Risk Factors Comparison 2023-09-29 to 2022-09-23 Form: 10-K

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Summary of Risk Factors The following is a summary of material risks that could affect the Company. This summary may not contain all of our material risks, and it is qualified in its entirety by the more detailed risk factors set forth below. ● Our IntegraSyn manufacturing approach may prove unsuccessful in achieving yields and / or cost levels required to be economically competitive with alternative methods of manufacturing. ● Our prospects depend on the success of our Product Candidates which are at early- stages of development with a statistically high probability of failure and are subject to lengthy, time-consuming and inherently unpredictable regulatory processes. ● Even if our Product Candidates advance through preclinical studies and clinical trials, we may experience difficulties in managing our growth and expanding our operations. ● If we have difficulty enrolling patients in clinical trials, the completion of the trials may be delayed or cancelled. ● If clinical trials of our Product Candidates fail to demonstrate safety and efficacy to the satisfaction of regulatory authorities or do not otherwise produce positive results, we would incur additional costs or experience delays in completing, or ultimately be unable to complete, the development and commercialization of our Product Candidates. ● If we experience delays in clinical testing, we will be delayed in commercializing our Product Candidates, and our business may be substantially harmed. ● Negative results from clinical trials or studies of others and adverse safety events involving the targets of our products may have an adverse impact on our future commercialization efforts. ● We intend to expend our limited resources to pursue our Product Candidates for certain indications and may fail to capitalize on other Product Candidates or other indications for our Product Candidates that may be more profitable or for which there is a greater likelihood of success. ● The regulatory approval processes of the FDA, HC, the EMA and other comparable foreign regulatory authorities are lengthy, time- consuming and inherently unpredictable, and if we are ultimately unable to obtain regulatory approval for our Product Candidates, our business will be substantially harmed. ● We intend to conduct clinical trials for our Product Candidates in several international jurisdictions, and acceptance by all regulatory authorities for such " international " data is not certain. ● Our Product Candidates contain compounds that may be classified as " controlled substances ", the use of which may generate public controversy and restrict their development or commercialization. ● Research restrictions, product shipment delays or prohibitions could have a material adverse effect on our business, results of operations and financial condition. ● Healthcare legislation, including potentially unfavorable pricing regulations or other healthcare reform initiatives, may increase the difficulty and cost for us to obtain marketing approval of and commercialize our Product Candidates. ● Increased scrutiny on drug pricing or changes in pricing regulations could restrict the amount that we are able to charge for our Product Candidates, which could adversely affect our revenue and results of operations. ● Even if we are able to commercialize our Product Candidates, they may not receive coverage and adequate reimbursement from third- party payors, which could harm our business. ● Our relationships with customers and third- party payors will be subject to applicable anti- kickback, fraud and abuse, federal exclusion or debarment, and other healthcare laws and regulations, which could expose us to criminal sanctions, civil penalties, contractual damages, reputational harm and diminished profits and future earnings. ● Failure to comply with the U. S. Foreign Corrupt Practices Act, or " FCPA ", the Canadian Corruption of Foreign Public Officials Act, or " CFPOA ", and other global anti- corruption and anti- bribery laws could subject us to penalties and other adverse consequences. ● Recent federal legislation and actions by state and local governments may permit reimportation of drugs from / to foreign countries where the drugs are sold at lower prices than in the country of origination, which could materially adversely affect our business and financial condition. ● We are dependent upon our key personnel to achieve our business objectives. ● Our employees may engage in misconduct or other improper activities, including noncompliance with regulatory standards and requirements, which could subject us to significant liability and harm our reputation. ● Our insurance may be insufficient to cover losses that may occur as a result of our operations. ● There may be changes in laws, regulations and guidelines which are detrimental to our business. ● If we do not comply with laws regulating the protection of the environment and health and human safety, our business could be adversely affected. ● Our proprietary information, or that of our customers, suppliers and business partners, may be lost or we may suffer security breaches. ● We expect to face intense competition, often from companies with greater resources and experience than we have. ● If we receive regulatory approvals, we intend to market our Product Candidates in multiple jurisdictions where we have limited or no operating experience and may be subject to increased business and economic risks that could affect our financial results. ● Controlled substance legislation may differ in other jurisdictions and could restrict our ability to market our products internationally, which would result in increased business and economic risks that could affect our financial results. ● Product liability lawsuits against us could cause us to incur substantial liabilities. ● Failure to protect our information technology infrastructure against cyber- based attacks, network security breaches, service interruptions, or data corruption could significantly disrupt our operations and adversely affect our business and operating results. ● Our failure to comply with data protection laws and regulations could lead to government enforcement actions and significant penalties against us, and adversely impact our operating results. ● The COVID- 19 coronavirus could adversely impact our business, including several key activities that are critical to our success. ● The market prices for our common shares are volatile and will fluctuate. ● Raising additional capital may cause dilution to our existing shareholders, restrict our operations or require us to relinquish rights to our technologies or Product Candidates. ● Future offerings of debt or equity securities may rank senior to common shares. ● Future sales of common shares by officers and directors may negatively impact the market price for our common shares. ● We do not currently pay dividends on our common shares and have no intention to pay dividends on our common shares for the foreseeable future. ● We are exposed to risks related to currency exchange rates. ● For as long as we are an " emerging growth company " we intend to take advantage of reduced disclosure and governance requirements applicable to emerging growth companies, which could result in our common shares being less attractive to investors and could make it more difficult for us to raise capital as and when we need it. ● If we fail to maintain an effective system of internal control over financial reporting in the future, we may not be able to accurately report our financial condition, results of operations or cash flows, which may adversely affect investor confidence in us and, as a result, the value of our common shares. ● Our disclosure controls and procedures may not prevent or detect all errors or acts of fraud. ● Deficiencies in disclosure controls and procedures and internal control over financial reporting could result in a material misstatement in our financial statements. ● In connection with the audit of our financial statements as of and for the years ended June 30, 2023 and 2022, a significant deficiency and a material weakness, respectively in our internal control over financial reporting were identified and we may identify additional material weaknesses in the future. ● We have incurred, and will continue to incur, increased costs as a result of operating as a public company, and our management has been required, and will continue to be required, to devote substantial time to new compliance initiatives. ● Future sales and issuances of our common shares or rights to purchase common shares pursuant to our equity incentive plan could result in additional dilution of the percentage ownership of our shareholders and may cause our share price to fall. ● Provisions in our corporate charter documents and certain Canadian laws could delay or deter a change of control. ● If securities or industry analysts publish inaccurate or unfavorable research about our business, our share price and trading volume may decline. ● We are incorporated in Canada, with our assets and officers primarily located in Canada, with the result that it may be difficult for investors to enforce judgments obtained against us or some of our officers. ● Our operating losses have raised substantial doubt regarding our ability to continue as a going concern. ● We have incurred significant losses since our inception, we anticipate that we will continue to incur losses in the future. ● We will require additional capital to fund our operations and if we fail to obtain necessary financing, we will not be able to complete the development and commercialization of our Product Candidates. ● We currently have limited commercial revenue and may never become profitable. ● Changes in tax laws and unanticipated tax liabilities could adversely affect our effective income tax rate and ability to achieve profitability. ● Our ability to use our net operating loss carryforwards and other tax attributes may be limited. ● Changes to accounting standards may adversely impact the manner in which we report our financial position and operating results. ● There is currently general economic uncertainty in the global markets. ● Our success is largely dependent upon our patents, proprietary technology, and other intellectual property. ● Obtaining and maintaining our patent protection depends on compliance with various procedural, document submission, fee payment and other requirements imposed by governmental patent agencies, and our patent protection could be reduced or eliminated for non- compliance with these requirements. ● We may become subject to claims or become involved in lawsuits related to intellectual property. ● We may become involved in lawsuits to protect or enforce our intellectual property, which could be expensive, time consuming and unsuccessful and have a material adverse effect on the success of our business. ● If we are not able to adequately prevent disclosure of trade secrets and other proprietary information, the value of our technology and products could be significantly diminished. ● We may not be able to protect our intellectual property rights throughout the world. ● Patent terms may be inadequate to protect our competitive position on our Product Candidates for an adequate amount of time. ● Intellectual property rights do not necessarily address all potential threats to our competitive advantage. ● We rely heavily on contract

manufacturers over whom we have limited control and our existing collaboration agreements and any that we may enter into in the future may not be successful. ● Our existing collaboration agreements and any that we may enter into in the future may not be successful. Investing in our common shares involves a high degree of risk. You should carefully consider each of the following risks, together with all other information set forth in this Annual Form on 10- K, including the consolidated financial statements and the related notes, before making a decision to buy our common shares. If any of the following risks actually occurs, our business could be harmed. In that case, the trading price of our common shares could decline, and you may lose all or part of your investment. Risks Related to our Business and Industry Our ~~IntegraSynTM~~ **IntegraSyn** manufacturing approach may prove unsuccessful in achieving yields and / or cost levels required to be economically competitive with alternative methods of manufacturing. Given the early- stage of development of the ~~IntegraSynTM~~ **IntegraSyn** program and the risks inherent in research and development, it is too early to project the commercial viability of cannabinoids produced via this process. Potential negative outcomes from this program include but are not limited to: ● the technology fails to produce sufficient quantities of cannabinoids or ones for which we or others have a need; or ● the cost structure of the technology is such that it is not commercially competitive with alternate methods of cannabinoid manufacturing leading to the technology having no value proposition nor incremental value to the Company. Our prospects depend on the success of our Product Candidates which are at early- stages of development with a statistically high probability of failure. Given the early- stage of development, we can make no assurance that our research and development programs will result in regulatory approval or commercially viable products. To achieve profitable operations, we, alone or with others, must successfully develop, gain regulatory approval, and market our future products. We currently have no products that have been approved by the FDA, HC, or any similar regulatory authority. To obtain regulatory approvals for our Product Candidates being developed and to achieve commercial success, clinical trials must demonstrate that the Product Candidates are safe for human use and that they demonstrate efficacy. We have no products or technologies which are currently in human clinical trials. Additionally, we have no products for commercial sale or licensed for commercial sale, nor do we expect to have any such products for the next several years. Many potential pharmaceuticals products never reach the stage of clinical testing and even those that do have only a small chance of successfully completing clinical development and gaining regulatory approval. Our Product Candidates may fail for a number of reasons, including, but not limited to, being unsafe for human use or due to the failure to provide therapeutic benefits equal to or better than the standard of treatment at the time of testing. Positive results of early preclinical research may not be indicative of the results that will be obtained in later stages of preclinical or clinical research. Similarly, positive results from early- stage clinical trials may not be indicative of favorable outcomes in later- stage clinical trials. We can make no assurance that any future studies, if undertaken, will yield favorable results. The early- stage of our product development makes it particularly uncertain whether any of our product development efforts will prove to be successful and meet applicable regulatory requirements, and whether any of our Product Candidates will receive the requisite regulatory approvals, be capable of being manufactured at a reasonable cost or be successfully marketed. If we are successful in developing our current and future Product Candidates into approved products, we will still experience many potential obstacles, such as the need to develop or obtain manufacturing, marketing and distribution capabilities. If we are unable to successfully commercialize any of our products, our financial condition and results of operations may be materially and adversely affected. Even if our Product Candidates advance through preclinical studies and clinical trials, we may experience difficulties in managing our growth and expanding our operations. We have limited resources to carry out objectives for our current and future preclinical studies and clinical trials. Since our inception as a pharmaceutical company in October 2014, we have conducted numerous preclinical experiments and are currently conducting early- stage clinical trials, which is a time- consuming, expensive and uncertain process. In addition, while we have experienced management and expect to contract out many of the activities related to conducting these programs, we are a small company with less than ~~20~~ **15** employees and, therefore, have limited internal resources both to conduct preclinical studies and clinical trials and to monitor third- party providers. As our Product Candidates advance through preclinical studies and clinical trials, we will need to expand our development, regulatory and manufacturing operations, either by expanding our internal capabilities or contracting with other organizations to provide these capabilities for us. In the future, we expect to have to manage additional relationships with collaborators or partners, suppliers and other organizations. Our ability to manage our operations and future growth will require us to continue to improve our operational, financial and management controls, reporting systems and procedures. If we have difficulty enrolling patients in clinical trials, the completion of the trials may be delayed or cancelled. As our Product Candidates advance from preclinical testing to clinical testing, and then through progressively larger and more complex clinical trials, we will need to enroll an increasing number of patients that meet the eligibility criteria for those trials. The factors that affect our ability to enroll patients are largely uncontrollable and include, but are not limited to, the following: ● size and nature of the patient population; ● inclusion and exclusion criteria for the trial; ● design of the study protocol; ● competition with other companies for clinical sites or patients; ● the perceived risks and benefits of the product candidate under study; ● the patient referral practices of physicians; and ● the number, availability, location and accessibility of clinical trial sites. As a result of the foregoing factors, we may have difficulty enrolling or maintaining the enrollment of patients in any clinical trials conducted for our products, which may result in the delay or cancellation of such trials. The delay or cancellation of any clinical trials could shorten any periods during which we may have the exclusive right to commercialize our Product Candidates or allow our competitors to bring products to market before us, which would impair our ability to successfully commercialize our Product Candidates and may harm our financial condition, results of operations and prospects. If clinical trials of our Product Candidates fail to demonstrate safety and efficacy to the satisfaction of regulatory authorities or do not otherwise produce positive results, we would incur additional costs or experience delays in completing, or ultimately be unable to complete, the development and commercialization of our Product Candidates. Before obtaining marketing approval from regulatory authorities for the sale of our Product Candidates, we must conduct preclinical studies in animals and extensive clinical trials in humans to demonstrate the safety and efficacy of the Product Candidates. Clinical testing is expensive and difficult to design and implement, can take many years to complete and has uncertain outcomes. The outcome of preclinical studies and early clinical trials may not predict the success of later clinical trials and interim results of a clinical trial do not necessarily predict final results. A number of companies in the pharmaceutical and biotechnology industries have suffered significant setbacks in advanced clinical trials due to lack of efficacy or unacceptable safety profiles, notwithstanding promising results in earlier trials. We do not know whether the clinical trials we may conduct will demonstrate adequate efficacy and safety to result in regulatory approval to market any of our Product Candidates in any jurisdiction. A product candidate may fail for safety or efficacy reasons at any stage of the testing process. A major risk we face is the possibility that none of our Product Candidates under development will successfully gain market approval from the FDA or other regulatory authorities, resulting in us being unable to derive any commercial revenue from them after investing significant amounts of capital in multiple stages of preclinical and clinical testing. If we experience delays in clinical testing, we will be delayed in commercializing our Product Candidates, and our business may be substantially harmed. We cannot predict whether any clinical trials will begin as planned, will need to be restructured, or will be completed on schedule, or at all. Our product development costs will increase if we experience delays in clinical testing. Significant clinical trial delays could shorten any periods during which we may have the exclusive right to commercialize our Product Candidates or allow our competitors to bring products to market before us, which would impair our ability to successfully commercialize our Product Candidates and may harm our financial condition, results of operations and prospects. The commencement and completion of clinical trials for our products may be delayed for a number of reasons, including delays related, but not limited, to: ● failure by regulatory authorities to grant permission to proceed or placing the clinical trial on hold; ● import / export and research restrictions for cannabinoid- based pharmaceuticals may delay or prevent clinical trials in various geographical jurisdictions; ● patients failing to enroll or remain in our trials at the rate we expect; ● suspension or termination of clinical trials by regulators for many reasons, including concerns about patient safety or failure of our contract manufacturers to comply with current good manufacturing practice, or " cGMP ", requirements; ● any changes to our manufacturing process that may be necessary or desired; ● delays or failure to obtain clinical supply from contract manufacturers of our products necessary to conduct clinical trials; ● Product Candidates demonstrating a lack of safety or efficacy during clinical trials; ● patients choosing an alternative treatment for the indications for which we are developing any of our Product Candidates or participating in competing clinical trials and / or scheduling conflicts with participating clinicians; ● patients failing to complete clinical trials due to dissatisfaction with the treatment, side effects or other reasons; ● reports of clinical testing on similar technologies and products raising safety and / or efficacy concerns; ● clinical investigators not performing our clinical trials on their anticipated schedule, dropping out of a trial, or employing methods not consistent with the clinical trial protocol, regulatory requirements or other third parties not performing data collection and analysis in a timely or accurate manner; ● failure of our CROs, to satisfy their contractual duties or meet expected deadlines; ● inspections of clinical trial sites by regulatory authorities or Institutional Review Boards, or " IRBs ", or ethics committees finding regulatory violations that require us to undertake corrective action, resulting in suspension or termination of one or more sites or the imposition of a clinical hold on the entire study; ● one or more IRBs or ethics committees rejecting, suspending or terminating the study at an investigational site, precluding enrollment of additional subjects, or withdrawing its approval of the trial; or ● failure to reach agreement on acceptable terms with prospective clinical trial sites. Our product development costs will increase if we experience delays in testing or approval or if we need to perform more or larger clinical trials than planned. Additionally, changes in regulatory requirements and policies may occur, and we may need to amend study protocols to reflect these changes. Amendments may require us to resubmit our study protocols to regulatory authorities or IRBs or ethics committees for re- examination, which may impact the cost, timing or successful completion of that trial. Delays or increased product development costs may have a material adverse effect on our business, financial condition and prospects. Negative results from clinical trials or studies of others and adverse safety events involving the targets of our products may have an adverse impact on our future commercialization efforts. From time to time, studies or clinical trials on various

aspects of pharmaceutical products are conducted by academic researchers, competitors or others. The results of these studies or trials, when published, may have a significant effect on the market for the pharmaceutical product that is the subject of the study. The publication of negative results of studies or clinical trials or adverse safety events related to our Product Candidates, or the therapeutic areas in which our Product Candidates compete, could adversely affect the price of our common shares and our ability to finance future development of our Product Candidates, and our business and financial results could be materially and adversely affected. We intend to expend our limited resources to pursue our Product Candidates for certain indications and may fail to capitalize on other Product Candidates or other indications for our Product Candidates that may be more profitable or for which there is a greater likelihood of success. Because we have limited financial and managerial resources, we are focusing on research programs relating to our Product Candidates for certain indications, primarily for the treatment of EB, which concentrates the risk of product failure in the event our Product Candidates prove to be unsafe or ineffective or inadequate for clinical development or commercialization. As a result, we may forego or delay pursuit of opportunities with other Product Candidates or for other indications that could later prove to have greater commercial potential. We may also deem it advisable to refocus our clinical development programs based on clinical trial results. The regulatory approval processes of the FDA, HC, the EMA and other comparable foreign regulatory authorities are lengthy, time- consuming and inherently unpredictable, and if we are ultimately unable to obtain regulatory approval for our Product Candidates, our business will be substantially harmed. We are not permitted to market our Product Candidates in any jurisdiction until we receive formal approval from the appropriate regulatory authorities. For example, prior to submitting an NDA to the FDA or an MAA to the EMA for approval of our Product Candidates, we will need to complete our preclinical studies and clinical trials. Successfully completing our clinical program and obtaining approval of an application seeking commercialization approval is a complex, lengthy, expensive and uncertain process, and the regulatory authorities may delay, limit or deny approval of our Product Candidates for many reasons, including, among others, because: ● we may not be able to demonstrate that our Product Candidates are safe and effective in treating patients to the satisfaction of the regulatory authorities such as the FDA, HC or EMA; ● the results of our clinical trials may not meet the level of statistical or clinical significance required by the regulatory authorities for marketing approval; ● the regulatory authorities may disagree with the number, design, size, conduct or implementation of our clinical trials; ● the regulatory authorities may require that we conduct additional clinical trials; ● the regulatory authorities or other applicable foreign regulatory authorities may not approve the formulation, labeling or specifications of our Product Candidates; ● the contract manufacturing organizations and other contractors that we may retain to conduct our clinical trials may take actions outside of our control that materially adversely impact our clinical trials; ● the regulatory authorities may find the data from clinical studies and clinical trials insufficient to demonstrate that our Product Candidates are safe and effective for their proposed indications; ● the regulatory authorities may disagree with our interpretation of data from our preclinical studies and clinical trials; ● the regulatory authorities may not accept data generated at our clinical trial sites or may disagree with us over whether to accept efficacy results from clinical trial sites outside the United States, Canada or outside the European Union, as applicable, where the standard of care is potentially different from that in the United States, Canada or in the European Union, as applicable; ● if our applications are submitted to the regulatory authorities, the regulatory authorities may have difficulties scheduling the necessary review meetings in a timely manner, may recommend against approval of our application or may recommend or require, as a condition of approval, additional preclinical studies or clinical trials, limitations on approved labeling or distribution and use restrictions; ● the FDA may require development of a Risk Evaluation and Mitigation Strategy which would use risk minimization strategies to ensure that the benefits of certain prescription drugs outweigh their risks, as a condition of approval or post- approval, and the EMA may grant only conditional marketing authorization or impose specific obligations as a condition for marketing authorization, or may require us to conduct post- authorization safety studies; ● the FDA, DEA, HC, EMA or other applicable foreign regulatory agencies may not approve the manufacturing processes or facilities of third- party manufacturers with which we contract or DEA or other applicable foreign regulatory agency quotas may limit the quantities of controlled substances available to our manufacturers; or ● the FDA, HC, EMA or other applicable foreign regulatory agencies may change their approval policies or adopt new regulations. In the United States, our activities are potentially subject to additional regulation by various federal, state and local authorities in addition to the FDA, including, among others, the Centers for Medicare and Medicaid Services, other divisions of the United States Department of Health and Human Services, or " HHS ", (for example, the Office of Inspector General), the Department of Justice, or " DOJ ", and individual United States Attorney offices within the DOJ, and state and local governments. Because of the breadth of these laws and the narrowness of available statutory and regulatory exemptions, it is possible that some of our business activities could be subject to challenge under one or more of such laws. If our operations are found to be in violation of any of the federal and state laws described above or any other governmental regulations that apply to us, we may be subject to penalties, including criminal and significant civil monetary penalties, damages, fines, imprisonment, exclusion from participation in government programs, injunctions, recall or seizure of products, total or partial suspension of production, denial or withdrawal of pre marketing product approvals, private " qui tam " actions brought by individual whistleblowers in the name of the government or refusal to allow us to enter into supply contracts, including government contracts, and the curtailment or restructuring of our operations, any of which could adversely affect our ability to operate our business and our results of operations. To the extent that any of our products are sold in a foreign country, we may be subject to similar foreign laws and regulations, which may include, for instance, applicable post- marketing requirements, including safety surveillance, anti- fraud and abuse laws, and implementation of corporate compliance programs and reporting of payments or transfers of value to healthcare professionals. Any of these factors, many of which are beyond our control, could increase development costs, jeopardize our ability to obtain regulatory approval for and successfully market our Product Candidates and generate product revenue. We intend to conduct clinical trials for our Product Candidates in several international jurisdictions, and acceptance by all regulatory authorities for such " international " data is not certain. We intend to conduct clinical trials for our Product Candidates both inside and outside the United States. To date, all of our clinical development has been conducted outside of the United States. Ultimately, we plan to submit NDAs for our Product Candidates to the FDA and other regulatory authorities upon completion of all requisite clinical trials. As an example, although the FDA may accept data from clinical trials conducted outside the United States, acceptance of such study data by the FDA is subject to certain conditions. For example, the clinical trial must be conducted in accordance with FDA regulations relating governing human subject protection and the conduct of clinical trials, which are referred to as " Good Clinical Practice ", or " GCP " requirements and the FDA must be able to validate the data from the clinical trial through an onsite inspection if it deems such inspection necessary. Where data from foreign clinical trials are intended to serve as the sole basis for marketing approval in the United States, the FDA will not approve the application on the basis of foreign data alone unless those data are considered applicable to the U. S. patient population and U. S. medical practice, the clinical trials were performed by clinical investigators of recognized competence, and the data is considered valid without the need for an on- site inspection by the FDA or, if the FDA considers such an inspection to be necessary, the FDA is able to validate the data through an on- site inspection or other appropriate means. In addition, such clinical trials would be subject to the applicable local laws of the foreign jurisdictions where the clinical trials are conducted. There can be no assurance the FDA or any other regulatory authorities will accept data from clinical trials conducted outside of the United States or other international jurisdictions. If the FDA or any other regulatory authorities does not accept any such data, it would likely result in the need for additional clinical trials, which would be costly and time- consuming and delay aspects of our development plan. In addition, the conduct of clinical trials outside the United States could have a significant impact on us. Risks inherent in conducting international clinical trials include: ● foreign regulatory requirements that could burden or limit our ability to conduct our clinical trials; ● administrative burdens of conducting clinical trials under multiple foreign regulatory schema; ● foreign currency fluctuations which could negatively impact our financial condition since certain payments are paid in local currencies; ● manufacturing, customs, shipment and storage requirements; ● cultural differences in medical practice and clinical research; and ● diminished protection of intellectual property in some countries. Our Product Candidates contain compounds that may be classified as " controlled substances ", the use of which may generate public controversy and restrict their development or commercialization. If a drug has a potential for abuse, the NDA or other regulatory submission must include a description and analysis of studies or information related to abuse of the drug, including a proposal for scheduling (for example, in the U. S. under the federal Controlled Substances Act, or " CSA "). A description of any studies related to overdosage is also required, including information on dialysis, antidotes, or other treatments, if known. While we believe there would be relatively minimal abuse potential with our Product Candidates given the low drug concentration and topical route of administration, we could be incorrect or they may be perceived as having the potential for substance abuse. In either case, there may be a negative effect on our ability to successfully develop or commercialize our Product Candidates. Since our Product Candidates contain purified substances that are chemically identical to those occurring in nature, they may, therefore, be classified as " controlled substances ", and their regulatory approval may generate public controversy. Political and social pressures and adverse publicity could lead to delays in approval of, and increased expenses for, our Product Candidates. These pressures could also limit or restrict the introduction and marketing of our Product Candidates. Despite that fact that our APIs, which are the ingredients that give medicines their effects, are synthetically made and, therefore, we have no interaction with the Cannabis plant, adverse publicity from Cannabis misuse or adverse side effects from Cannabis or other cannabinoid products may adversely affect the commercial success or market penetration achievable for our Product Candidates. The nature of our business attracts a high level of public and media interest, and in the event of any resultant adverse publicity, our reputation may be harmed. Furthermore, if our Product Candidates are classified as " controlled substances ", they may be subject to import / export and research restrictions that could delay or prevent the development of our products in various geographical jurisdictions. The successful commercialization of our Product Candidates may require permits or approvals from regulatory bodies, such as the DEA, that regulate controlled substances. Research restrictions, product shipment delays or prohibitions could have a material adverse effect on

