

**FORM 62-103F1**  
**REQUIRED DISCLOSURE UNDER THE EARLY WARNING REQUIREMENTS**

**Item 1 – Security and Reporting Issuer**

**1.1 State the designation of securities to which this report relates and the name and address of the head office of the issuer of the securities.**

This report relates to Class B Subordinate Voting Shares (each, a "**Class B Share**") of FSD Pharma Inc. ("**FSD**" or the "**Corporation**").

FSD head office is located at:

First Canadian Place

100 King Street West, Suite 3400

Toronto, ON, M5X 1A4

**1.2 Canada State the name of the market in which the transaction or other occurrence that triggered the requirement to file this report took place.**

See Item 2.2.

**Item 2 – Identity of the Acquiror**

**2.1 State the name and address of the acquiror.**

Dr. Raza Bokhari  
437 North Spring Mill Rd.  
Villanova, PA, 19085  
United States of America

**2.2 State the date of the transaction or other occurrence that triggered the requirement to file this report and briefly describe the transaction or other occurrence.**

The transactions which triggered the requirement to file this report were the result of the issuance of 805,802 Class B Shares to Dr. Raza Bokhari in lieu of cash compensation for his services as Executive Co-Chairman and Chief Executive Officer of the Corporation (the "**Compensation Issuance**"), as disclosed in FSD's news release dated August 31, 2020.

**2.3 State the names of any joint actors.**

None.

**Item 3 – Interest in Securities of the Reporting Issuer**

**3.1 State the designation and number or principal amount of securities acquired or disposed of that triggered the requirement to file the report and the change in the acquiror's securityholding percentage in the class of securities.**

The Class B Shares issued represent an increase of approximately 5% in the number of Class B Shares beneficially owned or controlled by Dr. Bokhari.

**3.2 State whether the acquiror acquired or disposed ownership of, or acquired or ceased to have control over, the securities that triggered the requirement to file the report.**

See Item 2.2.

**3.3 If the transaction involved a securities lending arrangement, state that fact.**

Not applicable.

**3.4 State the designation and number or principal amount of securities and the acquiror's securityholding percentage in the class of securities, immediately before and after the transaction or other occurrence that triggered the requirement to file this report.**

Immediately before the Compensation Issuance, Dr. Bokhari beneficially owned, or exercised control or director over:

- (i) 24 Class A Multiple Voting Shares (each, a "**Class A Share**" and together with the Class B Shares, "**FSD Shares**"), representing 33.3% of the issued and outstanding Class A Shares;
- (ii) 448,475 Class B Shares, representing, approximately 3.5% of the issued and outstanding Class B Shares (on a non-diluted basis); and
- (iii) 412,932 options to acquire Class B Shares (each, an "**Option**"), which, together with the 448,475 Class B Shares owned prior to the transaction, represented approximately 6.4% of the issued and outstanding Class B Shares (on a partially-diluted basis).

The FSD Shares beneficially owned, or controlled or directed by, Dr. Bokhari prior to the Compensation Issuance represented approximately 21.6% of the voting rights attached to the issued and outstanding FSD Shares (on a non-diluted basis).

After the Compensation Issuance, Dr. Bokhari beneficially owns, or exercises control or direction over:

- (i) 24 Class A Multiple Voting Shares, representing 33.3% of the issued and outstanding Class A Shares;
- (ii) 1,254,277 Class B Shares, representing approximately 8.6% of the issued and outstanding Class B Shares (on a non-diluted basis) and, together with the Options, approximately 11.1% of the issued and outstanding Class B Shares (on a partially-diluted basis).

The FSD Shares beneficially owned, or controlled or directed by, Dr. Bokhari now represent approximately 22.8% of the voting rights attached to the issued and outstanding FSD Shares (on a non-diluted basis).

**3.5 State the designation and number or principal amount of securities and the acquiror's securityholding percentage in the class of securities referred to in Item 3.4 over which**

- (a) **the acquiror, either alone or together with any joint actors, has ownership and control,**

See Item 3.4.

- (b) **the acquiror, either alone or together with any joint actors, has ownership but control is held by persons or companies other than the acquiror or any joint actor, and**

Not applicable.

- (c) **the acquiror, either alone or together with any joint actors, has exclusive or shared control but does not have ownership.**

Not applicable.

- 3.6 If the acquiror or any of its joint actors has an interest in, or right or obligation associated with, a related financial instrument involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the related financial instrument and its impact on the acquiror's securityholdings.**

Not applicable.

