A copy of this preliminary short form prospectus has been filed with the securities regulatory authorities in each of the provinces and territories of Canada, but has not yet become final for the purpose of the sale of securities. Information contained in this preliminary short form prospectus may not be complete and may have to be amended. The securities may not be sold until a receipt for the short form prospectus is obtained from the securities regulatory authorities.

This short form prospectus has been filed under legislation in each of the provinces and territories of Canada, that permits certain information about these securities to be determined after this prospectus has become final and that permits the omission from this prospectus of that information. The legislation requires the delivery to purchasers of a prospectus supplement containing the omitted information within a specified period of time after agreeing to purchase any of these securities.

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. *This short form prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. These securities have not been registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or any state securities laws, and may not be offered or sold to, or for the account or benefit of, persons in the "United States" or "U.S. persons" (as such terms are defined in Regulation S under the U.S. Securities Act), unless registered under the U.S. Securities Act and all applicable state securities laws or in compliance with an exemption therefrom. See "Plan of Distribution". This short form prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of these securities to, or for the account or benefit of, persons in the United States or U.S. persons.*

Information has been incorporated by reference in this prospectus from documents filed with securities commissions or similar authorities in Canada. *Copies of the documents incorporated herein by reference may be obtained on request without charge from the secretary of the issuer at FSD Pharma Inc. at 199 Bay St., Suite 4000, Toronto, Ontario, Canada M5L 1A9 (Telephone 1-844-978-3540) and are also available electronically at www.sedarplus.ca. See "Documents Incorporated by Reference".*

PRELIMINARY SHORT FORM BASE SHELF PROSPECTUS

New Issue November 3, 2023

FSD PHARMA INC.
US$50,000,000

Class B Subordinate Voting Shares
Subscription Receipts
Warrants
Units

FSD Pharma Inc. ("**FSD**", "**FSD Pharma**", the "**Corporation**", "**we**", "**us**", or "**our**") may, from time to time during the 25-month period that this short form base shelf prospectus (including any amendments hereto, the "**Prospectus**") remains valid, offer and sell or otherwise distribute up to an aggregate initial offering price of US$50,000,000 (or the equivalent in other currencies or currency units based on the applicable exchange rate at the time of the offering) of our Class B Subordinate Voting Shares ("**Class B Shares**"), subscription receipts of the Corporation ("**Subscription Receipts**"), warrants to purchase Class B Shares ("**Warrants**"), and/or units consisting of one or more of the other securities described in this Prospectus in any combination ("**Units**" and, collectively with the Class B Shares, Subscription Receipts and Warrants, the "**Securities**" and each, a "**Security**").

The Securities qualified hereunder may be offered and sold in one or more offerings, separately or together, in separate series, in such amounts, at such prices and on such terms to be determined based on market conditions at the time of sale and set forth in one or more supplements to this Prospectus (collectively or individually, as the case may be, each a "**Prospectus Supplement**"). In addition, Securities may be offered ad issued in consideration of the acquisition of other businesses, assets or securities by us or one of our subsidiaries. The consideration for any such acquisition may consist of any of the Securities, separately, a combination of Securities or any combination of among other things,

Securities, cash and assumption of liabilities.

All shelf information permitted under applicable laws to be omitted from this Prospectus will be contained in one or more Prospectus Supplements that will be delivered to purchasers together with this Prospectus, except in cases where an exemption from such delivery requirements is available. Each Prospectus Supplement will be deemed to be incorporated by reference into this Prospectus for the purposes of securities legislation as of the date of the Prospectus Supplement and only for the purposes of the distribution of the Securities to which the Prospectus Supplement pertains. **You should read this Prospectus and any Prospectus Supplement before you invest in any Securities.**

There are certain risk factors that should be carefully reviewed by prospective purchasers of any of our Securities. See *"Risk Factors"* in this Prospectus and in the 2022 Annual Report (as defined below), which is incorporated by reference herein.

Prospective investors should be aware that the acquisition of the Securities may have tax consequences. Such consequences may not be described fully herein or in any applicable Prospectus Supplement with respect to a particular offering of Securities. Prospective investors should read the tax discussion contained in any applicable Prospectus Supplement with respect to a particular offering of Securities, and consult their own tax advisors prior to deciding to purchase any Securities. See *"Certain Income Tax Considerations".*

The specific terms of any offering of Securities will be set forth in one or more Prospectus Supplements, including where applicable: (i) in the case of the Class B Shares, the number of Class B Shares offered, the currency (which may be Canadian dollars or any other currency), the issue price and any other specific terms; (ii) in the case of Subscription Receipts, the number of Subscription Receipts offered, the currency (which may be Canadian dollars or any other currency), the issue price, the terms and procedures for the exchange of the Subscription Receipts and any other specific terms; (iii) in the case of Warrants, the designation, the number of Warrants offered, the currency (which may be Canadian dollars or any other currency), number of the Class B Shares that may be acquired upon exercise of the Warrants, the exercise price, dates and periods of exercise, adjustment procedures and any other specific terms; and (iv) in the case of Units, the designation, the number of Units offered, the offering price, the currency (which may be Canadian dollars or any other currency), terms of the Units and of the securities comprising the Units and any other specific terms. Where required by statute, regulation or policy, and where Securities are offered in currencies other than Canadian dollars, appropriate disclosure of foreign exchange rates applicable to such Securities will be included in the Prospectus Supplement describing such Securities.

