groups of the Company, namely the bioinformatics database assessment tool, the biosynthesis manufacturing process and the drug development programs, are discussed in detail below.

The Company is engaged in researching, developing, manufacturing and commercializing cannabinoid-based biopharmaceutical products to treat diseases with high unmet medical needs. Cannabinoids are a family of over 90 individual chemical components found in the cannabis plant, each of which may have important physiological impacts on the human body. When purified to pharmaceutical grade (>95% purity) and dosed either individually or in combination, cannabinoids can have a therapeutic effect in treating a wide range of diseases, including neurological, cognitive, digestive, inflammatory, ocular and other diseases. In addition to internal development of drug candidates, the Company will also look to sell or out-license new drug candidates to pharmaceutical companies for further development, commercialization and distribution.

Biosynthesis Manufacturing Process for Cannabinoids

A second component of the Company’s core business is the metabolic engineering/manufacturing, also referred to as biosynthesis, of cannabinoid drug compounds. Metabolic engineering is the modification of a cell's metabolic network for increased production of a specific molecule. Metabolic engineering re-creates the plant pathway in a microbial host, allowing industrial-scale exploitation of the pathway for production of natural products (as an example, millions of diabetics worldwide use synthetic insulin produced via *E.coli* biosynthesis). Many pitfalls associated with the traditional cannabis plant growing, harvesting, processing, extraction and purification

techniques can be avoided by using biosynthesis. Unlike plant extraction, metabolic engineering allows manipulation of the natural pathway to optimize the final composition of the products. Not only is biosynthesis a higher-yielding and more resource-efficient manufacturing process, but the process and resulting products may face less regulatory obstacles than agriculturally-sourced cannabinoids given the current cannabis-related restrictions in numerous jurisdictions worldwide. The Company has been approached by other companies with an alternative *in vitro* production approach, but the Company has elected to pursue its own proprietary *in vivo* approach. On September 5, 2017, the Company filed a provisional patent application (USPTO No. 62/554,494) entitled “Metabolic Engineering of *E. coli* for the Biosynthesis of Cannabinoid Products”, covering additional inventions for its processes and inventions.

Drug Development Programs

The third and most important component of the Company’s core assets is its drug development programs. The Company has identified three potential clinical candidates, which are currently at various stages of preclinical development, through its bioinformatics database assessment tool:

- INM-750, our lead product in development for epidermolysis bullosa, or EB, a severe genetic skin disorder (according to analyst reports there are an estimated 50,000 EB patients in North America, Europe and Japan and potential global market revenues of US\$1 billion for EB related drugs/treatments). On May 4, 2017, the Company filed a provisional patent application titled “A Cannabinoid-based topical therapy for diseases and conditions associated with intermediate filament dysfunction” in Canada (PCT/CA2017/050546) for INM-750, a combination of non-THC cannabinoids, and other unique compositions as cannabinoid-based topical therapies for the treatment of diseases including EB.
- INM-085, a product in development for glaucoma, the second leading cause of blindness in the developed world (according to a February 2015 article published by Toni Clarke with Reuters, there is a global market of more than US\$5 billion for glaucoma related drugs/treatments). On May 10, 2017, the Company announced the filing of a provisional patent application titled “Ocular Drug Delivery Formulation” in the United States (PCT62/503,258) for the delivery of drugs including INM-085 as a cannabinoid-based topical (hydrogel) therapy for the treatment of glaucoma. On May 14, 2018, the Company filed a PCT application for INM-085 as a cannabinoid-based topical therapy for glaucoma, which includes protection of its technology in about 150 different countries including the United States, and claims a priority date from May 8, 2018 (PCT/CA2018/050548). The PCT filing is a conversion from the provisional patent filed in May, 2017.
- INM-405, a product in development for localized pain (the global pain management market for pharmaceuticals and medical devices is estimated to exceed \$36 billion in 2017, according to an August 2017 report from BCC Research). On September 22, 2017, the Company filed a provisional patent application titled “Methods and Composition for Treatment of Pain with Cannabinoids”, in the United States (PCT62/562,166) for INM-405, a combination of non-THC cannabinoids, and other unique compositions as cannabinoid-based topical therapies for the treatment of pain.

The Company is developing cannabinoid-based therapies and drugs to treat a multitude of illnesses and has conducted preliminary and/or advanced preclinical research in the following areas: dermatology (INM-750), ocular disease (INM-085), pain and inflammation (INM-400 Series), pulmonary disease (INM-300 Series), neurodegenerative disease (INM-100 Series) and oncology (INM-200 Series).

For a more detailed description of the business of the Company, investors should refer to pages 29 – 58 under the heading “Business of InMed” of the annual information form of the Company dated November 15, 2017 for the year ended June 30, 2017, which annual information form is specifically incorporated by reference herein.

RECENT DEVELOPMENTS

The following is a summary of recent developments involving the Company since March 31, 2018, being last day of the most recent quarter in respect of which the Company has filed interim financial statements and management's discussion and analysis.

Changes to the Advisory Board and Management

On April 11, 2018, Joshua Blacher was appointed as Chief Business Officer. Mr. Blacher is focused on raising the Company's visibility in the broader capital markets community, especially in the United States, as well as executing strategic finance initiatives and business development. Mr. Blacher has twenty years of leadership experience in senior positions in the healthcare and capital markets sectors in the United States. Mr. Blacher previously served as Chief Financial Officer at Therapix Biosciences (NASDAQ: TRPX) and Galmed Pharmaceuticals (NASDAQ: GLMD), where he focused on strategic finance, business development, and managing relations with the investment community. Previously, Mr. Blacher also held senior positions in licensing and investing at Teva Pharmaceuticals, portfolio management at Deutsche Asset Management and equity research at Morgan Stanley, as well as in mergers & acquisitions at Lehman Brothers.

On May 1, 2018, Dr. Vikramaditya G. Yadav was appointed to the Company's Scientific Advisory Board. Dr. Yadav is an Assistant Professor in the Department of Chemical & Biological Engineering and School of Biomedical Engineering at the University of British Columbia (UBC), and currently serves as the Chair of the Biotechnology Division of the Chemical Institute of Canada. He has been recognized by Medicine Maker journal as one of the 100 most influential people in drug development and manufacturing. Dr. Yadav received his doctoral degree in chemical engineering from the Massachusetts Institute of Technology focusing on enzyme and microbial metabolic engineering for the synthesis of pharmaceuticals. He later conducted post-doctoral research on biophysics and biological thermodynamics at Harvard University. He joined UBC in the summer of 2014 and has since established a world-leading, industry-connected research group that works on wide-ranging topics such as metagenomics, plant chemistry, tissue engineering, drug discovery and pharmaceutical manufacturing.