our business, results of operations and financial condition. Research on and the shipment, import and export of our Product Candidates and the API used in our Product Candidates will require research permits, import and export licenses by many different authorities. For instance, in the United States, the FDA, U. S. Customs and Border Protection, and the DEA; in Canada, the Canada Border Services Agency, and HC; in Europe, the EMA and the European Commission; in Australia and New Zealand, the Australian Customs and Border Protection Service, the Therapeutic Goods Administration, the New Zealand Medicines and Medical Device Safety Authority and the New Zealand Customs Service; and in other countries, similar regulatory authorities, regulate the research on and import and export of pharmaceutical products that contain controlled substances. Specifically, the import and export process requires the issuance of import and export licenses by the relevant controlled substance authority in both the importing and exporting country. We may not be granted, or if granted, maintain, such licenses from the authorities in certain countries. Even if we obtain the relevant licenses, shipments of API and our Product Candidates may be held up in transit, which could cause significant delays and may lead to product batches being stored outside required temperature ranges. Inappropriate storage may damage the product shipment resulting in delays in clinical trials or, upon commercialization, a partial or total loss of revenue from one or more shipments of API or our Product Candidates. Once shipment is complete, we or the research contractors we are working with may also suffer further delays or restrictions as a result of regulations governing research on cannabinoids. A delay in a clinical trial or, upon commercialization, a partial or total loss of revenue from one or more shipments of API or our Product Candidates could have a material adverse effect on our business, results of operations and financial condition. The aforementioned examples and lists of various authorities that may currently, or in the future, affect our ability to conduct research on or import or export our Product Candidates and / or API, should not be construed as exhaustive or comprehensive in any way. Healthcare legislation, including potentially unfavorable pricing regulations or other healthcare reform initiatives, may increase the difficulty and cost for us to obtain marketing approval of and commercialize our Product Candidates. Particularly in the United States but also in other jurisdictions, there have been a number of legislative and regulatory changes and proposed changes **in recent years** regarding the healthcare system that could prevent or delay marketing approval of our Product Candidates, restrict or regulate post- approval activities or affect our ability to profitably sell any Product Candidates for which we obtain marketing approval. ~~One such regulation is the U. S. federal Patient Protection and Affordable Care Act (P. L. 111- 148), or " PPACA ", also referred to as the " Affordable Care Act " or " ACA ", was signed March 23, 2010, as amended by the Health Care and Education Reconciliation Act, signed March 31, 2010. The act contains many provisions, with various effective dates. Provisions included in the ACA are intended to expand access to insurance, increase consumer protections, emphasize prevention and wellness, improve quality and system performance, expand the health workforce, and curb rising health care costs. The ACA aims to extend health insurance coverage to about 32 million uninsured Americans by expanding both private and public insurance. We expect that the Affordable Care Act, as well as other healthcare~~ **Healthcare** reform measures that have been and may be adopted in the future ~~,~~ may result in more rigorous coverage criteria, new payment methodologies and in additional downward pressure on the price that we receive for any approved product, and could seriously harm our future revenue. Any reduction in reimbursement from Medicare or other government programs may result in a similar reduction in payments from private payors. The implementation of cost containment measures or other healthcare reforms may compromise our ability to generate revenue, attain profitability or commercialize our products. Increased scrutiny on drug pricing or changes in pricing regulations could restrict the amount that we are able to charge for our Product Candidates, which could adversely affect our revenue and results of operations. Drug pricing by pharmaceutical companies is currently under increased scrutiny and is expected to continue to be the subject of intense political and public debate in the United States and other jurisdictions. Specifically, there have been several recent U. S. Congressional inquiries and hearings with respect to pharmaceutical drug pricing practices, including in connection with the investigation of specific price increases by several pharmaceutical companies. Additionally, several states have recently passed laws designed to, among other things, bring more transparency to drug pricing, and other states may pursue similar initiatives in the future. We cannot predict the extent to which our business may be affected by these or other potential future legislative or regulatory developments. However, increased scrutiny on drug pricing, negative publicity related to the pricing of pharmaceutical drugs generally, or changes in pricing regulations could restrict the amount that we are able to charge for our Product Candidates, which could have a material adverse effect on our revenue and results of operations. Even if we are able to commercialize our Product Candidates, they may not receive coverage and adequate reimbursement from third- party payors, which could harm our business. The availability of reimbursement by governmental and private payors is essential for most patients to be able to afford their treatments. Sales of our Product Candidates, if approved, will depend substantially on the extent to which the costs of these Product Candidates will be paid by health maintenance, managed care, pharmacy benefit and similar healthcare management organizations, or reimbursed by government health administration authorities, private health coverage insurers and other third- party payors. If reimbursement is not available, or is available only to limited levels, we may not be able to successfully commercialize our Product Candidates. Even if coverage is provided, the approved reimbursement amount may not be high enough to allow us to establish or maintain pricing sufficient to realize a sufficient return on our investment. In the United States, the Medicare Modernization Act, established the Medicare Part D program and provided authority for limiting the number of drugs that will be covered in any therapeutic class thereunder. The Medicare Modernization Act, including its cost reduction initiatives, could decrease the coverage available for any of our approved products. Furthermore, private payors often follow Medicare in setting their own coverage policies. Therefore, any reduction in coverage that results from the Medicare Modernization Act may result in a similar reduction from private payors. There is significant uncertainty related to the insurance coverage and reimbursement of newly approved products. In the United States, the principal decisions about reimbursement for new medicines are typically made by the Centers for Medicare & Medicaid Services, or " CMS ", an agency within the HHS, as CMS decides whether and to what extent a new medicine will be covered and reimbursed under Medicare. Private payors tend to follow CMS to a substantial degree. The intended use of a drug product by a physician can also affect pricing. For example, CMS could initiate a National Coverage Determination administrative procedure, by which the agency determines which uses of a therapeutic product would and would not be reimbursable under Medicare. This determination process can be lengthy, thereby creating a long period during which the future reimbursement for a particular product may be uncertain. Outside the United States, particularly in EU Member States, the pricing of prescription drugs is subject to governmental control. In these countries, pricing negotiations or the successful completion of Health Technology Assessment, or " HTA ", procedures with governmental authorities can take considerable time after receipt of marketing authorization for a product. In addition, there can be considerable pressure by governments and other stakeholders on prices and reimbursement levels, including as part of cost containment measures. Certain countries allow companies to fix their own prices for medicines but monitor and control company profits. Political, economic and regulatory developments may further complicate pricing negotiations, and pricing negotiations may continue after reimbursement has been obtained. Reference pricing used by various EU Member States and parallel distribution, or arbitrage between low- priced and high- priced EU member states, can further reduce net realized prices. In some countries, we or our collaborators may be required to conduct a clinical trial or other studies that compare the cost-effectiveness of our Product Candidates to other available therapies in order to obtain or maintain reimbursement or pricing approval. Publication of discounts by third- party payors or authorities may lead to further pressure on the prices or reimbursement levels within the country of publication and other countries. If reimbursement of any product candidate approved for marketing is unavailable or limited in scope or amount, or if pricing is set at unsatisfactory levels, our business, financial condition, results of operations or prospects could be adversely affected. Our relationships with customers and third- party payors will be subject to applicable anti- kickback, fraud and abuse, federal exclusion or debarment, and other healthcare laws and regulations, which could expose us to criminal sanctions, civil penalties, contractual damages, reputational harm and diminished profits and future earnings. Healthcare providers, physicians and third- party payors play a primary role in the recommendation and prescription of any Product Candidates for which we obtain marketing approval. Our future arrangements with third- party payors and customers may expose us to broadly applicable fraud and abuse and other healthcare laws and regulations that may constrain the business or financial arrangements and relationships through which we market, sell and distribute our products for which we obtain marketing approval. As a pharmaceutical company, even though we do not and will not control referrals of healthcare services or bill directly to Medicare, Medicaid or other third- party payors, certain federal and state healthcare laws and regulations pertaining to fraud and abuse and patients' rights are and will be applicable to our business. Restrictions under applicable federal and state healthcare laws and regulations that may affect our ability to operate include the following: ● the U. S. federal healthcare Anti- Kickback Statute impacts our marketing practices, educational programs, pricing policies and relationships with healthcare providers or other entities, by prohibiting, among other things, persons from knowingly and willfully soliciting, offering, receiving or providing remuneration, directly or indirectly, in cash or in kind, to induce or reward, or in return for, either the referral of an individual for, or the purchase, order or recommendation of, any good or service, for which payment may be made under a federal healthcare program such as Medicare and Medicaid; ● federal civil and criminal false claims laws and civil monetary penalty laws impose criminal and civil penalties, including through civil whistleblower or qui tam actions, against individuals or entities for, among other things, knowingly presenting, or causing to be presented, false or fraudulent claims for payment of government funds (including through reimbursement by Medicare or Medicaid or other federal health care programs), which has been applied to impermissible promotion of pharmaceutical products for off- label uses, or making a false statement or record to avoid, decrease or conceal an obligation to pay money to the federal government; ● the U. S. Health Insurance Portability and Accountability Act, or " HIPPA ", as amended by the Health Information Technology for Economic and Clinical Health Act, or " HITECH Act ", among other things, imposes criminal and civil liability for executing a scheme to defraud any healthcare benefit program and also prohibits knowingly and willfully falsifying, concealing or covering up a material fact or making any materially false, fictitious or fraudulent statement or representation, or making or using any false writing or document knowing the same to contain any materially false,

fictitious or fraudulent statement or entry in connection with the delivery of or payment for healthcare benefits, items or services; ● the U. S. federal Physician Payment Sunshine Act, being implemented as the Open Payments Program, requires applicable manufacturers of covered drugs, devices, biologics and medical supplies to report annually to HHS information related to payments and other transfers of value to physicians and teaching hospitals, and ownership and investment interests held by physicians and their immediate family members; ● analogous state laws and regulations, such as state anti- kickback laws, false claims laws and privacy and security of health information laws, may apply to sales or marketing arrangements, claims involving healthcare items or services reimbursed by non-governmental third- party payors, including private insurers, or health information; and ● certain state laws require pharmaceutical companies to adopt codes of conduct consistent with the pharmaceutical industry' s voluntary compliance guidelines and the relevant compliance guidance promulgated by the federal government; restrict certain marketing- related activities including the provision of gifts, meals, or other items to certain health care providers; and / or require drug manufacturers to report information related to payments and other transfers of value to physicians and certain other healthcare providers or marketing expenditures. Comparable laws and regulations exist in the countries within the European Economic Area, or " EEA ". Although such laws are partially based upon European Union, or " EU ", law, they may vary from country to country. Healthcare specific, as well as general EU and national laws, regulations and industry codes constrain, for example, our interactions with government officials and healthcare professionals, and the collection and processing of personal health data. Non- compliance with any of these laws or regulations could lead to criminal or civil liability. Efforts to ensure that our business arrangements with third parties will comply with applicable healthcare laws and regulations will involve substantial costs. It is possible that governmental authorities will conclude that our business practices may not comply with current or future statutes, regulations or case law involving applicable fraud and abuse or other healthcare laws and regulations. If our operations are found to be in violation of any of these laws or any other governmental regulations that may apply to us, we may be subject to significant civil, criminal and administrative penalties, damages, fines, imprisonment, exclusion from government funded healthcare programs, such as Medicare and Medicaid, and the curtailment or restructuring of our operations. If any physicians or other healthcare providers or entities with whom we expect to do business are found to not be in compliance with applicable laws, they may be subject to criminal, civil or administrative sanctions, including exclusions from government funded healthcare programs. Failure to comply with the U. S. Foreign Corrupt Practices Act, or " FCPA ", the Canadian Corruption of Foreign Public Officials Act, or " CFPOA ", and other global anti-corruption and anti- bribery laws could subject us to penalties and other adverse consequences . The FCPA and the CFPOA, as well as any other applicable domestic or foreign anti- corruption or anti- bribery laws to which we are or may become subject generally prohibit corporations and individuals from engaging in certain activities to obtain or retain business or to influence a person working in an official capacity and requires companies to maintain accurate books and records and internal controls, including at foreign- controlled subsidiaries. It is illegal to pay, offer to pay or authorize the payment of anything of value to any foreign government official, government staff member, political party or political candidate in an attempt to obtain or retain business or to otherwise influence a person working in an official capacity. Compliance with these anti- corruption laws and anti- bribery laws may be expensive and difficult, particularly in countries in which corruption is a recognized problem. In addition, these laws present particular challenges in the pharmaceutical industry, because, in many countries, hospitals are operated by the government, and physicians and other hospital employees are considered to be foreign officials. Certain payments by other companies to hospitals in connection with clinical trials and other work have been deemed to be improper payments to governmental officials and have led to FCPA enforcement actions. Our internal control policies and procedures may not protect us from reckless or negligent acts committed by our employees, future distributors, licensees or agents. We are currently working to get policies and processes in place to monitor compliance with the FCPA and CFPOA. We can make no assurance that they will not engage in prohibited conduct, and we may be held liable for their acts under applicable anti- corruption and anti- bribery laws. Noncompliance with these laws could subject us to investigations, sanctions, settlements, prosecution, other enforcement actions, disgorgement of profits, significant fines, damages, other civil and criminal penalties or injunctions, suspension or debarment from contracting with certain persons, the loss of export privileges, whistleblower complaints, reputational harm, adverse media coverage, and other collateral consequences. Any investigations, actions or sanctions or other previously mentioned harm could have a material negative effect on our business, operating results and financial condition. Recent federal legislation and actions by state and local governments may permit reimportation of drugs from / to foreign countries where the drugs are sold at lower prices than in the country of origination, which could materially adversely affect our business and financial condition. We may face competition for our Product Candidates, if approved, from cheaper generics and / or cannabinoid therapies sourced from foreign countries that have placed price controls on pharmaceutical products. This is referred to as parallel importation. For instance, the Medicare Modernization Act contains provisions that may change U. S. importation laws and expand pharmacists' and wholesalers' ability to import cheaper versions of an approved drug and competing products from Canada, where there are government price controls. These changes to U. S. importation laws will not take effect unless and until the Secretary of HHS certifies that the changes will pose no additional risk to the public' s health and safety and will result in a significant reduction in the cost of products to consumers. The Secretary of HHS has so far declined to approve a reimportation plan. Proponents of drug reimportation, including certain state legislatures, may attempt to pass legislation that would directly allow reimportation under certain circumstances. Legislation or regulations allowing the reimportation of drugs, if enacted, could decrease the price we receive for any products that we may develop, including our Product Candidates, and adversely affect our future revenues and prospects for profitability. We are dependent upon our key personnel to achieve our business objectives. We depend on key personnel, the loss of any of whom could harm our business. Our future performance and development will depend to a significant extent on the efforts and abilities of its executive officers, key employees, and consultants. The loss of the services of one or more of these individuals could harm our business. Our success will depend largely on our continuing ability to attract, develop and retain skilled employees and consultants in our business. Because of the specialized scientific and managerial nature of our business, we rely heavily on our ability to attract and retain qualified scientific, technical and managerial personnel. The competition for qualified personnel in our field is intense. Due to this intense competition, we may be unable to continue to attract and retain qualified personnel necessary for the development of our business or to recruit suitable replacement personnel. Any delay in replacing such persons, or an inability to replace them with persons of similar expertise, would have a material adverse effect on our business, financial condition and results of operations. Our employees may engage in misconduct or other improper activities, including noncompliance with regulatory standards and requirements, which could subject us to significant liability and harm our reputation. We are exposed to the risk of employee fraud or other misconduct. Misconduct by employees could include intentional failures to comply with regulations of domestic or foreign regulatory authorities. In addition, misconduct by employees could include intentional failures to comply with certain development standards, to report financial information or data accurately, or to disclose unauthorized activities to us. Employee misconduct could also involve the improper use of information obtained in the course of clinical trials, which could result in regulatory sanctions and serious harm to our reputation. While prohibited, it is not always possible to identify and deter employee misconduct, and the precautions we take to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting us from governmental investigations or other actions or lawsuits stemming from a failure to be in compliance with such laws or regulations. If any such actions are instituted against us, and we are not successful in defending ourselves or asserting our rights, those actions could have a significant impact on our business and results of operations, including the imposition of significant fines or other sanctions. Our insurance may be insufficient to cover losses that may occur as a result of our operations. We currently maintain directors' and officers' liability insurance, clinical trial insurance and property and general liability insurance and intend in the future to obtain shipping and storage insurance for Product Candidates. This insurance may not remain available to us or be obtainable by us at commercially reasonable rates, and the amount of our coverage may not be adequate to cover any liability we incur. Future increases in insurance costs, coupled with the increase in deductibles, will result in higher operating costs and increased risk. If we were to incur substantial liability and such damages were not covered by insurance or were in excess of policy limits, or if we were to incur such liability at a time when we were not able to obtain liability insurance, our business, results of operations and financial condition could be materially adversely affected. There may be changes in laws, regulations and guidelines which are detrimental to our business. Our operations are subject to a variety of laws, regulations and guidelines relating to pharmacology, cannabinoids and drug delivery, as well as laws and regulations relating to health and safety, the conduct of operations, and the protection of the environment. While, to the knowledge of our management, we are currently in compliance with all such laws, changes to such laws, regulations and guidelines due to matters beyond our control may cause adverse effects to our operations and financial condition. These changes may require us to incur substantial costs associated with legal and compliance fees and ultimately require us to alter our business plan. In addition, if the governments of Canada or the United States were to enact or amend laws relating to our industry, it may decrease the size of, or eliminate entirely, the market for our Product Candidates, may introduce significant new competition into the market and may otherwise potentially materially and adversely affect our business, results of operations and financial condition. If we do not comply with laws regulating the protection of the environment and health and human safety, our business could be adversely affected. The research and development that we carry out either directly or through third- parties involves, and may in the future involve, the use of potentially hazardous materials and chemicals. Our operations may produce hazardous waste products. Although we believe that our safety procedures for handling and disposing of these materials comply with the standards mandated by local, state and federal laws and regulations, the risk of accidental contamination or injury from these materials cannot be eliminated. If an accident occurs, we could be held liable for resulting damages, which could be substantial. We are also subject to numerous environmental, health and workplace safety laws and regulations and fire and building codes. Although we maintain workers' compensation insurance as prescribed by the Province of British Columbia to cover us for costs and expenses we may incur due to injuries to our employees, this

insurance may not provide adequate coverage against potential liabilities. We do not maintain insurance for environmental liability or toxic tort claims that may be asserted against us. Additional federal, state and local laws and regulations affecting our operations may be adopted in the future. We may incur substantial costs to comply with, and substantial fines or penalties if we violate, any of these laws or regulations. Our proprietary information, or that of our customers, suppliers and business partners, may be lost or we may suffer security breaches. In the ordinary course of our business, we may collect and store sensitive data, including intellectual property, data from preclinical studies, clinical trial data, our proprietary business information and that of our customers, suppliers and business partners, and personally identifiable information of our customers, clinical trial subjects and employees, in our data centers and on our networks. The secure processing, maintenance and transmission of this information is critical to our operations. Despite our security measures, our information technology and infrastructure may be vulnerable to attacks by hackers or breached due to employee error, malfeasance or other disruptions. Although to our knowledge we have not experienced any such material security breach to date, any such breach could compromise our networks and the information stored there could be accessed, publicly disclosed, lost or stolen. Any such access, disclosure or other loss of information could result in legal claims or proceedings, liability under laws that protect the privacy of personal information, regulatory penalties, disrupt our operations, damage to our ability to obtain patent protection for our Product Candidates, damage to our reputation, and cause a loss of confidence in our products and our ability to conduct clinical trials, which could adversely affect our business and reputation and lead to delays in gaining regulatory approvals. We expect to face intense competition, often from companies with greater resources and experience than we have. The pharmaceutical industry is highly competitive and subject to rapid change. The industry continues to expand and evolve as an increasing number of competitors and potential competitors enter the market. Many of these competitors and potential competitors have substantially greater financial, technological, managerial and research and development resources and experience than we have. Some of these competitors and potential competitors have more experience than we have in the development of pharmaceutical products, including validation procedures and regulatory matters. Other companies researching in the same disease areas may develop products that are competitive or superior to our Product Candidates. Other companies working in cannabinoid research may develop products targeting the same diseases that we are focused on that are competitive or superior to our Product Candidates. In addition, there are non- FDA approved Cannabis / cannabinoid preparations being made available from companies in the so- called " medical marijuana " industry, which may be competitive to our products. If we are unable to compete successfully, our commercial opportunities will be reduced and our business, results of operations and financial conditions may be materially harmed. If we receive regulatory approvals, we intend to market our Product Candidates in multiple jurisdictions where we have limited or no operating experience and may be subject to increased business and economic risks that could affect our financial results. If we receive regulatory approvals, we may plan to market our Product Candidates in jurisdictions where we have limited or no experience in marketing, developing and distributing our products. Certain markets have substantial legal and regulatory complexities that we may not have experience navigating. We are subject to a variety of risks inherent in doing business internationally, including risks related to the legal and regulatory environment in non- U. S. jurisdictions, including with respect to privacy and data security, trade control laws and unexpected changes in laws, regulatory requirements and enforcement, as well as risks related to fluctuations in currency exchange rates and political, social and economic instability in foreign countries. If we are unable to manage our international operations successfully, our financial results could be adversely affected. Controlled substance legislation may differ in other jurisdictions and could restrict our ability to market our products internationally, which would result in increased business and economic risks that could affect our financial results. Controlled substance legislation may differ in other jurisdictions and could restrict our ability to market our products internationally. Most countries are parties to the Single Convention on Narcotic Drugs 1961, which governs international trade and domestic control of narcotic substances, including Cannabis extracts. Countries may interpret and implement their treaty obligations in a way that creates a legal obstacle to our obtaining marketing approval for Product Candidates in those countries. These countries may not be willing or able to amend or otherwise modify their laws and regulations to permit our Product Candidates to be marketed or achieving such amendments to the laws and regulations may take a prolonged period of time. We would be unable to market our Product Candidates in countries with such obstacles in the near future or perhaps at all without modification to laws and regulations. Product liability lawsuits against us could cause us to incur substantial liabilities. Our use of our Product Candidates in clinical trials and the sale of our Product Candidates, if approved, exposes us to the risk of product liability claims. Product liability claims might be brought against us by patients, healthcare providers or others selling or otherwise coming into contact with our Product Candidates. For example, we may be sued if any product we develop allegedly causes injury or is alleged to be otherwise unsuitable during product testing, manufacturing, marketing or sale. Any such product liability claims may include allegations of defects in manufacturing, defects in design, a failure to warn of dangers inherent in the product, including as a result of interactions with alcohol or other drugs, negligence, strict liability, and a breach of warranties. Claims could also be asserted under local jurisdiction consumer protection acts. If we become subject to product liability claims and cannot successfully defend ourselves against them, we could incur substantial liabilities. In addition, regardless of merit or eventual outcome, product liability claims may result in, among other things: ● withdrawal of patients from our clinical trials; ● substantial monetary awards to patients or other claimants; ● decreased demand for our Product Candidates following marketing approval, if obtained; ● damage to our reputation and exposure to adverse publicity; ● increased FDA warnings on product labels or increased warnings imposed by the EMA or other regulatory authorities; ● litigation costs; ● distraction of management' s attention from our primary business; ● loss of revenue; and ● the inability to successfully commercialize our Product Candidates, if approved. Our current clinical trial liability insurance coverage may not be sufficient to reimburse us for any expenses or losses we may suffer. Moreover, insurance coverage is becoming increasingly expensive and, in the future, we may not be able to maintain insurance coverage at a reasonable cost or in sufficient amounts to protect us against losses due to liability. If we obtain marketing approval for our Product Candidates, we intend to expand our insurance coverage to include the sale of commercial products; however, we may be unable to obtain product liability insurance on commercially reasonable terms or in adequate amounts. Large judgments have been awarded in class action lawsuits based on drugs that had unanticipated side effects. The cost of any product liability litigation or other proceedings, even if resolved in our favor, could be substantial, particularly in light of the size of our business and financial resources. A product liability claim or series of claims brought against us could cause our share price to decline and, if we are unsuccessful in defending such a claim or claims and the resulting judgments exceed our insurance coverage, our financial condition, results of operations, business and prospects could be materially adversely affected. Failure to protect our information technology infrastructure against cyber- based attacks, network security breaches, service interruptions, or data corruption could significantly disrupt our operations and adversely affect our business and operating results. We rely on information technology, telephone networks and systems, including the internet, to process and transmit sensitive electronic information and to manage or support a variety of business processes and activities. We use enterprise information technology systems to record, process and summarize financial information and results of operations for internal reporting purposes and to comply with regulatory, financial reporting, legal and tax requirements. Despite the implementation of security measures, our information technology systems, and those of our third- party contractors and consultants, are vulnerable to a cyber- attack, malicious intrusion, breakdown, destruction, loss of data privacy or other significant disruption. Any such successful attacks could result in the theft of intellectual property or other misappropriation of assets, or otherwise compromise our confidential or proprietary information and disrupt our operations. Cyber- attacks are becoming more sophisticated and frequent, and our systems could be the target of malware and other cyber- attacks. We have invested in our systems and the protection of our data to reduce the risk of an intrusion or interruption, and we monitor our systems on an ongoing basis for any current or potential threats. Nonetheless, our computer systems are subject to penetration and our data protection measures may not prevent unauthorized access. We can give no assurances that these measures and efforts will prevent interruptions or breakdowns. If we are unable to detect or prevent a security breach or cyber- attack or other disruption from occurring, then we could incur losses or damage to our data, or inappropriate disclosure of our confidential information or that of others; and we could sustain damage to our reputation, suffer disruptions to our research and development and incur increased operating costs including increased cybersecurity and other insurance premiums, costs to mitigate any damage caused and protect against future damage, and be exposed to additional regulatory scrutiny or penalties and to civil litigation and possible financial liability. For instance, the loss of preclinical or clinical data could result in delays in our development and regulatory filing efforts and significantly increase our costs. Our failure to comply with data protection laws and regulations could lead to government enforcement actions and significant penalties against us, and adversely impact our operating results. We are subject to various domestic and international data protection laws and regulations (i. e., laws and regulations that address privacy and data security). The legislative and regulatory landscape for data protection continues to evolve, and in recent years there has been an increasing focus on privacy and data security issues. Numerous laws, including data breach notification laws, health information privacy laws and consumer protection laws, govern the collection, use and disclosure of health- related and other personal information. In addition, we may obtain health information from third parties (e. g., healthcare providers who prescribe our products) that are subject to privacy and security requirements under HIPAA regulations. EU Member States, Australia and other countries have also adopted data protection laws and regulations, which impose significant compliance obligations. For example, the collection and use of personal data in the EU is governed by the provisions of the General Data Protection Regulation, or " GDPR ". The GDPR and the national implementing legislation of the EU Member States impose strict obligations and restrictions on the ability to collect, analyze and transfer personal data, including health data from clinical trials and adverse event reporting. In particular, these obligations and restrictions concern the consent of the individuals to whom the personal data relates, the information provided to the individuals, the rights of individuals to control personal data and the security and confidentiality of the personal data. In addition, the Australian Privacy Act 1988 (Cth), and other laws in the states and territories in Australia where we conduct certain of our clinical trials, apply similar restrictions on our ability