Our issued and outstanding Class B Shares are listed and posted for trading under the trading symbol "**HUGE**" in Canada on the Canadian Securities Exchange (the "**CSE**") and in the U.S. on the Nasdaq Capital Market ("**Nasdaq**"). The Class B Shares are also listed and posted for trading on the Börse Frankfurt, or Frankfurt Stock Exchange ("**FSE**"), under "WKN: A2JM6M" and the trading symbol "0K9A". On November 2, 2023, the last trading day prior to the date of this Prospectus, the closing price of the Class B Shares was C$1.43 per Class B Share on the CSE, US$1.05 per Class B Share on the Nasdaq, and €0.984 on the FSE. Any offering of Securities other than Class B Shares will be a new issue of Securities with no established trading market. The Class B Shares are "restricted securities" within the meaning of such term under applicable Canadian securities laws. See "*Description of Share Capital*".

Unless otherwise specified in the applicable Prospectus Supplement, any Securities offered thereunder, other than our Class B Shares, will not be listed and posted for trading on any securities exchange. Accordingly, unless so specified, there will be no market through which those Securities may be sold and purchasers may not be able to resell such Securities purchased under this Prospectus or any applicable Prospectus Supplement. This may affect the pricing of these Securities in the secondary market (if any), the transparency and availability of trading prices, the liquidity of the Securities, and the extent of issuer regulation. See *"Risk Factors".*

The Securities may be sold through underwriters or dealers, directly by us pursuant to applicable statutory exemptions, or through designated agents from time to time. See *"Plan of Distribution"*. The Prospectus Supplement relating to a particular offering of Securities will identify each underwriter, dealer or agent, as the case may be, engaged by the Corporation in connection with the offering and sale of the Securities, and will set forth the terms of the offering of such Securities, including, to the extent applicable, any fees, discounts or any other compensation payable to underwriters, dealers or agents in connection with the offering, the method of distribution of the Securities, the initial issue price (in the event that the offering is a fixed price distribution), the net proceeds to us and any other material terms of the plan of distribution.

The Securities may be sold from time to time in one or more transactions at a fixed price or prices or at non-fixed prices. This Prospectus may qualify an "at-the-market distribution", as defined in National Instrument 44-102 — *Shelf Distributions* ("**NI 44-102**"). If offered on a non-fixed price basis, the Securities may be offered at market prices prevailing at the time of sale, at prices determined by reference to the prevailing price of a specified security in a specified market or at prices to be negotiated with purchasers including sales in transactions that are deemed to be "at-the-market distributions", including sales made directly on the CSE, or other existing trading markets for the Securities, and as set forth in an accompanying Prospectus Supplement, in which case the compensation payable to an underwriter, dealer or agent in connection with any such sale will be decreased by the amount, if any, by which the aggregate price paid for the Securities by the purchasers is less than the gross proceeds paid by the underwriter, dealer or agent to the Corporation. The price at which the Securities will be offered and sold may vary from purchaser to purchaser and during the period of distribution. See *"Plan of Distribution"*. However, there may be market-based limitation affecting how much the Corporation may raise under an "at-the-market" distribution based on the Corporation's historical trading activity. The Corporation has not engaged any investment dealer in respect of an "at-the-market" distribution, and there is a possibility that the Corporation may not establish an "at-the-market" program at all.

No underwriter or dealer involved in an "at-the-market distribution" under this Prospectus, no affiliate of such an underwriter or dealer and no person or company acting jointly or in concert with such an underwriter or dealer will over-allot securities in connection with such distribution or effect any other transactions that are intended to stabilize or maintain the market price of the offered Securities or securities of the same class as the Securities distributed under the "at-the-market distribution", including selling an aggregate number or principal amount of Securities that would result in the underwriter creating an over-allocation position in the Securities.

In connection with any offering of the Securities, subject to applicable laws and other than an "at-the-market distribution", the underwriters or agents may over-allot or effect transactions that stabilize or maintain the market price of the offered Securities at a level above that which might otherwise prevail on the open market. Such transactions, if commenced, may be interrupted or discontinued at any time. See *"Plan of Distribution"*.

No person is authorized by the Corporation to provide any information or to make any representation other than as contained in this Prospectus in connection with the issue and sale of the Securities offered hereunder.

No underwriter has been involved in the preparation of, or has performed a review of, the contents of this Prospectus.