Patent Filings

On May 14, 2018, the Company filed a PCT application for INM-085 as a cannabinoid-based topical therapy for glaucoma, which includes protection of its technology in about 150 different countries including Canada and the United States, and claims a priority date from May 8, 2018 (PCT/CA2018/050548). The PCT filing, which is a conversion from the provisional patent filed in May, 2017, is an important step in providing intellectual and commercial protection for this therapy. The Company is developing a stimulus-responsive, nanoparticle-laden vehicle for controlled delivery of ophthalmic drugs into the aqueous humor of the eye. The first applications of this vehicle will be for INM-085 as a cannabinoid-based topical therapy to reduce the intraocular pressure associated with glaucoma. INM-085 is intended for application as a once-per-day eye drop administered immediately prior to the patient's bedtime, intending to assist in reducing the high rate of non-adherence with current glaucoma therapies. Additionally, this novel, proprietary delivery system for ophthalmic drugs may also play an important role in enabling other companies' proprietary ophthalmic drug candidates or re-invigorating the commercial potential of off-patent products that would benefit from a once-a-day dosing regimen.

DESCRIPTION OF THE SECURITIES BEING DISTRIBUTED

Assuming the exercise in full of the Over-Allotment Option, the Offering consists of a total of 16,611,244 Units, each Unit consisting of one Unit Share and one Warrant. Each Unit is comprised of one common share of the Company and one Warrant. Each Warrant is exercisable into one Warrant Share at an exercise price of \$1.25 per Warrant Share at any time prior to 5:00 p.m. (Vancouver time) on the Warrant Expiry Date, subject to adjustment in certain events.

Common Shares

The Company's authorized share capital consists of an unlimited number of common shares without par value and an unlimited number of preferred shares without par value. As at the date of this Prospectus Supplement, the Company has 154,239,825 common shares issued and outstanding and no preferred shares issued and outstanding.

Each common share entitles the holder thereof to one vote at all meetings of shareholders. The shareholders are entitled to receive dividends, as and when declared by the board of directors of the Company, subject to the rights, privileges and restrictions attaching to the securities of the Company, which may be paid in money, property or by the issue of fully paid shares in the capital of the Company.

In the event of the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, or other distribution of assets of the Company among shareholders for the purpose of winding up its affairs, subject to the rights, privileges and restrictions attaching to the securities of the Company, the shareholders shall be entitled to receive the remaining property of the Company. In the event of an insufficiency of property and assets to pay in full the amounts which the shareholders are entitled to receive upon such liquidation, dissolution or winding-up, the shareholders shall participate rateably among themselves in accordance with the amounts to which they are respectively entitled upon such liquidation, dissolution or winding-up.

All common shares are of the same class with equal rights and privileges. The Company's common shares are not subject to future calls or assessments. The Company may issue additional common shares and options therefor from time to time on terms and conditions acceptable to the directors of the Company.

Warrants

The Warrants issued under the Offering will be governed by the Warrant Indenture to be entered into between the Company and Computershare Trust Company of Canada, as Warrant Agent. The following is a brief summary of the material attributes and characteristics of the Warrants and certain principal provisions which will be incorporated into the Warrant Indenture. This summary does not purport to be complete and is subject to, and qualified in its entirety by reference to, the terms of the Warrant Indenture, which will be filed with the Canadian securities regulatory authorities of each of the provinces of British Columbia, Alberta and Ontario on the closing of the Offering and will be available under the Company's profile on SEDAR at www.sedar.com.

The Unit Shares and the Warrants will separate immediately following the Closing. Each whole Warrant will entitle the holder to acquire one Warrant Share at an exercise price of \$1.25 until 5:00 p.m. (Vancouver Time) on the Warrant Expiry Date, subject to adjustment in certain events, after which time the Warrant will be void and of no value.

For greater certainty, all Warrants, including the Warrants issued pursuant to, or in connection with, the Over-Allotment Option, will expire on the same expiry date of two (2) years from the Closing Date. The Warrants and the Warrant Shares have not been and will not be registered under the U.S. Securities Act or any applicable state securities laws, and the Warrants may not be exercised unless an exemption or exclusion from such registration is available and documentation to that effect is provided in accordance with the terms of the Warrant Indenture.

The Warrant Indenture will provide that the share ratio and exercise price of the Warrants will be subject to adjustment in the event of a subdivision or consolidation of the common shares of the Company. The Warrant Indenture will also provide that if there is (a) a reclassification or change of the common shares of the Company, (b) any consolidation, amalgamation, arrangement or other business combination of the Company resulting in any reclassification, or change of its common shares into other shares, or (c) any sale, lease, exchange or transfer of the Company's assets as an entity or substantially as an entirety to another entity, then each holder of a Warrant which is thereafter exercised shall receive, in lieu of common shares of the Company, the kind and number or amount of other securities or property which such holder would have been entitled to receive as a result of such event if such holder had exercised the Warrants prior to the event.

No adjustment in the exercise price or number of Warrant Shares will be required to be made unless the cumulative effect of such adjustment or adjustments would result in a change of at least 1% in the exercise price or a change in the number of Warrant Shares purchasable upon exercise by at least one one-hundredth (1/100th) of a common share of the Company, as the case may be.

The Warrant Indenture will also provide that, during the period in which the Warrants are exercisable, the Company will give notice to holders of Warrants of certain stated events, including events that would result in an adjustment to the exercise price for the Warrants or the number of Warrant Shares issuable upon exercise of the Warrants, at least 14 days prior to the record date or effective date, as the case may be, of such events.

