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FSD Pharma Signs Collaboration and Profit-Sharing Agreement with Pharmastrip for Production and Delivery of Organic Medical Cannabis Infused in Oral Thin Film Strips

- FSD receives exclusive, perpetual license to manufacture and sell oral film strips in Canada

TORONTO--(BUSINESS WIRE)-- FSD Pharma Inc. (CSE: HUGE) (OTCQB: FSDDF) (FRA: 0K9) ("FSD" or the "Company"), a licensed producer under the *Cannabis Act*, announced today that it has completed a strategic investment of \$1.5 million in Pharmastrip Corp. and signed a definitive collaboration and profit sharing agreement with the company, effective January 23, 2019. Under the terms of the agreement, FSD will install Pharmastrip proprietary equipment at its facility in Cobourg, Ontario. FSD will use the equipment to manufacture organic medical cannabis infused in oral thin film strips. Pharmastrip will grant FSD an exclusive, perpetual license to manufacture and sell the oral thin film strips in Canada.

FSD will seek all approvals and licenses required under the *Access to Cannabis for Medical Purposes Regulations* and manufacture the product in compliance with all applicable laws and regulations. FSD will submit an application to Health Canada in order to obtain the license to produce and sell the products. FSD will be responsible for all costs, expenses and fees payable to complete and submit the application. Profits from the sale of the products will be shared equally by both parties.

Zeeshan Saeed, Founder and President of FSD, commented, "FSD made this strategic investment because of the potential we see in alternative delivery methods for cannabis, such as Pharmastrip's oral thin strips. We expect the demand for alternative delivery methods for both THC and CBD to increase as the market continues to develop. We are excited to install Pharmastrip's proprietary equipment under this collaboration agreement at our Cobourg plant and look forward to beginning production once the necessary license has been granted."

About FSD Pharma

FSD Pharma is focused on the development of the highest quality indoor grown, pharmaceutical grade cannabis and on the research and development of novel cannabinoid-based treatments for several central nervous system disorders, including chronic pain,

fibromyalgia and irritable bowel syndrome. The Company has 25,000 square feet available for production at its Ontario facility with an additional 220,000 square feet currently in development (with an estimated cost of \$250 per square foot to be completed in 2019).

FSD facilities sit on 70 acres of land with 40 acres primed for development and an expansion capability of up to 3,896,000 square feet.

FSD's wholly-owned subsidiary, FV Pharma, is a licensed producer under the *Cannabis Act* and Regulations, having received its cultivation license on October 13, 2017. FV Pharma's vision is to transform its current headquarters in a Kraft plant in Cobourg, Ontario into the largest hydroponic indoor grow facility in the world. FV Pharma intends to cover all aspects of this exciting new industry, including cultivation, legal, processing, manufacturing, extracts and research and development.

Forward-Looking Information

Neither the Canadian Securities Exchange nor its regulation services provider accept responsibility for the adequacy or accuracy of this release.

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 company'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 company'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 company 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.

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