Michael Zapolin is a director of the Corporation who reside outside of Canada. Mr. Zapolin has appointed Garfinkle Biderman LLP of 1 Adelaide Street East, Suite 801, Toronto, Ontario, Canada M5C 2V9, as his agent for service of process. Prospective purchasers of Securities are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person that resides outside of Canada, even if the party has appointed an agent for service of process within Canada.

You should rely only on the information contained in this Prospectus. We are not making an offer of the Securities in any jurisdiction where such offer is not permitted. You should assume that the information appearing in this Prospectus or any Prospectus Supplement is accurate only as of the date on the front of those documents and that information contained in any document incorporated by reference herein or therein is accurate only as of the date of that document unless specified otherwise. Our business, financial condition, results of operations and prospects may have changed since those dates.

The distribution of Securities hereunder is subject to approval of certain legal matters on behalf of the Corporation by Garfinkle Biderman LLP concerning matters of Canadian law.

Our head and registered office is located at 199 Bay St., Suite 4000, Toronto, Ontario, Canada M5L 1A9.

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NOTICE TO PURCHASERS

In this Prospectus and any Prospectus Supplement, unless otherwise indicated, references to "**we**", "**us**", "**our**", "**its**", "**FSD**", "**FSD Pharma**" or the "**Corporation**" are to FSD Pharma Inc. and the direct or indirect subsidiary entities of FSD Pharma Inc. and any partnership interests held by FSD Pharma Inc. and its subsidiary entities. All references to "dollars", "CS" or "$" are to Canadian dollars and all references to "US$" are to U.S. dollars. We prepare our financial statements in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board.

Prospective purchasers should rely only on the information contained in: (a) this Prospectus and any applicable Prospectus Supplement; and (b) any documents incorporated by reference in this Prospectus or in any applicable Prospectus Supplement. The Corporation has not authorized anyone to provide prospective purchasers with different or additional information. If anyone provides prospective purchasers with any different or inconsistent information, prospective purchasers should not rely on it. Prospective purchasers should bear in mind that although the information contained in, or incorporated by reference in, this Prospectus is intended to be accurate as of the date hereof or the date of such documents incorporated by reference, respectively, such information may also be amended, supplemented or updated, as may be required by applicable securities laws, by the subsequent filing of additional documents deemed by applicable securities laws to be, or otherwise incorporated by reference into this Prospectus, any Prospectus Supplement and by any subsequently filed prospectus amendments, if any. This Prospectus constitutes a public offering of Securities only in those jurisdictions where they may be lawfully distributed and therein only by persons permitted to distribute such Securities. The Corporation is not making any offer of Securities in any jurisdiction where the offer is not permitted by law.

The Corporation may, from time to time, offer and sell any combination of the Securities in one or more offerings up to an aggregate offering amount of US$50,000,000 or the equivalent in other currencies. This Prospectus provides prospective purchasers with a general description of the Securities that the Corporation may offer. Each time the Corporation distributes Securities under this Prospectus, the Corporation will provide a prospective purchaser with a Prospectus Supplement that will contain specific information about the terms of that offering of Securities. The Prospectus Supplement may also add, update or change information contained in this Prospectus. Before a purchaser makes a decision to purchase Securities, the prospective purchaser should read this Prospectus, any applicable Prospectus Supplement, together with the documents incorporated by reference in this Prospectus and any applicable Prospectus Supplement.

Statements included or incorporated by reference into this Prospectus about the contents of any contract, agreement or other documents referred to are not necessarily complete, and in each instance, you should refer to any applicable full version or more detailed description of the contract, agreement or other document, as may be available electronically on SEDAR+ at www.sedarplus.ca and on the SEC's Electronic Data Gathering, Analysis and Retrieval system ("**EDGAR**") at www.sec.gov, for a more complete description of the matter involved. Each such statement is qualified in its entirety by such reference. Information on or connected to the Corporation's website, even if referred to in a document incorporated by reference herein, does not constitute part of this Prospectus or any Prospectus Supplement. See *"Where You Can Find Additional Information"*.

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

The information provided in this Prospectus and any Prospectus Supplement, including information incorporated by reference, contains certain "forward-looking information" or "forward-looking statements" within the meaning of Canadian securities laws (collectively, "**Forward-Looking Statements**"). Forward-Looking Statements relate to future events or future performance, business prospects or opportunities of the Corporation that are based on forecasts of future results, estimates of amounts not yet determined and assumptions of management made in light of management's experience and perception of historical trends, current conditions and expected future developments. All statements other than statements of historical fact may be Forward-Looking Statements.

Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance are not statements of historical fact and may be Forward-Looking Statements. Forward-Looking Statements are often, but not always, identified by words or phrases such as "hope", "would", "seek", "anticipate", "believe", "expect", "plan", "continue", "estimate", "will", "predict", "intend", "forecast", "future", "target", "project", "capacity", "could", "should", "might", "focus", "proposed", "scheduled",

"outlook", "potential", "may" or similar expressions and includes suggestions of future outcomes, including, but not limited to statements about: discussions concerning the Corporation's exploration of near-term funding strategies; the Corporation's plans to advance the research & development of its Product Candidates (as defined below) to commercialization through studies and clinical trials, including anticipated timing and associated costs; the application and the costs associated with such planned trials, and the Corporation's ability to obtain required funding and the terms and timing thereof; the expansion of our product offering(s), our business objectives and the expected impacts of previously announced acquisitions and developments; the investigational new drug FDA (as defined below) and Health Canada, or comparable regulatory authority, application process and any review thereof and it's effects on our business objectives. Readers are cautioned not to place undue reliance on Forward-Looking Statements as the Corporation's actual results may differ materially and adversely from those expressed or implied.

The Corporation has made certain assumptions with respect to the Forward-Looking Statements regarding, among other things: the Corporation's ability to generate sufficient cash flow from operations and obtain financing, if needed, on acceptable terms or at all; the general economic, financial market, regulatory and political conditions in which the Corporation operates; the interest of potential purchasers in the Corporation's Product Candidates; anticipated and unanticipated costs; the government regulation of the Corporation's activities and Product Candidates; the timely receipt of any required regulatory approvals; the Corporation's ability to obtain qualified staff, equipment and services in a timely and cost efficient manner; the Corporation's ability to conduct operations in a safe, efficient and effective manner; and the Corporation's expansion plans and timeframe for completion of such plans.

Although the Corporation believes that the expectations and assumptions on which the Forward-Looking Statements are based are reasonable, undue reliance should not be placed on the Forward-Looking Statements, because no assurance can be given that such statements will prove to be correct. Since Forward-Looking Statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially and adversely from those currently anticipated due to a number of factors and risks. These include, but are not limited to:

- the limited operating history of the Corporation and history of losses, and anticipated significant losses for the foreseeable future incurred to pursue commercialization of Product Candidates;
- the Corporation's inability to file INDs (as defined below) or CTAs (as defined below) on timelines it reasonably anticipates, if at all;
- the Corporation's ability to identify, license or discover additional product candidates;
- the Product Candidates being in the preclinical development stage;
- the Corporation's reliance on its Product Candidates;
- the Corporation's ability to successfully develop new commercialized products or find a market for their sale;
- the impact of any future recall of the Corporation's products;
- the Corporation's ability to promote and sustain its products, including any restrictions or constraints on marketing practices under the regulatory framework in which the Corporation operates;
- failure to achieve the degree of market acceptance and demand for our products or Product Candidates by physicians, patients, healthcare payors, and others in the medical community which are necessary for commercial success, including due to the possibility that alternative, superior treatments may be available prior to the approval and commercialization of Product Candidates, should such approval be received at all;
- failure of clinical trials to demonstrate substantial evidence of the safety and/or effectiveness of Product Candidates, which could prevent, delay or limit the scope of regulatory approval and commercialization, including from difficulties encountered in enrolling patients in clinical trials, and reliance on third parties to conduct our clinical trials and some aspects of our research and preclinical testing, or results from future clinical testing which may demonstrate opposing evidence and draw negative conclusions regarding the

effectiveness of any Product Candidate, including the effectiveness of Lucid-MS (as defined below) as a treatment for MS (as defined below);

- results of earlier studies or clinical trials not being predictive of future clinical trials and initial studies or clinical trials not establishing an adequate safety or efficacy profile for the Corporation's Product Candidates to justify proceeding to advanced clinical trials or an application for regulatory approval;

- potential side effects, adverse events or other properties or safety risks of the Corporation's Product Candidates, which could delay or halt their clinical development, prevent their regulatory approval, cause suspension or discontinuance of clinical trials, abandonment of a Product Candidate, limit their commercial potential, if approved, or result in other negative consequences;

- preliminary, interim data obtained from the Corporation's clinical trials that it may announce or publish from time to time may not be indicative of future scientific observations or conclusions as more patient data becomes available, further analyses are conducted, and as the data becomes subject to subsequent audit and verification procedures;

- inability to establish sales and marketing capabilities, or enter in to agreements with third parties, to sell and market any Product Candidates that the Corporation may develop;

- the ability to provide the capital required for research, product development, operations and marketing;

- violations of laws and regulations resulting in repercussions;

- risks inherent in an pharmaceutical business and the development and commercialization of pharmaceutical products, including the inability to accurately predict timing or amounts of expenses, requirements of regulatory authorities, and completion of clinical studies on anticipated timelines, which may encounter substantial delays or may not be able to be completed at all;

- delays in clinical trials;

- the Corporation's inability to attain or maintain the regulatory approvals it needs in any jurisdiction to commercialize, distribute or sell any Product Candidate or other pharmaceutical products;