From time to time, the Company and the Warrant Agent, without the consent of the holders of Warrants, may amend or supplement the Warrant Indenture for certain purposes, including curing defects or inconsistencies or making any change that does not adversely affect the rights of any holder of Warrants. Any amendment or supplement to the Warrant Indenture that adversely affects the interests of the holders of the Warrants may only be made by “extraordinary resolution”, which will be defined in the Warrant Indenture as a resolution either (1) passed at a meeting of the holders of Warrants at which there are holders of Warrants present in person or represented by proxy representing at least 20% of the aggregate number of the then outstanding Warrants and passed by the affirmative vote of holders of Warrants representing not less than 66 2/3% of the aggregate number of all the then outstanding Warrants represented at the meeting and voted on the poll upon such resolution, or (2) adopted by an instrument in writing signed by the holders of not less than 66 2/3% of the aggregate number of all then outstanding Warrants.

No fractional Warrants will be issued and no fractional Warrant Shares will be issuable upon the exercise of any Warrants, and no cash or other consideration will be paid in lieu of fractional shares. Holders of Warrants will not have any voting or pre-emptive rights or any other rights which a holder of common shares of the Company would have.

Book-Entry, Delivery and Form

The Unit Shares and Warrants comprising the Units will be issued electronically through the non-certificated inventory, or NCI, system and held by, or on behalf of the Depository, as custodian for its Participants (defined below).

All Unit Shares and Warrants comprising the Units will be registered in the name of the Depository or its nominee through the NCI system. Purchasers of Units will not receive certificates evidencing the Units. Rather, the Unit Shares and Warrants comprising the Units will be represented only in “book-entry only” form (unless the Company, in its sole discretion, elects to prepare and deliver certificates evidencing the Unit Shares and Warrants comprising the Units). Beneficial interests in the Unit Shares and Warrants comprising the Units will be represented through book-entry accounts of institutions (including the Underwriter) acting on behalf of beneficial owners, as direct and indirect participants of the Depository, each, a Participant. Each purchaser of a Unit will receive a customer confirmation of purchase from the Underwriter or registered dealer from whom the Unit is purchased in accordance with the practices and procedures of the selling Underwriter or registered dealer. The practices of registered dealers may vary but, generally, customer confirmations are issued promptly after execution of a customer order. The Depository will be responsible for establishing and maintaining book-entry accounts for its Participants having interests in Unit Shares and Warrants comprising the Units. If the Depository notifies the Company that it is unwilling or unable to continue as depository, or if at any time the Depository ceases to be a clearing agency or otherwise ceases to be eligible to be a depository and the Company is unable to locate a qualified successor, beneficial owners of Unit Shares and Warrants holding through the NCI system at such time will receive certificates evidencing the Unit Shares and Warrants.

Broker Warrants

The Company will issue to the Underwriter, on Closing, the Broker Warrants entitling the Underwriter to acquire that number of common shares of the Company equal to 7% of the number of Units, provided, however, that such Broker Warrants shall be reduced to 3.5% of the number of Units sold, for such portion of the gross proceeds raised under the Offering which is attributable to the Units issued and sold to persons identified on the President's List, issuable on the Closing Date. Each Broker Warrant is exercisable into one Broker Warrant Share, at a price of \$0.90, or such other amount as may be acceptable to the Exchange, for a period of two (2) years after the Closing Date. The terms governing the Broker Warrants will be set out in the certificates representing the Broker Warrants and will include, among other things, customary provisions for the appropriate adjustment of the class and number of the Broker Warrant Shares issuable pursuant to any exercise of the Broker Warrants upon the occurrence of certain events, including any subdivision, consolidation or reclassification of the common shares of the Company, any capital reorganization of the Company, or any merger, consolidation or amalgamation of the Company with another corporation or entity, as well as customary amendment provisions. The Broker Warrants will be non-transferable. The Underwriter, as holders of the Broker Warrants, will not as such have any voting right or other right attached to common shares of the Company until the Broker Warrants are duly exercised as provided for in the certificates representing the Broker Warrants.

PRIOR SALES

In the 12-month period preceding the date of this short form prospectus, the Company has issued common shares and securities convertible into common shares as follows:

Common Shares

The following table sets out the common shares issued by the Company since June 15, 2017:

Date of Issuance	Number of Shares	Issue Price	Transaction Type
January 3, 2018	13,428,571	\$0.70	Private placement
February 14, 2018	35,718	\$1.17	Settlement of trade payable debt for shares

Since June 15, 2017, an aggregate of 7,345,000 options have been exercised at exercise prices ranging from \$0.11 per share to \$0.45 per share, resulting in the issuance of 7,230,295 common shares of the Company.

Since June 15, 2017, an aggregate of 3,040,000 warrants have been exercised at an exercise price of \$0.15 per share, resulting in the issuance of 3,040,000 common shares of the Company. In addition, since June 15, 2017, an aggregate of 4,521,111 warrants have been exercised on a net cashless basis at an exercise price of \$0.65 per share, resulting in the issuance of 2,184,791 common shares of the Company.

Since June 15, 2017, an aggregate of 575,750 agent's warrants have been exercised at exercise prices ranging from \$0.18 per share to \$0.45 per share, resulting in the issuance of 575,750 common shares of the Company.

Options

The following table sets out the options issued by the Company since June 15, 2017:

Date of Issuance	Number of Options	Exercise Price	Expiry Date	Fair Value of Share Price on Grant Date
July 10, 2017	400,000	\$0.33	July 22, 2022	\$0.33
August 14, 2017	1,350,000	\$0.275	August 14, 2022	\$0.275
September 12, 2017	1,000,000	\$0.425	September 12, 2022	\$0.425
March 8, 2018	2,700,000	\$1.55	March 8, 2023	\$1.55
May 16, 2018	2,790,000	\$1.02	May 16, 2023	\$1.02

Warrants

The following table sets out the Warrants issued by the Company since June 15, 2017:

Date of Issuance	Number of Warrants	Exercise Price	Expiry Date	Fair Value of Share Price on Grant Date
January 3, 2018	13,428,571	\$1.25 ⁽¹⁾	July 3, 2019	\$2.37 ⁽¹⁾

⁽¹⁾ The exercise price for the Warrants issued in connection with the closing of the private placement of the Company on January 3, 2018 was determined at the time the Company filed for price protection for the private placement. The Company's share price increased in the intervening time between filing for price protection and the closing of the private placement. Accordingly, the exercise price for the Warrants was below the market price of the Company's common shares at the time of closing of the private placement.