to collect, analyze and transfer medical records and other patient data. A claim or series of claims brought against us alleging a failure to comply with these laws, or changes in the way in which these laws are implemented, could lead to government enforcement actions and significant penalties against us, and adversely impact our operating results and could cause our share price to decline and, if we are unsuccessful in defending such a claim or claims and the resulting judgments exceed our insurance coverage, our financial condition, results of operations, business and prospects could be materially adversely affected. The COVID- 19 coronavirus could adversely impact our business, including several key activities that are critical to our success. The global outbreak of COVID- 19 continues to rapidly evolve. As a result, businesses have closed and limits have been placed on travel. The extent to which COVID- 19 may impact our business will depend on future developments, which are highly uncertain and cannot be predicted with confidence, such as the ultimate impact of the disease on specific geographies, the duration of the outbreak, travel restrictions and social distancing in the United States, Canada and other countries, business closures or business disruptions and the effectiveness of actions taken in the United States, Canada and other countries to contain and treat the disease. The spread of COVID- 19 throughout the world has also created global economic uncertainty, which may cause partners, suppliers and potential customers to closely monitor their costs and reduce their spending budget. Any of the foregoing could materially adversely affect our research and development activities, clinical trials, supply chain, financial condition and cash flows. If the COVID- 19 outbreak continues to spread, we may need to limit operations or implement other limitations on our activities. There is a risk that countries or regions outside the United States and Canada may be less effective at vaccinations and containing COVID- 19, in which case the risks described herein could be elevated significantly. Risks Related to our Securities The market prices for our common shares are volatile and will fluctuate. The market price for our common shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond our control, including the following: (i) actual or anticipated fluctuations in our quarterly financial results; (ii) recommendations by securities research analysts; (iii) changes in the economic performance or market valuations of other issuers that investors deem comparable to ours; (iv) addition or departure of our executive officers or members of our Board and other key personnel; (v) release or expiration of lock- up or other transfer restrictions on outstanding common shares; (vi) sales or perceived sales of additional common shares; (vii) liquidity of the common shares; (viii) significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving us or our competitors; and (ix) news reports relating to trends, concerns, technological or competitive developments, regulatory changes and other related issues in our industry or target markets. Financial markets often experience significant price and volume fluctuations that affect the market prices of equity securities of public entities and that are, in many cases, unrelated to the operating performance, underlying asset values or prospects of such entities. Accordingly, the market price of our common shares may decline even if our operating results, underlying asset values or prospects have not changed. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. As well, certain institutional investors may base their investment decisions on consideration of our environmental, governance and social practices and performance against such institutions' respective investment guidelines and criteria, and failure to meet such criteria may result in limited or no investment in our common shares by those institutions, which could materially adversely affect the trading price of our common shares. There can be no assurance that continuing fluctuations in price and volume will not occur. If such increased levels of volatility and market turmoil continue for a protracted period of time, our operations could be materially adversely impacted and the trading price of our common shares may be materially adversely affected. Raising additional capital may cause dilution to our existing shareholders, restrict our operations or require us to relinquish rights to our technologies or Product Candidates. We ~~may~~ **will** seek additional capital through a combination of private and public equity offerings, debt financings, strategic partnerships and alliances and licensing arrangements. To the extent that we raise additional capital through the sale of equity or convertible debt securities, existing ownership interests will be diluted and the terms of such financings may include liquidation or other preferences that adversely affect the rights of existing shareholders. Debt financings may be coupled with an equity component, such as warrants to purchase shares, which could also result in dilution of our existing shareholders' ownership. The incurrence of indebtedness would result in increased fixed payment obligations and could also result in certain restrictive covenants, such as limitations on our ability to incur additional debt, limitations on our ability to acquire or license intellectual property rights and other operating restrictions that could adversely impact our ability to conduct our business and may result in liens being placed on our assets and intellectual property. If we were to default on such indebtedness, we could lose such assets and intellectual property. If we raise additional funds through strategic partnerships and alliances and licensing arrangements with third parties, we may have to relinquish valuable rights to our Product Candidates or grant licenses on terms that are not favorable to us. Future offerings of debt or equity securities may rank senior to common shares. If we decide to issue debt or equity securities in the future ranking senior to our common shares or otherwise incur additional indebtedness, it is possible that these securities or indebtedness will be governed by an indenture or other instrument containing covenants restricting our operating flexibility and limiting our ability to pay dividends to shareholders. Additionally, any convertible or exchangeable securities that we issue in the future may have rights, preferences and privileges, including with respect to dividends, more favorable than those of common shares and may result in dilution to shareholders. Because our decision to issue debt or equity securities in any future offering or otherwise incur indebtedness will depend on market conditions and other factors beyond our control, we cannot predict or estimate the amount, timing or nature of our future offerings or financings, any of which could reduce the market price of our common shares and dilute their value. Future sales of common shares by officers and directors may negatively impact the market price for our common shares. Subject to compliance with applicable securities laws, our directors and officers and their affiliates may sell some or all of their common shares in the future. No prediction can be made as to the effect, if any, such future sales of common shares may have on the market price of the common shares prevailing from time to time. However, the future sale of a substantial number of common shares by our directors and officers and their affiliates, or the perception that such sales could occur, could adversely affect prevailing market prices for our common shares. We do not currently pay dividends on our common shares and have no intention to pay dividends on our common shares for the foreseeable future. No dividends on our common shares have been paid by us to date. We do not intend to declare or pay any cash dividends in the foreseeable future. Payment of any future dividends will be at the discretion of our Board, after taking into account a multitude of factors appropriate in the circumstances, including our operating results, financial condition and current and anticipated cash needs. In addition, the terms of any future debt or credit facility may preclude us from paying any dividends unless certain consents are obtained and certain conditions are met. We are exposed to risks related to currency exchange rates. We currently hold the majority of our cash, cash equivalents and short- term investments in U. S. dollars which is our functional currency. A portion of our current operations is conducted in Canadian dollars. Exchange rate fluctuations between other currencies and the U. S. dollar create risk in several ways, including the following: ● weakening of the Canadian dollar may decrease the value of our Canadian dollar cash, cash equivalents and short- term investments; ● weakening of the U. S. dollar may increase the cost of operations and products / services sourced in Canada; ● the exchange rates on non- U. S. dollar transactions and cash deposits can distort our financial results; and ● commercial product pricing and profit margins are affected by currency fluctuations. For as long as we are an " emerging growth company " we intend to take advantage of reduced disclosure and governance requirements applicable to emerging growth companies, which could result in our common shares being less attractive to investors and could make it more difficult for us to raise capital as and when we need it. We are an " emerging growth company, " as defined in the JOBS Act, and we have taken advantage, and intend to continue to take advantage, of certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes- Oxley Act, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, and exemptions from the requirements of holding a non- binding advisory vote on executive compensation and shareholder approval of any golden parachute payments not previously approved. Investors may find our common shares less attractive because we rely on these exemptions, which could contribute to a less active trading market for our common shares or volatility in our share price. In addition, we may be less attractive to investors and it may be difficult for us to raise additional capital as and when we need it. Investors may be unable to compare our business with other companies in our industry if they believe that our financial accounting is not as transparent as other companies in our industry. If we are unable to raise additional capital as and when we need it, our financial condition and results of operations may be materially and adversely affected. We may take advantage of these reporting exemptions until we are no longer an emerging growth company. If we fail to maintain an effective system of internal control over financial reporting in the future, we may not be able to accurately report our financial condition, results of operations or cash flows, which may adversely affect investor confidence in us and, as a result, the value of our common shares. We will be required, under Section 404 of the Sarbanes- Oxley Act, to furnish a report by management on, among other things, the effectiveness of our internal control over financial reporting. This assessment includes disclosure of any material weaknesses identified by our management in our internal control over financial reporting. A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting that results in more than a reasonable possibility that a material misstatement of annual or interim financial statements will not be prevented or detected on a timely basis. Section 404 of the Sarbanes- Oxley Act also generally requires an attestation from our independent registered public accounting firm on the effectiveness of our internal control over financial reporting. However, for as long as we remain an emerging growth company as defined in the JOBS Act, we intend to take advantage of the exemption permitting us not to comply with the independent registered public accounting firm attestation requirement. Our compliance with Section 404 will require that we incur substantial accounting expense and expend significant management efforts. We may not be able to complete our evaluation, testing and any required remediation in a timely fashion. During the evaluation and testing process, if we identify one or more material weaknesses in our internal control over financial reporting, we will be unable to assert that our internal control over financial reporting is effective. We cannot assure you that there will not be

material weaknesses or significant deficiencies in our internal control over financial reporting in the future. Any failure to maintain internal control over financial reporting could severely inhibit our ability to accurately report our financial condition, results of operations or cash flows. This may expose us, including individual executives, to potential liability which could significantly affect our business. If we are unable to conclude that our internal control over financial reporting is effective, or if our independent registered public accounting firm determines we have a material weakness ~~or significant deficiency~~ in our internal control over financial reporting once that firm begins its audits of internal control over financial reporting, we could lose investor confidence in the accuracy and completeness of our financial reports, the market price of our common shares could decline, and we could be subject to sanctions or investigations by Nasdaq, the SEC, or other regulatory authorities. Failure to remedy any material weakness in our internal control over financial reporting, or to implement or maintain other effective control systems required of public companies, could also restrict our future access to the capital markets. Our disclosure controls and procedures may not prevent or detect all errors or acts of fraud. Our disclosure controls and procedures are designed to reasonably assure that information required to be disclosed by us in reports we file or submit under the Securities Exchange Act of 1934 is accumulated and communicated to management, recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC. We believe that any disclosure controls and procedures or internal controls and procedures, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. These inherent limitations include the realities that judgments in decision- making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people or by an unauthorized override of the controls. Accordingly, because of the inherent limitations in our control system, misstatements or insufficient disclosures due to error or fraud may occur and not be detected. Deficiencies in disclosure controls and procedures and internal control over financial reporting could result in a material misstatement in our financial statements. We could be adversely affected if there are deficiencies in our disclosure controls and procedures or in our internal controls over financial reporting. The design and effectiveness of our disclosure controls and procedures and our internal controls over financial reporting may not prevent all errors, misstatements or misrepresentations. Consistent with other entities in similar stages of development, we have a limited number of employees currently in the accounting group, limiting our 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 an individual performing primarily all areas of accounting with limited secondary review. Deficiencies in internal controls over financial reporting which may occur could result in material misstatements of our results of operations, restatements of financial statements, other required remediations, a decline in the price of our common shares, or otherwise materially adversely affect our business, reputation, results of operations, financial condition or liquidity. In connection with the audit of our financial statements as of and for the years ended June 30, **2023 and** 2022 ~~and 2021~~, material weaknesses in our internal control over financial reporting were identified and we may identify additional material weaknesses in the future. In connection with the preparation and audits of our financial statements as of and for the years ended June 30, **2023 and** 2022 ~~and 2021~~, **a** material ~~weaknesses~~ **weakness,** (as defined under the Exchange Act and by the auditing standards of the U. S. Public Company Accounting Oversight Board, or " PCAOB "), ~~were~~ **was** identified in our internal control over financial reporting. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our annual financial statements will not be prevented or detected on a timely basis. The identified ~~material weaknesses~~ **control deficiencies** arose from a lack of resources in our finance function ~~that resulted in~~ **, which rose to a** material **weakness due** ~~audit adjustments related~~ to **segregation** ~~the presentation~~ of **duty issues** ~~pre- funded warrants associated with a financing transaction, and the fair value on the purchase consideration for the acquisition of BayMedica Inc~~. In light of the identified material ~~weaknesses~~ **weakness**, it is possible that, had we performed a formal assessment of our internal control over financial reporting or had our independent registered public accounting firm performed an audit of our internal control over financial reporting in accordance with PCAOB standards, additional control deficiencies may have been identified. We have begun taking measures, and plan to continue to take measures, to remediate ~~these~~ **this** material ~~weaknesses~~ **weakness**. However, the implementation of these measures may not fully address ~~these~~ **this** material ~~weaknesses~~ **weakness** in our internal control over financial reporting, and, if so, we would not be able to conclude that they have been fully remedied. Our failure to correct ~~these~~ **this** material ~~weaknesses~~ **weakness** or our failure to discover and address any other control deficiencies could result in inaccuracies in our financial statements and could also impair our ability to comply with applicable financial reporting requirements and make related regulatory filings on a timely basis. As a result, our business, financial condition, results of operations and prospects, as well as the trading price of our common shares, may be materially and adversely affected. We have incurred, and will continue to incur, increased costs as a result of operating as a public company, and our management has been required, and will continue to be required, to devote substantial time to new compliance initiatives. As a public company, we have incurred and are continuing to incur significant legal, accounting and other expenses and these expenses may increase even more after we are no longer an " emerging growth company. " We are subject to the reporting requirements of the Exchange Act and the rules adopted, and to be adopted, by the SEC. Our management and other personnel devote a substantial amount of time to these compliance initiatives. Moreover, these rules and regulations have substantially increased our legal and financial compliance costs and made some activities more time- consuming and costly. The increased costs have increased our net loss. These rules and regulations may make it more difficult and more expensive for us to maintain sufficient director' s and officer' s liability insurance coverage. We cannot predict or estimate the amount or timing of additional costs we may continue to incur to respond to these requirements. The ongoing impact of these requirements could also make it more difficult for us to attract and retain qualified persons to serve on our Board, our Board committees or as executive officers. Future sales and issuances of our common shares or rights to purchase common shares pursuant to our equity incentive plan could result in additional dilution of the percentage ownership of our shareholders and may cause our share price to fall. We expect that significant additional capital will be needed in the future to continue our planned operations. To raise capital, we may sell substantial amounts of common shares or securities convertible into or exchangeable for common shares. These future issuances of common shares or common share- related securities **to purchase common shares**, together with the exercise of outstanding options and any additional shares issued in connection with acquisitions, if any, may result in material dilution to our investors. Such sales may also result in material dilution to our existing shareholders, and new investors could gain rights, preferences and privileges senior to those of holders of our common shares. Pursuant to our 2017 Amended and Restated Stock Option Plan, and as amended at our Annual General Meeting in November 2020, our compensation committee is authorized to grant equity- based incentive awards in the form of options to purchase common shares to our directors, executive officers and other employees and service providers. As of ~~June 30~~ **September 20**, ~~2022~~ **2023**, there were ~~18~~ **51**, ~~163~~ **633** options ~~to purchase common shares~~ available for future ~~grant under our stock option~~ **allocation pursuant to the 20 % of the issued and outstanding shares allowed to be issued according to the terms of the** ~~plan~~ **Plan**. Future equity incentive grants under our stock option plan may result in material dilution to our shareholders and may have an adverse effect on the market price of our common shares. Provisions in our corporate charter documents and certain Canadian laws could delay or deter a change of control. Provisions in our articles and our by- laws, as well as certain provisions under the BCBCA and applicable Canadian securities laws, may discourage, delay or prevent a merger, acquisition, tender offer or other change in control of us that some shareholders may consider favorable. In addition, because our Board is responsible for appointing the members of our management team, these provisions may frustrate or prevent any attempts by our shareholders to replace or remove our current management by making it more difficult for shareholders to replace members of our Board. As well, our preferred shares are available for issuance from time to time at the discretion of our Board, without shareholder approval. Our articles allow our Board, without shareholder approval, to determine the special rights to be attached to our preferred shares, and such rights may be superior to those of our common shares. In addition, limitations on the ability to acquire and hold our common shares may be imposed by the Competition Act in Canada. This legislation permits the Commissioner of Competition of Canada, or " Commissioner ", to review any acquisition of a significant interest in us. This legislation grants the Commissioner jurisdiction to challenge such an acquisition before the Canadian Competition Tribunal if the Commissioner believes that it would, or would be likely to, result in a substantial lessening or prevention of competition in any market in Canada. The Investment Canada Act subjects an acquisition of control of a company by a non- Canadian to government review if the value of our assets, as calculated pursuant to the legislation, exceeds a threshold amount. A reviewable acquisition may not proceed unless the relevant minister is satisfied that the investment is likely to result in a net benefit to Canada. Any of the foregoing could prevent or delay a change of control and may deprive or limit strategic opportunities for our shareholders to sell their shares. If securities or industry analysts publish inaccurate or unfavorable research about our business, our share price and trading volume may decline. The trading market for our common shares depends in part on the research and reports that securities or industry analysts publish about us or our business. If one or more of the analysts who cover us downgrade our shares or publish inaccurate or unfavorable research about our business, our shares price may decline. If one or more of these analysts cease coverage of our company or fail to publish reports on us regularly, demand for our shares may decrease, which may cause our shares price and trading volume to decline. We are incorporated in Canada, with our assets and officers primarily located in Canada, with the result that it may be difficult for investors to enforce judgments obtained against us or some of our officers. We are a company organized and existing under the laws of British Columbia, Canada. Many of our directors and officers and the experts named in this Annual Form on 10- K are residents of Canada or otherwise reside outside the United States, and all or a substantial portion of their assets, and a substantial portion of our assets, are located outside the United States. It may be difficult for holders of common shares who reside in the United States to effect service within the United States upon those directors, officers and experts who are not residents of the United States. It may also be difficult for holders of securities who reside in the United States to realize in the United States upon judgments of courts of the United States predicated upon our civil liability

and the civil liability of our directors, officers and experts under the U. S. federal securities laws. Our Canadian counsel has advised us that there is doubt as to the enforceability in Canada against us or against our directors, officers and experts who are not residents of the United States, in original actions or in actions for enforcement of judgments of courts of the United States, of liabilities predicated solely upon U. S. federal or state securities laws. Conversely, some of our directors and officers reside outside Canada and some of our assets are also located outside Canada. Therefore, it may not be possible for you to enforce in Canada against our assets or those directors and officers residing outside Canada, judgments obtained in Canadian courts based upon the civil liability provisions of the Canadian securities laws or other laws of Canada. Risks Related to our Financial Position and Capital Needs **Our operating losses have raised substantial doubt regarding our ability to continue as a going concern. Our operating losses raise substantial doubt about our ability to continue as a going concern. As a result, our independent registered public accounting firm included an explanatory paragraph in its report on our financial statements as of and for the years ended June 30, 2023 and June 30, 2022 with respect to this uncertainty. The perception of our ability to continue as a going concern may make it more difficult for us to obtain financing for the continuation of our operations and could result in the loss of confidence by investors, suppliers and employees.** We have incurred significant losses since our inception and anticipate that we will continue to incur losses in the future. Since our inception as a pharmaceutical company in October 2014, we have devoted substantially all of our resources to the development of our proprietary Product Candidates. We have generated significant operating losses since our inception with an accumulated deficit to June 30, ~~2022~~ **2023** of approximately $ ~~93~~ **101** . ~~5~~ **4** million. Our comprehensive losses for the fiscal years ended June 30, **2023 and** 2022 ~~and 2021~~ were approximately $ **8. 0 million and $** 18. 6 ~~million and $ 9. 7~~ million, respectively. Substantially all of our losses have resulted from expenses incurred in connection with our research and development programs and from general and administrative costs associated with our operations. We expect to continue to incur significant expenses and operating losses for the foreseeable future. We anticipate these losses will increase as we continue the research and development of, and clinical trials for, our Product Candidates. In addition to budgeted expenses, we may encounter unforeseen expenses, difficulties, complications, delays and other unknown factors that may adversely affect our business. If our Product Candidates fail in preclinical or clinical trials, or do not gain regulatory approval, or even if approved, fail to achieve market acceptance, we may never become profitable. Even if we achieve profitability in the future, we may not be able to sustain profitability in subsequent periods. Due to our limited operating history and history of losses, any predictions about our future success, performance or viability may not be accurate. We will require additional capital to fund our operations and if we fail to obtain necessary financing, we will not be able to complete the development and commercialization of our Product Candidates. Our operations have consumed substantial amounts of cash since inception. We expect to continue to spend substantial and increasing amounts to conduct further research and development, preclinical testing and clinical trials of our Product Candidates, to seek regulatory approvals and reimbursement for our Product Candidates and to launch and commercialize any Product Candidates for which we receive regulatory approval. As ~~at~~ **of** June 30, ~~2022~~ **2023** , we had approximately $ ~~6~~ **9** . ~~2~~ **0** million in cash, cash equivalents and short- term investments, which, ~~combined with the net proceeds from the September 2022 private placement,~~ we currently estimate funds our operations into the second half of fiscal ~~2023~~ **2024** , and possibly into the ~~first~~ **third** quarter of fiscal 2024 (being the ~~third~~ **second** calendar quarter of ~~2023~~ **2024**), depending on the level and timing of realizing revenues from the sale of BayMedica inventory as well as the level and timing of the Company **' s** operating expenses. Our ability to develop our research and development programs is subject to accessing additional capital, including through the sale of equity, partnership revenues, and out- licensing activities. There is no assurance that we will be successful in these efforts. The progress of our Product Candidates for both current and prospective target indication (s) is uncertain because it is difficult to predict our spending for our Product Candidates up to the time that we seek FDA approval due to numerous factors, including, without limitation, the rate of progress of clinical trials, the results of preclinical studies and clinical trials for such indication, the costs and timing of seeking and obtaining FDA and other regulatory approvals for clinical trials and FDA guidance regarding clinical trials for such indication. Moreover, changing circumstances may cause us to expend cash significantly faster than we currently anticipate, and we may need to spend more cash than currently expected because of circumstances beyond our control. For these reasons, we are unable to state unequivocally the actual funds we will require for development and any approved marketing and commercialization activities. Our future funding requirements, both near and long- term, will depend on many factors, including, but not limited to: ● the initiation, progress, timing, costs and results of preclinical studies and clinical trials for our Product Candidates; ● any change in the clinical development plans or target indications for these Product Candidates; ● the number and characteristics of Product Candidates that we develop or may in- license; ● the terms of any collaboration agreements we may choose to execute; ● the outcome, timing and cost of meeting regulatory requirements established by the Drug Enforcement Administration, or " DEA ", the FDA, the European Medicines Agency, or " EMA ", Health Canada, or " HC ", or other comparable foreign regulatory authorities; ● **The** ~~Th2. 0e~~ cost of filing, prosecuting, defending and enforcing our patent claims and other intellectual property rights; ● the cost of defending intellectual property disputes, including patent infringement actions brought by third parties against us; ● the effect of competing product and market developments; ● the costs and timing of the implementation of commercial scale manufacturing activities; and ● the cost of establishing, or outsourcing, sales, marketing and distribution capabilities for any Product Candidates for which we may receive regulatory approval in regions where we choose to commercialize our products on our own. We cannot be certain that additional funding will be available on acceptable terms, or at all. If we are unable to raise additional capital in sufficient amounts or on terms acceptable to us, we may have to significantly delay, scale back or discontinue the development or commercialization of one or more of our Product Candidates or one or more of our other research and development initiatives. Any doubt about our ability to continue as a going concern may materially and adversely affect the price of our common shares, and it may be more difficult for us to obtain financing. Any doubt about our ability to continue as a going concern may also adversely affect our relationships with current and future collaborators, contract manufacturers and investors, who may become concerned about our ability to meet our ongoing financial obligations. If potential collaborators decline to do business with us or potential investors decline to participate in any future financings due to such concerns, our ability to increase our financial resources may be limited. We have prepared our financial statements on a going concern basis, which assumes that we will be able to meet our commitments, realize our assets and discharge our liabilities in the normal course of business. Our consolidated financial statements do not include any adjustment to reflect the possible future effects on the recoverability and classification of assets or the amounts and classification of liabilities that may result from the outcome of this uncertainty. We currently have limited commercial revenue and may never become profitable. In addition to the limited revenues from our BayMedica **Products** ~~commercial business~~, our ability to generate revenue and become profitable depends upon our ability to obtain regulatory approval for, and successfully commercialize, our Product Candidates that we may develop, in- license or acquire in the future. Even if we are able to successfully achieve regulatory approval for these Product Candidates, we do not know what the reimbursement status of our Product Candidates will be or when any of these products will generate revenue for us, if at all. We have not generated, and do not expect to generate, any ~~product~~ revenue **from Product Candidates** for the foreseeable future, and we expect to continue to incur significant operating losses for the foreseeable future due to the cost of research and development, preclinical studies and clinical trials and the regulatory approval process for our Product Candidates. The amount of future losses is uncertain and will depend, in part, on the rate of growth of our expenses. Our ability to generate revenue and become profitable depends upon a number of additional factors, including our ability to: ● successfully complete development activities, including the remaining preclinical studies and ongoing and planned clinical trials for our Product Candidates; ● in- license or acquire in the future, Product Candidates and other potential lines of business that we may develop; ● complete and submit NDAs to the FDA and Marketing Authorization Applications, or " MAAs ", to the EMA, and obtain regulatory approval for indications for which there is a commercial market; ● complete and submit applications to, and obtain regulatory approval from, other foreign regulatory authorities; ● manufacture any approved products in commercial quantities and on commercially reasonable terms; ● develop a commercial organization, or find suitable partners, to market, sell and distribute approved products in the markets in which we have retained commercialization rights; ● achieve acceptance among patients, clinicians and advocacy groups for any products we develop; ● obtain coverage and adequate reimbursement from third parties, including government payors; and ● set a commercially viable price for any products for which we may receive approval. We are unable to predict the timing or amount of increased expenses, or when or if we will be able to achieve or maintain profitability. Even if we are able to complete the processes described above, we anticipate incurring significant costs associated with commercializing our Product Candidates. Changes in tax laws and unanticipated tax liabilities could adversely affect our effective income tax rate and ability to achieve profitability. We are subject to income taxes in the United States and Canada. As our operations expand, we may become subject to income tax in jurisdictions outside of the United States and Canada. Our effective income tax rate in the future could be adversely affected by a number of factors including changes in the mix of earnings (losses) in countries with differing statutory tax rates, changes in the valuation of deferred tax assets and liabilities and changes in tax laws. We regularly assess all of these matters to determine the adequacy of our tax provision which is subject to discretion. If our assessments are incorrect, it could have an adverse effect on our business and financial condition. There can be no assurance that income tax laws and administrative policies with respect to the income tax consequences generally applicable to us or to our subsidiaries will not be changed in a manner which adversely affects our shareholders. Our ability to use our net operating loss carryforwards and other tax attributes may be limited. As of our last fiscal year end, we had non- capital loss, or " NOL ", carry- forwards of approximately $ ~~62~~ **71** . ~~9~~ **6** million available to offset future taxable income in Canada and the United States. These NOL carry- forwards begin to expire in 2026. Our NOL carryforwards could expire unused and be unavailable to offset future income tax liabilities. Under provisions in the Canadian Income Tax Act, and corresponding provisions of Canadian provincial law, if a corporation undergoes an " ownership change, " generally defined as a greater than 50 % change, by value, the corporation' s ability to use its pre- change Canadian NOLs and other pre- change tax attributes, such as research and development tax credits, to offset its post-