- failure of counterparties to perform contractual obligations;

- changes, whether anticipated or not, in laws, regulations and guidelines that may result in significant compliance costs for the Corporation, including in relation to restrictions on branding and advertising, regulation of distribution and excise taxes;

- uncertainty associated with insurance coverage and reimbursement status for newly-approved pharmaceutical products, which could result in Product Candidates becoming subject to unfavourable pricing regulations, third-party coverage and reimbursement practices, or healthcare reform initiatives, including legislative measures aimed at reducing healthcare costs;

- the effect that any public health crises, such as pandemics or epidemics may have on the Corporation's business;

- the price of our securities may be volatile due to a variety of factors, including volatility in the capital markets generally, geopolitical events, public health emergencies, macro economic pressures and natural disasters;

- the Corporation's anticipated negative cash flow from operations and non-profitability for the foreseeable future;

- the issuances of equity securities and the conversion of outstanding securities to Class B Shares (as defined below);

- the Corporation's dual class share structure;
- the market price of the Class B Shares possibly being subject to wide price fluctuations;
- whether an active trading market for the Corporation's Class B Shares is sustained;
- the Corporation's ability to maintain compliance with Nasdaq's rules for continued listing on the Nasdaq Stock Market;
- the Corporation's ability to identify and execute future acquisitions or dispositions effectively, including the ability to successfully manage the impacts of such transactions on its operations;
- lack of dividends, and reinvestment of retained earnings, if any, into the Corporation's business;
- the Corporation's reliance on management, key persons and skilled personnel;
- reliance on contract manufacturing facilities;
- manufacturing problems that could result in delay of the Corporation's development or commercialization programs;
- the Corporation's expected minimal environmental impacts; insurance and uninsured risks;
- claims from suppliers; conflicts of interest between the Corporation and its directors and officers;
- the Corporation's ability to manage its growth effectively;
- the Corporation's ability to realize production targets;
- supply chain interruptions and the ability to maintain required supplies of, equipment, parts and components;
- the Corporation's ability to successfully implement and maintain adequate internal controls over financial reporting or disclosure controls and procedures;
- results of litigation;
- the dependence of the Corporation's operations, in part, on the maintenance and protection of its information technology systems, and the information technology systems of its third-party research institution collaborators, CROs (as defined below) or other contractors or consultants, which could face cyber-attacks;
- failure to execute definitive agreements with entities in which the Corporation has entered into letters of intent or memoranda of understanding;
- unfavourable publicity or consumer perception towards the Product Candidates;
- reputational risks to third parties with whom the Corporation does business; failure to comply with laws and regulations; the Corporation's reliance on its own market research and forecasts;
- competition from other technologies and pharmaceutical products, including from synthetic production, new manufacturing processes and new technologies, and expected significant competition from other companies with similar businesses, and significant competition in an environment of rapid technological and scientific change;
- the Corporation's ability to safely, securely, efficiently and cost-effectively transport our products to consumers;

- liability arising from any fraudulent or illegal activity, or other misconduct or improper activities that the Corporation's directors, officers, employees, contractors, consultants, commercial partners or vendors may engage in, including noncompliance with regulatory standards and requirements;

- unforeseen claims made against the Corporation, including product liability claims or regulatory actions;

- reliance on single-source suppliers, including single-source suppliers for the acquisition of the drug substance and drug product for any of the Product Candidates;

- inability to obtain or maintain sufficient intellectual property protection for the Corporation's Product Candidates;

- third-party claims of intellectual property infringement;

- patent terms being insufficient to protect competitive position on Product Candidates; inability to obtain patent term extensions or non-patent exclusivity;

- inability to protect the confidentiality of trade secrets;

- inability to protect trademarks and trade names;

- filing of claims challenging the inventorship of the Corporation's patents and other intellectual property;

- invalidity or unenforceability of patents, including legal challenges to patents covering any of the Product Candidates;

- claims regarding wrongfully used or disclosed confidential information of third parties;

- risks related to the Corporation's investment in Celly Nutrition Corp., including the ability of Celly Nutrition Corp. to commercialize the exclusive rights to the recreational applications for the Corporation's alcohol misuse technology for rapid alcohol detoxification;

- inability to protect property rights around the world; the impact of general economic conditions on the Corporation's mortgage investment activities;

- risks related to the Corporation's status as a foreign private issuer;

- the Corporation taking advantage of reduced disclosure requirements applicable to emerging growth companies;

- the Corporation's classification as a "passive foreign investment company";

- that the Corporation's international business operations, including expansion to new jurisdictions, could expose it to regulatory risks or factors beyond our control such as currency exchange rates and changes in governmental policy;

- risks related to expansion of international operations;

- the Corporation's ability to produce and sell products in, and export products to, other jurisdictions within and outside of Canada and the United States, which is dependent on compliance with additional regulatory or other requirements;

- regulatory regimes of locations for clinical trials outside of Canada and the United States;

- failure to obtain approval to commercialize Product Candidates outside of Canada and the United States;

- if clinical trials are conducted for Product Candidates outside of Canada and the United States, the FDA, Health Canada and comparable regulatory authorities may not accept data from such trials, or the scope of such approvals from regulatory authorities may be limited; and

- other factors beyond the Corporation's control.