Agent's Warrants

The following table sets out the agent's warrants issued by the Company since June 15, 2017:

Date of Issuance	Number of Agent's Warrants	Exercise Price	Expiry Date	Fair Value of Share Price on Grant Date
January 3, 2018	433,556	\$1.25 ⁽¹⁾	July 3, 2019	\$2.37 ⁽¹⁾

⁽¹⁾ The exercise price for the agent's warrants issued in connection with the closing of the non-brokered private placement of the Company on January 3, 2018 was determined at the time the Company filed for price protection for the private placement. The Company's share price increased in the intervening time between filing for price protection and the closing of the private placement. Accordingly, the exercise price for the agent's warrants was below the market price of the Company's common shares at the time of closing.

TRADING PRICE AND VOLUME

The common shares of the Company currently trade under the symbol "IN" on the Toronto Stock Exchange. Prior to commencing trading on the Toronto Stock Exchange on March 26, 2018, the common shares of the Company traded on the Canadian Securities Exchange. The following tables set out the price range and trading volume of the common shares of the Company for the months set out below, as reported by the Toronto Stock Exchange, on both the Canadian Securities Exchange and the Toronto Stock Exchange:

Common Shares on the Canadian Securities Exchange

Month	Common Shares Price Range		Total Volume
	High (\$)	Low (\$)	
June 2017	0.43	0.315	11,505,652
July 2017	0.38	0.30	5,536,987
August 2017	0.33	0.23	7,047,281
September 2017	0.56	0.26	19,527,180
October 2017	0.53	0.36	12,611,005
November 2017	0.79	0.42	35,696,289
December 2017	1.46	0.66	47,447,850
January 2018	2.42	1.12	80,190,767
February 2018	1.30	0.68	20,936,148
March 1 – 25 2018	1.88	0.85	45,439,059

Common Shares on the Toronto Stock Exchange

Month	Common Shares Price Range		Total Volume
	High (\$)	Low (\$)	
March 26 – 31 2018	1.69	1.29	3,583,227
April 2018	1.42	1.08	7,126,316
May 2018	1.24	0.89	12,914,170
June 1 – 14 2018	1.14	0.84	9,689,162

USE OF PROCEEDS

The total net proceeds from the sale of the Units under this Offering are estimated to be approximately \$11,615,097 (or approximately \$13,428,611 if the Over-Allotment Option is exercised in full) after deducting the Underwriter's Fees of \$910,007 (or \$1,046,508 if the Over-Allotment Option is exercised in full) and the expenses of the Offering estimated at \$475,000.

The net proceeds of the Offering are expected to be used: (i) as to approximately \$4,200,000, for research and development expenditures to advance INM-750 towards human clinical trials in EB; (ii) as to approximately \$1,150,000, for research and development expenditures for its biosynthesis manufacturing process; (iii) as to

approximately \$800,000, for the Company's other research and development programs; (iv) as to approximately \$2,850,000, for general and administrative expenses of the Company (consisting mainly of salaries and employee benefits, fees for professional services, investor relations expenses, regulatory fees and cost of office premises); and (v) the balance of \$2,615,097 (\$4,428,611 if the Over-Allotment Option is fully exercised), to fund working capital. As disclosed in the Company's annual information form dated November 15, 2017, the Company currently outsources the majority of its research and development activities through scientific collaboration agreements and fee for service arrangements with various scientific collaborators, academic institutions and their personnel. The Company expects to continue to conduct its research and development activities on this basis in the near term.

For the year ended June 30, 2017 and the nine months ended March 31, 2018, the Company had negative cash flows from operating activities of \$3,076,398 and \$3,304,642, respectively. To the extent that the Company has negative cash flow from operating activities in future periods, a portion of the net proceeds from the Offering may be used to fund such negative cash flow from operating activities. See "*Risk Factors – Fluctuations in Operating Cash Flows*".

Research and Development

The Company intends to use the net proceeds of the Offering to advance its research and development programs, specifically to: (i) advance INM-750 towards and into human clinical trials in EB; (ii) scale-up its cannabinoid biosynthesis manufacturing process in a GMP-setting utilizing specific vendors who specialize in this field, a key step towards being commercially viable within 24 months of the completion of the Offering; (iii) complete further advanced pre-clinical studies, including studies in animal models, for INM-085 in glaucoma and INM-405 in pain. For a summary of the major components of the research and development work to be funded through the net proceeds of the Offering and the estimated costs thereof, see "*Business Objectives and Milestones*" below. As disclosed in the Company's annual information form dated November 15, 2017, the Company currently outsources the majority of its research and development activities through scientific collaboration agreements and fee for service arrangements with various scientific collaborators, academic institutions and their personnel. The Company expects to continue to conduct its research and development activities on this basis in the near term.

To the extent there are excess funds remaining from the Offering, the Company may deploy such proceeds to fund further preclinical studies for its product candidates within its INM-700 Series (dermatology), INM-400 Series (pain/inflammation), INM-300 series (pulmonary disease), INM 100 (neurodegenerative disease) and/or INM-200 Series (oncology).

Steps in the Drug Development Pathway

The Company's continued development of INM-750 in EB consists of the following key steps: (i) finalizing the topical formulation for this specific patient population; (ii) establish the method of manufacturing for clinical trial materials and quality control methods; (iii) planning and execution of pre-clinical toxicology studies; (iv) meeting with regulatory authorities to determine the clinical path required for regulatory approval; and (v) planning and execution of each phase of clinical trials.

The Company's continued development of INM-085 in glaucoma consists of the following key steps: (i) finalizing the once-a-day hydrogel formulation; (ii) planning and execution of pre-clinical efficacy/safety studies; (iii) determining as to whether to continue internal development or to partner with an ophthalmology company.

The Company's continued development of INM-405 in localized pain consists of the following key steps: (i) finalizing the topical formulation; (ii) planning and execution of pre-clinical efficacy/safety studies; (iii) determining as to whether to continue internal development or to partner with a company focused on pain management.

The Company's continued development of the cannabinoid biosynthesis manufacturing process consists of the following key steps: (i) continued diversification and optimizing of the genetic sequencing to maximize cannabinoid expression; (ii) further confirming the systems' capabilities to produce a variety of cannabinoid types; (iii) scaling-up and optimizing of systems/conditions for biofermentation; (iv) determining and optimizing downstream isolation and purification processes; (v) determining as to whether to further scale-up biosynthesis operations and build a large-scale good manufacturing practice facility or transfer the Company's process/know-how to a contract manufacturing organization with existing infrastructure to produce for the Company the preclinical, clinical and commercial scale supply of the Company's product candidates.