change income may be limited. Specifically, NOLs from a business before the change of control may be carried forward to taxation years after the change of control, but only if the same business is carried forward on after the change in control with a reasonable expectation of profit, and only to offset income from that business or a similar business. We have not performed any analyses under the applicable provisions in the Canadian Income Tax Act and cannot forecast or otherwise determine our ability to derive benefit from our various federal or provincial tax attribute carryforwards. As a result, if we earn net taxable income, our ability to use our pre-change NOL carryforwards to offset Canadian federal taxable income may be subject to limitations, which could potentially result in increased future tax liability to us. In addition, at the provincial level, there may be periods during which the use of NOLs is suspended or otherwise limited, which could accelerate or permanently increase provincial taxes owed. In addition, we may experience ownership changes in the future as a result of subsequent shifts in our share ownership, including in any future offerings, some of which may be outside of our control. If we determine that an ownership change has occurred and our ability to use our NOL carryforwards is materially limited, it would harm our future operating results by effectively increasing our future tax obligations. Changes to accounting standards may adversely impact the manner in which we report our financial position and operating results. There are ongoing projects conducted by the Financial Accounting Standards Board in the United States that are expected to result in new pronouncements that continue to evolve, which could adversely impact the manner in which we report our financial position and operating results **. Global Economic Uncertainty Changes in the global economic environment have created market uncertainty and volatility in recent years. The market and demand for metal commodities and related products has in recent years been adversely affected by global economic uncertainty, reduced confidence in financial markets, the COVID- 19 pandemic, bank failures and credit availability concerns. These macro- economic events negatively affected the mining and minerals sectors in general. Global financial conditions remain subject to sudden and rapid destabilizations in response to economic shocks. A slowdown in the financial markets or other economic conditions, including but not limited to reduced consumer spending, decreased employment rates, adverse business conditions, high inflation, high fuel and energy costs, high consumer debt levels, a lack of available credit, the state of turmoil in the financial markets, high interest rates and / or tax rates, may adversely affect the Company' s growth and profitability. Future economic shocks may be precipitated by a number of causes, including the slowdown in the Chinese economy, a rise in the price of oil and other commodities, climate change disasters, geopolitical instability, further wars or acts of terrorism, the devaluation and volatility of global stock markets and natural disasters. Any sudden or rapid destabilization of global economic conditions could impact the Company' s ability to obtain equity or debt financing in the future on terms favorable to the Company or at all. In such an event, the Company' s operations and financial condition could be adversely impacted. The Company assesses on a quarterly basis the carrying values of its assets. Should market conditions and commodity prices worsen and persist in a worsened state for a prolonged period of time, an assessment of the Company' s assets for impairment may be required** . Risks Related to our Intellectual Property Our success is largely dependent upon our patents, proprietary technology, and other intellectual property. Our success will depend, in part, on our ability to obtain patents, protect our trade secrets and operate without infringing on the proprietary rights of others. Patents and other proprietary rights are essential to our business. We rely on trade secret, patent, copyright and trademark laws, and confidentiality and other agreements with employees and third parties, all of which offer only limited protection. Our general policy has been to file patent applications to protect our inventions and improvements to our inventions that are considered important to the development of our business. In certain cases, we have chosen to protect our intellectual property by treating it as confidential internal know- how. Our success will depend in part on our ability to obtain patents, defend patents, maintain internal know- how / trade secret protection and operate without infringing on the proprietary rights of others. Interpretation and evaluation of pharmaceutical patent claims present complex legal and factual questions. Further, patent protection may not be available for some of the products or technology we are developing. If we are placed in a position where we must spend significant time and money defending or enforcing our patents, designing around patents held by others or licensing patents or other proprietary rights held by others, our business, results of operations and financial condition may be harmed. In seeking to protect our inventions using patents it is important to note that we have no assurance that: ● patent applications will result in the issuance of patents; ● additional proprietary products developed will be patentable; ● patents issued will provide adequate protection or any competitive advantages; ● patents issued will not be successfully challenged by third parties; ● commercial exploitation of our inventions does not infringe the patents or intellectual property of others; or ● we will be able to obtain any extensions of the patent term. A number of pharmaceutical, biotechnology and medical device companies and research and academic institutions have developed technologies, filed patent applications or received patents on various technologies that may be related to our business. Some of these technologies, applications or patents could limit the scope of the patents, if any, that we may be able to obtain. It is also possible that these technologies, applications or patents may preclude us from obtaining patent protection for our inventions. Further, there may be uncertainty as to whether we may be able to successfully defend any challenge to our patent portfolio. Moreover, we may have to participate in derivation proceedings, inter partes review proceedings, post- grant review proceedings, or opposition proceedings in the various jurisdictions around the world. An unfavorable outcome in a derivation proceeding, an inter partes review proceeding, a post- grant review proceeding, or an opposition proceeding could preclude us or our collaborators or licensees from making, using or selling products using the technology, or require us to obtain license rights from third parties. It is not known whether any prevailing party would offer a license on commercially acceptable terms, if at all. Further, any such license could require the expenditure of substantial time and resources and could harm our business. If such licenses are not available, we could encounter delays or prohibition of the development or introduction of our product. In the case of intellectual property where we have chosen to protect it by treating it as internal knowhow, there can be no assurance that others with greater expertise or access to greater resources do not develop similar or superior technology that impairs the competitive value of our internal know- how. Obtaining and maintaining our patent protection depends on compliance with various procedural, document submission, fee payment and other requirements imposed by governmental patent agencies, and our patent protection could be reduced or eliminated for non- compliance with these requirements. The U. S. Patent and Trademark Office, or " PTO ", and various foreign national or international patent agencies require compliance with a number of procedural, documentary, fee payment and other similar provisions during the patent application process. Periodic maintenance fees on any issued patent are due to be paid to the PTO and various foreign national or international patent agencies in several stages over the lifetime of the patent. While an inadvertent lapse can in many cases be cured by payment of a late fee or by other means in accordance with the applicable rules, there are situations in which noncompliance can result in abandonment or lapse of the patent or patent application, resulting in partial or complete loss of patent rights in the relevant jurisdiction. Non- compliance events that could result in abandonment or lapse of patent rights include, but are not limited to, failure to timely file national and regional stage patent applications based on our international patent application, failure to respond to official actions within prescribed time limits, non- payment of fees and failure to properly legalize and submit formal documents. If we fail to maintain the patents and patent applications covering our Product Candidates, our competitors might be able to enter the market, which would have a material adverse effect on our business. We may become subject to claims by third parties asserting that we or our employees have misappropriated their intellectual property or claiming ownership of what we regard as our own intellectual property. Our commercial success depends upon our ability to develop, manufacture, market and sell our Product Candidates, and to use our related proprietary technologies without violating the intellectual property rights of others. We may become party to, or threatened with, future adversarial proceedings or litigation regarding intellectual property rights with respect to our Product Candidates, including interference or derivation proceedings before the PTO or other international patent offices. Third parties may assert infringement claims against us based on existing patents or patents that may be granted in the future. If we are found to infringe a third party' s intellectual property rights, we could be required to obtain a license from such third party to continue commercializing our Product Candidates. However, we may not be able to obtain any required license on commercially reasonable terms or at all. Under certain circumstances, we could be forced, including by court order, to cease commercializing the applicable product candidate. In addition, in any such proceeding or litigation, we could be found liable for monetary damages. A finding of infringement could prevent us from commercializing our Product Candidates or force us to cease some of our business operations, which could materially harm our business. Any claims by third parties that we have misappropriated their confidential information or trade secrets could have a similar negative impact on our business. While our preclinical studies are ongoing, we believe that the use of our Product Candidates in these preclinical studies fall within the scope of the exemptions provided by 35 U. S. C. Section 271 (e) in the United States, which exempts from patent infringement liability activities reasonably related to the development and submission of information to the FDA. As our Product Candidates progress toward clinical trials and, ultimately, commercialization, the possibility of a patent infringement claim against us increases. We attempt to ensure that our Product Candidates and the methods we employ to manufacture them, as well as the methods for their uses we intend to promote, do not infringe other parties' patents and other proprietary rights. There can be no assurance they do not, however, and competitors or other parties may assert that we infringe their proprietary rights in any event. We may become involved in lawsuits to protect or enforce our intellectual property, which could be expensive, time consuming and unsuccessful and have a material adverse effect on the success of our business. Competitors may infringe our patents or misappropriate or otherwise violate our intellectual property rights. To counter infringement or unauthorized use, litigation may be necessary in the future to enforce or defend our intellectual property rights, to protect our trade secrets or to determine the validity and scope of our own intellectual property rights or the proprietary rights of others. Also, third parties may initiate legal proceedings against us to challenge the validity or scope of intellectual property rights we own. These proceedings can be expensive and time consuming. Many of our current and potential competitors have the ability to dedicate substantially greater resources to defend their intellectual property rights than we can. Accordingly, despite our efforts, we may not be able to prevent third parties from infringing upon or misappropriating our intellectual property. Litigation could result in substantial costs and diversion of

management resources, which could harm our business and financial results. In addition, in an infringement proceeding, a court may decide that a patent owned by us is invalid or unenforceable or may refuse to stop the other party from using the technology at issue on the grounds that our patents do not cover the technology in question. An adverse result in any litigation proceeding could put one or more of our patents at risk of being invalidated, held unenforceable or interpreted narrowly. Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation, there is a risk that some of our confidential information could be compromised by disclosure during this type of litigation. There could also be public announcements of the results of hearings, motions or other interim proceedings or developments. If securities analysts or investors perceive these results to be negative, it could have a material adverse effect on the price of our common shares. If we are not able to adequately prevent disclosure of trade secrets and other proprietary information, the value of our technology and products could be significantly diminished. We rely on trade secrets to protect our proprietary technologies, especially where we do not believe patent protection is appropriate or obtainable. However, trade secrets are difficult to protect. We rely in part on confidentiality agreements with our current and former employees, consultants, outside scientific collaborators, sponsored researchers, contract manufacturers, vendors and other advisors to protect our trade secrets and other proprietary information. These agreements may not effectively prevent disclosure of confidential information and may not provide an adequate remedy in the event of unauthorized disclosure of confidential information. In addition, we cannot guarantee that we have executed these agreements with each party that may have or have had access to our trade secrets. Any party with whom we or they have executed such an agreement may breach that agreement and disclose our proprietary information, including our trade secrets, and we may not be able to obtain adequate remedies for such breaches. Enforcing a claim that a party illegally disclosed or misappropriated a trade secret is difficult, expensive and time- consuming, and the outcome is unpredictable. In addition, some courts are less willing or unwilling to protect trade secrets. If any of our trade secrets were to be lawfully obtained or independently developed by a competitor, we would have no right to prevent them, or those to whom they disclose such trade secrets, from using that technology or information to compete with us. If any of our trade secrets were to be disclosed to or independently developed by a competitor or other third- party, our competitive position would be harmed. We may not be able to protect our intellectual property rights throughout the world. Filing, prosecuting and defending patents on all of our Product Candidates throughout the world would be prohibitively expensive. Therefore, we have filed applications and / or obtained patents only in key markets such as the United States, Canada, Japan and Europe. Competitors may use our technologies in jurisdictions where we have not obtained patent protection to develop their own products and, further, may be able to export otherwise infringing products to territories where we have patent protection but where enforcement is not as strong as that in the United States. These products may compete with our products in jurisdictions where we do not have any issued patents and our patent claims or other intellectual property rights may not be effective or sufficient to prevent them from so competing. Many companies have encountered significant problems in protecting and defending intellectual property rights in certain foreign jurisdictions. The legal systems of certain countries, particularly certain developing countries, do not favor the enforcement of patents and other intellectual property protection, particularly those relating to pharmaceuticals, which could make it difficult for us to stop the infringement of our patents or marketing of competing products in violation of our proprietary rights generally. For example, an April 2016 report from the Office of the United States Trade Representative identified a number of countries, including India and China, where challenges to the procurement and enforcement of patent rights have been reported. Several countries, including India and China, have been listed in the report every year since 1989. As a result, proceedings to enforce our patent rights in certain foreign jurisdictions could result in substantial cost and divert our efforts and attention from other aspects of our business and could be unsuccessful. Patent terms may be inadequate to protect our competitive position on our Product Candidates for an adequate amount of time. Given the amount of time required for the development, testing and regulatory review of new Product Candidates, patents protecting such candidates might expire before or shortly after such candidates are commercialized. We expect to seek extensions of patent terms in the United States and, if available, in other countries where we are prosecuting patents. In the United States, the Drug Price Competition and Patent Term Restoration Act of 1984 permits a patent term extension of up to five years beyond the normal expiration of the patent, which is limited to the approved indication (or any additional indications approved during the period of extension). However, the applicable authorities, including the FDA and the PTO, and any equivalent regulatory authorities in other countries, may not agree with our assessment of whether such extensions are available, and may refuse to grant extensions to our patents, or may grant more limited extensions than we request. If this occurs, our competitors may be able to take advantage of our investment in development and clinical trials by referencing our clinical and preclinical data and launch their product earlier than might otherwise be the case. Intellectual property rights do not necessarily address all potential threats to our competitive advantage. The degree of future protection afforded by our intellectual property rights is uncertain because intellectual property rights have limitations, and may not adequately protect our business, or permit us to maintain our competitive advantage. For example: ● others may be able to make compounds that are the same as or similar to our Product Candidates but that are not covered by the claims of the patents that we own; ● we might not have been the first to make the inventions covered by the issued patents or pending patent applications that we own; ● we might not have been the first to file patent applications covering certain of our inventions; ● others may independently develop similar or alternative technologies or duplicate any of our technologies without infringing our intellectual property rights; ● it is possible that our pending patent applications will not lead to issued patents; ● issued patents that we own may not provide us with any competitive advantages, or may be held invalid or unenforceable as a result of legal challenges; ● our competitors might conduct research and development activities in the United States and other countries that provide a safe harbor from patent infringement claims for certain research and development activities, as well as in countries where we do not have patent rights and then use the information learned from such activities to develop competitive products for sale in our major commercial markets; or ● the patents of others may have an adverse effect on our business. Risks Related to our Third Parties We rely heavily on contract manufacturers over whom we have limited control. If we are subject to quality, cost or delivery issues with the preclinical and clinical grade materials supplied by contract manufacturers, our business operations could suffer significant harm. We currently have no manufacturing capabilities and rely on contract development and manufacturing organizations, or " CDMOs ", to manufacture our Product Candidates for preclinical studies and clinical trials. We rely on CDMOs for manufacturing, filling, packaging, testing, storing and shipping of drug products in compliance with cGMP, regulations applicable to our products. The FDA and other regulatory agencies ensure the quality of drug products by carefully monitoring drug manufacturers' compliance with cGMP regulations. The cGMP regulations for drugs contain minimum requirements for the methods, facilities and controls used in manufacturing, processing and packaging of a drug product. If our CDMOs increase their prices or fail to meet our quality standards, or those of regulatory agencies such as the FDA, and cannot be replaced by other acceptable CDMOs, our ability to obtain regulatory approval for and commercialize our Product Candidates may be materially adversely affected. The APIs used in all of our Product Candidates are currently sourced from either contract manufacturers or, for smaller quantities, from research material suppliers, that typically utilize synthetic chemistry as their manufacturing method. This is intended to be an interim step to enable us to proceed with developing our formulation, execute preclinical toxicology studies and progress through Phase ~~I~~ **1** and ~~II~~ **2** clinical trials, after which time we anticipate that we will have been able to successfully scale- up our ~~IntegraSynTM~~ -- **IntegraSyn** manufacturing approach so that it will be GMP- ready at pharmaceutical grade. Bridging studies consisting of chemical analysis and, possibly, animal studies may be required in order to switch our APIs from the current external manufacturing sources to our internally manufactured products. There is no guarantee that we will be successful in scaling up our ~~IntegraSynTM~~ -- **IntegraSyn** manufacturing process for cannabinoids, or successfully complete any required bridging studies, or be able to successfully transfer our ~~IntegraSynTM~~ -- **IntegraSyn** manufacturing process to a CDMO. The key risks and challenges associated with the development of the ~~IntegraSynTM~~ -- **IntegraSyn** process include: failure to continue optimization and development of the process manufacturing steps from the current scale while maintaining the same or greater output of the selected cannabinoid; equipment and techniques may not be able to be scaled up using existing commercial processing equipment; supply of the key starting materials for the process may not be secured to ensure stability and security of commercial supply; and, failure of the large scale process to consistently produce the selected cannabinoid within set specifications and meeting the process parameters and in process controls to enable the manufacturing process to be validated for GMP commercial production of an API, among others. Failing to accomplish these or other criteria for the ~~IntegraSynTM~~ -- **IntegraSyn** manufacturing process with a CDMO may mean that we are not able to produce certain cannabinoids in a cost- effective manner. This could result in us not being able to successfully commercialize or utilize our APIs in our Product Candidates, if any, that may obtain regulatory approval. Our existing collaboration agreements and any that we may enter into in the future may not be successful. We also have relationships with scientific collaborators at academic and other institutions, some of whom conduct research at our request or assist us in formulating our research and development strategies. These scientific collaborators are not our employees and may have commitments to, or consulting or advisory contracts with, companies that conflict in interests with and pose a competitive threat to us. Moreover, to the extent that we decide to enter into collaboration agreements, we will face significant competition in seeking appropriate collaborators. Collaboration arrangements are complex and time consuming to negotiate, document and implement. We may not be successful in our efforts to establish, implement and maintain collaborations or other alternative arrangements if we choose to enter into such arrangements and our selected partners may be given, and may exercise, a right to terminate their agreement with us without cause. Our Collaborative Research Agreement with the University of British Columbia may be terminated by either party upon 30 calendar days written notice. The terms of any collaboration or other arrangements that we may establish may not be favorable to us. For all of the aforesaid reasons and others set forth in this Annual Form on 10- K, an investment in our common shares and any other securities that we may offer from time to time involves a certain degree of risk. Any person considering an investment in our common shares or any other of our securities should be aware of these and other factors set forth in this 10- K and should consult with his or her legal, tax and financial advisors prior to making an investment in our common shares or any other of

our securities that may be offered from time to time. Our common shares and any other securities that we may offer from time to time should only be purchased by persons who can afford to lose all of their investment. ITEM 1B. UNRESOLVED STAFF COMMENTS None. ITEM 2. PROPERTIES Our corporate headquarters are located at Suite 310- 815 W. Hastings Street, Vancouver, British Columbia V6C 1B4, Canada. This office occupies approximately 4, 477 square feet with a monthly basic rental rate and operating charges of an estimated C $ 17, 402 for the first two years, C $ 17, 775 for the third and fourth years, and C $ 18, 521 for the fifth year. This lease expires on August 31, 2024. In July 2019, InMed entered into a facility lease agreement for approximately 4, 000 square feet of office space in Vancouver, BC, which serves as our corporate headquarters. The lease was set to expire in August 2024. The lease has an option to renew for an additional three- year period at our discretion. We believe substantially all of our property and equipment is in good condition and that InMed has sufficient capacity to meet its current operational needs. We further believe that, should it be needed, suitable additional space is available to accommodate any expansion of our operations, but such space may not be available in the same building, if and when such space is needed. ITEM 3. LEGAL PROCEEDINGS From time to time, we are subject to various legal proceedings, claims and administrative proceedings that arise in the ordinary course of our business activities. Although the results of the litigation and claims cannot be predicted with certainty, as of the date of this report, we do not believe we are party to any claim, proceeding or litigation the outcome of which, if determined adversely to us, would individually or in the aggregate be reasonably expected to have a material adverse effect on our business. Regardless of the outcome, litigation can have an adverse impact on us because of defense and settlement costs, diversion of management resources and other factors. However, as of the date of this Annual Form on 10- K, we are not involved in any material pending legal or governmental proceedings. ITEM 4. MINE SAFETY DISCLOSURES Not applicable. PART II ITEM 5. MARKET FOR REGISTRANT' S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES Market Information The Company' s shares are listed on the on the Nasdaq Capital Market (" Nasdaq ") under the trading symbol " INM "). There were approximately 3, 729 holders of record of our common stock as of September 19, 2022. On September 19, 2022, the last reported sales price per share of our common stock was $ 7. 80 per share. Unregistered Sales of Equity Securities Repurchases of Equity Securities ITEM 6. [RESERVED] We are a smaller reporting company as defined by Rule 12b- 2 of the Exchange Act and have therefore omitted the information required by this Item 6. ITEM 7. MANAGEMENT' S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS This discussion and analysis contains certain forward- looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the " Securities Act "), and Section 21E of the Securities Exchange Act of 1934, as amended (the " Exchange Act "), and is subject to the safe harbor created by those sections. For more information, see " Cautionary Note Regarding Forward- Looking Statements. " When reviewing the discussion below, you should keep in mind the substantial risks and uncertainties that impact our business. In particular, we encourage you to review the risks and uncertainties described in " Risk Factors " in this Annual Report on Form 10- K. These risks and uncertainties could cause actual results to differ materially from those projected or implied by our forward- looking statements contained in this report. These forward- looking statements are made as of the date of this report, and we do not intend, and do not assume any obligation, to update these forward- looking statements, except as required by law. The following discussion and analysis should be read in conjunction with our audited consolidated financial statements for the year ended June 30, 2022, and the related notes thereto, which have been prepared in accordance with U. S. GAAP, included in our Form 10- K filing. Throughout this discussion, unless the context specifies or implies otherwise the terms " InMed, " " Company, " " we, " " us, " and " our " refer to InMed Pharmaceuticals Inc. All dollar amounts stated herein are in U. S. dollars unless specified otherwise. Overview We are a clinical stage pharmaceutical company developing a pipeline of prescription- based products, including rare cannabinoids and novel cannabinoid analogs, targeting the treatment of diseases with high unmet medical needs (" Product Candidates "). Together with our subsidiary BayMedica, LLC, we also have significant know- how in developing proprietary manufacturing approaches to produce cannabinoids for various market sectors (" Products "). Our know- how includes traditional approaches such as chemical synthesis and biosynthesis, as well as a proprietary, integrated manufacturing approach called IntegraSynTM. We are dedicated to delivering new therapeutic alternatives to patients and consumers who may benefit from cannabinoid- based products. Our approach leverages on the several thousand years' history of health benefits attributed to the Cannabis plant and brings this anecdotal information into the 21st century by applying tried, tested and true scientific approaches to establish non- plant- derived (synthetically manufactured), individual cannabinoid compounds as Product Candidates in important market segments including clinically proven, FDA- approved medicines and Products that are provided to wholesalers and end- product manufacturers. While our activities do not involve direct use of Cannabis nor extracts from the plant, we note that the U. S. Food and Drug Administration (" FDA ") has, to date, not approved any marketing application for Cannabis for the treatment of any disease or condition and has approved only one Cannabis- derived and three Cannabis- related drug products. Our ingredients are synthetically made and, therefore, we have no interaction with the Cannabis plant. We do not grow nor utilize Cannabis nor its extracts in any of our Products or Product Candidates; our current pharmaceutical drug Product Candidates are applied topically (not inhaled nor ingested); and, we do not utilize THC or CBD, the most common cannabinoid compounds that are typically extracted from the Cannabis plant, in any of our Products or Product Candidates. The active pharmaceutical ingredient (" API ") under development for our initial two drug candidates, INM- 755 for Epidermolysis bullosa (" EB ") and INM- 088 for glaucoma, is cannabinol (" CBN "). Additional uses of both INM- 755 and INM- 088 are being explored, as well as the application of novel cannabinoid analogs to treat diseases including but not limited to neurodegenerative diseases such as Alzheimer' s, Parkinson' s, and Huntington' s. We believe we are positioned to develop multiple pharmaceutical Product Candidates in diseases which may benefit from medicines based on rare cannabinoid compounds. Most currently approved cannabinoid therapies are based specifically on CBD and / or THC and are often delivered orally, which has limitations and drawbacks, such as side effects (including the intoxicating effects of THC). Currently, we intend to deliver our rare cannabinoid pharmaceutical drug candidates through various topical formulations (cream for dermatology, eye drops for ocular diseases) as a way of enabling treatment of the specific disease at the site of disease while seeking to minimize systemic exposure and any related unwanted systemic side effects, including any drug- drug interactions and any metabolism of the active pharmaceutical ingredient by the liver. The cannabinoid Products sold through our B2B raw material supply business are integrated into various product formats by the companies who then further commercializes such products. We plan to access rare cannabinoids via all non- extraction approaches, including chemical synthesis, biosynthesis and our proprietary integrated IntegraSynTM approach, thus negating any interaction with or exposure to the Cannabis plant. Since our acquisition of Biogen Sciences Inc., a privately held British Columbia pharmaceutical company focused on drug discovery and development of cannabinoids in 2014, our operations have focused on conducting research and development for our Product Candidates and for our integrated, biosynthesis- based manufacturing technology, establishing our intellectual property, organizing and staffing our Company, business planning and capital raising. On October 13, 2021, we acquired BayMedica, Inc., now named BayMedica, LLC (" BayMedica "). Upon closing of the transaction, BayMedica became a wholly- owned subsidiary of InMed. To date, we have funded our operations primarily through the issuance of common shares and limited Product revenues. We have incurred significant operating losses since our inception and since the acquisition of Biogen Science Inc. and we expect to continue to incur significant operating losses for the foreseeable future. Our ability to generate product revenue, if ever, that is sufficient to achieve profitability will depend heavily on the successful development and eventual commercialization of one or more of our drug candidates and / or the success of our manufacturing technologies. Our net loss was $ 18. 6 million and $ 10. 2 million for the year ended June 30, 2022 and 2021, respectively. As of June 30, 2022, we had an accumulated deficit of $ 93. 5 million, which includes all losses since our inception in 1981. Our accumulated deficit increased between 2014, when we began focusing on the development of cannabinoid- derived pharmaceuticals following the acquisition of Biogen Science Inc., and June 30, 2022 by approximately $ 64. 6 million. We expect our expenses and operating losses will increase substantially over the next several years in connection with our ongoing activities as we: ● continue to further advance the research and development of various manufacturing technologies; ● continue to further advance the INM- 755 program, our lead drug candidate for the treatment of EB; ● continue to further advance the INM- 088 program, our drug candidate for the treatment of glaucoma; ● investigate our Product Candidates for additional uses beyond the initial indications; ● pursue the discovery of drug targets based on proprietary cannabinoid analogs for other diseases with high unmet medical needs and the subsequent development of any resulting new Product Candidates; ● seek regulatory approvals for any Product Candidates that successfully complete clinical trials; ● scale- up our manufacturing processes and capabilities, or arrange for a third party to do so on our behalf; ● execute on business development activities, including but not limited to company mergers / acquisitions and acquisition or in- licensing of externally developed products and / or technologies; ● maintain, expand, enforce, defend and protect our intellectual property; ● build internal infrastructure, including personnel, to meet our milestones; and ● add operational, financial and management information systems and personnel, including personnel to support product development and potential future commercialization efforts and our operations as a public company. As a result of these activities as well as our working capital requirements, we will need substantial additional funding to support our continuing operations and pursue our growth strategy. Until such time as we can generate significant revenue, if ever, we expect to finance our operations through product sales, the sale of equity, debt financings or other capital sources, including collaborations with other companies or other strategic transactions. We may be unable to raise additional funds or enter into such other agreements or arrangements when needed on favorable terms, or at all. If we fail to raise capital or enter into such agreements as and when needed, we may have to significantly delay, scale back or discontinue the development and commercialization of one or more of our Products and Product Candidates or grant rights to external entities to develop and market our Product Candidates, even if we would otherwise prefer to develop and market such Products and Product Candidates ourselves. Because of the numerous risks and uncertainties associated with drug development and commercial growth, we are unable to predict the timing or amount of increased expenses and working capital requirements or the timing of when or if we will be able to achieve or