The Corporation cautions that the foregoing list of important risk factors and uncertainties is not exhaustive. Although the Corporation has attempted to identify important factors that could cause actual results to differ materially from those contained in Forward-Looking Statements, there may be other factors that cause results not to be as anticipated, estimated, intended or projected. There is no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on Forward-Looking Statements. You should carefully consider the matters as further discussed under "Risk Factors".

Those other risks discussed in the 2022 Annual Report under the headings *"Forward-Looking Statements"* and "*Item 3. Key Information—D. Risk Factors*" and in the FY 2022 MD&A under the heading *"Forward-Looking Information"* are incorporated by referenced in this Prospectus. Any Forward-Looking Statement is made only as of the date of this Prospectus or the applicable document incorporated by reference into this Prospectus. Except as required by applicable securities law, we undertake no obligation to update publicly or otherwise revise any Forward-Looking Statements or the foregoing list of factors affecting those statements, whether as a result of new information, future events or otherwise or the foregoing lists of factors affecting this information.

DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference into this Prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from our Chief Financial Officer at 199 Bay St., Suite 4000, Toronto, Ontario, Canada M5L 1A9. Copies of documents incorporated by reference are also available electronically at www.sedarplus.ca.

We file with the securities commission or similar regulatory authority in each of the provinces and territories of Canada, annual and quarterly reports, material change reports and other information.

Under applicable securities laws in Canada, the Canadian securities commissions or similar regulatory authorities allow the Corporation to incorporate by reference certain information that it files with the Canadian securities commissions or similar regulatory authorities, which means that the Corporation can disclose important information to prospective purchasers by reference to those documents. Information that is incorporated by reference is an important part of this Prospectus. We have filed the following documents with the securities commissions or similar regulatory authorities in the provinces and territories of Canada, and such documents are specifically incorporated by reference into this Prospectus:

i) the annual report on Form 20-F dated March 31, 2023, for the year ended December 31, 2022 (the "**2022 Annual Report**");

ii) the audited consolidated financial statements as at December 31, 2022 and 2021 and the related consolidated statements of loss and comprehensive loss, changes in shareholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2022 (the "**FY 2022 Financial Statements**"), together with the notes thereto and the auditors' report dated March 31, 2023;

iii) the management's discussion and analysis of financial condition and results of operations dated March 31, 2023 for the year ended December 31, 2022 (the "**FY 2022 MD&A**");

iv) the management proxy circular dated May 19, 2023, relating to the annual general and special meeting of shareholders held on June 29, 2023;

v) the material change report dated July 7, 2023, in respect of certain changes in management;

vi) the unaudited condensed consolidated interim financial statements as of June 30, 2023 and for the three

and six months ended June 30, 2023 and interim management's discussion and analysis for the three and six months ended June 30, 2023 and 2022, dated July 20, 2023;

vii) the material change report dated August 4, 2023, in respect of the intellectual property licensing agreement between the Corporation and Celly Nutrition Corp.;

viii) the material change report dated August 31, 2023, with respect to the Corporation's decision to put any future work programs relating to Lucid-PSYCH on hold;

ix) the press release dated October 5, 2023, announcing the entering into of the Arrangement Agreement (as defined below);

x) the material change report dated October 13, 2023, in respect of the Arrangement Agreement; and

xi) the management information circular dated October 20, 2023 with respect to the special meeting of the Corporation's shareholders to be held of November 20, 2023.

Any documents of the type required by National Instrument 44-101 — *Short Form Prospectus Distributions* ("**NI 44-101**") of the Canadian Securities Administrators (the "**CSA**") to be incorporated by reference in a short form prospectus, including any annual information form or annual report, comparative annual financial statements and the auditors' report thereon, comparative unaudited interim financial statements, management's discussion and analysis of financial condition and results of operations, material change report (except a confidential material change report), business acquisition report and information circular, if filed by us with the securities commissions or similar authorities in the provinces and territories of Canada, after the date of this Prospectus and before the termination of the distribution shall be deemed to be incorporated by reference into this Prospectus.

Any "template version" of any "marketing materials" (as such terms are defined in National Instrument 41-101 - *General Prospectus Requirements* ("NI 41-101")) filed by the Corporation after the date of a Prospectus Supplement and before the termination of the distribution of Securities offered pursuant to such Prospectus Supplement (together with this Prospectus) will be deemed to be incorporated by reference into such applicable Prospectus Supplement for the purposes of the distribution of Securities to which that Prospectus Supplement pertains.