- 3.7 If the acquiror or any of its joint actors is a party to a securities lending arrangement involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the arrangement including the duration of the arrangement, the number or principal amount of securities involved and any right to recall the securities or identical securities that have been transferred or lent under the arrangement. State if the securities lending arrangement is subject to the exception provided in section 5.7 of NI 62-104.**

Not applicable.

- 3.8 If the acquiror or any of its joint actors is a party to an agreement, arrangement or understanding that has the effect of altering, directly or indirectly, the acquiror's economic exposure to the security of the class of securities to which this report relates, describe the material terms of the agreement, arrangement or understanding.**

Not applicable.

#### **Item 4 – Consideration Paid**

- 4.1 State the value, in Canadian dollars, of any consideration paid or received per security and in total.**

The Class B Shares were issued at a deemed price of C\$3.1025 per Class B Share, for total consideration of approximately C\$2,500,000, in exchange for Dr. Bokhari's services as a director and executive officer of the Corporation.

- 4.2 In the case of a transaction or other occurrence that did not take place on a stock exchange or other market that represents a published market for the securities, including an issuance from treasury, disclose the nature and value, in Canadian dollars, of the consideration paid or received by the acquiror.**

See Item 4.1.

**4.3 If the securities were acquired or disposed of other than by purchase or sale, describe the method of acquisition or disposition.**

See Item 2.2.

**Item 5 – Purpose of the Transaction**

**State the purpose or purposes of the acquiror and any joint actors for the acquisition or disposition of securities of the reporting issuer. Describe any plans or future intentions which the acquiror and any joint actors may have which relate to or would result in any of the following:**

- (a) the acquisition of additional securities of the reporting issuer, or the disposition of securities of the reporting issuer;**
- (b) a corporate transaction, such as a merger, reorganization or liquidation, involving the reporting issuer or any of its subsidiaries;**
- (c) a sale or transfer of a material amount of the assets of the reporting issuer or any of its subsidiaries;**
- (d) a change in the board of directors or management of the reporting issuer, including any plans or intentions to change the number or term of directors or to fill any existing vacancy on the board;**
- (e) a material change in the present capitalization or dividend policy of the reporting issuer;**
- (f) a material change in the reporting issuer's business or corporate structure;**
- (g) a change in the reporting issuer's charter, bylaws or similar instruments or another action which might impede the acquisition of control of the reporting issuer by any person or company;**
- (h) a class of securities of the reporting issuer being delisted from, or ceasing to be authorized to be quoted on, a marketplace;**
- (i) the issuer ceasing to be a reporting issuer in any jurisdiction of Canada;**
- (j) a solicitation of proxies from securityholders;**
- (k) an action similar to any of those enumerated above.**

Dr. Bokhari acquired the Class B Shares for investment purposes and has no present intention to sell such securities. Dr. Bokhari is currently prohibited from selling any securities pursuant to certain lock-up agreements entered into in connection with recent distributions of Class B Shares by the Corporation completed on June 9, 2020 and on August 6, 2020. Depending on market conditions, general economic and industry conditions, trading prices of Class B Shares, the Corporation's business, financial condition and prospects and/or other relevant factors, Dr. Bokhari may develop such plans or intentions in the future and may from time to time acquire or dispose of securities of the Corporation.

**Item 6 – Agreements, Arrangements, Commitments or Understandings With Respect to Securities of the Reporting Issuer**

**Describe the material terms of any agreements, arrangements, commitments or understandings between the acquiror and a joint actor and among those persons and any person with respect to securities of the class of securities to which this report relates, including but not limited to the transfer**

or the voting of any of the securities, finder's fees, joint ventures, loan or option arrangements, guarantees of profits, division of profits or loss, or the giving or withholding of proxies. Include such information for any of the securities that are pledged or otherwise subject to a contingency, the occurrence of which would give another person voting power or investment power over such securities, except that disclosure of standard default and similar provisions contained in loan agreements need not be included.

Not applicable.

**Item 7 – Change in material fact**

If applicable, describe any change in a material fact set out in a previous report filed by the acquiror under the early warning requirements or Part 4 in respect of the reporting issuer's securities.

Not applicable.

**Item 8 – Exemption**

If the acquiror relies on an exemption from requirements in securities legislation applicable to formal bids for the transaction, state the exemption being relied on and describe the facts supporting that reliance.

Not applicable.

**Item 9 – Certification**

**Certificate**

I certify to the best of my knowledge, information and belief, that the statements made in this report are true and complete in every respect.

**DATED** September 3, 2020.

By: (Signed) "Raza Bokhari"  
**Dr. Raza Bokhari**