maintain profitability. If we fail to become profitable or are unable to sustain profitability on a continuing basis, then we may be unable to continue our operations at planned levels and be forced to reduce or terminate our operations. Recent Developments On July 2, 2021, we closed a $ 12. 0 million private placement. After deducting the placement agent fees and estimated offering expenses payable by the Company, we received net proceeds of approximately $ 11. 0 million. On September 30, 2021, we announced that we commenced our Phase 2 clinical trial of INM- 755 (cannabinol) cream in the treatment of Epidermolysis Bullosa (" EB ") marking the first- time cannabinol has advanced to a Phase 2 Clinical trial to be studied as a therapeutic option to treat a disease. On October 13, 2021, we completed the acquisition of BayMedica Inc. (" BayMedica "), a private company based in the U. S. that specializes in the manufacturing and commercialization of rare cannabinoids. We acquired 100 % of BayMedica in exchange for 82, 000 common shares issued to BayMedica' s equity and convertible debt holders, subject to a six- month contractual hold period and $ 1 million to be held in escrow, subject to reduction for certain post- closing adjustments or satisfaction of indemnification claims under the definitive agreement in the six- and twelve- month periods following the closing. On April 13, 2022, $ 300, 457 of escrow payments were made to BayMedica' s historical equity and convertible debt holders reflecting $ 199, 543 of post- closing reductions from the escrow. The remaining $ 500, 000 escrow payment, subject to any additional post- closing adjustments, is payable on the twelve- month anniversary following the closing. We announced the launch of B2B sales of the rare cannabinoid Products cannabicitran (" CBT "), cannabidivarin (" CBDV "), and tetrahydrocannabivarin (" THCV ") on January 19, 2022, on April 21, 2022, and on June 9, 2022, respectively. On April 7, 2022, we filed a prospectus supplement to our S- 3 universal shelf filing to incorporate an At- The- Market- Offering Agreement following which the Company sold 10, 759 common shares under the agreement for proceeds of $ 0. 1 million, net of issuance costs. On June 6, 2022, we closed a $ 5. 5 million registered direct offering and concurrent private placement of our common shares. After deducting the placement agent fees and transaction costs, we received net proceeds of approximately $ 4. 5 million. On September 13, 2022, we closed a $ 6. 0 million private placement. Under the terms of the private placement, an aggregate of 691, 245 common shares, or common share equivalents, and investment options to purchase up to an aggregate of 1, 382, 490 common shares, at an effective purchase price of $ 8. 68 per common share and associated investment options. The warrants have an exercise price of $ 8. 44 per share, are exercisable immediately and have a term of seven years. After deducting the placement agent fees, we received net proceeds of approximately $ 5. 4 million. Components of Results of Operations Revenue Our revenue consists of manufacturing and distribution sales of bulk rare cannabinoid Products, which are generally recognized at a point in time. The Company recognizes revenue when control over the products have been transferred to the customer and the Company has a present right to payment. Cost of Sales Cost of sales consist primarily of the purchase price of goods and cost of services rendered, freight costs, warehousing costs, and purchasing costs. Cost of sales also includes production and labor costs for our manufacturing business. Operating Expenses Research and Development and Patent Expenses Research and development and patent expenses represent costs incurred by us for the discovery, development, and manufacture of our Products and Product Candidates and include: ● external research and development expenses incurred under agreements with contract research organizations, or " CROs ", contract development and manufacturing organization, or " CDMOs ", and consultants; ● salaries, payroll taxes, employee benefits expenses for individuals involved in research and development efforts; ● research supplies; and ● legal and patent office fees related to patent and intellectual property matters. We expense research and development costs as incurred. We recognize expenses for certain development activities, such as preclinical studies and manufacturing, based on an evaluation of the progress to completion of specific tasks using data or other information provided to us by our vendors. Payments for these activities are based on the terms of the individual agreements, which may differ from the pattern of expenses incurred. Non- refundable advance payments for goods or services to be received in the future for use in research and development activities are recorded as prepaid expenses. These amounts are recognized as an expense as the goods are delivered or the related services are performed, or until it is no longer expected that the goods will be delivered, or the services rendered. External costs represent a significant portion of our research and development expenses, which we track on a program- by- program basis following the nomination of a development candidate. Our internal research and development expenses consist primarily of personnel- related expenses, including salaries, benefits and stock- based compensation expense. We do not track our internal research and development expenses on a program- by- program basis as the resources are deployed across multiple projects. The successful development of our Products and Product Candidates is highly uncertain. At this time, we cannot reasonably estimate or know the nature, timing, and estimated costs of the efforts that will be necessary to complete the remainder of the development of our Product Candidates or to develop and commercialize additional Products. We are also unable to predict when, if ever, material net cash inflows will commence from our Product Candidates, if approved. This is due to the numerous risks and uncertainties associated with development, including the uncertainty related to: ● the timing and progress of preclinical and clinical development activities; ● the number and scope of preclinical and clinical programs we decide to pursue; ● our ability to raise additional funds necessary to complete preclinical and clinical development and commercialization of our Product Candidates, to further advance the development of our manufacturing technologies, and to develop and commercialize additional Products, if any; ● our ability to maintain our current research and development programs and to establish new ones; ● our ability to establish sales, licensing or collaboration arrangements; ● the progress of the development efforts of parties with whom we may enter into collaboration arrangements; ● the successful initiation and completion of clinical trials with safety, tolerability and efficacy profiles that are satisfactory to the FDA or any comparable foreign regulatory authority; ● the receipt and related terms of regulatory approvals from applicable regulatory authorities; ● the availability of materials for use in production of our Products and Product Candidates; ● our ability to secure manufacturing supply through relationships with third parties or establish and operate a manufacturing facility; ● our ability to consistently manufacture our Product Candidates in quantities sufficient for use in clinical trials; ● our ability to obtain and maintain intellectual property protection and regulatory exclusivity, both in the United States and internationally; ● our ability to maintain, enforce, defend and protect our rights in our intellectual property portfolio; ● the commercialization of our Product Candidates, if and when approved, and of new Products; ● our ability to obtain and maintain third- party payor coverage and adequate reimbursement for our Product Candidates, if approved; ● the acceptance of our Product Candidates, if approved, by patients, the medical community and third- party payors; ● competition with other products; and ● a continued acceptable safety profile of our Product Candidates following receipt of any regulatory approvals. A change in the outcome of any of these variables with respect to the development of any of our Products or Product Candidates would significantly change the costs and timing associated with the development of those Products or Product Candidates. Research and development activities account for a significant portion of our operating expenses. We expect our research and development expenses to increase significantly in future periods as we continue to implement our business strategy, which includes advancing our drug candidates and our manufacturing technologies into and through clinical development, expanding our research and development efforts, including hiring additional personnel to support our research and development efforts, ultimately seeking regulatory approvals for our drug candidates that successfully complete clinical trials, and further developing selected BayMedica activities. In addition, drug candidates in later stages of clinical development generally incur higher development costs than those in earlier stages of clinical development, primarily due to the increased size and duration of later- stage clinical trials. Accordingly, although we expect our research and development expenses to increase as our drug candidates advance into later stages of clinical development, we do not believe that it is possible at this time to accurately project total program- specific expenses through to commercialization. There are numerous factors associated with the successful commercialization of any of our Product Candidates, including future trial design and various regulatory requirements, many of which cannot be determined with accuracy at this time based on our stage of development. General and Administrative Expenses General and administrative expenses consist of personnel- related costs, including salaries, benefits and stock- based compensation expense, for our personnel in executive, finance and accounting, human resources, business operations and other administrative functions, investor relations activities, legal fees related to corporate matters, fees paid for accounting and tax services, consulting fees and facility- related costs. We expect our general and administrative expenses will increase for the foreseeable future to support our expanded infrastructure, operating as a public company and increased costs of expanding our operations. These increases will likely include increased expenses related to accounting, audit, legal, regulatory and tax- related services associated with maintaining compliance with exchange listing and SEC requirements, director and officer insurance premiums, and investor relations costs associated with operating as a public company. Amortization and Depreciation Intangible assets are comprised of intellectual property that we acquired in 2014 and 2015 and trade secrets, product formulation knowledge, patents and trademarks that we acquired in October 2021. The acquired intellectual property, patents and trademark are amortized on a straight- line basis based on their estimated useful lives. Equipment and leasehold improvements are depreciated using the straight- line method based on their estimated useful lives. Impairment of Long- Lived Assets We assess the recoverability of our long- lived assets whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of the long- lived asset is measured by a comparison of the carrying amount of the asset to future undiscounted net cash flows expected to be generated by the asset or assets. If carrying value exceeds the sum of undiscounted cash flows, we then determine the fair value of the underlying asset. Any impairment to be recognized is measured as the amount by which the carrying amount of the asset group exceeds the estimated fair value of the asset group as outlined in Note 6 to the consolidated financial statements. Assets classified as held for sale are reported at the lower of the carrying amount or fair value, less costs to sell. Share- based Payments Share- based payments is the stock- based compensation expense related to our granting of stock options to employees and others. The fair value, at the grant date, of equity- settled share awards is charged to our loss over the period for which the benefits of employees and others providing similar services are expected to be received. The vesting components of graded vesting employee awards are measured separately and expensed over the related tranche' s vesting period. The amount recognized as an expense is adjusted to reflect the number of share options expected to vest. The fair value of awards is calculated using the Black- Scholes option pricing model, which considers the exercise price, current market price of the underlying

shares, expected life of the award, risk- free interest rate, expected volatility and the dividend yield. Other Income Other income consists primarily of interest income earned on our cash, cash equivalents and short- term investments. Results of Operations As of the closing of the BayMedica acquisition, the Company aligned into two operating and reportable segments, InMed Pharmaceuticals (the " InMed " segment) and BayMedica (the " BayMedica " segment). Comparison of the year ended June 30, 2022 and 2021 for InMed Segment Year Ended June 30, 2022 2021 Change % Change (in thousands) Operating expenses: Research and development and patents 5, 986 5, 338 648 12 % General and administrative 5, 906 4, 479 1, 427 32 % Amortization and depreciation 107 121 (14) - 12 % Total operating expenses 11, 999 9, 938 2, 061 21 % Interest and other income 20 16 4 25 % Finance expense - (360) 360 - 100 % Unrealized gain on derivative warrants liability - 243 (243) - 100 % Warrant modification expense (1, 314) - (1, 314) nm Foreign exchange loss (118) (164) 46 - 28 % Net loss $ (13, 411) $ (10, 203) $ (3, 208) 31 % Research and Development and Patents Expenses Research and development and patents expenses increased by $ 0. 6 million in our InMed segment, or 12 %, for the year ended June 30, 2022 compared to the year ended June 30, 2021. The increase in research and development and patents expenses was primarily due to increased activities related to the INM- 755 Phase 2 clinical trials. General and administrative expenses increased by $ 1. 4 million in our InMed segment, or 32 %, for the year ended June 30, 2022 compared to the year ended June 30, 2021. The increase results primarily from a combination of changes including investor relation expenses, accounting fees and legal fees, and substantially higher insurance fees resulting from our listing on the Nasdaq Capital Market. In addition, acquisition- related expenses, which were comprised of regulatory, financial advisory and legal fees, totaled $ 0. 2 million for the year ended June 30, 2022 and were included in general and administrative expenses in our InMed segment. Finance expense Finance expense is $ Nil in our InMed segment for the year ended June 30, 2022, compared to $ 0. 4 million for the year ended June 30, 2021. Finance expense is comprised of financing transaction costs, from the November 2020 public offering, allocated to the derivative warrants liability. Unrealized gain of derivative warrants liability Unrealized gain of derivative warrants liability is $ Nil in our InMed segment for the year ended June 30, 2022, compared to $ 0. 2 million for the year ended June 30, 2021, which is the change in fair value of derivative warrants liability during the end of the period. Warrant modification expense Warrant modification expense was $ 1. 3 million in our InMed segment for the year ended June 30, 2022, compared to $ Nil for the year ended June 30, 2021, which is the change in fair value of warrants that were re- priced during the year. Foreign exchange loss Foreign exchange loss decreased by less than $ 0. 1 million in our InMed segment, or 28 %, for the year ended June 30, 2022, compared to the year ended June 30, 2021, as a consequence of holding non- US denominated assets and liabilities combined with fluctuations in foreign exchange rates. Comparison of the year ended June 30, 2022 and 2021 for BayMedica Segment Year Ended June 30, 2022 2021 Change % Change (in thousands) Sales $ 1, 089 $ - $ 1, 089 nm Cost of sales 546 - 546 nm Gross profit 544 - 544 nm Operating expenses: Research and development and patents 1, 296 - 1, 296 nm General and administrative 961 - 961 nm Amortization and depreciation 79 - 79 nm Impairment of intangible assets and goodwill 3, 473 - 3, 473 nm Total operating expenses 5, 809 - 5, 809 nm Interest and other income 76 - 76 nm Net loss $ (5, 189) $ - $ (5, 189) nmSales, Cost of Sales and Gross Profit We realized sales of $ 1. 1 million in our BayMedica segment for the year ended June 30, 2022, the result of manufacturing and distribution sales of bulk rare cannabinoid Products following the acquisition of BayMedica in October 2021. As the year ended June 30, 2021 pre- dated the acquisition of BayMedica, there are no comparable revenues for InMed in the 2021 period. Accordingly, we realized cost of goods sold of $ 0. 5 million in our BayMedica segment for the year ended June 30, 2022, with no comparable expenses in 2021, resulting in a gross profit of $ 0. 5 million for the period. As management has made the decision to refocus on our core business in the pharmaceutical drug development area and reduce our efforts in BayMedica' s commercial business, we do not expect sales to continue at the same rate. BayMedica will continue to evaluate opportunities for potential structured supply arrangements and collaborations and will consider other potential strategic alternatives for the commercial business. Research and development and patents expenses were $ 1. 3 million in our BayMedica segment for the year ended June 30, 2022. The increase in research and development and patents expenses was due to the inclusion of BayMedica operating results following the acquisition date. There were no comparable expenses in 2021. General and administrative expenses were $ 1. 0 million in our BayMedica segment for the year ended June 30, 2022. The increase is due to the inclusion of BayMedica operating results following the acquisition date. There were no comparable expenses in 2021. Impairment of intangible assets and goodwill Impairment of intangible assets and goodwill was $ 3. 5 million in our BayMedica segment for the year ended June 30, 2022. For variety of reasons as outlined in Note 6 to the consolidated financial statements, performance of the BayMedica segment has not materialized as expected. As of June 30, 2022, we determined that the respective fair value of the Company' s BayMedica reporting unit is less than its carrying amount, including goodwill. As a result, we recorded a goodwill and intangible impairment loss. There were no comparable expenses in 2021. Liquidity and Capital Resources Since our inception, we have only generated limited revenue from Product sales, no sales from any other sources and have incurred significant operating losses and negative cash flows from our operations. We have only commenced commercial sales with the acquisition of BayMedica and not yet commercialized any of our Product Candidates and we do not expect to generate revenue from sales of any Product Candidates for several years, if at all. We have funded our operations to date primarily with proceeds from the sale of common shares. As of June 30, 2022, we had cash and cash equivalents of $ 6. 2 million. The following table summarizes our cash flows for each of the periods presented: (in thousands) Year Ended June 30, 2022 Year Ended June 30, 2021 Net cash used in operating activities $ (15, 584) $ (9, 791) Net cash used in investing activities (673) (2) Net cash provided by financing activities 15, 071 10, 855 Effects of foreign exchange on cash and cash equivalents - 495 Net increase (decrease) in cash and cash equivalents $ (1, 186) $ 1, 557 Operating Activities During the year ended June 30, 2022, we used cash in operating activities of $ 15. 6 million, primarily resulting from our net loss of $ 18. 6 million combined with $ 2. 7 million used in changes in our non- cash working capital, partially offset by non- cash share- based compensation expenses, impairment of intangible assets and goodwill and warrant modification expense related to the change in fair value of warrants that were re- priced during the year. During the year ended June 30, 2021, we used cash in operating activities of $ 9. 8 million, primarily resulting from our net loss of $ 10. 2 million combined with $ 0. 5 million used in changes in our non- cash working capital, partially offset by non- cash share- based compensation expenses, financing expenses allocated to warrants and changes in the valuation of the derivative warrants liability. Investing Activities During the year ended June 30, 2022, cash used in investing activities of $ 0. 7 million resulted from escrow payments made to BayMedica' s historical equity and convertible debt holders, settlement of loan receivable from BayMedica and purchases of property and equipment, partially offset by cash acquired from the acquisition of BayMedica. During the year ended June 30, 2021, we used cash in investing activities of less than $ 0. 1 million, resulting from the purchase of property and equipment. Financing Activities During the year ended June 30, 2022, cash provided by financing activities of $ 15. 1 million consisted of $ 12. 0 million of gross proceeds from a private placement of our common shares and $ 5. 0 million of gross proceeds from a registered direct offering and concurrent private placement of our common shares, offset by total transaction costs of $ 1. 8 million and $ 0. 3 million for the repayment of debt assumed in the BayMedica acquisition. During the year ended June 30, 2021, cash provided by financing activities of $ 10. 9 million consisted of $ 8. 0 million of gross proceeds from our initial public offering and $ 4. 5 million of gross proceeds from a private placement of our common shares, offset by total transaction costs of $ 1. 6 million. Funding Requirements We expect our expenses to increase substantially in connection with our ongoing research and development activities, particularly as we continue the research and development of and the clinical trials for our Product Candidates. In addition, we expect to incur additional costs associated with operating as a US- listed public company and associated with any required investment into BayMedica' s R & D efforts targeting cannabinoid analogs. As a result, we expect to incur substantial operating losses and negative operating cash flows for the foreseeable future. In accordance with the Financial Accounting Standards Board (" FASB ") Accounting Standards Update (" ASU ") 2014- 15, Disclosure of Uncertainties about an Entity' s Ability to Continue as a Going Concern (Subtopic 205- 40), we have evaluated whether there are conditions and events, considered in the aggregate, that raise substantial doubt about the Company' s ability to continue as a going concern within one year after the date that the consolidated financial statements are issued. Through June 30, 2022, we have funded our operations primarily with proceeds from the sale of common stock. We have incurred recurring losses and negative cash flows from operations since its inception, including net losses of $ 18. 6 million and $ 10. 2 million for the year ended June 30, 2022 and 2021, respectively. In addition, we have an accumulated deficit of $ 93. 5 million as of June 30, 2022. Our accumulated deficit increased between 2014, when we began focusing on the development of cannabinoid- derived pharmaceuticals following the acquisition of Biogen Science Inc., and June 30, 2022 by approximately $ 64. 6 million and we expect to continue to generate operating losses for the foreseeable future. On July 2, 2021, we closed a $ 12 million private placement. After deducting the placement agent fees and estimated offering expenses, we received net proceeds of approximately $ 11 million. In April 2022, we filed a prospectus supplement to our S- 3 universal shelf filing to incorporate an At The Market Offering Agreement following which the Company sold 10, 759 common shares under the agreement for net proceeds of approximately $ 0. 1 million. On September 13, 2022, we closed a $ 6. 0 million private placement. After deducting the placement agent fees, we received net proceeds of approximately $ 5. 4 million. As of the issuance date of the consolidated financial statements, we expect our cash and cash equivalents of $ 6. 2 million as of June 30, 2022, combined with the approximate $ 5. 4 million of net proceeds from a private placement which closed on September 13, 2022, will be sufficient to fund our operating expenses and capital expenditure requirements into the second half of fiscal 2023, and possibly into the first quarter of fiscal 2024 (being the third calendar quarter of 2023), depending on the level and timing of realizing revenues from the sale of BayMedica inventory as well as the level and timing of the Company operating expenses. Our future viability is dependent on our ability to raise additional capital to finance our operations. In addition, there are a number of uncertainties in estimating our operating expenses and capital expenditure requirements including the impact of potential acquisitions. As a result, we have concluded that there is substantial doubt about our ability to continue as a going concern within one year after the date that the consolidated financial statements are issued. We expect to continue to seek additional funding through equity financings, debt financings or other capital sources, including collaborations with other companies, government contracts or other strategic

transactions. We may not be able to obtain financing on acceptable terms, or at all. The terms of any financing may adversely affect the holdings or the rights of our existing stockholders. Our funding requirements and timing and amount of our operating expenditures will depend largely on: ● the progress, costs and results of our Phase 2 clinical trial; ● the scope, progress, results and costs of discovery research, preclinical development, laboratory testing and clinical trials for our Product Candidates; ● the scope, progress, results and costs of development of our manufacturing technologies; ● the number of and development requirements for other Products and Product Candidates that we pursue; ● the costs, timing and outcome of regulatory review of our Product Candidates; ● our ability to enter into contract manufacturing arrangements for supply of materials and manufacture of our Products and Product Candidates and the terms of such arrangements; ● the impact of any acquired, or in- licensed, externally developed product (s) and / or technologies; ● our ability to establish and maintain strategic collaborations, licensing or other arrangements, including sales arrangements, and the financial terms of such arrangements; ● the sales, costs and timing of future commercialization activities, including product manufacturing, sales, marketing and distribution, for any of our Products and for Product Candidates for which we may receive marketing approval; ● the costs and timing of preparing, filing and prosecuting patent applications, maintaining and enforcing our intellectual property and proprietary rights and defending any intellectual property- related claims; ● expansion costs of our operational, financial and management systems and increases to our personnel, including personnel to support our clinical development, manufacturing and commercialization efforts and our operations as a dual listed company; and ● the costs to obtain, maintain, expand and protect our intellectual property portfolio. A change in the outcome of any of these, or other variables with respect to the development of any of our Products and Product Candidates, could significantly change the costs and timing associated with their development. We will need to continue to rely on additional financing to achieve our business objectives. In addition to the variables described above, if and when any of our Product Candidates successfully complete development, we will incur substantial additional costs associated with regulatory filings, marketing approval, post- marketing requirements, maintaining our intellectual property rights, and regulatory protection, in addition to other commercial costs. We cannot reasonably estimate these costs at this time. Until such time, if ever, as we can generate substantial revenues from either our Products or Product Candidates, we expect to finance our cash needs through a combination of equity or debt financings and collaboration arrangements. We currently have no credit facility or committed sources of capital. To the extent that we raise additional capital through the future sale of equity securities, the ownership interests of our shareholders will be diluted, and the terms of these securities may include liquidation or other preferences that adversely affect the rights of our existing common shareholders. If we raise additional funds through the issuance of debt securities, these securities could contain covenants that would restrict our operations. We may require additional capital beyond our currently anticipated amounts, and additional capital may not be available on reasonable terms, or at all. If we raise additional funds through collaboration arrangements or other strategic transactions in the future, we may have to relinquish valuable rights to our technologies, future revenue streams, Products or Product Candidates, or grant licenses on terms that may not be favorable to us. If we are unable to raise additional funds through equity or debt financings when needed, we may be required to delay, limit, reduce or terminate development or future commercialization efforts or grant rights to develop and market Products or Product Candidates that we would otherwise prefer to develop and market ourselves. Off- Balance Sheet Arrangements During the periods presented we did not have, and we do not currently have, any off- balance sheet arrangements, as defined in the rules and regulations of the SEC. Critical Accounting Policies and Significant Judgments and Estimates We periodically review our financial reporting and disclosure practices and accounting policies to ensure that they provide accurate and transparent information relative to the current economic and business environment. As part of this process, we have reviewed our selection, application and communication of critical accounting policies and financial disclosures. Management has discussed the development and selection of the critical accounting policies with the Audit Committee of the Board of Directors and the Audit Committee has reviewed the disclosure relating to critical accounting policies in this Management' s Discussion and Analysis. This discussion and analysis of our financial condition and results of operations is based on our consolidated financial statements included as part of this report, which have been prepared in accordance with U. S. GAAP. The preparation of our consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and the revenue and expenses incurred during the reported periods. We base estimates on our historical experience, known trends and various other factors that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. The full details of our accounting policies are presented in Note 2 of our audited consolidated financial statements for the year ended June 30, 2022. These policies are considered by management to be essential to understanding the processes and reasoning that go into the preparation of our financial statements and the uncertainties that could have a bearing on its financial results. The significant accounting policies that we believe to be most critical in fully understanding and evaluating our financial results are research and development costs and share based payments. Research & Development and Patents costs: Research and development and patents costs is a critical accounting estimate due to the magnitude and nature of the assumptions that are required to calculate third- party accrued and prepaid research and development expenses. Research and development costs are charged to expense as incurred and include, but are not limited to, personnel compensation, including salaries and benefits, services provided by CROs that conduct preclinical and clinical studies, costs of filing and prosecuting patent applications, and lab supplies. The amount of expenses recognized in a period related to service agreements is based on estimates of the work performed using an accrual basis of accounting. These estimates are based on services provided and goods delivered, contractual terms and experience with similar contracts. We monitor these factors and adjust our estimates accordingly. Share- based payments: The fair value, at the grant date, of equity share awards is charged to income or loss over the period for which the benefits of employees and others providing similar services are expected to be received, generally the vesting period. The corresponding accrued entitlement is recorded in contributed surplus. The amount recognized as an expense is adjusted to reflect the number of share options expected to vest. The fair value of awards is calculated using the Black- Scholes option pricing model which considers the following factors: ● Exercise price ● Current market price of the underlying shares ● Expected life of the award ● Risk- free interest rate ● Expected volatility ● Dividend yieldManagement determines costs for share- based payments using market- based valuation techniques. The fair value of the market- based and performance- based share awards are determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgment used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, forfeiture rates and corporate performance. For employee awards, we use the " simplified method " to determine the expected term of options. Under this method, the expected term represents the average of the vesting period and the contractual term. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates. If we had made different judgments and assumptions than those described previously, the amount of our share- based payments expense, net loss and net loss per common shares amounts could have been materially different. Impairment of Intangible Assets: We assess the recoverability of our long- lived assets whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of the long- lived asset is measured by a comparison of the carrying amount of the asset to future undiscounted net cash flows expected to be generated by the asset or assets. If carrying value exceeds the sum of undiscounted cash flows, we then determine the fair value of the underlying asset. Any impairment to be recognized is measured as the amount by which the carrying amount of the asset group exceeds the estimated fair value of the asset group. Due to the sector- wide underperformance of the current market and the uncertainty around the revenues in the health and wellness market, the Company made the decision to focus on the core business in the pharmaceutical drug development and reduce our financial exposure to the health and wellness sector. To make the transition we plan to focus sales efforts on reducing inventory and decreasing other commercial manufacturing R & D efforts in BayMedica. As a result, as of June 30, 2022, the Company determined that intangibles assets of BayMedica that were associated with manufacturing and commercialization of our health and wellness products were impaired. Refer to Note 6 of our consolidated financial statements. Business Combination Business combinations are accounted for using the acquisition method. The fair value of total purchase consideration is allocated to the fair values of identifiable tangible and intangible assets acquired and liabilities assumed, with the remaining amount being classified as goodwill. All assets and liabilities acquired or assumed in a business combination are recorded at their fair values at the date of acquisition. If the Company' s interest in the fair value of the acquiree' s net identifiable assets exceeds the cost of the acquisition, the excess is recognized in earnings or loss immediately. Transaction costs that are incurred in connection with a business combination, other than costs associated with the issuance of debt or equity securities, are expensed as incurred. As part of our acquisition of BayMedica Inc, on October 13, 2021, goodwill, trade secrets, product formulation knowledge, patents, trademarks, Technology and In- Process Research and Development Intangible (" IPR & D ") intangible assets were recognized. The fair value of the aggregate intangible assets was determined to be $ 2. 7 million and goodwill was $ 2. 0 million at the acquisition date. IPR & D was classified as indefinite- lived and was not amortized. The multi- period excess earnings method was used to determine the fair value of these assets as at the date of acquisition. All research and development costs incurred subsequent to the acquisition of IPR & D are expensed as incurred. Patents are expected to have a finite life and are being amortized on a straight- line basis over their estimated useful lives. Amortization begins when intangible assets with finite lives are put into use. Going Concern Through June 30, 2022, we have funded our operations primarily with proceeds from the sale of common shares. We have incurred recurring losses and negative cash flows from operations since our inception, including net losses of $ 18. 6 million and $ 10. 2 million for the year ended June 30, 2022 and 2021, respectively. In addition, we have an accumulated deficit of $ 93. 5 million as of June 30, 2022. Our accumulated deficit increased between 2014, when we began focusing on the development of cannabinoid- derived pharmaceuticals following the acquisition of Biogen Science Inc., and June 30, 2022 by approximately $ 64. 6 million and we expect to continue to generate operating losses for the foreseeable future. On June 6, 2022, we closed a $ 5. 5 million registered direct offering and

