

July 12, 2018



FSD Pharma Inc. announces acquisition to expand in Newfoundland for production and sales

- Strategic investment of \$40 million to bring economic benefits to province of Newfoundland
- Phased expansion plan in place to create 200 local, management & construction jobs



CSE: HUGE
OTC: FSDDF

TORONTO, July 12, 2018 /PRNewswire/ - FSD Pharma Inc. ("FSD" or the "Company") (CSE:HUGE) (OTC: FSDDF) is pleased to announce a binding agreement to purchase 51% of Atlantic Island Cannabis Inc. (to be renamed FSD Atlantic Pharma Inc.) effective July 4, 2018. The agreement involves a strategic investment of \$40 million to drive production and sales of legal cannabis in the province of Newfoundland. In the first phase of the project, an indoor high quality 45,000 square foot cannabis production facility will be set up in Freshwater, Carbonear, Newfoundland. This site is expected to bring about economic benefits for the province and to create 200 local, management and construction jobs through a phased expansion approach. Phase two of the project will involve a further expansion of the indoor grow facility to up to approximately 300,000 square feet for the production and processing of legal cannabis.

The purchase price for 51% of Atlantic Island Cannabis Inc. is \$6,500,000 payable in Class B subordinated shares of FSD based on a 15 day Volume Weighted Average Price. The site will initially be leased but FSD has the option to purchase the site at any time for \$1,500,000. The FSD shares issued will be escrowed subject to completion of a number of conditions, including but not limited to, due diligence by FSD, satisfactory documentation, receipt of third

party consents and a valid purchase order from the government of Newfoundland.

The closing date is expected to occur on or before August 31, 2018.

"Newfoundland is a fantastic province with outstanding, highly skilled people," said Thomas Fairfull, President and CEO, FSD Pharma Inc. "This is another expansion milestone for FSD Pharma as we continue to grow our production and distribution footprint nationally."

Speaking about the agreement, Suman Pushparajah, Chairman, Atlantic Pharma Inc. said: "One of the compelling factors for us in considering this association is the scope of benefits for the local population. We have outlined a phased growth plan to set up a long term sustainable business model for the community of Freshwater, Carbonear, Newfoundland. Seeing a real value in partnering with FSD Pharma, we are approaching the association from a long term benefit perspective."

About FSD Pharma Inc. (CSE:HUGE) (OTC: FSDDF)

FSD Pharma owns, through its wholly-owned subsidiary FV Pharma Inc., a license to produce marijuana under the Access to Cannabis for Medical Purposes Regulations (ACMPR) which was originally granted on October 13, 2017. Headquartered at the former Kraft plant in Cobourg, Ontario, approximately an hour's drive from Toronto, FSD Pharma's management's mission is to transform the facility into the largest hydroponic indoor cannabis facility in the world. FSD Pharma intends to target all legal aspects of the cannabis industry, including cultivation, processing, manufacturing, extracts and research and development. Please visit www.fsdpharma.com for more information.

About FV Pharma

FV Pharma is a licensed producer under the Access to Cannabis for Medical Purposes Regulations (ACMPR), having received its cultivation license on October 13, 2017. Headquartered at the former Kraft plant in Cobourg, Ontario, approximately an hour's drive from Toronto, FV Pharma management's mission is to transform the facility into the largest hydroponic indoor cannabis facility in the world. FV Pharma intends to target all legal aspects of the cannabis industry, including cultivation, processing, manufacturing, extracts and research and development.

About Atlantic Pharma

Atlantic Island Cannabis Inc. ("ATLC") was formed to build a solid platform for locally driven economic opportunities and sustained progress in the province of Newfoundland & Labrador. ATLC has been working with the province for the supply agreement and retail licenses. As an organization, ATLC believes in building strategic partnerships and focused investments to create jobs and local employment avenues.

Forward-Looking Information

Certain statements contained in this press release constitute forward-looking information. These statements relate to future events or future performance. The use of any of the words "could", "intend", "expect", "believe", "will", "projected", "estimated" and similar expressions and statements relating to matters that are not historical facts are intended to identify forward-looking information and are based on

the Corporation's current belief or assumptions as to the outcome and timing of such future events. Actual future results may differ materially. In particular, this release contains forward-looking information relating to the development of the Corporation's indoor cannabis facility and its business goals and objectives. The forward-looking information contained in this press release is made as of the date hereof, and the Corporation is not obligated to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by applicable securities laws. Because of the risks, uncertainties and assumptions contained herein, investors should not place undue reliance on forward looking-information.

The foregoing statements expressly qualify any forward-looking information contained herein.

Additional Information

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