

March 29, 2018



# DiaMedica Therapeutics Announces Final Closing of Private Placement

MINNEAPOLIS, March 29, 2018 (GLOBE NEWSWIRE) -- DiaMedica Therapeutics Inc. (the **"Company"** and **"DiaMedica"**) (TSX-V:DMA) (OTCQB:DMCAF) is pleased to announce the successful completion of the second and final tranche of its previously announced offering of units (the **"Units"**) for additional gross proceeds of approximately USD\$2.5 million (the **"Offering"**). In total, the Company has raised gross proceeds of USD\$6.3 million.

"This financing should enable us to complete our recently initiated DM199 REMEDY Phase 2 study in patients who have suffered an acute ischemic stroke and also initiate our planned clinical study in patients with chronic kidney disease," commented Rick Pauls, DiaMedica's President and Chief Executive Officer. "We look forward to continuing to maximizing the value of our science and in advancing our clinical programs and we are grateful for the support and commitment from our investors."

## Details of the Offering

The Company issued 10,534,059 units of the Company (the **"Units"**) at a purchase price of USD\$0.245 (CAD\$0.31) per Unit (the **"Offering Price"**) in this second and final closing. Each Unit consists of one common share of DiaMedica Therapeutics and one-half of one common share purchase warrant (each whole Common Share purchase warrant, a **"Warrant"**). Each Warrant entitles the holder to acquire, subject to adjustment, one additional common share at an exercise price of USD\$0.35 per share until 5:00 p.m. (Central Time) on the date that is: (i) twenty-four months after the date of issuance, or (ii) if on any date (the **"Accelerated Exercised Date"**) (a) the volume-weighted average closing trading price of the Common Shares on any recognized Canadian stock exchange equals or exceeds USD\$0.60 for a period of 21 consecutive trading days, then, at the Company's sole discretion and upon the Company sending the holder written notice of such Accelerated Exercise Date (the **"Notice"**) and issuing a news release announcing such Accelerated Exercise Date (the **"News Release"**), the day that is 30 days following the later of: (i) the date on which such Notice is sent to the holder; or (ii) the date on which the News Release is issued.

In connection with closing of the second tranche of the Offering, the Company paid aggregate finder's fees of approximately USD\$156,000 and issued an aggregate of 648,334 Compensation Options (the **"Compensation Options"**) to the following finders: TriView Capital, CIBC, Leede Jones Gable and Mackie Research Capital Corporation. Each Compensation Option entitles the holder to purchase one Common Share at the Offering Price for a period of 24 months from the closing of the Offering, subject to acceleration on the same terms as the Warrants.

The Common Shares and Warrants issued by the Company under the Offering are subject to restrictions on resale in accordance with applicable securities laws and the policies of the

TSX Venture Exchange. These restrictions will expire on July 30, 2018. The Offering is subject to final acceptance by the TSX Venture Exchange.

DiaMedica intends to use the net proceeds from the Offering towards (i) recently initiated REMEDY trial studying DM199 for the treatment of acute ischemic stroke, (ii) DM199 study in patients with chronic kidney disease and (iii) for general corporate purposes.

Insiders of the Company, subscribed in the non-brokered private placement and subscribed for an aggregate of 571,780 Units for gross proceeds of approximately USD\$140,000. Participation of insiders of the Company in the Private Placement constitutes a related party transaction as defined under Multilateral Instrument 61-101 (*Protection of Minority Security Holders in Special Transactions*). Because the Company's shares trade only on the TSXV, the issuance of securities is exempt from the formal valuation requirements of Section 5.4 of MI 61-101 pursuant to Subsection 5.5(b) of MI 61-101 and exempt from the minority approval requirements of Section 5.6 of MI 61-101. The Company did not file a material change report 21 days prior to the closing of the private placement as the details of the participation of insiders of the Company had not been confirmed at that time.

This news release shall not constitute an offer to sell or the solicitation of an offer to buy securities in the United States, or for the account or benefit of U.S. persons (as such term is defined in Regulation S under the United States Securities Act of 1933, as amended (the "**1933 Act**"). The securities issued by DiaMedica have not been and will not be registered under the 1933 Act or the securities laws of any state of the United States, and may not be offered or sold in the United States absent such registration, or qualification for an applicable exemption therefrom, under the 1993 Act and the securities laws of all applicable states.

### ***About DiaMedica Therapeutics Inc.***

DiaMedica Therapeutics is a clinical stage biopharmaceutical company focused on developing novel treatments for neurological and kidney diseases. DiaMedica's shares are listed on the TSX Venture Exchange under the trading symbol "DMA" and on the OTCQB under the trading symbol "DMCAF". For more information, please visit [www.diamedica.com](http://www.diamedica.com). Follow us on social media – [Twitter](#), [LinkedIn](#).

### **For further information, please contact:**

Paul Papi  
Vice President of Business Development  
DiaMedica Therapeutics Inc.  
Two Carlson Parkway, Suite 260  
Minneapolis, MN  
Phone: (617) 899-5941  
[info@diamedica.com](mailto:info@diamedica.com)

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### **FORWARD-LOOKING STATEMENTS**

The statements made in this press release that are not historical facts contain forward-looking information that involves risk and uncertainties. All statements, other than statements of historical facts, which address DiaMedica's expectations, should be

considered forward-looking statements. Such statements are based on management's exercise of business judgment as well as assumptions made by and information currently available to management. When used in this document, the words "may", "will", "anticipate", "believe", "estimate", "expect", "intend" and words of similar tenor, are intended to identify any forward-looking statements. You should not place undue reliance on these forward-looking statements. Forward looking statements in this news release include, but are not limited to, the Company's objectives, goals, future plans and statements regarding the use of proceeds from the Offering. Factors that could cause actual results to differ materially from such forward-looking information are described in detail in the DiaMedica's filings with the Canadian securities regulators, all of which are available on SEDAR ([www.sedar.com](http://www.sedar.com)). Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results could differ materially from those anticipated in these forward-looking statements. DiaMedica undertakes no obligation, and does not intend, to update, revise or otherwise publicly release any revisions to these forward-looking statements to reflect events or circumstances after the date hereof, or to reflect the occurrence of any unanticipated events, unless required by law. Although management believes that expectations are based on reasonable assumptions, no assurance can be given that these expectations will materialize.

*Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of the contents of this press release.*



Source: DiaMedica Therapeutics Inc.