Business Objectives and Milestones

The Company is positioning itself to achieve value-driving, near-term milestones for its product candidates through utilizing the combination of the Company's existing cash on hand (\$13.9 million as at March 31, 2018) plus the total net proceeds from the sale of the Units under this Offering. Certain key milestones are discussed in more detail below.

INM-750 (EB)

In 2018, a portion of the net proceeds of the Offering are intended to be used by the Company to: conduct additional pre-clinical pharmacology experiments designed to help us better understand the contributions of each cannabinoid component as well as their final combination in INM-750 and, specifically, these additional pre-clinical experiments will focus on the effects these compounds have on wound healing and the reduction of inflammation; complete formulation development for INM-750 by the end of third quarter of 2018; continue toxicology studies on INM-750; establish the manufacturing process for clinical trial materials by the end of fourth quarter of 2018; and engage with regulatory authorities in the fourth quarter of 2018 or first quarter of 2019. The Company is aiming to complete development of the formulation, the manufacturing process, clinical-trial-enabling toxicology studies, and Phase 1 and Phase 2a clinical trials for INM-750 within 36 months of the closing of the Offering. The costs of such activities for the advancement of INM-750 over such periods are estimated to be approximately \$13 to 15 million. The Company may need to raise additional funds to complete these activities. Subsequently, and conditional upon receipt of additional funding, Phase 3 clinical trials are currently targeted to commence in 2021.

INM-085 (Glaucoma)

Starting in second half of 2018, a portion of the net proceeds of the Offering are intended to be used by the Company to: complete further research and development in order to further optimize its once-a-day hydrogel formulation for INM-085; complete additional animal studies with INM-085 with respect to reduction in intraocular pressure in the first half of 2019; finalize the once-a-day hydrogel formulation for INM-085 in the second half of 2019. After 2019, the Company intends to explore potential partnership and spin-out opportunities for INM-085. The costs of such activities for the advancement of INM-085 over such periods are estimated to be approximately \$500,000.

INM-405 (Pain)

Starting in first half of 2019, a portion of the net proceeds of the Offering are intended to be used by the Company to: complete further research and development in order to further optimize the constituents and formulation for INM-450 followed by confirmatory animal studies with INM-405 with respect to the reduction in local pain in late 2019. After 2019, the Company intends to either continue internal development of INM-450 or commence partnering initiatives. The costs of such activities for the advancement of INM-405 over such periods are estimated to be approximately \$300,000.

Biosynthesis

The Company intends to use a portion of the net proceeds of the Offering to continue gene diversification and optimize programs, scale-up its cannabinoid biosynthesis manufacturing process by defining and optimizing biofermentation conditions as well as defining the downstream isolation and purification processes, with the aim to be commercially viable within 24 months of the closing of the Offering. The costs of the scale-up of the Company's cannabinoid biosynthesis manufacturing process over such period are estimated to be approximately \$2,000,000.

Other

The Company intends to complete multiple patent filings for its product candidates in 2018 and beyond.

The foregoing timelines and expected costs for the development of the Company's product candidates are the Company's best estimate as of the date hereof. The actual costs and timing of the Company's development of its product candidates may differ materially from what is disclosed in this short form prospectus and are subject to among other things, the availability of capital. See "Risk Factors".

Retaining Broad Discretion

The Company will retain broad discretion in allocating (based on sound business principles) the net proceeds not applied in the manner set out above and the Company's actual use of the net proceeds may vary depending on its operating and capital needs from time to time and may be used, without limitation, to further the Company's business objectives. Any unallocated funds of the Company will be initially added to its general working capital. See "Risk Factors – Use of Proceeds".

CONSOLIDATED CAPITALIZATION OF THE COMPANY

The following table sets out the consolidated capitalization of the Company as at March 31, 2018, both before and after giving effect to the Offering:

Designation	As at March 31, 2018	As at March 31, 2018 after giving effect to the Offering ⁽¹⁾
Share Capital		
Common Shares	\$54,311,635	\$65,926,732
Common Shares	152,792,997	167,237,557
Stock Options.....	15,505,000	15,505,000
Warrants.....	15,312,560	29,757,120
Agent's Warrants	674,585	1,685,704 ⁽²⁾
Loan Capital		
Outstanding Loans	–	–

⁽¹⁾ Assuming completion of the Offering and no exercise of the Over-Allotment Option.

⁽²⁾ This amount includes the issuance of 1,011,119 Broker Warrants to the Underwriter, assuming completion of the Offering and no exercise of the Over-Allotment Option.

Except as disclosed below, there has been no material change in the share and loan capital of the Company since March 31, 2018:

- Subsequent to March 31, 2018, the Company has issued an aggregate of 241,029 common shares pursuant to the exercise of share purchase warrants at an exercise price of \$0.45 per share for aggregate proceeds of \$108,463; and
- Subsequent to March 31, 2018, the Company has issued an aggregate of 1,200,000 common shares pursuant to the exercise of stock options at a weighted average exercise price of \$0.28 per share for aggregate proceeds of \$336,000.

PLAN OF DISTRIBUTION

Pursuant to the Underwriting Agreement, the Company has agreed to issue and sell, and the Underwriter have agreed to purchase on the Closing Date, subject to prior sale, if, as and when issued by the Company, 14,444,560 Units at the Offering Price for total gross consideration of \$13,000,104, payable in cash to the Company against delivery of the Units on the Closing Date, subject to the terms and conditions contained in the Underwriting Agreement and subject to the approval of certain legal matters on behalf of the Company by Farris, Vaughan, Wills & Murphy LLP and on behalf of the Underwriter by Borden Ladner Gervais LLP. The Offering Price was determined by negotiation between the Underwriter and the Company with reference to the prevailing market price of the common shares of the Company.