Any statement contained in this Prospectus or in a document incorporated or deemed to be incorporated by reference into this Prospectus will be deemed to be modified or superseded for purposes of this Prospectus to the extent that a statement contained in this Prospectus or in any other subsequently filed document which also is, or is deemed to be, incorporated by reference into this Prospectus modifies or supersedes that statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute part of this Prospectus.

Upon a new annual information form or annual report, audited annual financial statements and related management's discussion and analysis, unaudited interim financial statements and related management's discussion and analysis, or a new information circular relating to an annual meeting (or annual and special meeting) of holders of Class B Shares (each of the foregoing, a "**Disclosure Document**") being filed by us with, and where required, accepted by, the securities commission or similar regulatory authority in each of the provinces and territories of Canada, during the term of this Prospectus, the previous corresponding Disclosure Document, and any material change reports and business acquisition reports filed prior to the commencement of our financial year in which the Disclosure Documents are filed shall no longer be deemed to be incorporated into this Prospectus for purposes of future offers and sales of Securities under this Prospectus.

All information permitted under applicable securities laws to be omitted from this Prospectus, including the specific variable terms for an issue of Securities and other information in relation to such Securities, will be contained or

incorporated by reference in one or more Prospectus Supplements that will be delivered to purchasers together with this Prospectus and any amendments hereto. Each Prospectus Supplement will be deemed to be incorporated by reference in this Prospectus for the purposes of applicable securities legislation as of the date of the Prospectus Supplement and only for the purposes of the offering of the Securities to which the Prospectus Supplement pertains.

Reference to the Corporation's website in any documents that are incorporated by reference into this Prospectus do not incorporate the contents of the Corporation's website by reference in this Prospectus, and the Corporation disclaims any such incorporation by reference.

WHERE YOU CAN FIND ADDITIONAL INFORMATION

We are subject to the information requirements of applicable Canadian securities legislation, and in accordance therewith we file reports and other information with the securities regulatory authorities in Canada. We are also subject to filing requirements prescribed by the securities legislation of all Canadian provinces and territories. These filings are available electronically from SEDAR+ at www.sedarplus.ca.

THE CORPORATION

This summary does not contain all the information that may be important to you in deciding whether to invest in the Securities. You should read the entire Prospectus, including the section entitled "Risk Factors", the applicable Prospectus Supplement, and the documents incorporated by reference herein, including the 2022 Annual Report, before making such decision.

Summary of the Business

The Corporation was formed under and is governed by the provisions of the OBCA on November 1, 1998, pursuant to the amalgamation of Olympic ROM World Inc., 1305206 Ontario Company, 1305207 Ontario Inc., Century Financial Capital Group Inc. and Dunberry Graphic Associates Ltd. On May 24, 2018, pursuant to Articles of Amendment, the Corporation changed its name to "FSD Pharma Inc." Our head and registered office is at 199 Bay St., Suite 4000, Toronto, Ontario, Canada M5L 1A9.

FSD is a biopharmaceutical company dedicated to building a portfolio of innovative assets and biotech solutions for the treatment of challenging neurodegenerative, inflammatory and metabolic disorders and alcohol misuse disorders with drug candidates (the "**Product Candidates**") in different stages of development. From May 2018 to March 2020, the focus of the Corporation's business was the cultivation, processing and sale of medical cannabis; in March 2020, however, the Corporation pivoted its focus to pharmaceuticals and biotechnology. The Corporation is not engaged in any cannabis-related activities. See "*Item 4. Information on the Corporation — B. Business Overview*" of the 2022 Annual Report.

The Corporation is also focused on the research and development of UNBUZZD™, a proprietary formulation of natural ingredients, vitamins, and minerals to help with liver and brain function for the purposes of quickly relieving individuals from the effects of alcohol consumption.

Through Lucid, the Corporation is also currently focused on the research and development of its Lucid-21-302 ("**Lucid-MS**") compound. Lucid-MS is a patented new chemical entity shown to prevent and reverse myelin degradation, the underlying mechanism of multiple sclerosis ("**MS**"), in preclinical models. On April 17, 2023, the Corporation announced the completion of its first-in-human dosing of Lucid-MS in the Corporation's Phase 1 clinical trial. On May 10, 2023, the Corporation announced the completion of dosing the first cohort of patients in the Phase 1 clinical trial of Lucid-MS.

In June 2023, the Corporation terminated any further clinical development of its proprietary ultra-micronized palmitoylethanolamide ("**FSD-PEA**") (also known as FSD-201) formulation which was being developed for the treatment of inflammatory diseases. The Corporation's team of internal medical experts conducted a profitability assessment of FSD-PEA and ultimately determined that the FSD-PEA molecule was not profitable compared against the currently available products in the market and it would not be possible to cover the Corporation's manufacturing and research and development investments at a price that would be accepted in the market.

