

June 14, 2016



DiaMedica Announces U.S. Composition of Matter Patent for DM199

MINNEAPOLIS, MINNESOTA -- (Marketwired) -- 06/14/16 --

DiaMedica Inc. (the "**Company**") (TSX VENTURE:DMA)(OTCQB:DMCAF), today announced that the U.S. Patent and Trademark Office has issued U.S. Patent No. 9364521, entitled "Human Tissue Kallikrein 1 Glycosylation Isoforms". This patent contains claims that cover the composition of matter of DiaMedica's product candidate, DM199, and pharmaceutical compositions comprising DM199. The patent protects key composition of matter of DM199's proprietary recombinant kallikrein. DiaMedica is currently developing DM199 for the treatment of neurological and kidney diseases, with the focus on acute ischemic stroke and diabetic kidney disease. The patent has an expiration date of 2033, which does not include any potential patent term extension.

"We are extremely pleased with the issuance of this key composition of matter patent," said Chief Executive Officer, Mr. Rick Pauls. "This patent issuance represents an important step for DiaMedica and our clinical product candidate, DM199, as it provides key intellectual property protection," he continued.

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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