

February 25, 2016



DiaMedica Completes Non-Brokered Private Placement

MINNEAPOLIS, MINNESOTA -- (Marketwired) -- 02/25/16 -- DiaMedica Inc. (the "**Company**") (TSX VENTURE:DMA)(OTCQB:DMCAF), announced today the closing of \$140,000 in a second tranche which completes its previously announced \$750,000 non-brokered private placement (the "**private placement**").

In connection with the private placement, the Company issued 875,000 Units. Each Unit consists of one common share in the capital of the Company (each a "**Common Share**") and one half of one Common Share purchase warrant (each whole warrant, a "**Warrant**"), with each Warrant entitling the holder thereof to acquire one additional Common Share at an exercise price of \$0.25 per Common Share prior to February 25, 2018. All of the Units issued in connection with the Offering will be subject to a restricted period that expires four months after the issuance date.

Cash finder's fees of \$11,200 were paid on a portion of the financing and 70,000 broker warrants were issued. Each broker warrant entitles the holder thereof to purchase one common share in the capital of the Company for \$0.25 per common share prior to February 25, 2018.

The proceeds will be used by the Company to support development with DM199 for the treatment of stroke and vascular diseases and for other working capital purposes.

About DiaMedica

DiaMedica is a publicly traded clinical stage biopharmaceutical company focused on developing novel treatments for vascular diseases, including stroke and metabolic and kidney dysfunction. DiaMedica's common shares are listed on the TSX Venture Exchange under the trading symbol "DMA" and on the OTCQB under the trading symbol "DMCAF".

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 import, 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 private placement. Factors that could cause actual results to differ

materially from such forward-looking information described in detail in the DiaMedica's filings with the Canadian securities regulators, all of which are available on SEDAR (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.

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