



# FSD Pharma Second Tranche of Private Placement Closes, Total of \$4.59 Million Raised at \$20.10 To Date, Extends Offering

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TORONTO, Nov. 4, 2019 /CNW/ - FSD Pharma Inc. (CSE: HUGE) (OTCQB: FSDDD) (FRA: 0K9) ("**FSD**" or the "**Company**") announces that it has closed a second tranche of its previously announced private placement (the "**Private Placement**"), and has now raised total gross proceeds of CAD \$4,596,285 from investors, including members of senior management and the Board of Directors, issuing an aggregate of 228,671 class B subordinate voting shares (the "**Shares**"). The Shares issued to purchasers in Canada will be subject to a four-month hold period, in accordance with applicable Canadian securities laws. The Company expected to close the Private Placement by October 31, 2019, however, it has elected to extend the Private Placement to accommodate potential additional interest from institutional grade investors. The Company now expects to close a third and final tranche of the Private Placement by December 6, 2019. The terms of the Private Placement remain the same as disclosed in prior press releases, however, the price per Share has been adjusted to CAD\$20.10 per Share as a result of the Company's recent 201:1 share consolidation.

The net proceeds from the Private Placement will be used for the expansion of the Company's biosciences division, including the research and development of PP-101 (micro-palmitoylethanolamide (micro-PEA) plus pregabalin) – the Company's pre-clinical drug candidate for the treatment of symptoms related to fibromyalgia – and for general corporate purposes, including working capital, potential investments and acquisitions.

Given that members of senior management and the Board of Directors participated in the Private Placement, that portion of the Private Placement constituted a "related party transaction" within the meaning of Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"). In its consideration and approval of the Private Placement, the Board of Directors of the Company determined that the Private Placement was exempt from the formal valuation and minority approval requirements of MI 61- 101 on the basis that the fair market value of the Private Placement to related parties did not exceed 25% of the market capitalization of the Company, in accordance with Sections 5.5 and 5.7 of MI 61-101. The Company did not file a material change report more than 21 days before the expected closing of the Private Placement as the details of the participation therein by related parties of the Company were not settled until shortly prior to closing and the Company wished to close on an expedited basis for sound business reasons.

This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the Shares in the United States. The Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or any state securities laws and may not be offered or sold within the United States unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

**About FSD Pharma**

FSD Pharma is focused on the research and development of novel cannabinoid-based treatments for several central nervous system disorders including chronic pain, fibromyalgia and irritable bowel syndrome, and on the development of the highest quality indoor grown, pharmaceutical-grade cannabis. The Company is licensed to cultivate cannabis in approximately 25,000 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 and its full Sale for Medical Purposes license on June 21, 2019. FV Pharma intends to cover all aspects of the cannabis industry, including cultivation, legal, processing, manufacturing, extracts and research and development.

## **Forward-Looking Information**

*Neither the Canadian Securities Exchange nor its Market Regulator (as defined in the policies of the Canadian Securities Exchange) accept responsibility for the adequacy or accuracy of this release.*

*This release includes forward-looking statements regarding the Company and anticipated transactions involving the Company. Forward-looking events and circumstances discussed in this release include statements regarding the completion of additional tranches of the private placement and the timing thereof. The subject or results of any forward-looking statement may not occur by any specified or expected dates or at all, and could differ materially as a result of known and unknown risk factors and uncertainties affecting the parties, including but not limited to failure to obtain investor participation in the private placement, market sentiment toward the Company's securities, and lack of regulatory approval for the private placement. The outcome of the subject of any forward-looking statement cannot be guaranteed. Except as required by applicable securities laws, forward-looking statements speak only as of the date on which they are made, and the Company undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.*

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