The Company has agreed to: (i) pay the Underwriter a cash fee of 7% of the aggregate gross proceeds of the Offering, payable on the Closing Date provided, however, that such cash commission shall be reduced to 3.5% for such portion of the gross proceeds raised under the Offering which is attributable to the Units issued and sold to persons identified on the President's List; and (ii) issue to the Underwriter the Broker Warrants entitling the Underwriter to acquire that number of common shares of the Company equal to 7% of the number of Units, provided, however, that such Broker Warrants shall be reduced to 3.5% of the number of Units sold, for such portion of the gross proceeds raised under the Offering which is attributable to the Units issued and sold to persons identified on the President's List issuable on the Closing Date. Each Broker Warrant is exercisable into one Broker

Warrant Share, at a price of \$0.90, or such other amount as may be acceptable to the Exchange, for a period of two (2) years after the Closing Date. The issuance of the Broker Warrants and each Broker Warrant Share issuable upon the due exercise thereof is qualified by this Prospectus Supplement.

The Company and the Underwriter have agreed that the Company shall be permitted to issue and sell up to an aggregate of 1,666,670 Units to persons on the President's List.

The Company has granted to the Underwriter the Over-Allotment Option in whole or in part to purchase up to an additional 2,166,684 Units or 15% of the aggregate number of Units sold on the Closing Date on the same terms as set out above to cover over-allotments, if any, and for market stabilization purposes.

This Prospectus Supplement qualifies the distribution of the Units (including the Unit Shares and the Warrants comprising the Units), the grant of the Over-Allotment Option, the distribution of the Units issuable upon the exercise of the Over-Allotment Option (including the Unit Shares and the Warrants comprising such Units), the issuance of the Broker Warrants and the issuance of the Broker Warrant Shares. A purchaser who acquires Units forming part of the Underwriter's over-allocation position acquires those Units under this short form prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases.

The obligations of the Underwriter under the Underwriting Agreement may be terminated at the discretion of the Underwriter upon the occurrence of certain stated events, including, without limitation, any material adverse change in the business or financial condition of the Company, any disaster, or any breach of the Underwriting Agreement by the Company. The Underwriter is, however, obligated to take up and pay for all of the Units if any of the Units are purchased under the Underwriting Agreement.

The Company has agreed to indemnify the Underwriter and each of their shareholders, directors, officers, employees, partners, affiliates, agents and each other person, if any, controlling the Underwriter against certain liabilities including, without limitation, civil liabilities under Canadian provincial securities legislation and to contribute to any payments the Underwriter may be required to make in respect thereof. In addition, the Company has agreed to reimburse the Underwriter for certain expenses incurred in connection with the Offering.

Pursuant to the terms of the Underwriting Agreement, the Company has agreed to reimburse the Underwriter for certain expenses incurred in connection with the Offering and to indemnify the Underwriter and its directors, officers, employees, affiliates and agents against certain liabilities and expenses and to contribute to payments the Underwriter may be required to make in respect thereof.

The Company has agreed with the Underwriter that until the date which is 90 days after the date of the closing of the Offering, the Company will not, without the written consent of the Underwriter, which such consent is not to be unreasonably withheld, conditioned or delayed, issue, agree to issue, or announce an intention to issue, any additional common shares or any securities convertible into or exchangeable for common shares of the Company, except in connection with (i) the exchange, transfer, conversion or exercise rights of existing outstanding securities or existing commitments to issue securities and/or an arm's length acquisition; (ii) the grant of stock options and other incentive securities pursuant to the Company's stock option plan; (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. The Company further acknowledges and understands that it will use its best efforts to cause its officers and directors to enter into an agreement with the Underwriter pursuant to which each of such individuals will agree not to sell, transfer or pledge, or otherwise dispose of, any securities of the Company until the date which is 30 days after the date of the closing of the Offering, in each case without the prior written consent of the Underwriter, such consent not to be unreasonably withheld or delayed.

Pursuant to policy statements of the securities regulatory authority in Ontario, the Underwriter may not, throughout the period of distribution, bid for or purchase common shares of the Company. The foregoing restriction is subject to exceptions, on the condition that the bid or purchase is not engaged in for the purpose of creating actual or apparent active trading in, or raising the price of the common shares. These exceptions include a bid or purchase permitted under the rules of the applicable regulatory authorities relating to market stabilization and passive market making activities and a bid or purchase made for and on behalf of a customer where the order was not solicited during the period of distribution. Under the first mentioned exception, in connection with the Offering, the Underwriter may effect transactions which stabilize or maintain the market price of the common shares at levels

other than those which might otherwise prevail in the open market. Those transactions, if commenced, may be discontinued at any time.

The Company is, concurrent with the filing of this Prospectus Supplement, applying to concurrently list both the Unit Shares (including the Unit Shares and the Warrants underlying the Over-Allotment Units) and Warrants to be distributed under this Prospectus Supplement and the Warrant Shares and Broker Warrant Shares issuable upon the exercise of the Warrants and the Broker Warrants, respectively, on the Toronto Stock Exchange. Listing is subject to the Company fulfilling all of the requirements of the Exchange, including, in the case of the Warrants, a minimum number of purchasers. The Broker Warrants will not be listed for trading on any exchange. See “*Risk Factors*”.

Subscriptions for Units will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. Unit Shares and Warrants comprising the Units will be issued electronically through the non-certificated inventory system of, and held by, or on behalf of, the Depositary, as custodian for the direct and indirect participants of the Depositary. Purchasers of Units will receive only a customer confirmation from a registered dealer that is a participant in the Depositary’s service and from or through which the Units are purchased. See “*Description of the Securities Being Distributed – Book Entry, Delivery and Form*”.

The Closing is expected to take place on or about June 21, 2018 or such other date as the Company and the Underwriter may agree, but in any event no later than June 28, 2018.

This Offering is being made concurrently in each of the Provinces of British Columbia, Alberta and Ontario. Units may also be sold to qualified purchasers on a private placement basis outside of Canada without the filing of a prospectus, registration statement or other similar disclosure document pursuant to applicable and available statutory exemptions.

This Prospectus Supplement constitutes an offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. The Units, Unit Shares and Warrants have not been and will not be registered under the U.S. Securities Act, or any state securities laws and such securities may not be offered or sold in the United States except in compliance with exemptions from the registration requirements of the U.S. Securities Act and applicable state securities laws.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Farris, Vaughan, Wills & Murphy LLP, counsel to the Company, and the opinion of Borden Ladner Gervais LLP, counsel to the Underwriter, the following is, as of the date hereof, a general summary of the principal Canadian federal income tax considerations generally applicable under the Tax Act to persons who acquire the Units pursuant to this Offering and who, for purposes of the Tax Act and at all relevant times, beneficially own the Unit Shares and the Warrants comprising such Units, and any Warrant Shares acquired on the exercise of such Warrants, as capital property, deal at arm’s length with the Company and the Underwriter, are not affiliated with the Company or the Underwriter, are not exempt from tax under Part I of the Tax Act and are, or are deemed to be, a resident in Canada (each, a “**Holder**”).