concurrent private placement and received net proceeds of approximately $ 4. 5 million. As of the issuance date of the consolidated financial statements, we expect our cash and cash equivalents of $ 6. 2 million as of June 30, 2022, combined with the approximate $ 5. 4 million of net proceeds from a private placement which closed on September 13, 2022, will be sufficient to fund our operating expenses and capital expenditure requirements into the second half of fiscal 2023, and possibly into the first quarter of fiscal 2024 (being the third calendar quarter of 2023), depending on the level and timing of realizing revenues from the sale of BayMedica inventory as well as the level and timing of the Company operating expenses. Our future viability is dependent on our ability to raise additional capital to finance our operations. In addition, there are a number of uncertainties in estimating our operating expenses and capital expenditure requirements including the impact of potential acquisitions. We expect to seek additional funding through equity financings, debt financings or other capital sources, including collaborations with other companies, government contracts or other strategic transactions. We may not be able to obtain financing on acceptable terms, or at all. The terms of any financing may adversely affect the holdings or the rights of our existing shareholders. ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISKS We are a smaller reporting company as defined by Rule 12b- 2 of the Exchange Act and are not required to provide the information required under this item. ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA Consolidated Financial Statements of InMed Pharmaceuticals Inc. For the Year Ended June 30, 2022 and 2021 Suite 310 – 815 West Hastings Street Vancouver, BC, Canada, V6C 1B4 Tel: 1- 604- 669- 7207 F- 1 InMed Pharmaceuticals Inc. (Expressed in U. S. Dollars) June 30, INDEX Page Financial Statements ● Report of Independent Registered Public Accounting Firm F- 3 ● Consolidated Balance Sheets F- 5 ● Consolidated Statements of Operations and Comprehensive Loss F- 6 ● Consolidated Statements of Shareholders' Equity F- 7 ● Consolidated Statements of Cash Flows F- 8 ● Notes to the Consolidated Financial Statements F9- F- 36F- 2 Report of Independent Registered Public Accounting Firm To the Shareholders and Board of Directors Opinion on the Consolidated Financial Statements We have audited the accompanying consolidated balance sheets of InMed Pharmaceuticals Inc. (the Company) as of June 30, 2022 and 2021, the related consolidated statements of operations and comprehensive loss, shareholders' equity, and cash flows for each of the years in the two- year period ended June 30, 2022, and the related notes (collectively, the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of June 30, 2022 and 2021, and the results of its operations and its cash flows for each of the years in the two- year period ended June 30, 2022, in conformity with U. S. generally accepted accounting principles. The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the consolidated financial statements, the Company has incurred recurring losses and negative cash flows and has an accumulated deficit that raise substantial doubt about its ability to continue as a going concern. Management' s plans in regard to these matters are also described in Note 1. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty. Basis for Opinion These consolidated financial statements are the responsibility of the Company' s management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U. S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB. We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company' s internal control over financial reporting. Accordingly, we express no such opinion. Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion. / s / KPMG LLP Chartered Professional Accountants We have served as the Company' s auditor since 2017. Vancouver, Canada September 23, 2022 F- 4InMed Pharmaceuticals Inc. CONSOLIDATED BALANCE SHEETS As at June 30, 2022 and 2021 Expressed in U. S. Dollars June 30, June 30, Note 2022 2021 ASSETS $ $ Current Cash and cash equivalents 6, 176, 866 7, 363, 126 Short- term investments 44, 804 46, 462 Accounts receivable 88, 027 11, 919 Inventories 4 2, 490, 854- Prepaids and other assets 797, 225 956, 762 Total current assets 9, 597, 776 8, 378, 269 Non- Current Property, equipment and ROU assets, net 5 904, 252 326, 595 Intangible assets, net 7 2, 108, 915 1, 061, 697 Other assets 176, 637 14, 655 Total Assets 12, 787, 580 9, 781, 216 LIABILITIES AND SHAREHOLDERS' EQUITY Current Accounts payable and accrued liabilities 9 2, 415, 265 2, 134, 878 Current portion of lease obligations 12 404, 276 80, 483 Acquisition consideration payable 8 500, 000- Total current liabilities 3, 319, 541 2, 215, 361 Non- current Lease obligations 12 389, 498 189, 288 Total Liabilities 3, 709, 039 2, 404, 649 Shareholders' Equity Common shares, no par value, unlimited authorized shares: 650, 667 (June 30, 2021- 322, 028) issued and outstanding 10 70, 718, 461 60, 587, 417 Additional paid- in capital 10, 11 31, 684, 098 21, 513, 051 Accumulated deficit (93, 452, 587) (74, 852, 470) Accumulated other comprehensive income 128, 569 128, 569 Total Shareholders' Equity 9, 078, 541 7, 376, 567 Total Liabilities and Shareholders' Equity 12, 787, 580 9, 781, 216 Going Concern (Note 1) Commitments and Contingencies (Note 17) Related Party Transactions (Note 19) Subsequent Events (Notes 10 and 20) The accompanying notes form an integral part of these consolidated financials statements. InMed Pharmaceuticals Inc. CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS For the year ended June 30, 2022 and 2021 Expressed in U. S. Dollars Year Ended June 30, Note 2022 2021 $ $ Sales 1, 089, 435- Cost of sales 545, 889- Gross profit 543, 546- Operating Expenses Research and development and patents 7, 282, 615 5, 338, 084 General and administrative 6, 867, 030 4, 479, 333 Amortization and depreciation 5, 7 185, 657 120, 866 Impairment of intangible assets and goodwill 6 3, 472, 593- Total operating expenses 17, 807, 895 9, 938, 283 Other Income (Expense) Interest and other income 96, 090 16, 017 Finance expense- (360, 350) Unrealized gain on derivative warrants liability- 242, 628 Warrant modification expense 10 (1, 314, 307)- Foreign exchange loss (117, 551) (163, 101) Net loss for the year (18, 600, 117) (10, 203, 089) Other Comprehensive Gain Foreign currency translation gain- 430, 443 Total comprehensive loss for the year (18, 600, 117) (9, 772, 646) Net loss per share for the year Basic and diluted 13 (33. 17) (37. 96) Weighted average outstanding common shares Basic and diluted 13 560, 829 268, 793 The accompanying notes form an integral part of these consolidated financial statements. InMed Pharmaceuticals Inc. CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY For the year ended June 30, 2022 and 2021 Expressed in U. S. Dollars Accumulated Other Comprehensive Additional (Loss) Income- Note Common Shares Paid- in Capital Accumulated Deficit Foreign Exchange Total # $ $ $ $ $ Balance June 30, 2020 208, 828 53, 065, 240 17, 764, 333 (64, 649, 381) (301, 874) 5, 878, 318 Public offering 10 71, 200 6, 052, 000--- 6, 052, 000 Private placement 10 42, 000 2, 917, 157 1, 545, 343-- 4, 462, 500 Reclassification of warrants 10-- 1, 763, 980-- 1, 763, 980 Share issuance costs- (1, 446, 980) (170, 798)-- (1, 617, 778) Loss and comprehensive income for the period--- (10, 203, 089) 430, 443 (9, 772, 646) Share- based compensation 11-- 610, 193-- 610, 193 Balance June 30, 2021 322, 028 60, 587, 417 21, 513, 051 (74, 852, 470) 128, 569 7, 376, 567 Accumulated Other Comprehensive Additional Income- Note Common Shares Paid- in Capital Accumulated Deficit Foreign Exchange Total # $ $ $ $ $ Balance June 30, 2021 322, 028 60, 587, 417 21, 513, 051 (74, 852, 470) 128, 569 7, 376, 567 Private placement 10 35, 600 1, 459, 051 10, 540, 635-- 11, 999, 686 ATM offering, net of issuance costs 10 10, 759 146, 533--- 146, 533 Registered direct and private placement 65, 002 754, 072 4, 245, 508-- 4, 999, 580 Share issuance costs 10- (375, 220) (2, 506, 795)-- (2, 882, 015) Agents' warrants-- 739, 920-- 739, 920 Agents' investment options-- 192, 492-- 192, 492 Exercise of pre- funded warrants 10 125, 853 4, 283, 969 (4, 283, 654)-- 315 Exercise of warrants 10 6, 293 769, 260 (769, 260)--- Acquisition of BayMedica 8 82, 000 3, 013, 500--- 3, 013, 500 Shares issued for consulting services 3, 132 79, 879--- 79, 879 Warrant modification expense 10-- 1, 314, 307-- 1, 314, 307 Loss for the period--- (18, 600, 117)- (18, 600, 117) Share- based compensation 11-- 697, 894-- 697, 894 Balance June 30, 2022 650, 667 70, 718, 461 31, 684, 098 (93, 452, 587) 128, 569 9, 078, 541 InMed Pharmaceuticals Inc. CONSOLIDATED STATEMENTS OF CASH FLOWS For the years ended June 30, 2022 and 2021 Expressed in U. S. Dollars Note 2022 2021 Cash provided by (used in): $ $ Operating Activities Net loss for the period (18, 600, 117) (10, 203, 089) Items not requiring cash: Amortization and depreciation 5, 7 185, 657 120, 866 Share- based compensation 11 697, 894 610, 193 Shares issued for services 12 79, 879- Amortization of right- of- use assets 326, 133 107, 828 Loss on disposal of assets 11, 355 555 Interest income received on short- term investments (115) 131 Unrealized gain on derivative warrants liability- (242, 628) Unrealized foreign exchange loss 1, 770 (445) Impairment of intangible assets and goodwill 6 3, 472, 593- Payments on lease obligations (341, 862) (93, 951) Finance expense- 360, 350 Warrant modification expense 10 1, 314, 307- Changes in non- cash working capital: Inventories (2, 003, 732)- Prepaids and other assets 190, 661 (823, 172) Other non- current assets (61, 432) (14, 161) Accounts receivable (40, 008) 40, 198 Accounts payable and accrued liabilities (811, 599) 346, 685 Deferred revenue (5, 142)- Total cash used in operating activities (15, 583, 758) (9, 790, 640) Investing Activities Cash acquired from acquisition of BayMedica 8 91, 566- Acquisition consideration payable 8 (300, 457)- Purchase of property and equipment (39, 108) (1, 725) Loan receivable 8 (425, 000)- Total cash used in investing activities (672, 999) (1, 725) Financing Activities Shares issued for cash 10 17, 146, 114 12, 472, 500 Share issuance costs 10 (1, 784, 791) (1, 617, 778) Repayment of debt (290, 826)- Total cash provided by financing activities 15, 070, 497 10, 854, 722 Effects of foreign exchange on cash and cash equivalents- 494, 960 Increase (decrease) in cash during the period (1, 186, 260) 1, 557, 317 Cash and cash equivalents beginning of the period 7, 363, 126 5, 805, 809 Cash and cash equivalents end of the period 6, 176, 866 7, 363, 126 See Note 16 for Non- Cash TransactionsInMed Pharmaceuticals Inc. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022 AND 2021 (Expressed in U. S. Dollars) 1. NATURE OF BUSINESS

AND GOING CONCERN InMed Pharmaceuticals Inc. (" InMed " or the " Company ") was incorporated in the Province of British Columbia on May 19, 1981 under the Business Corporations Act of British Columbia. InMed is a clinical stage pharmaceutical company developing a pipeline of prescription- based products, including rare cannabinoids and novel cannabinoid analogs, targeting the treatment of diseases with high unmet medical needs. The Company also has significant know- how in developing proprietary manufacturing approaches to produce cannabinoids for various market sectors. The Company' s shares are listed on the Nasdaq Capital Market (" Nasdaq ") under the trading symbol " INM ". InMed' s corporate office and principal place of business is located at # 310 – 815 West Hastings Street, Vancouver, B. C., Canada, V6C 1B4. In accordance with the Financial Accounting Standards Board (" FASB ") Accounting Standards Update (" ASU ") 2014- 15, Disclosure of Uncertainties about an Entity' s Ability to Continue as a Going Concern (Subtopic 205- 40), the Company has evaluated whether there are conditions and events, considered in the aggregate, that raise substantial doubt about the Company' s ability to continue as a going concern within one year after the date that the consolidated financial statements are issued. Through June 30, 2022, the Company has funded its operations primarily with proceeds from the sale of common stock. The Company has incurred recurring losses and negative cash flows from operations since its inception, including net losses of $ 18. 6 million and $ 10. 2 million for the years ended June 30, 2022 and 2021, respectively. In addition, the Company had an accumulated deficit of $ 93. 5 million as of June 30, 2022 (June 30, 2021- $ 74. 9 million). The Company expects to continue to generate operating losses for the foreseeable future. As of the issuance date of these consolidated financial statements, the Company expects its cash and cash equivalents of $ 6. 2 million as of June 30, 2022, combined with the approximate $ 5. 4 million of net proceeds from a private placement which closed on September 13, 2022 (see Note 20), will be sufficient to fund its operating expenses and capital expenditure requirements into the second half of fiscal 2023, and possibly into the first quarter of fiscal 2024 (being the third calendar quarter of 2023), depending on the level and timing of realizing revenues from the sale of BayMedica inventory as well as the level and timing of the Company operating expenses. The future viability of the Company is dependent on its ability to raise additional capital to finance its operations. As a result of the recurring losses and requirement for cash in fiscal 2023 or the beginning of fiscal 2024, the Company has concluded that there is substantial doubt about its ability to continue as a going concern within one year after the date that the consolidated financial statements are issued. The Company expects to continue to seek additional funding through equity financings, debt financings or other capital sources, including collaborations with other companies, government contracts or other strategic transactions. The Company may not be able to obtain financing on acceptable terms, or at all. The terms of any financing may adversely affect the holdings or the rights of the Company' s existing stockholders. These consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will be able to meet its commitments, realize its assets and discharge its liabilities in the normal course. These consolidated financial statements do not reflect adjustments to the carrying values of assets and liabilities that would be necessary if the Company was unable to continue as a going concern and such adjustments could be material. F- 9 2. SIGNIFICANT ACCOUNTING POLICIES Basis of Presentation These consolidated financial statements have been prepared in accordance with generally accepted accounting principles as applied in the United States (" US GAAP ") and pursuant to the rules and regulations of the United States Securities and Exchange Commission (" SEC ") for financial information. Use of Estimates The preparation of financial statements in compliance with US GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities as of the balance sheet date, and the corresponding revenues and expenses for the periods reported. It also requires management to exercise judgment in applying the Company' s accounting policies. In the future, actual experience may differ from these estimates and assumptions. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to these consolidated financial statements are the estimated fair values of the assets acquired and liabilities assumed in acquisitions, the estimate of useful life of intangible assets, the application of the going concern assumption, the impairment assessment for long- lived assets, and determining the fair value of share- based payments and warrants. COVID- 19 Impacts On March 11, 2020, the COVID- 19 outbreak was declared a pandemic by the World Health Organization. The full extent to which the COVID- 19 pandemic may directly or indirectly impact the Company' s business, results of operations and financial condition, including expenses, research and development costs and employee- related amounts, will depend on future developments that are evolving and highly uncertain, such as the duration and severity of outbreaks, including potential future waves or cycles, and the effectiveness of actions taken to contain and treat COVID- 19. The Company considered the potential impact of COVID- 19 when making certain estimates and judgments relating to the preparation of these consolidated financial statements. While there was no material impact to the Company' s consolidated financial statements as of and for the year ended June 30, 2022, the Company' s future assessment of the magnitude and duration of COVID- 19, as well as other factors, could result in a material impact to the Company' s consolidated financial statements in future reporting periods. Basis of Consolidation These consolidated financial statements include the accounts of the Company and its subsidiaries, including subsidiaries: InMed Pharmaceutical Ltd., BayMedica, LLC, Biogen Sciences Inc., and Sweetnam Consulting Inc. A subsidiary is an entity that the Company controls, either directly or indirectly, where control is defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. All inter- company transactions and balances including unrealized income and expenses arising from intercompany transactions are eliminated in preparing these consolidated financial statements. Foreign Currency The functional currency of the Company and its subsidiaries is the U. S. Dollar. These consolidated financial statements are presented in U. S. Dollars. References to " $ " and " US $ " are to United States (" U. S. ") dollars and references to " C $ " are to Canadian dollars. F- 10 2. SIGNIFICANT ACCOUNTING POLICIES (cont' d) Business Combinations Business combinations are accounted for using the acquisition method. The fair value of total purchase consideration is allocated to the fair values of identifiable tangible and intangible assets acquired and liabilities assumed, with the remaining amount being classified as goodwill. All assets, liabilities and contingent liabilities acquired or assumed in a business combination are recorded at their fair values at the date of acquisition. If the Company' s interest in the fair value of the acquiree' s net identifiable assets exceeds the cost of the acquisition, the excess is recognized in earnings or loss immediately. Transaction costs that are incurred in connection with a business combination, other than costs associated with the issuance of debt or equity securities, are expensed as incurred. Cash and Cash Equivalents Cash and cash equivalents include cash- on- hand, demand deposits with financial institutions and other short- term, highly liquid investments with original maturities of three months or less when acquired that are readily convertible to known amounts of cash and subject to an insignificant risk of change in value. Short- term Investments Short- term investments include fixed and variable rate guaranteed investment certificates, with terms greater than three months and less than twelve months. Guaranteed investment certificates are convertible to known amounts of cash and are subject to an insignificant risk of change in value. Accounts Receivable Accounts receivable are recorded at invoiced amounts, net of any allowance for doubtful accounts. The allowance for doubtful accounts is the Company' s best estimate of the amount of probable credit losses in existing accounts receivable. The Company evaluates the collectability of accounts receivable on a regular basis based upon various factors including the financial condition and payment history of customers, an overall review of collections experience on other accounts and economic factors or events expected to affect future collections experience. Expected credit losses on our accounts receivable were immaterial as at June 30, 2022 and 2021. Inventories are initially valued at weighted average cost and subsequently valued at the lower of weighted average cost and net realizable value. Costs included in inventories are the purchase price of goods and cost of services rendered, freight costs, warehousing costs, purchasing costs and production and labor costs related to manufacturing. In determining any valuation allowances, the Company reviews inventory for obsolete, redundant, and slow- moving goods. At June 30, 2022, no amounts had been charged to the valuation allowance. F- 11 Deferred Financing Costs The Company capitalizes certain legal, professional accounting and other third- party fees that are directly associated with in- process equity financings as deferred financing costs until such financings are consummated. After consummation of the equity financing, these costs are recorded as a reduction to shareholders' equity generated as a result of the offering. Should the in- process equity financing be abandoned, the deferred financing costs will be expensed immediately as a charge to operating expenses in the consolidated statements of operations and comprehensive loss. As of June 30, 2022, $ Nil (2021- $ 112, 074) of deferred financing costs were capitalized and recorded as prepaids and other assets on the consolidated balance sheet. Property, Equipment and ROU Assets, Net Equipment and leasehold improvements are recorded at cost, less accumulated depreciation and accumulated impairment losses. The initial cost of equipment and leasehold improvements comprises their purchase price. The useful lives of equipment and leasehold improvements are reviewed at least once per year. Equipment and leasehold improvements are depreciated using the straight- line method based on their estimated useful lives as follows: ● Computer equipment – 30 % per annum ● Leasehold improvements – lesser of initial lease term or useful lifeEquipment and leasehold improvements, acquired or disposed of during the year, are depreciated proportionately for the period they are in use. The right- of- use assets are initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, less any lease incentives received. The assets are amortized to the earlier of the end of the useful life of the right- of- use asset or the lease term using the straight- line method as this most closely reflects the expected pattern of consumption of the future economic benefits. The lease term includes periods covered by an option to extend if the Company is reasonably certain to exercise that option. In addition, the right- of- use assets are periodically reduced by impairment losses, if any, and adjusted for certain re- measurements of the lease liability (see Note 2 Lease (i)). Intangible Assets, Net Intangible assets are comprised of acquired intellectual property, which consists of certain patents and technical know- how. The intellectual property is recorded at cost and is amortized on a straight- line basis over an estimated useful life of 18 years net of any accumulated impairment losses. In- Process R & D In- process R & D (" IPR & D ") is classified as an indefinite- lived intangible asset and is not amortized. IPR & D becomes definite- lived upon the completion or abandonment of the associated research and development efforts. All research and development costs incurred subsequent to the acquisition of IPR & D are expensed as incurred. Indefinite- lived intangible assets are evaluated for impairment on an annual basis or more frequently if an indicator of

impairment is present. F- 12 The Company assesses the recoverability of its long- lived assets whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of the long- lived asset is measured by a comparison of the carrying amount of the asset to future undiscounted net cash flows expected to be generated by the asset or assets. If carrying value exceeds the sum of undiscounted cash flows, the Company then determines the fair value of the underlying asset. Any impairment to be recognized is measured as the amount by which the carrying amount of the asset group exceeds the estimated fair value of the asset group. Assets classified as held for sale are reported at the lower of the carrying amount or fair value, less costs to sell. As of June 30, 2022, the Company determined that the long- lived assets of BayMedica were impaired (see Note 6) and no assets were held- for- sale. Goodwill The Company tests goodwill for potential impairment annually on June 30, or more frequently if an event or other circumstance indicates that the Company may not be able to recover the carrying amount of the net assets of the reporting unit. The Company' s operations consist of two operating and reportable segments, InMed Pharmaceuticals (the " InMed " segment) and BayMedica (the " BayMedica " segment). In evaluating goodwill for impairment, the Company may assess qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount. If a Company bypasses the qualitative assessment, or if the Company concludes that it is more likely than not that the fair value of a reporting unit is less than its carrying value, then the Company performs a quantitative impairment test by comparing the fair value of a reporting unit with its carrying amount (See Note 6) and records an impairment charge if the carrying value exceeds the fair value. Financial Assets and Liabilities Financial assets are initially recognized at fair value, plus transaction costs that are directly attributable to their acquisition or issue and subsequently carried at amortized cost, using the effective interest rate method, less any impairment losses. No financial assets are or elected to be carried at fair value through profit or loss or where changes in fair value are recognized in the consolidated statements of operations and comprehensive loss in other comprehensive loss. Short- term investments are subsequently recorded at cost plus accrued interest, which approximates fair value. Accounts receivable are reported at outstanding amounts, net of provisions for uncollectable amounts. Financial Liabilities Financial liabilities, including accounts payable and accrued liabilities, are initially recognized at fair value net of any transaction costs directly attributable to the issuance of the instrument and subsequently carried at amortized cost using the effective interest rate method. This ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the consolidated balance sheet. Interest expense in this context includes initial transaction costs and premiums payable on redemption, as well as any interest or coupon payable while the liability is outstanding. F- 13 Financial Assets and Liabilities (cont' d) To determine the fair value of financial instruments, the Company uses the fair value hierarchy for inputs used to measure fair value of financial assets and liabilities. This hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three levels: Level 1 (highest priority), Level 2, and Level 3 (lowest priority). Level 1 — Unadjusted quoted prices in active markets for identical instruments. Level 2 — Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability (i. e., interest rates, yield curves, etc.), and inputs that are derived principally from or corroborated by observable market data by correlation or other means (market corroborated inputs). Level 3 — Inputs are unobservable and reflect the Company' s assumptions as to what market participants would use in pricing the asset or liability. The Company develops these inputs based on the best information available. Assets and liabilities are classified based on the lowest level of input that is significant to the fair value measurements. Changes in the observability of valuation inputs may result in a reclassification of levels for certain securities within the fair value hierarchy. The carrying value of cash and cash equivalents, short- term investments, accounts receivable, and accounts payable and accrued liabilities, approximate their carrying values as at June 30, 2022 and 2021 due to their immediate or short- term maturities. Income Taxes The Company records a provision for income taxes for the anticipated tax consequences of the reported results of operations using the asset and liability method. Under this method, it recognizes deferred income tax assets and liabilities for the expected future tax consequences of temporary differences between the financial reporting and tax bases of assets and liabilities. Deferred tax assets and liabilities are measured using the enacted tax rates that are expected to apply to taxable income for the years in which those tax assets and liabilities are expected to be realized or settled. The Company recognizes the deferred income tax effects of a change in tax rates in the period of the enactment. The Company records a valuation allowance to reduce its deferred tax assets to the net amount that management believes is more likely than not to be realized. The Company recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Recognized income tax positions are measured at the largest amount that is greater than fifty percent likely of being realized. The Company records interest related to unrecognized tax benefits in interest expense and penalties in operating expenses. Revenue Recognition The Company recognizes revenue when the Company satisfies the performance obligations under the terms of a contract and control of its products and services is transferred to its customers in an amount that reflects the consideration the Company expects to receive from its customers in exchange for those products and services. ASC 606, Revenue from Contracts with Customers defines a five- step process to recognize revenue that requires judgment and estimates, including identifying the contract with the customer, identifying the performance obligations in the contract, determining the transaction price, allocating the transaction price to the performance obligations in the contract, and recognizing revenue when or as the performance obligation is satisfied. F- 14 Revenue Recognition (cont' d) Revenue consists of manufacturing and distribution sales of bulk rare cannabinoids, which are generally recognized at a point in time. The Company recognizes revenue when control over the products have been transferred to the customer and the Company has a present right to payment. Sales and other taxes that are required to be remitted to regulatory authorities are recorded as liabilities and excluded from sales. Limited rights of return, for claims of damaged or non- compliant products, exist with the Company' s customers. The Company has elected the practical expedient that allows it to recognize the incremental costs of obtaining a contract as an expense, when incurred, if the amortization period of the asset that the Company otherwise would have recognized is one year or less. Revenues within the scope of ASC 606 do not include material amounts of variable consideration. Customer payments are generally due in advance of when control is transferred to the customer. The time between invoicing and when payment is due is not significant. Cost of sales consist primarily of the purchase price of goods and cost of services rendered, freight costs, warehousing costs, and purchasing costs. Cost of sales also includes production and labor costs for the Company' s manufacturing business. Shipping and Handling The Company records freight billed to customers within Net sales. Shipping and handling costs associated with inbound freight and goods shipped to customers are recorded in cost of sales. Other shipping and handling costs, such as for quality assurance, are recorded in operating expenses. Earnings (Loss) Per Share Basic earnings (loss) per common share (" EPS ") is computed by dividing the net income or loss applicable to common shares of the Company by the weighted average number of common shares outstanding for the relevant period. Diluted earnings (loss) per common share (" Diluted EPS ") is computed by dividing the net income or loss applicable to common shares by the sum of the weighted average number of common shares issued and outstanding and all additional common shares that would have been outstanding, if potentially dilutive instruments were converted. If the conversion of outstanding stock options and warrants into common share is anti- dilutive, then diluted EPS is not presented separately from EPS. The fair value, at the grant date, of equity- classified share awards is charged to income or loss over the period for which the benefits of employees and others providing similar services are expected to be received. The vesting components of graded vesting employee awards are measured separately and expensed over the related tranche' s vesting period. The corresponding accrued entitlement is recorded in additional paid- in capital. The amount recognized as an expense is adjusted to reflect the number of share options that vest. The fair value of awards is calculated using the Black- Scholes option pricing model which considers the exercise price, current market price of the underlying shares, expected life of the award, risk- free interest rate, expected volatility and the dividend yield. F- 15 Share- based Payments (cont' d) Starting July 1, 2018, the Company accounts for non- employee awards under the guidance provided under ASU 2018- 07 and uses an expected term to value non- employee options on an award- by- award basis. The expected term of the Company' s employee stock options is determined using the simplified method and the Company estimates the forfeitures on the grant date for options issued. The expected term of the Company' s non- employee stock options is the contractual term of the options granted and the Company estimates the forfeitures on the grant date for options issued. Research and Development Costs The Company conducts research and development programs and incurs costs related to these activities, including research and development personnel compensation, services provided by contract research organizations and lab supplies. Research and development costs are expensed in the periods in which they are incurred. Patents and Intellectual Property Costs The costs of filing for patents and of prosecuting and maintaining intellectual property rights are expensed as incurred due to the uncertainty surrounding the drug development process and the uncertainty of future benefits. Patents and intellectual property acquired from third parties for approved products or where there are alternative future uses are capitalized and amortized over the remaining life of the patent. Segment reporting The Company' s operations consist of two operating and reportable segments, the InMed segment and the BayMedica segment. The InMed segment is largely organized around the research and development of cannabinoid- based pharmaceuticals products and the BayMedica segment is largely organized around developing proprietary manufacturing technologies to produce rare cannabinoids for sale in the health and wellness industry (See Note 15). F- 16 Leases At inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The lease liability is initially measured as the present value of future lease payments excluding payments made at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company' s incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate. The lease liability is measured at amortized cost using the effective interest method. It is re- measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company' s estimate of the amount expected to be payable under a residual value

guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension, or termination option. When the lease liability is re- measured in this way, a corresponding adjustment is made to the carrying amount of the right- of- use asset or is recorded in profit or loss if the carrying amount of the right- of- use asset has been reduced to zero. The Company has lease arrangements that include both lease and non- lease components. The Company accounts for each separate lease component and its associated non- lease components as a single lease component for all of its asset classes. The Company has elected to apply the practical expedient to exclude initial direct costs such as annual operating costs from the measurement of the right- of- use asset at the date of initial application. The Company has elected to apply the practical expedient not to recognize right- of- use assets and lease liabilities for short- term leases that have a lease term of 12 months or less. The lease payments associated with these leases is recognized as an expense on a straight- line basis over the lease term. Recent Accounting Pronouncements Not Yet Adoptedi) Fair Value MeasurementIn June 2022, FASB issued ASU 2022- 03, Fair Value Measurement (Topic 82): Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions. The amendments in this ASU clarify the guidance in ASC 820 on the fair value measurement of an equity security that is subject to a contractual sale restriction and require specific disclosures related to such an equity security. This standard is effective for fiscal years beginning after December 15, 2023. The Company does not expect the standard to have a significant impact on the consolidated financial statements. 3. CUSTOMER CONCENTRATION The Company had three customers during the year ended June 30, 2022, which individually generated 10 % or more of the Company' s net sales. These customers accounted for 48 % of the Company' s sales for the year ended June 30, 2022. As of June 30, 2022, these customers represented 0 % of the Company' s outstanding accounts receivable. F- 17 4. INVENTORIES Inventories consisted of the following: June 30, 2022 June 30, 2021 $ $ Raw materials 292, 577 Work in process 1, 724, 851- Finished goods 473, 426- Inventories 2, 490, 854- During the year ended June 30, 2022, inventory expensed to cost of goods sold was $ 545, 889 (2021- $ Nil). 5. PROPERTY, EQUIPMENT AND ROU ASSETS, NET Property, equipment and ROU assets consisted of the following: June 30, June 30, $ $ Right of Use Assets (leases) 1, 167, 436 439, 321 Equipment 212, 877 66, 888 Leasehold Improvements 40, 409 42, 986 Property and equipment 1, 420, 722 549, 195 Less: accumulated depreciation and amortization (516, 470) (222, 600) Property, equipment and ROU assets, net 904, 252 326, 595 Depreciation expense on property, equipment and leasehold improvements for the year ended June 30, 2022, was $ 26, 426 (2021- $ 21, 143). Amortization expense related to the right- of- use assets for the year ended June 30, 2022, was $ 289, 594 (2021- $ 76, 165) and was recorded in general and administrative expenses. F- 18 6. IMPAIRMENT OF INTANGIBLE ASSETS AND GOODWILL During the year ended June 30, 2022, the Company recorded goodwill of $ 2, 023, 039, definite lived intangible assets of $ 216, 000, IPR & D of $ 1, 249, 000 and patents of $ 1, 191, 000 in connection with the acquisition of BayMedica, as described in Note 8. The Company performs an annual impairment test at the reporting unit level as of June 30 of each fiscal year. As of June 30, 2022, the Company qualitatively assessed whether it is more likely than not that the respective fair value of the Company' s BayMedica reporting unit was less than its carrying amount, including goodwill. For a variety of reasons, performance of the BayMedica segment has not materialized as expected. Contributing factors include but are not limited to:- market demand for launched compounds has not materialized as quickly as the Company anticipated;- recent overarching recessionary pressures have contributed to hesitation within the health and wellness (H & W) sector to invest in, and launch, new rare cannabinoid products;- in this nascent market, BayMedica' s perceived competitive advantages of certified, high purity and reliability and consistency of supply have not resonated with the industry' s current product manufacturers; and- additional downward pricing pressure for cannabinoids in the H & W sector. As a result of this sustained decline in performance compared to expectations and continuing market uncertainties, the Company determined that as of June 30, 2022, it was more likely than not that the carrying value of these acquired intangibles exceeded their estimated fair value. Accordingly, the Company performed an impairment analysis as of that date using the income method, the relieve from royalty method and the multi- period excess earnings method. This analysis required significant judgments, including the estimation of future revenues, royalties, licensing fees, costs, the probability of success in various phases of its development programs, potential post launch cash flows and discount rates. The Company recorded a goodwill and intangible asset impairment charge for the excess of the reporting unit' s carrying value over its fair value. F- 19 6. IMPAIRMENT OF INTANGIBLE ASSETS AND GOODWILL (cont' d) The following table provides the Company' s goodwill, indefinite and definite lived intangible assets as of June 30, 2022 and 2021. There was no impairment of InMed long lived intangible assets as of June 30, 2022 and 2021. $ Goodwill Balance at July 1, 2021- Acquired at October 13, 2021 2, 023, 039 Impairment losses (2, 023, 039) Balance at June 30, 2022- Indefinite lived intangible assets IPR & D Balance at July 1, 2021- Acquired at October 13, 2021 1, 249, 000 Impairment losses (1, 249, 000) Balance at June 30, 2022- Definite lived intangible assets Trademark and Intellectual Property Balance at July 1, 2021 1, 736, 420 Acquired at October 13, 2021 216, 000 Amortization (786, 637) Impairment losses (200, 554) Balance at June 30, 2022 965, 229 Definite lived intangible assets Patents Balance at July 1, 2021- Acquired at October 13, 2021 1, 191, 000 Amortization (47, 314) Impairment losses- Balance at June 30, 2022 1, 143, 686 Intangible assets, net 2, 108, 915 For goodwill, the Company recognized an impairment charge of $ 2 million and $ Nil during the years ended June 30, 2022 and 2021, respectively. For the identified indefinite lived assets, the Company recognized an impairment charge of $ 1. 2 million and $ Nil during the years ended June 30, 2022 and 2021, respectively. For identified definite lived intangible assets, the Company recognized an impairment charge of $ 0. 2 million and $ Nil during the years ended June 30, 2022 and 2021, respectively. F- 20 7. INTANGIBLE ASSETS June 30, 2022 June 30, 2021 $ $ Intellectual property 1, 736, 420 1, 736, 420 Patents 1, 191, 000- Intangible assets 2, 927, 420 1, 736, 420 Less: accumulated depreciation (818, 505) (674, 723) Intangible assets, net 2, 108, 915 1, 061, 697 Acquired intellectual property is recorded at cost and is amortized on a straight- line basis over 18 years. Acquired patents consist of patents related to the development of cannabinoid analogs. This intangible asset is being amortized over an estimated useful life of 18 years. As at June 30, 2022, the definite- lived intangible assets had a weighted average estimated remaining useful life of approximately 13 years. Amortization expense on intangible assets for the year ended June 30, 2022 was $ 159, 228 (2021- $ 99, 723). The Company expects amortization expense to be incurred over the next five years as follows: $ 2022 161, 477 2023 161, 477 2024 161, 477 2025 161, 477 2026 161, 477 807, 385 F- 21 8. ACQUISITION On October 13, 2021, the Company completed the acquisition of BayMedica, a private company based in the U. S. that specializes in the manufacturing and commercialization of rare cannabinoids. The Company acquired 100 % of BayMedica in exchange for i) 82, 000 common shares issued to BayMedica' s equity and convertible debt holders, subject to a six- month contractual hold period and ii) $ 1 million to be held in escrow, subject to reduction for certain post- closing adjustments or satisfaction of indemnification claims under the definitive agreement (the " BayMedica Agreement ") in the six- and twelve- month periods following the closing. Total consideration for the acquisition of BayMedica is summarized as follows: Purchase Price Consideration ($) Estimated fair value of common shares issued 3, 013, 500 Cash 1, 000, 000 Less: Post- closing adjustments (199, 543) Estimated fair value of consideration transferred 3, 813, 957 The 82, 000 common shares were valued at $ 36. 75, being the closing price of the Company' s common shares on Nasdaq on October 13, 2021. The cash component is subject to reduction for certain post- closing adjustments or satisfaction of indemnification claims and therefore is subject to further changes. Prior to the acquisition, the Company has a $ 425, 000 loan receivable from BayMedica and BayMedica has an equal loan payable to the Company. As a result of the acquisition of BayMedica, the loan receivable and payable is effectively settled between the parties. In accordance with the acquisition method of accounting, the purchase price of BayMedica has been allocated to the acquired assets and assumed liabilities based on their estimated acquisition date fair values. The fair value estimates were based on income, estimates and other analyses. The excess of the total consideration over the estimated fair value of the amounts initially assigned to the identifiable assets acquired and liabilities assumed has been recorded as goodwill, which is not deductible for income taxes purposes. The goodwill balance represents the assembled workforce acquired, the combined company' s expectations of the strategic opportunities available as a result of the acquisition, and other synergies that will be derived from the acquisition. F- 22 8. ACQUISITION (cont' d) The following table summarizes the final fair value of assets acquired and liabilities assumed as of the acquisition date: Purchase Price Allocation ($) Assets acquired: Cash and cash equivalents 91, 566 Accounts receivable 36, 100 Inventories 487, 122 Prepaid expenses and deposits 131, 674 Property and equipment 133, 911 IPR & D 1, 249, 000 Patents 1, 191, 000 Trademark 216, 000 Goodwill 2, 023, 039 Total assets acquired 5, 559, 412 Liabilities assumed: Accounts payable and accrued liabilities 1, 024, 487 Other short- term liabilities 598, 245 Long- term debt 122, 723 Total liabilities acquired 1, 745, 455 Estimated fair value of net assets acquired 3, 813, 957 Tangible assets and liabilities were valued at their respective carrying amounts as management believes that these amounts approximated their acquisition- date fair values. The Purchase Price allocation includes certain identifiable intangible assets with an estimated fair value of approximately $ 2, 656, 000. These intangible assets include trade secrets, product formulation knowledge, patents and trademarks. Acquired IPR & D are related identifiable intangible assets associated with cannabinoid manufacturing processes and includes knowhow and trade secrets. The multi- period excess earnings method was used to determine the fair value of these assets as at the date of acquisition. The acquired trademark represents the trade name ProDiol ®. The fair value of the trademark was determined using the relief from royalty method. Acquired patents consist of patents related to the development of cannabinoid analogs, the fair value of which was determined using the income approach. This intangible asset is being amortized over an estimated useful life of 18 years. F- 23 Following the acquisition date, the operating results of BayMedica have been included in the consolidated financial statements. For the period from the October 13, 2021 acquisition date through June 30, 2022, sales attributable to BayMedica were $ 1. 1 million and operating losses attributable to BayMedica were $ 5. 2 million. Acquisition- related expenses, which were comprised primarily of regulatory, financial advisory and legal fees, totaled $ 0. 2 million for the year ended June 30, 2022 and were included in general and administrative expenses in the consolidated statements of operations and comprehensive loss. The following table presents the pro forma consolidated results of the Company assuming the BayMedica acquisition had been completed on July 1, 2020: Year Ended June 30 2022 2021 $ $ Sales 1, 365, 755 1, 904, 013 Net loss (19, 260, 014) (10, 705, 494) 9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES Accounts payable and accrued liabilities

consist of the following: June 30, 2022 June 30, 2021 $ $ Trade payables 1, 166, 068 775, 129 Accrued research and development expenses 839, 638 309, 901 Employee compensation, benefits and related accruals 139, 120 880, 207 Accrued general and administrative expenses 270, 439 169, 641 Accounts payable and accrued liabilities 2, 415, 265 2, 134, 878 10. SHARE CAPITAL AND RESERVES On September 7, 2022, the Company effected a one- for- 25 reverse stock split of its issued and outstanding common shares. Accordingly, all common share, stock option, per common share and warrant amounts for all periods presented in the consolidated financial statements and notes thereto have been adjusted retrospectively to reflect this reverse stock split. F- 24 10. SHARE CAPITAL AND RESERVES (cont' d) a) Authorized As at June 30, 2022, the Company' s authorized share structure consisted of: (i) an unlimited number of common shares without par value; and (ii) an unlimited number of preferred shares without par value. No preferred shares were issued and outstanding as at June 30, 2022 and 2021. The Company may issue preferred shares and may, at the time of issuance, determine the rights, preference and limitations pertaining to these shares. Holders of preferred shares may be entitled to receive a preference payment in the event of any liquidation, dissolution or winding up of the Company before any payment is made to the holders of common shares. b) Common Shares During the year ended June 30, 2022, the Company completed the following: July 2021 Private Placement Offering: Transaction Description Number Issue Price Total Shares Issued 35, 600 $ 74. 325 $ 2, 645, 970 Pre- funded Warrants Issued 125, 853 $ 74. 3226 9, 353, 716 Gross Proceeds $ 11, 999, 686 Allocated to Additional Paid- in Capital (10, 540, 635) $ 1, 459, 051 Share Issuance Costs $ (247, 336) On July 2, 2021, the Company closed a private placement of its common shares and issued an aggregate of 35, 600 common shares and 125, 853 pre- funded warrants, for gross proceeds of $ 11, 999, 686. The pre- funded warrants were determined to be common stock equivalents. Each common share and each pre- funded warrant were sold in the offering with a warrant to purchase a common share. Transaction costs were allocated proportionally between common shares and warrants with $ 247, 336 allocated to common shares and the balance of $ 1, 786, 831 allocated to additional paid- in capital and recorded as a component of shareholders' equity in the consolidated balance sheet. The 125, 853 pre- funded warrants were fully exercised for 125, 853 common shares during the year ended June 30, 2022, resulting in a $ 4, 283, 654 reclassification from additional paid- in capital to common shares. June 2022 Registered Direct and Private Placement Offerings: Transaction Description Number Issue Price Total Shares Issued 65, 002 $ 21. 450 $ 1, 394, 286 Pre- funded Warrants Issued 168, 099 $' 21. 4474 3, 605, 294 Gross Proceeds $ 4, 999, 580 Allocated to Additional Paid- in Capital (4, 245, 508) $ 754, 072 Share Issuance Costs $ (127, 884) F- 25b) Common Shares (cont' d) On April 22, 2022, the Company issued 10, 759 common shares under an at- the- market offering (" ATM ") for proceeds of $ 146, 533, net of issuance costs. On June 6, 2022, the Company closed a registered direct offering and concurrent private placement of its common shares. In the registered direct offering, the Company issued an aggregate of 65, 002 common shares and 98, 169 pre- funded warrants, for gross proceeds of $ 3, 500, 002. In the concurrent private placement, the Company issued an aggregate of 69, 930 pre- funded warrants for gross proceeds of $ 1, 499, 999. The pre- funded warrants were determined to be common stock equivalents. Each common stock and each pre- funded warrant were sold in the offerings with a preferred investment option to purchase a common share. Transaction costs were allocated proportionally between common shares and warrants with $ 127, 884 allocated to common shares and the balance of $ 719, 964 allocated to additional paid- in capital and recorded as a component of shareholders' equity in the consolidated balance sheet. During the year ended June 30, 2022, in accordance with the BayMedica Agreement, the Company issued 82, 000 common shares to BayMedica' s historical equity and convertible debt holders (See Note 8). In addition, the Company issued 78, 312 common shares for consulting services. c) Share Purchase Warrants On November 16, 2020, 71, 200 warrants were issued with an exercise price of $ 127. 75 per share, were immediately exercisable upon issuance, and expire 6 years following the date of issuance. On June 6, 2022, the Company amended the warrants to re- price them to $ 18. 50 per share with an expiry date of June 6, 2029. Accordingly, the Company has calculated the incremental fair value from the modification to be $ 119, 555 and is recognized as a warrant modification expense in the statement of operations. On February 12, 2021, 27, 720 warrants were issued with an exercise price of $ 121. 25 per share, were exercisable 6 months following issuance, and expire 5. 5 years following the date of issuance. On March 21, 2022, the Company amended the warrants to re- price them to $ 11. 25 per share with an expiry date of March 31, 2023. Between March 21, 2022 and June 30, 2022, 15, 606 of the warrants were exercised on a cashless basis resulting in the issuance of 6, 293 common shares. On July 2, 2021, 161, 453 warrants were issued with an exercise price of $ 71. 20 per share, were immediately exercisable upon issuance, and expire 5 years following the date of issuance. The pre- funded and common warrants did not meet the criteria to be classified as a liability award and therefore were treated as an equity award and recorded as a component of shareholders' equity in the consolidated balance sheet. On June 6, 2022, the Company amended the warrants to re- price them to $ 18. 50 per share with an expiry date of June 6, 2029. Accordingly, the Company has calculated the incremental fair value from the modification to be $ 1, 194, 752 and is recognized as a warrant modification expense in the statement of operations. F- 26c) Share Purchase Warrants (cont' d) The following is a summary of changes in share purchase warrants from July 1, 2021 to June 30, 2022: Number Weighted Average Share Price Aggregate Intrinsic Value Balance as at June 30, 2021 98, 920 $ 75, 47- Granted 161, 453 $ 18. 50- Exercised (15, 606) $ 11. 25 125, 611 Balance as at June 30, 2022 244, 767 $ 41. 99- The total intrinsic value of warrants exercised during the year ended June 30, 2022 was $ 125, 611 (2021- $ Nil). d) Agents' Warrants On July 2, 2021, 12, 109 warrants were issued for services with an exercise price of $ 92. 9075 per share, were immediately exercisable upon issuance, and expire 5 years following the date of issuance. The agents' warrants did not meet the criteria to be classified as a liability award and therefore were treated as an equity award and recorded as a component of shareholders' equity in the consolidated balance sheet. The following is a summary of changes in agents' warrants from July 1, 2021 to June 30, 2022: Number Weighted Average Share Price Aggregate Intrinsic Value Balance as at June 30, 2021 -- Granted 12, 109 $ 92. 9075- Balance as at June 30, 2022 12, 109 $ 92. 9075- e) Preferred Investment Options On June 6, 2022, 233, 100 preferred investment options were issued with an exercise price of $ 19. 75 per share, were immediately exercisable upon issuance, and expire 6. 5 years following the date of issuance. f) Agents' Investment Options On June 6, 2022, 15, 152 preferred investment options were issued for services with an exercise price of $ 26. 8125 per share, were exercisable 4 months upon issuance, and expire 5 years following the date of issuance. F- 27 11. SHARE- BASED PAYMENTS a) Option Plan DetailsOn March 24, 2017, and as amended on November 20, 2020, the Company' s shareholders approved: (i) the adoption of a new stock option plan (the " Plan ") pursuant to which the Board of Directors may, from time to time, in its discretion and in accordance with regulatory requirements, grant to directors, officers, employees and consultants of the Company, non- transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed twenty percent (20 %) of the issued and outstanding common shares at the date the options are granted (on a non- diluted and rolling basis); and (ii) the application of the new stock option plan to all outstanding stock options of the Company that were granted prior to March 24, 2017 under the terms of the Company' s previous stock option plan. As at June 30, 2022, there were 18, 163 (June 30, 2021 -- 19, 735) options available for future allocation pursuant to the terms of the Plan. The option price under each option shall not be less than the closing price on the day prior to the date of grant. All options vest upon terms as set by the Board of Directors, either over time, up to 36 months, or upon the achievement of certain corporate milestones. Stock options granted prior to May 2021 were granted with Canadian dollar exercise prices (United States dollar amounts for weighted average exercise prices and aggregate intrinsic value are calculated using prevailing rates as at June 30, 2022). Commencing in May 2021, stock options are granted with United States dollar exercise prices. The following is a summary of changes in outstanding options from July 1, 2021 to June 30, 2022: Number Weighted Average Exercise Price $ Balance as at June 30, 2021 36, 472 215. 35 Granted 31, 160 34. 20 Expired / Forfeited (12, 029) 122. 38 Balance as at June 30, 2022 55, 603 128. 59 June 30, 2022: Vested and exercisable 26, 182 228. 87 Unvested 29, 421 39. 35 F- 28 11. SHARE- BASED PAYMENTS (cont' d) b) Fair Value of Options Issued During the Periodi) Weighted Average Fair Value at Grant Date of Options Granted: The weighted average fair value at grant date of options granted during the year ended June 30, 2022, was $ 21. 04 per option (year ended June 30, 2021- $ 49. 03). Assumptions used for options granted during the year ended June 30, 2022 included a weighted average risk- free interest rate of 1. 17 % (year ended June 30, 2021 -- 0. 27 %), weighted average expected life of 3. 1 years calculated using the Simplified Method for directors, officers and employees and the contractual life for consultants, weighted average volatility factor of 97. 15 % (year ended June 30, 2021 -- 105. 88 %), weighted average dividend yield of 0 % (year ended June 30, 2021 -- 0 %) and a 5 % forfeiture rate (year ended June 30, 2021 -- 5 %). ii) Expenses Arising from Share- based Payment Transactions: Total expenses arising from share- based payment transactions recognized during the year ended June 30, 2022, were $ 697, 894 (2021- $ 610, 193). $ 419, 075 was allocated to general and administrative expenses (2021- $ 405, 801) and the remaining $ 278, 819 was allocated to research and development expenses (2021- $ 204, 392). Unrecognized compensation cost at June 30, 2022 related to unvested options was $ 292, 959 which will be recognized over a weighted- average vesting period of 1. 0 years. 12. LEASE OBLIGATIONS In conjunction with the acquisition of BayMedica (Note 8), the Company acquired an operating lease for a corporate office with a remaining term of 1. 8 years as at June 30, 2022. On the date of acquisition of BayMedica, the Company recognized right- of- use assets of $ 728, 115 and a lease liability of $ 825, 427, utilizing the remaining term on acquisition and a 4. 0 % discount rate. The Company is committed to minimum lease payments as follows: Maturity Analysis June 30, 2022 Less than one year $ 431, 169 One to five years 396, 665 More than five years- Total undiscounted lease liabilities $ 827, 834 (1) (1) Excludes estimated variable operating costs of $ 92, 964 and $ 60, 916 on an annual basis through to April 30, 2024 and August 31, 2024, respectively. 13. BASIC AND DILUTED LOSS PER SHARE Basic loss per share amounts are calculated by dividing the net loss for the period by the weighted average number of ordinary shares outstanding during the period. The pre- funded warrants were determined to be common stock equivalents and have been included in the weighted average number of shares outstanding for calculation of the basic earnings per share number. As the outstanding stock options and warrants are anti- dilutive, they are excluded from the weighted average number of common shares in the table below. Year Ended June 30, 2022 2021 $ $ Net loss for the period (18, 600, 117) (10, 203, 089) Basic and diluted loss per share (33. 17) (37. 96) Weighted average number of common shares- basic and diluted 560, 829 268, 793 F- 29 14. INCOME TAXES The following is a reconciliation of income taxes

calculated at the combined Canadian federal and provincial income statutory corporate tax rate of 27. 0 % (June 30, 2021 – 27. 0 %) to the tax expense: 2022 2021 $ $ Net loss before taxes (18, 600, 117) (10, 203, 089) Income tax expense (recovery) at the statutory rate (4, 710, 669) (2, 754, 834) Increase (reduction) in income taxes resulting from: Change in valuation allowance 4, 112, 045 4, 109, 545 State taxes (220, 491)- Permanent differences 613, 269 99, 490 Foreign exchange differences 591, 263 (1, 074, 000) Share issuance cost capitalized in equity (582, 548) (390, 685) Other 197, 131 10, 484 Income tax expense (recovery)-- Deferred tax assets and liabilities are as follows: 2022 2021 $ $ Non- capital losses 17, 003, 766 13, 742, 381 Property and equipment, net- 1, 004 Financing costs 702, 479 434, 399 Accrued expenses 193, 549- Intangible assets, net 553, 392- Tax credits 248, 254- Lease liability 51, 994 51, 108 18, 753, 434 14, 228, 892 Intangible assets, net- (181, 845) Property and equipment, net (16, 546)- Lease obligations (55, 260) (77, 612) (71, 806) (259, 457) Net deferred tax asset 18, 681, 628 13, 969, 435 Valuation allowance (18, 681, 628) (13, 969, 435)-- A full valuation allowance has been applied against the net deferred tax assets because it is not more likely than not that future taxable income will be available against which the Company can utilize the benefits therefrom. As at June 30, 2022, the Company has non- capital loss carry- forwards of approximately $ 62, 921, 785 (June 30, 2021- $ 50, 897, 706) available to offset future taxable income in Canada and the United States. These non- capital loss carryforwards begin to expire in 2026. F- 30 14. INCOME TAXES (cont' d) The Company recognizes tax benefits from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities, based on the technical merits of the position. The tax benefits recognized in the consolidated financial statements from any such position would be measured based on the largest benefit that has a greater than fifty percent likelihood of being realized upon ultimate settlement. It is the Company' s policy to recognize interest and penalties accrued on any uncertain tax benefits as a component of income tax expense. There were no uncertain tax positions as of June 30, 2022 or 2021. The Company files income tax returns in the U. S. federal jurisdiction, various state jurisdictions, and Canada. With few exceptions, the Company is no longer subject to U. S. federal and state tax examinations for fiscal years prior to 2019. The Company is subject to taxation at the federal, state, and local levels in the United States and Canada. 15. SEGMENT INFORMATION As of the closing of the BayMedica acquisition, the Company aligned into two operating and reportable segments, the InMed segment and the BayMedica segment. The Company reports segment information based on the management approach which designates the internal reporting used by the Chief Operating Decision Maker (" CODM "), which is the Company' s Chief Executive Officer, for making decisions and assessing performance as the source of the Company' s reportable segments. The CODM allocates resources and assesses the performance of each operating segment based on potential licensing opportunities, historical and potential future product sales, operating expenses, and operating income (loss) before interest and taxes. The Company has determined its reportable segments to be InMed and BayMedica based on the information used by the CODM. Other than cash, cash equivalents and short- term investments (" Unrestricted cash ") balances, the CODM does not regularly review asset information by reportable segment and therefore, the Company does not report asset information by reportable segment. The InMed segment is largely organized around the research and development of cannabinoid- based pharmaceuticals products and the BayMedica segment is largely organized around developing proprietary manufacturing technologies to produce rare cannabinoids for sale in the health and wellness industry. The following table presents information about the Company' s reportable segments for the year ended June 30, 2022 and 2021: Year Ended June 30, 2022 2021 InMed BayMedica Total InMed BayMedica Total $ $ $ $ $ $ Sales- 1, 089, 435 1, 089, 435 -- Operating expenses 13, 410, 753 6, 278, 799 19, 689, 552 10, 203, 089- 10, 203, 089 Net loss (13, 410, 753) (5, 189, 364) (18, 600, 117) (10, 203, 089)- (10, 203, 089) Unrestricted cash 5, 984, 622 192, 244 6, 176, 866 7, 363, 126- 7, 363, 126 F- 31 16. NON- CASH TRANSACTIONS Investing and financing activities that do not have a direct impact on cash flows are excluded from the statements of cash flows. During the year ended June 30, 2022, the following transactions were excluded from the statement of cash flows: i) On July 2, 2021, the Company issued warrants to its placement agent. The fair value of these warrants was $ 739, 920 and was included in share issuance costs related to the July 2021 private placement. ii) On October 13, 2021, the Company issued 82, 000 common shares to BayMedica' s equity and convertible debt holders, pursuant to the BayMedica Agreement. The estimated fair value of these common shares was $ 3, 013, 500 and was included in the total consideration for the acquisition of BayMedica (see Note 8). On acquisition of BayMedica, the loan receivable from BayMedica of $ 425, 000 was settled (see Note 8). iii) On April 1, 2022, the Company issued 3, 132 common shares for consulting services. iv) On June 6, 2022, the Company issued 15, 152 preferred investment options to its placement agent. The fair value of these investment options was $ 192, 491 and was included in share issuance costs related to the June 2022 registered direct and private placement offerings. v) 15, 606 warrants were exercised on a cashless basis resulting in the issuance of 6, 293 common shares. vi) As at June 30, 2022, the Company has unpaid financing costs of $ 26, 587. During the year ended June 30, 2021, the following transaction was excluded from the statement of cash flows: i) As at June 30, 2021, the Company has unpaid financing costs of $ 164, 812. 17. COMMITMENTS AND CONTINGENCIES Pursuant to the terms of agreements with various contract research organizations, as at June 30, 2022, the Company is committed for contract research services and materials at a cost of approximately $ 2, 910, 529. A total of $ 2, 149, 619 of these expenditures are expected to occur in the twelve months following June 30, 2022 and the balance of $ 760, 910 in the following twelve month period. Pursuant to the terms of agreements with various vendors, as at June 30, 2022, the Company is committed for contract materials and equipment at a cost of approximately $ 634, 092, expected to occur in the twelve months following June 30, 2022. Pursuant to the terms of a May 31, 2017 Technology Assignment Agreement between the Company and the University of British Columbia (" UBC "), the Company is committed to pay royalties to UBC on certain licensing and royalty revenues received by the Company for biosynthesis of certain drug products that are covered by the agreement. To date, no payments have been required to be made. F- 32 17. COMMITMENTS AND CONTINGENCIES (cont' d) Pursuant to the terms of a December 13, 2018 Collaborative Research Agreement with UBC in which the Company owns all rights, title and interests in and to any intellectual property, in addition to funding research at UBC, the Company is committed to make a one- time payment upon filing of any PCT patent application arising from the research. To date, one such payment has been made to UBC. Pursuant to the terms of a November 1, 2018 Contribution Agreement with National Research Council Canada, as represented by its Industrial Research Assistance Program (NRC- IRAP), under certain circumstances contributions received, including the disposition of the underlying intellectual property developed in part with NRC- IRAP contributions, may become repayable. Short- term investments include guaranteed investment certificates with a face value of $ 44, 676 (June 30, 2021- $ 46, 391) that are pledged as security for a corporate credit card. The Company has entered into certain agreements in the ordinary course of operations that may include indemnification provisions, which are common in such agreements. In some cases, the maximum amount of potential future indemnification is unlimited; however, the Company currently holds commercial general liability insurance. This insurance limits the Company' s liability and may enable the Company to recover a portion of any future amounts paid. Historically, the Company has not made any indemnification payments under such agreements and it believes that the fair value of these indemnification obligations is minimal. Accordingly, the Company has not recognized any liabilities relating to these obligations for any period presented. Pursuant to a technology licensing agreement, the Company is committed to issue, subject to regulatory approval, up to 700 warrants to purchase 700 common shares upon the achievement of certain milestones. The exercise price of the warrants will be equal to the five- day VWAP of the common shares prior to each milestone achievement and the warrants will be exercisable for a period of three years for issuance date. The Company entered into a patent license agreement with a third party (the " Licensor ") in an agreement dated February 15, 2021. The Company is required to make future royalty payments to Licensor based on net sales of licensed products, with minimum payments required starting in 2021. In December 2021, the Company amended the License Agreement including the deferral of the 2021 minimum payments to 2022. As at June 30, 2022, the Company has paid $ 300, 000 for the minimum payments under the agreement. From time to time, the Company may be subject to various legal proceedings and claims related to matters arising in the ordinary course of business. The Company does not believe it is currently subject to any material matters where there is at least a reasonable possibility that a material loss may be incurred. 18. FINANCIAL RISK MANAGEMENT The fair values of short- term investments, accounts receivable, and accounts payable and accrued liabilities approximate their carrying values because of the short- term nature of these instruments. Cash and cash equivalents are measured at fair value using Level 1 inputs. The Company measured its derivative warrant liabilities at fair value on a recurring basis using level 3 inputs. F- 33 18. FINANCIAL RISK MANAGEMENT (cont' d) The following table summarizes the fair values and carrying values of the Company' s financial instruments at June 30, 2022 and 2021: June 30, 2022 Level 1 Level 2 Total Financial assets Cash and cash equivalents 6, 176, 866- 6, 176, 866 Short- term investments- 44, 804 44, 804 Accounts receivable- 88, 027 88, 027 Total financial assets 6, 176, 866 132, 831 6, 309, 697 Financial liabilities Accounts payable and accrued Liabilities- 2, 415, 265 2, 415, 265 Total financial liabilities- 2, 415, 265 2, 415, 265 June 30, 2021 Level 1 Level 2 Total Financial assets Cash and cash equivalents 7, 363, 126- 7, 363, 126 Short- term investments- 46, 462 46, 462 Accounts receivable- 11, 919 11, 919 Total financial assets 7, 363, 126 58, 381 7, 421, 507 Financial liabilities Accounts payable and accrued Liabilities- 2, 134, 878 2, 134, 878 Total financial liabilities- 2, 134, 878 2, 134, 878 a) Market Risk: Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices are comprised of four types of risk: foreign currency risk, interest rate risk, commodity price risk and equity price risk. The Company does not currently have significant commodity price risk or equity price risk. Foreign Currency Risk: Foreign currency risk is the risk that the future cash flows or fair value of the Company' s financial instruments that are denominated in a currency that is not the Company' s functional currency (U. S. dollar) will fluctuate due to changes in foreign exchange rates. Portions of the Company' s cash and cash equivalents and accounts payable and accrued liabilities are denominated in Canadian dollars. Accordingly, the Company is exposed to fluctuations in exchange rates, primarily against the Canadian dollar. F- 34 a) Market Risk (cont' d): Foreign Currency Risk (cont' d): As at June 30, 2022, the Company has a net excess of Canadian dollar denominated cash and cash equivalents in excess of Canadian dollar denominated accounts payable and accrued liabilities of C $ 2, 052, 109 which is equivalent to US $ 1, 592, 436 at the June 30, 2022 exchange rate. The Canadian dollar financial assets generally result from

