



FSD Pharma responds to and corrects misleading Auxly claims

TORONTO, Feb. 8, 2019 /CNW/ - FSD Pharma Inc.(CSE: HUGE) (OTCQB: FSDDF) (FRA: 0K9) a licensed producer under the *Cannabis Act*, responded today to a press release by its former partner, Auxly Cannabis Group Inc. ("Auxly") to correct misleading claims.

FSD Pharma strongly denies that it caused any breaches of the Streaming Agreement relating to its management and staffing obligations or otherwise, and rejects the claim that there are material issues with the infrastructure of its cultivation facility in Cobourg, Ontario.

"FSD's Board and management team are focused on taking action to deliver on a strategy that promotes growth and creates shareholder value. Our work is guided by our drive to capitalize on the opportunities before us in this exciting space and ensure that our efforts serve the strategic and operational goals of the business.

As disclosed on Wednesday, February 6, FSD terminated the Definitive Agreement with Auxly. FSD believes that Auxly was under clear obligation to develop all aspects of the Company's cannabis cultivation facility in mutually agreed upon staged phases. Auxly issued a press release on July 3, 2018 in which they anticipated that the first phase of construction would be completed and ready for Health Canada approval by the end of December 2018. We simply couldn't wait any longer for our vendor to perform its obligations and therefore we terminated the agreement," said Dr Raza Bokhari, Executive Co-chairman & Interim CEO .

Dr. Bokhari continued, "under the terms and conditions of the Streaming Agreement, FSD Pharma and Auxly are subject to a number of non-disclosure obligations that survive the termination. FSD Pharma intends to continue to live up to its surviving obligations, we are hopeful that Auxly will do the same."

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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