Generally, the Unit Shares and any Warrant Shares (collectively for this section, the “**Shares**”), and the Warrants will be considered to be capital property to a Holder unless the Holder holds such Shares and Warrants in the course of carrying on a business or the Holder has acquired such Shares or Warrants, as the case may be, in one or more transactions considered to be an adventure or concern in the nature of trade. Certain Holders who hold Shares that do not otherwise qualify as capital property may, in certain circumstances, make an irrevocable election in accordance with subsection 39(4) of the Tax Act to have the Shares and any other “Canadian securities” (as defined in the Tax Act) owned by such Holders in the taxation year of the election, and all subsequent taxation years, to be capital property. This election does not apply to Warrants. Holders should consult their own tax advisors for advice as to whether an election under subsection 39(4) of the Tax Act is available and is advisable in their particular circumstances.

This summary is not applicable to a Holder: (i) that is a “financial institution” as defined in the Tax Act for the purposes of the “mark to market property” rules; (ii) that is a “specified financial institution” as defined in the Tax Act; (iii) an interest in which would be a “tax shelter investment” as defined in the Tax Act; (iv) that has elected to report its “Canadian tax results” in a currency other than Canadian currency pursuant to the “functional currency”

reporting rules, as those terms are defined in the Tax Act; (v) that is a corporation resident in Canada or a corporation that does not deal at arm's length (for purposes of the Tax Act) with a corporation resident in Canada, and that is, or becomes as part of a transaction or event or series of transactions or events that includes the acquisition of the Shares, a foreign affiliate of a non-resident corporation for purposes of the foreign affiliate dumping rules in section 212.3 of the Tax Act; (vi) that is a partnership or trust; or (vii) that has or will enter into a "derivative forward agreement" or "synthetic disposition arrangement", as defined in the Tax Act, in respect of any of the Shares or the Warrants.

This summary does not address the deductibility of interest by a Holder that has borrowed money or otherwise incurred debt in connection with the acquisition of the Shares or the Warrants.

Persons who acquire Units and who are not residents of Canada for the purposes of the Tax Act should consult with their own tax advisors with respect to the tax consequences of acquiring, holding and disposing of the Shares or the Warrants in any jurisdiction in which they may be subject to tax.

This summary is based upon the provisions of the Tax Act in force as of the date hereof, all Proposed Amendments and counsels' understanding of the current administrative policies and assessing practices of the Canada Revenue Agency, or the CRA, published in writing and publically available prior to the date hereof. This summary takes into account all Proposed Amendments and assumes that the Proposed Amendments will be enacted in the form proposed, if at all. This summary is not exhaustive of all possible Canadian federal income tax considerations and, except for the Proposed Amendments, does not take into account or anticipate any changes in the law, whether by legislative, governmental or judicial action, nor does it take into account provincial, territorial or foreign tax legislation or considerations, which may differ significantly from those discussed herein, or changes in the administrative policies or assessing practices of the CRA.

This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any particular Holder, and no representation with respect to the income tax consequences to any Holder are made. The relevant tax considerations applicable to acquiring, holding and disposing of the Shares or the Warrants or the exercise of the Warrants may vary according to the status of the Holder, the jurisdiction in which the Holder resides or carries on business and the Holder's particular circumstances. Accordingly, Holders should consult with their own tax advisors with respect to the income tax consequences to them of acquiring, holding or disposing of the Shares and the Warrants.

Allocation of Purchase Price of Units

The total purchase price of a Unit to a Holder must be allocated on a reasonable basis between the Unit Share and the Warrant which comprise that Unit to determine the cost of each to the Holder for purposes of the Tax Act.

For its purposes, the Company intends to allocate approximately \$0.81 of the issue price of each Unit as consideration for the issue of each Unit Share and \$0.09 of the issue price of each Unit for the issue of each Warrant. Although the Company believes that such allocation is reasonable, it is not binding on the CRA or the Holder, and counsel express no opinion with respect to such allocation. The Holder's adjusted cost base of the Unit Share comprising a part of each Unit will be determined by averaging the cost allocated to the Unit Share with the adjusted cost base to the Holder of all common shares of the Company owned by the Holder as capital property immediately prior to such acquisition. The Company's allocation of the issue price of each Unit for accounting purposes may differ from the allocation here for tax purposes.

Exercise of Warrants

No gain or loss will be realized by a Holder upon the exercise of a Warrant to acquire a Warrant Share. When a Warrant is exercised, the Holder's cost of the Warrant Share acquired thereby will be the aggregate of the Holder's adjusted cost base of such Warrant and the exercise price at which the Warrant Share was acquired. The Holder's adjusted cost base of the Warrant Share so acquired will be determined by averaging such cost with the adjusted cost base to the Holder of all common shares of the Company owned by the Holder as capital property immediately prior to such acquisition.

Expiry of Unexercised Warrants

In the event of the expiry of an unexercised Warrant, a Holder generally will realize a capital loss equal to the Holder's adjusted cost base of such Warrant. See “– Dispositions of Shares and Warrants” for a discussion of the tax treatment of capital gains and capital losses.

Dividends

Dividends received or deemed to be received by a Holder on the Shares in a taxation year are required to be included in computing such Holder's income for that year. In the case of a Holder who is an individual (other than certain trusts), such dividends will be subject to the gross-up and dividend tax credit rules normally applicable in respect of dividends received from “taxable Canadian corporations” (as defined in the Tax Act), including the enhanced gross-up and dividend tax credit applicable to any dividends designated by the Company as “eligible dividends” for purposes of the Tax Act. There may be limitations on the ability of the Company to designate dividends as eligible dividends.

In the case of a Holder that is a corporation, dividends that are included in computing its income will generally be deductible in computing such corporation's taxable income, subject to all relevant restrictions under the Tax Act. In certain circumstances, subsection 55(2) of the Tax Act will treat a taxable dividend received by a Holder that is a corporation as proceeds of disposition or a capital gain. Holders that are corporations should consult their own tax advisors having regard to their particular circumstances.