holding Canadian dollar cash to settle anticipated near- term accounts payable and accrued liabilities denominated in Canadian dollars. The Canadian dollar financial liabilities generally result from purchases of supplies and services from suppliers in Canada. Each change of 1 % in the Canadian dollar in relation to the U. S. dollar results in a gain or loss, with a corresponding effect on cash flows, of $ 15, 924 based on the June 30, 2022 net Canadian dollar assets (liabilities) position. During the year ended June 30, 2022, the Company recorded foreign exchange loss of $ 107, 433 (2021 — gain of $ 80, 713) related to Canadian dollars. Interest Rate Risk: Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. As at June 30, 2022, holdings of cash and cash equivalents of $ 5, 087, 615 (June 30, 2021- $ 7, 053, 329) are subject to floating interest rates. The balance of the Company' s cash holdings of $ 1, 089, 251 (June 30, 2021- $ 309, 796) are non- interest bearing. As at June 30, 2022, the Company held variable rate guaranteed investment certificates, with one- year terms, of $ 44, 676 (June 30, 2021- $ 46, 391). The Company' s current policy is to invest excess cash in guaranteed investment certificates or interest- bearing accounts of major Canadian chartered banks or credit unions with comparable credit ratings. The Company regularly monitors compliance to its cash management policy. b) Credit Risk: Credit risk is the risk of financial loss to the Company if a customer or a counter party to a financial instrument fails to meet its contractual obligations. Financial instruments which are potentially subject to credit risk for the Company consist primarily of cash and cash equivalents, short- term investments and loan receivable. Cash and cash equivalents and short- term investments are maintained with financial institutions of reputable credit and may be redeemed upon demand. In the normal course of business, the Company does not provide third party loans. The carrying amount of financial assets represents the maximum credit exposure. Credit risk exposure is limited through maintaining cash and cash equivalents and short- term investments with high- credit quality financial institutions and management considers this risk to be minimal for all cash and cash equivalents and short- term investments assets based on changes that are reasonably possible at each reporting date. F- 35 18. FINANCIAL RISK MANAGEMENT (cont' d) c) Liquidity Risk: Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company' s policy is to ensure that it has sufficient cash to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company' s reputation. A key risk in managing liquidity is the degree of uncertainty in the cash flow projections. If future cash flows are fairly uncertain, the liquidity risk increases. As at June 30, 2022, the Company has cash and cash equivalents and short- term investments of $ 6, 221, 670 (June 30, 2021- $ 7, 409, 588), current liabilities of $ 3, 181, 316 (June 30, 2021- $ 2, 215, 361) and a working capital surplus of $ 6, 416, 460 (June 30, 2021- $ 6, 162, 908). 19. RELATED PARTY TRANSACTIONS On February 11, 2022, the Board of Directors appointed Janet Grove as a director of the Company. Ms. Grove is a Partner of Norton Rose Fulbright Canada LLP (" NRF "). From February 11, 2022 to June 30, 2022, NRF rendered legal services in the amount of $ 345, 935 (2021- $ Nil) to the Company. These transactions were in the normal course of operations and were measured at the exchange amount which represented the amount of consideration established and agreed to by NRF. 20. SUBSEQUENT EVENTS In July 2022, 69, 930 of the June 2022 pre- funded warrants were exercised resulting in the issuance of 69, 930 common shares. On September 7, 2022, the Company consolidated all of its issued and outstanding share capital on the basis of one post- consolidation share for each twenty- five pre- consolidation common shares of the Company in order to regain compliance with all of Nasdaq' s continued listing requirements. Accordingly, all common share, stock option, per common share and warrant amounts for all periods presented in the consolidated financial statements and notes thereto have been adjusted retrospectively to reflect this reverse stock split. On September 7, 2022, 22, 920 of the June 2022 pre- funded warrants were exercised resulting in the issuance of 22, 920 common shares. On September 13, 2022, the Company closed a $ 6. 0 million private placement. Under the terms of the private placement, an aggregate of 691, 245 common shares, or common share equivalents, and investment options to purchase up to an aggregate of 1, 382, 490 common shares, at an effective purchase price of $ 8. 68 per common share and associated investment options. The warrants have an exercise price of $ 8. 44 per share, are exercisable immediately and have a term of seven years. After deducting the placement agent fees, the Company received net proceeds of approximately $ 5. 4 million. ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE ITEM 9A. CONTROLS AND PROCEDURES Evaluation of Disclosure Controls and Procedures Our management, with the participation of our principal executive officer and principal financial officer, evaluated the effectiveness of our disclosure controls and procedures as of June 30, 2022. The term " disclosure controls and procedures, " as defined in Rules 13a- 15 (e) and 15d- 15 (e) under the Exchange Act, means controls and other procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC' s rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to its management, including its principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure. Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and management necessarily applies its judgment in evaluating the cost- benefit relationship of possible controls and procedures. Based on the evaluation of our disclosure controls and procedures as of June 30, 2022, our principal executive officer and principal financial officer concluded that, as of such date, our disclosure controls and procedures were not effective. Management' s Report on Internal Control over Financial Reporting Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is defined in Rules 13a- 15 (f) and 15d- 15 (f) under the Securities Exchange Act of 1934, as amended, as a process designed by, or under the supervision of, the Company' s principal executive and principal financial officers and effected by the company' s board of directors, management and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles and includes those policies and procedures that: ● Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; ● Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures are being made only in accordance with authorizations of management and directors of the Company; and ● Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company' s assets that could have a material effect on the financial statements. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. Our management assessed the effectiveness of our internal control over financial reporting as of June 30, 2022. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (" COSO ") in Internal Control- Integrated Framework (2013). Based on this evaluation, management has concluded our internal control over financial reporting as of June 30, 2022 was not effective due to the material weakness in the Company' s internal control over financial reporting as disclosed below. Notwithstanding the identified material weakness, our Chief Executive Officer and our Chief Financial Officer believe the consolidated financial statements included in this Annual Report on Form 10- K fairly represent in all material respects our financial condition, results of operations and cash flows at and for the periods presented in accordance with U. S. GAAP. Ongoing Remediation of Previously Reported Material Weakness In connection with the audits of our consolidated financial statements as of and for the years ended June 30, 2021 and 2020, our management previously identified a material weakness in the Company' s internal control over financial reporting, primarily the result of inadequate resources required to respond to financial reporting matters other than in the normal course of business. In connection with the preparation of the consolidated financial statements as of June 30, 2022, we identified that we did not maintain effective processes and controls over financial reporting matters other than in the normal course of business. Because of this deficiency, which is pervasive in nature, there is a reasonable possibility that a material misstatement of our consolidated financial statements will not be prevented or detected on a timely basis. In the year ended June 30, 2022, this deficiency resulted in certain material audit adjustments related to the presentation of pre- funded warrants associated with a financing transaction, and the fair value on the purchase consideration for the acquisition of BayMedica Inc. The presence of these adjustments is indicative of failures in design and effectiveness of internal controls. The identified material weakness has not been remediated as of June 30, 2022. Management has implemented a remediation plan to address the root causes which contributed to the material weakness and is committed to a strong Internal Control over Financial Reporting (ICFR) environment. Management has designed and implemented revised controls and procedures which management believes address the material weakness. These controls and procedures include retaining the services of outside consultants and establishing additional review procedures over the accounting for complex and non- routine transactions. However, the controls have been operating for a limited period and the requisite testing sample size to ensure the operating effectiveness of the revised controls and procedures is not yet available. The identified material weakness will not be considered remediated until the applicable remedial controls operate for a sufficient period of time and management has concluded, through testing, that these controls are operating effectively. We expect that remediation of this material weakness will be completed prior to the end of fiscal year 2023. Changes in Internal Control over Financial Reporting Other than the actions we have taken and are continuing to take in order to remediate the material weakness described above, there were no changes in our internal control over financial reporting identified in connection with the evaluation required by Rule 13a- 15 (d) and 15d- 15 (d) of the Exchange Act that occurred during the year ended June 30, 2022 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting. ITEM 9B. OTHER INFORMATION Not applicableITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENTS INSPECTIONS PART III The

information required by Part III is omitted from this report because we will file a definitive proxy statement within 120 days after the end of our 2022 fiscal year pursuant to Regulation 14A for our 2022 Annual Meeting of Stockholders, or the 2022 Proxy Statement, will be filed pursuant to Regulation 14A of the Securities Exchange Act of 1934, as amended. If the 2022 Proxy Statement is not filed within 120 days after the end of the fiscal year covered by this Annual Report on Form 10- K, the omitted information will be included in an amendment to this Annual Report on Form 10- K filed not later than the end of such 120- day period. ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE The response to this item is incorporated by reference from the discussion responsive thereto under the captions " Management and Corporate Governance, " " Section 16 (a) Beneficial Ownership Reporting Compliance, " and " Code of Business Conduct and Ethics " in the Company' s Proxy Statement for the 2022 Annual Meeting of Stockholders. ITEM 11. EXECUTIVE COMPENSATION The response to this item is incorporated by reference from the discussion responsive thereto under the caption " Executive Officer and Director Compensation " in the Company' s Proxy Statement for the 2022 Annual Meeting of Stockholders. ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS The response to this item is incorporated by reference from the discussion responsive thereto under the captions " Security Ownership of Certain Beneficial Owners and Management, " and " Equity Compensation Plan Information " in the Company' s Proxy Statement for the 2022 Annual Meeting of Stockholders. ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE The response to this item is incorporated by reference from the discussion responsive thereto under the captions " Certain Relationships and Related Person Transactions " and " Management and Corporate Governance " in the Company' s Proxy Statement for the 2022 Annual Meeting of Stockholders. ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES Our independent registered public accounting firm is KPMG LLP, Vancouver, BC, Canada, PCAOB Auditor ID 85. The information required by this item will be included in our definitive proxy statement with respect to our 2022 Annual Meeting of Shareholders to be filed with the SEC, and is incorporated herein by reference. PART IV ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES The following documents are being filed as part of this report: (1) The following financial statements of the Company and the report of KPMG LLP are included in Part II, Item 8: Reports of Independent Registered Public Accounting Firm F- 3 Consolidated Balance Sheets F- 5 Consolidated Statements of Operations and Comprehensive Loss F- 6 Consolidated Statements of Stockholders' Equity F- 7 Consolidated Statements of Cash Flows F- 8 Notes to Consolidated Financial Statements F- 9- F- 36 (2) All financial statement supporting schedules are omitted because the information is inapplicable or presented in the Notes to Consolidated Financial Statements. (3) A list of exhibits filed with this report or incorporated herein by reference is found in the Exhibit Index immediately following the signature page of this Annual Report. EXHIBIT NUMBER DESCRIPTION 21. 1 * Subsidiaries of the Company. 23. 1 * Consent of KPMG LLP. 31. 1 * Certification of Principal Executive Officer Pursuant to Rule 13a- 14 (a) and Rule 15d- 14 (a) of the Securities and Exchange Act of 1934, as amended, pursuant to Section 302 of the Sarbanes- Oxley Act of 2002. 31. 2 * Certification of Principal Financial Officer Pursuant to Rule 13a- 14 (a) and Rule 15d- 14 (a) of the Securities and Exchange Act of 1934, as amended, pursuant to Section 302 of the Sarbanes- Oxley Act of 2002. 32. 1 * Certification of Principal Executive Officer Pursuant to 18 U. S. C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes- Oxley Act of 2002. 32. 2 * Certification of Principal Financial Officer Pursuant to 18 U. S. C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes- Oxley Act of 2002. 101. INS * Inline XBRL Instance Document. 101. SCH * Inline XBRL Taxonomy Extension Schema Document. 101. CAL * Inline XBRL Taxonomy Extension Calculation Linkbase Document. 101. DEF * Inline XBRL Taxonomy Extension Definition Linkbase Document. 101. LAB * Inline XBRL Taxonomy Extension Label Linkbase Document. 101. PRE * Inline XBRL Taxonomy Extension Presentation Linkbase Document. 104 * Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101). ITEM 16. 10- K SUMMARY Not applicable. SIGNATURES Pursuant to the requirements of Section 13 or 15 (d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized. INMED PHARMACEUTICALS INC. (Registrant) September 23, 2022 By: / s / Brenda Edwards Brenda Edwards Interim Chief Financial Officer and Chief Accounting OfficerPursuant to the requirements of the Securities and Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated. Signature Title Date / s / Eric A. Adams President, Chief Executive Officer and Director September 23, 2022 Eric A. Adams (Principal Executive Officer) / s / Brenda Edwards Interim Chief Financial Officer September 23, 2022 Brenda Edwards (Principal Financial Officer and Principal Accounting Officer) / s / William J. Garner Director (Chairman to the Board of Directors) September 23, 2022 William J. Garner / s / Janet Grove Director September 23, 2022 Janet Grove / s / Bryan Baldasare Director September 23, 2022 Bryan Baldasare / s / Andrew Hull Director September 23, 2022 Andrew Hull / s / Nicole Lemerond Director September 23, 2022 Nicole Lemerond Unlimited Unlimited33. 17 37. 96560829Excludes estimated variable operating costs of $ 92, 964 and $ 60, 916 on an annual basis through to April 30, 2024 and August 31, 2024, respectively. false FY02021- 07- 01 2022- 06- 302022- 09- 232021- 12- 312022- 06- 302021- 06- 302020- 07- 01 2021- 06- 30us- gaap: CommonStockMember2020- 06- 30us- gaap: AdditionalPaidInCapitalMember2020- 06- 30us- gaap: RetainedEarningsMember2020- 06- 30us- gaap: AccumulatedOtherComprehensiveIncomeLossDerivativeQualifyingAsHedgeExcludedComponentIncludingPortionAttributableToNoncontrollingInterestMember2020- 06- 302020- 06- 30us- gaap: CommonStockMember2020- 07- 01 2021- 06- 30us- gaap: AdditionalPaidInCapitalMember2020- 07- 01 2021- 06- 30us- gaap: 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30us- gaap: AccumulatedOtherComprehensiveIncomeLossDerivativeQualifyingAsHedgeExcludedComponentIncludingPortionAttributableToNoncontrollingInterestMember2022- 06- 30inm: CustomerOneMember us- gaap: SalesRevenueNetMember2021- 07- 01 2022- 06- 30inm: CustomerOneMember us- gaap: AccountsReceivableMember2021- 07- 01 2022- 06- 30inm: RightOfUseAssetMember2022- 06- 30inm: RightOfUseAssetMember2021- 06- 30us- gaap: EquipmentMember2022- 06- 30us- gaap: EquipmentMember2021- 06- 30us- gaap: LeaseholdImprovementsMember2022- 06- 30us- gaap: LeaseholdImprovementsMember2021- 06- 30inm: IPRDMember2021- 07- 01 2022- 06- 30us- gaap: PatentsMember2021- 07- 01 2022- 06- 30us- gaap: GoodwillMember2021- 06- 30us- gaap: GoodwillMember2021- 07- 01 2022- 06- 30us- gaap: GoodwillMember2022- 06- 30inm: IPRDMember2021- 06- 30inm: IPRDMember2022- 06- 30us- gaap: TrademarksMember2021- 06- 30us- gaap: TrademarksMember2021- 07- 01 2022- 06- 30us- gaap: TrademarksMember2022- 06- 30us- gaap: PatentsMember2021- 06- 30us- gaap: PatentsMember2022- 06- 30us- gaap: SeriesOfIndividuallyImmaterialBusinessAcquisitionsMember2021- 10- 01 2021- 10- 13us- gaap: SeriesOfIndividuallyImmaterialBusinessAcquisitionsMember2021- 10- 13inm: CannabinoidMember2021- 07- 01 2022- 06- 30inm: BayMedicaMember2021- 07- 01 2022- 06- 30inm: PurchasePriceConsiderationMember2021- 07- 01 2022- 06- 30inm: PurchasePriceConsiderationMember2022- 06- 302021- 07- 02 2021- 07- 022021- 07- 02inm: ATMMember2022- 04- 22inm: ATMMember2022- 04- 22 2022- 04- 222022- 06- 06 2022- 06- 062022- 06- 06us- gaap: PrivatePlacementMember2022- 06- 06 2022- 06- 06inm: BayMedicaAgreementMember2022- 06- 30inm: BayMedicaAgreementMember2021- 07- 01 2022- 06- 302020- 11- 16 2020- 11- 162020- 11- 162021- 02- 12 2021- 02- 122021- 02- 122022- 03- 212022- 03- 21 2022- 03- 21us- gaap: WarrantMember2021- 07- 02us- gaap: WarrantMember2021- 07- 02 2021- 07- 02inm: PreferredInvestmentOptionsMember2022- 06- 06inm: PreferredInvestmentOptionsMember2022- 06- 06 2022- 06- 06inm: AgentsInvestmentOptionsMember2022- 06- 06inm: AgentsInvestmentOptionsMember2022- 06- 06 2022- 06- 06inm: SharesIssuedMember2021- 06- 30inm: SharesIssuedMember2020- 07- 01 2021- 06- 30inm: PrefundedWarrantsIssuedMember2021- 06- 30inm: PrefundedWarrantsIssuedMember2020- 07- 01 2021- 06- 30inm: GrossProceedsMember2020- 07- 01 2021- 06- 30inm: AllocatedToAdditionalPaidinCapitalMember2020- 07- 01 2021- 06- 30inm: ShareIssuanceCostsMember2020- 07- 01 2021- 06- 30inm: SharesIssuedMember2022- 06- 30inm: SharesIssuedMember2021- 07- 01 2022- 06- 30inm: PrefundedWarrantsIssuedMember2022- 06- 30inm: PrefundedWarrantsIssuedMember2021- 07- 01 2022- 06- 30inm: GrossProceedsMember2021- 07- 01 2022- 06- 30inm: AllocatedToAdditionalPaidinCapitalMember2021- 07- 01 2022- 06- 30inm: ShareIssuanceCostsMember2021- 07- 01 2022- 06- 30inm: SharePurchaseWarrantsMember2021- 06- 30inm: SharePurchaseWarrantsMember2021- 07- 01 2022- 06- 30inm: SharePurchaseWarrantsMember2022- 06- 30inm: AgentsWarrantsMember2022- 06- 30inm: AgentsWarrantsMember2021- 07- 01 2022- 06- 302017- 03- 01 2017- 03- 24us- gaap: GeneralAndAdministrativeExpenseMember2021- 07- 01 2022- 06- 30us- gaap: GeneralAndAdministrativeExpenseMember2020- 07- 01 2021- 06- 30us- gaap: ResearchAndDevelopmentExpenseMember2021- 07- 01 2022- 06- 30us- gaap: ResearchAndDevelopmentExpenseMember2020- 07- 01 2021- 06- 30srt: ScenarioForecastMember2024- 04- 01 2024- 04- 30srt: ScenarioForecastMember2024- 08- 01 2024- 08- 31inm: InMedMember2021- 07- 01 2022- 06- 30inm: BayMedicaMember2021- 07- 01 2022- 06- 30inm: InMedMember2020- 07- 01 2021- 06- 30inm: BayMedicaMember2020- 07- 01 2021- 06- 30inm: InMedMember2022- 06- 30inm: BayMedicaMember2022- 06- 30inm: InMedMember2021- 06- 30inm: BayMedicaMember2021- 06- 302021- 06- 25 2021- 07-

02inm: BayMedicaIncMember2021- 10- 132022- 04- 01inm: USDMember2021- 07- 01 2022- 06- 30us- gaap: FairValueInputsLevel1Member2022- 06- 30us- gaap: FairValueInputsLevel2Member2022- 06- 30us- gaap: FairValueInputsLevel1Member2021- 06- 30us- gaap: FairValueInputsLevel2Member2021- 06- 302022- 02- 11 2022- 06- 30us- gaap: SubsequentEventMember2022- 07- 31us- gaap: SubsequentEventMember2022- 09- 07us- gaap: SubsequentEventMember2022- 09- 01 2022- 09- 13us- gaap: SubsequentEventMember us- gaap: PrivatePlacementMember2022- 09- 13us- gaap: SubsequentEventMember inm: InvestmentOptionsMember2022- 09- 13us- gaap: SubsequentEventMember2022- 09- 13xbrli: shares iso4217: USDiso4217: USDxbrli: sharesxbrli: pureiso4217: CADxbrli: sharesiso4217: CADExhibit 21. 1 SUBSIDIARIES OF INMED PHARMACEUTICALS INC. Subsidiary Jurisdiction Biogen Sciences Inc. BC Sweetnam Consulting Inc. BC InMed Pharmaceuticals Ltd. Delaware BayMedica, LLC DelawareExhibit 23. 1 Consent of Independent Registered Public Accounting Firm We consent to incorporation by reference in the registration statements (Nos. 333- 253925, 333- 257858 and 333- 265731) on Form S- 1, (Nos. 333- 262533 and 333- 264187) on Form S- 3 and (Nos. 333- 253912 and 333- 260323) on Form S- 8 of our report dated September 23, 2022, with respect to the consolidated financial statements of InMed Pharmaceuticals Inc. Exhibit 31. 1 Certification Pursuant to Section 302 of the Sarbanes- Oxley Act of 2002 I, Eric A. Adams, certify that: 1. I have reviewed this Annual Report on Form 10- K of InMed Pharmaceuticals Inc.; 2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report; 3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report; 4. The registrant' s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a- 15 (e) and 15d- 15 (e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a- 15 (f) and 15d- 15 (f)) for the registrant and have: a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared; b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles; c) Evaluated the effectiveness of the registrant' s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; andd) Disclosed in this report any change in the registrant' s internal control over financial reporting that occurred during the registrant' s fourth fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant' s internal control over financial reporting; and5. The registrant' s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant' s auditors and the audit committee of the registrant' s board of directors (or persons performing the equivalent functions): a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant' s ability to record, process, summarize and report financial information; andb) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant' s internal control over financial reporting. Date: September 23, 2022 / s / Eric A. Adams Name: Eric A. Adams Title: President and Chief Executive OfficerExhibit 31. 2 I, Brenda Edwards, certify that: / s / Brenda Edwards Name: Brenda Edwards Title: Interim Chief Financial OfficerExhibit 32. 1 Certification Pursuant to Section 906 of the Sarbanes- Oxley Act of 2002 Pursuant to 18 U. S. C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes- Oxley Act of 2002, I, Eric A. Adams, the President and Chief Executive Officer of InMed Pharmaceuticals Inc. (the " Company "), hereby certify that, to my knowledge: 1. The Annual Report on Form 10- K for the year ended June 30, 2022 (the " Report ") of the Company fully complies with the requirements of Section 13 (a) or Section 15 (d) of the Securities Exchange Act of 1934; and 2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company. / s / Eric A. Adams Name: Eric A. Adams Title: President and Chief Executive OfficerExhibit 32. 2 Pursuant to 18 U. S. C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes- Oxley Act of 2002, I, Brenda Edwards, the Chief Financial Officer of InMed Pharmaceuticals Inc. (the " Company "), hereby certify that, to my knowledge: / s / Brenda Edwards Name: Brenda Edwards Title: Interim Chief Financial Officer