



FSD Pharma Enters into Supply Agreement with Canntab Therapeutics and World Class Extractions on Organic Hemp Deal

- FSD enters into 3-way supply agreement to purchase up to 1,000 kg of 2018 hemp crop -

TORONTO, Feb. 12, 2019 /CNW/ - FSD Pharma Inc. (CSE: HUGE) (OTCQB: FSDDF) (FRA: 0K9) ("FSD"), a licensed producer under the *Cannabis Act*, announced today that it has entered into a supply agreement (the "Agreement") with Canntab Therapeutics Ltd. ("Canntab") and World Class Extractions Inc. ("World Class") (the "Purchasers") to purchase hemp flower from Thomas Elcome (the "Supplier"). Pursuant to the agreement, the Purchasers have agreed to buy approximately 1,000 kg of the Supplier's 2018 hemp crop at a purchase price of \$100.00 per kg per 1% of CBD extracted from the flower.

Working alongside Canntab and World Class, FSD will extract CBD from the organic hemp obtained in the purchase order. The Purchasers will process the hemp flower into gel capsules and tablets at the FSD facility in Cobourg, Ontario. This facility is currently being transformed into a large hydroponic indoor cannabis production and processing facility, with multiple business units co-supporting each other and operating under a single roof to exploit economies of scale and operational efficiencies.

The Purchasers are in the process of executing a second agreement with the Supplier for the right and option to purchase the Supplier's entire 2019 hemp crop and beyond.

"We look forward to working with Canntab, World Class and Mr. Elcome to obtain and produce high-quality hemp and hemp derived products in this burgeoning market where the opportunity is sizable across North America," said Dr Raza Bokhari, Executive Co-chairman & Interim CEO. "FSD recognizes the significant value and revenue potential that hemp holds in the cannabis industry and is confident in the excellence of Mr. Elcome's product and the abilities of Canntab and World Class to produce."

"This is an exciting industry where we see tremendous growth potential for our company and is a great opportunity for Canntab to begin processing at the FSD Facility. Our collaboration and profit sharing agreement signed in September provides us with up to 10,000 square feet of space at the facility to build, install and manufacture a suite of novel cannabis oral dose delivery platforms, including gel capsules and tablets, and other types of cannabis-based products, including sleep aids and pain relievers. This agreement allows our three complimentary companies to realize a common goal of creating value for our shareholders," stated Mr. Jeffrey Renwick, Chief Executive Officer of Canntab.

Michael McCombie, CEO of World Class, added, "World Class expects to begin installing our patent-pending proprietary extraction technology at the FSD's Cobourg facility following our imminent listing on the CSE. This agreement will provide us with significant raw hemp supply for processing CBD enriched oil and extracts, which will be available for sale by World Class and/or conversion to gel capsules and tablets by Canntab."

"FSD, Canntab and World Class are ideal companies to make the most of the 1,000 kg of organic hemp crop produced at my farm in Rockwood, Ontario," said Mr. Thomas Elcome, President of

10975443 Canada Inc. "Preliminary testing has shown an average of 3% CBD and I am confident that we will be able to extract a very high quality and very valuable full spectrum CBD, and that this will be the beginning of a long and mutually beneficial relationship."

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.

About Canntab

Canntab Therapeutics is a Canadian cannabis oral dosage formulation company based in Markham, Ont., engaged in the research and development of advanced pharmaceutical-grade formulations of cannabinoids. Canntab has developed patent-pending technology to deliver standardized medical cannabis extract from selective strains in a variety of extended-release/sustained-release pharmaceutical dosages for therapeutic use. In doing so, Canntab has developed a suite of precision oral dose products that are unavailable elsewhere in the marketplace. Canntab's primary focus is on providing cannabis-based products to medical professionals that can be used to deliver therapeutic treatments to their patients. Canntab trades on the Canadian Securities Exchange under the symbol PILL.

About World Class

World Class was incorporated under the *Business Corporations Act* (Ontario) on January 25, 2018 as a private company. World Class has developed a unique extraction process to produce quality, potent cannabis extracts. The extraction technology (the "WCE Technology") uses ultrasound to effectively produce extracts from cannabis and hemp and isolate essential compounds found in plant material. The WCE Technology has a number of advantages over conventional extraction methods, including the ability to: (i) produce higher concentrated compounds; (ii) process larger volumes of cannabis or hemp; (iii) utilize undried cannabis or hemp in the process; (iv) utilize all parts of the cannabis or hemp plants, and, (v) reduce production time.

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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