A Holder that is a “private corporation” or a “subject corporation” (each as defined in the Tax Act) may be liable under Part IV of the Tax Act to pay a refundable tax on dividends received (or deemed to be received) on the Shares to the extent that such dividends are deductible in computing such Holder's taxable income for the taxation year.

A Holder that is, throughout the relevant taxation year, a “Canadian-controlled private corporation” (as defined in the Tax Act) will also be liable to pay tax, a portion of which may be refundable, on its “aggregate investment income”, which will include any dividends received or deemed to be received on the Shares to the extent that such dividends are not deductible in computing such Holder's taxable income for the taxation year.

Dispositions of Shares and Warrants

A Holder that disposes, or is deemed to dispose, of a Share (other than to the Company unless purchased by the Company in the open market in the manner in which shares are normally purchased by any member of the public in the open market) or a Warrant (other than on the exercise thereof) will generally realize (or incur) a capital gain (or a capital loss) equal to the amount by which the Holder's proceeds of disposition in respect of such Share or Warrant, as applicable, exceed (or are exceeded by) the adjusted cost base to the Holder of such Share or Warrant, as applicable, immediately before the disposition or deemed disposition and any reasonable costs of disposition. A Holder's adjusted cost base of any particular Share will be determined in accordance with certain rules in the Tax Act by averaging the adjusted cost base to the Holder of such Share with the adjusted cost base of all other Shares and common shares (if any) of the Company held by the Holder as capital property at that time. For the purposes of the Tax Act the Holder's adjusted cost base of the Shares will generally include all amounts paid or payable by the Holder to acquire the Shares, subject to certain adjustments under the Tax Act.

One-half of any capital gain (a “taxable capital gain”) realized by a Holder in a taxation year on the disposition, or deemed disposition, of any Share or Warrant generally must be included in computing the Holder's income for that year. One-half of any capital loss (an “allowable capital loss”) incurred by a Holding in a taxation year on the disposition, or deemed disposition, of any Share or Warrant will generally be required to be deducted by the Holder against any taxable capital gains realized in that year. In general, allowable capital losses incurred in a taxation year in excess of taxable capital gains realized in that year may be carried back and deducted in any of the three preceding taxation years, or carried forward indefinitely and deducted in any subsequent taxation year, against net taxable capital gains realized in such years, to the extent and under the circumstances described in the Tax Act.

A Holder that is throughout the relevant taxation year a “Canadian-controlled private corporation” (as defined in the Tax Act) may be liable to pay tax, a portion of which may be refundable, on its “aggregate investment income” (as defined in the Tax Act) for the year which will include an amount in respect of taxable capital gains.

Where a Holder is a corporation, the amount of any capital loss incurred on the disposition of a Share may be reduced by the amount of dividends received or deemed to be received by it on such Share (or on a share for which the Share has been substituted) to the extent and under the circumstances described in the Tax Act. Similar rules may apply where a corporation is a member of a partnership or a beneficiary of a trust that owns Shares, directly or indirectly, through a partnership or a trust. Holders to whom these rules may be relevant should consult their own tax advisors.

Alternative Minimum Tax

Taxable capital gains realized and taxable dividends received or deemed to be received by a Holder who is an individual (other than certain specified trusts), may give rise to alternative minimum tax under the Tax Act. Holders should consult with their tax advisors to determine the impact of alternative minimum tax.

AUDITORS, TRANSFER AGENT, WARRANT AGENT AND REGISTRAR

The auditors of the Company are KPMG LLP, of Vancouver, British Columbia.

The transfer agent and registrar for the common shares of the Company is Computershare Investor Services Inc. at its principal transfer offices in Vancouver, British Columbia and Toronto, Ontario.

The Warrant Agent in respect of the Warrants is expected to be Computershare Trust Company of Canada at its principal offices in Vancouver, British Columbia.

LEGAL PROCEEDINGS

Management is not aware of any legal proceedings of a material nature to which either the Company or any of its subsidiaries is a party or of which any of their respective property is the subject matter.

INTEREST OF EXPERTS

The matters referred to under “*Eligibility for Investment*”, “*Certain Canadian Federal Income Tax Considerations*” and certain other legal matters relating to the Units offered by this Prospectus Supplement will be passed upon on the Closing Date on behalf of the Company by Farris, Vaughan, Wills & Murphy LLP and on behalf of the Underwriter by Borden Ladner Gervais LLP. As at the date hereof, the partners and associates of Farris, Vaughan, Wills & Murphy LLP collectively beneficially own, directly or indirectly, less than 1% of the outstanding securities of the Company. As at the date hereof, the partners and associates of Borden Ladner Gervais LLP collectively beneficially own, directly or indirectly, less than 1% of the outstanding securities of the Company.

KPMG LLP are the auditors of the Company and have confirmed that they are independent with respect to the Company within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulation. In addition, KPMG LLP does not beneficially own, directly or indirectly, any securities of the Company or any of its subsidiaries.

PURCHASER’S STATUTORY AND CONTRACTUAL RIGHTS

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In certain of the provinces, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revision of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser’s province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser’s province for the particulars of these rights or consult with a legal adviser.

CERTIFICATE OF THE COMPANY

June 14, 2018

This prospectus supplement, together with the short form base shelf prospectus and the documents incorporated herein by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus supplement to the short form base shelf prospectus dated September 11, 2017 as required by the securities legislation of each of the provinces of British Columbia, Alberta and Ontario.

INMED PHARMACEUTICALS INC.

(SIGNED)
ERIC A. ADAMS
Chief Executive Officer

(SIGNED)
JEFF CHARPENTIER
Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS

(SIGNED)
ADAM CUTLER
Director

(SIGNED)
WILLIAM J. GARNER
Director

CERTIFICATE OF THE UNDERWRITER

June 14, 2018

To the best of our knowledge, information and belief, this prospectus supplement, together with the short form base shelf prospectus and the documents incorporated herein by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus supplement as required by the securities legislation of each of the provinces of British Columbia, Alberta and Ontario.

EIGHT CAPITAL

(SIGNED)

PATRICK MCBRIDE
HEAD OF ORIGINATION