



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

- FSD enters into agreement for right/ option to purchase up to CAD\$ 5 million of hemp crop for 5 years commencing in 2019 -

TORONTO, Feb. 28, 2019 /CNW/ - 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 entered into a supply and loan agreement (the "Agreement") with Canntab Therapeutics Ltd. ("Canntab") and World Class Extractions Inc. ("World Class") (collectively, the "Purchasers") to purchase hemp flower from Thomas Elcome (the "Supplier"). Pursuant to the Agreement, the Supplier grants the Purchasers the right and option to purchase up to CAD\$ 5.0 million of the Supplier's hemp crop for a period of 5 years commencing in 2019 at a purchase price of CAD\$ 100.0 per kg per 1% of CBD extracted from the flower.

On February 12, 2019, FSD announced that the Company had entered into a three-way supply agreement with Canntab, World Class and the Supplier to purchase up to 1,000 kg of the Supplier's 2018 organic hemp crop. As with the 2018 hemp crop purchase, the Purchasers intend to extract CBD oil from the 2019-2024 organic hemp crops and process the oil into gel capsules and tablets at the FSD facility in Cobourg, Ontario. The anticipated purchase price for the 2019 crop is CAD\$ 1.0 million plus applicable taxes. Of this amount, CAD\$ 500,000 will be paid by the Purchasers as a loan to the Supplier in the form of equipment, to be paid back in the form of hemp.

"We intend to take full advantage of the option to purchase up to the maximum total value of organic hemp from Mr. Elcome over the next 5 years beginning with the purchase of CAD \$1.0 million of organic hemp in 2019. The hemp industry is expanding at an incredible rate and is expected to grow into a multi-billion dollar industry in North America," said Dr. Raza Bokhari, Executive Co-chairman & Interim CEO. "Our processing license, received last week, allows FSD to work with Canntab and World Class to process the hemp product into CBD oil, a significant saleable product that can be converted into gel capsules and tablets. Once the edibles legislation is in place later this year in Canada, as we anticipate, FSD will be ready to process and supply the market."

"On February 19th, Canntab announced that we had begun to convert our interim facilities located within the FSD facility in Cobourg. This latest supply agreement will provide us with a significant amount of CBD oil over the next 5 years, which is required to manufacture our extensive suite of products for sale upon approval by Health Canada. This will include Canntab's bi-layered hard pill consisting of both instant and extended release to be used in clinical trials to be conducted by Dr. Garbuz, subject to approval by the University of British Columbia Research Ethics Board," stated Mr. Jeffrey Renwick, Chief Executive Officer of Canntab.

Michael McCombie, CEO of World Class, added, "This is yet another important supply agreement for World Class as it provides us with several years of raw hemp supply that we intend to process into CBD enriched oil and extracts at the FSD Facility. World Class' continuous flow proprietary extraction technology is perfectly suited to process large scale hemp harvests into full spectrum oil and CBD. World Class is preparing for the next stage of growth for our company as we await

approval for our CSE listing. We will have our equipment in place and expect to be processing alongside FSD and Canntab in the coming few months."

"This supply and loan agreement signed with FSD, Canntab and World Class extends our relationship over several years. The team at our company look forward to providing the highest-quality hemp to meet the needs of our partners in this venture," said Mr. Thomas Elcome, President of 10975443 Canada Inc.

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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