Additionally, management made the decision to put the research and development activities associated with Lucid-PSYCH (formerly Lucid-201) on hold during June 2023. This decision was made based on the cumulative cash requirements to advance the research and development of the Corporation's portfolio of compounds. Due to cash flow prioritization strategies, management elected to prioritize the Lucid-MS compound and its alcohol misuse treatment products. The carrying amount of the intangible asset that Lucid-PSYCH is associated with was nil as of June 30, 2023. The Corporation has not recognized an amount specific to Lucid-PSYCH. When the Corporation acquired Lucid Psycheceuticals Inc., it recognized an intangible asset consisting of the world-wide exclusive license agreement with the University Health Network for the exclusive rights to the novel Lucid-MS compound and the U.S. patent for the Lucid-MS compound covered by the University Health Network license. Lucid-PSYCH was not covered by the license agreement and did not have any patent protection.

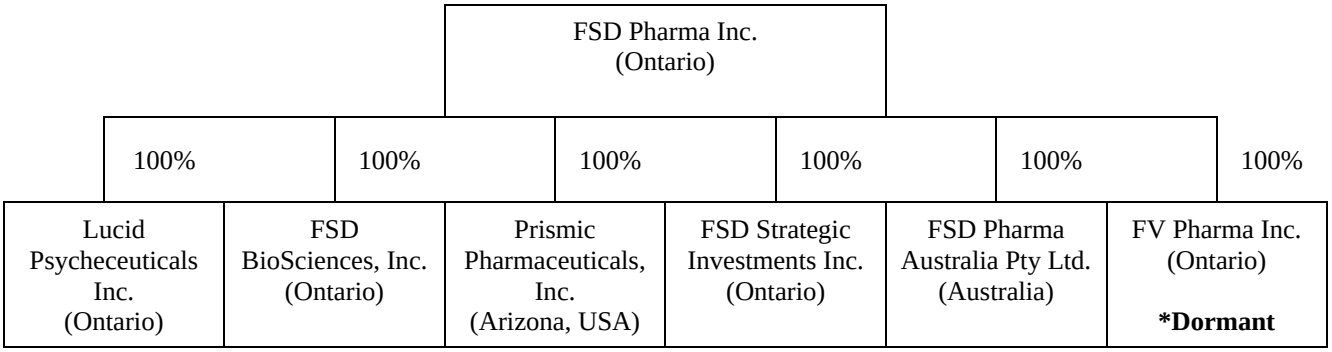
The Corporation does not operate through Prismic, however Prismic holds the right to receive certain payments based on net sales of certain products from the Corporation pursuant to an assignment agreement between Prismic and the Corporation.

Through FSD Strategic Investments, the Corporation is involved in the issuance of loans secured by residential or commercial property. See "*The Corporation – Summary of the Business – Reportable Segments*".

For additional information in respect of the Corporation and its operations, please see *"Our Business"* below and "*Item 4. Information on the Corporation — A. History and Development of the Corporation*" of the 2022 Annual Report.

Intercorporate Relationships

The corporate chart of the Corporation including the Corporation's subsidiaries, together with the jurisdiction of incorporation of the Corporation and its subsidiary and the percentage of voting securities beneficially owned, controlled or directed, directly or indirectly, by the Corporation is as follows:



The Corporation suspended all activities by FV Pharma as of September 2020 and in May 2022, substantially all of the assets of FV Pharma were sold. FV Pharma has accumulated historic tax losses and continues to exist as an entity wholly owned by the Corporation.

Recent Developments

Plan of Arrangement

On April 11, 2023, the Corporation announced its intention to complete a spin-out transaction via the Plan of Arrangement (as defined herein) and to hold a vote regarding the same at its upcoming meeting of Shareholders. The Corporation ultimately made the decision to defer the Plan of Arrangement and did not ask its Shareholders to approve the Plan of Arrangement at its annual general and special meeting of Shareholders held on June 29, 2023.

On October 5, 2023, the Corporation announced that it had entered into a definitive arrangement agreement with Celly Nutrition Corp. ("**Celly Nu**") dated October 4, 2023 (the "**Arrangement Agreement**") with respect to the distribution of a portion of the Corporation's shareholdings of Celly Nu to the FSD Pharma Securityholders (as defined herein).

Pursuant to the Arrangement Agreement, the Corporation will recommend that the FSD Pharma Securityholders consider and, if thought fit, pass, with or without variation, a special resolution (the "**Arrangement Resolution**") to approve a statutory plan of arrangement (the "**Plan of Arrangement**") under section 182 of the OBCA, which involves (i) an amendment to the capital structure of the Corporation (the "**Share Capital Amendment**"); and (ii) the distribution of a portion of the common shares ("**Celly Nu Shares**") in the capital of Celly Nu to the holders of the Corporation's Class B Shares, class A multiple voting shares ("**Class A Shares**"), and outstanding warrants exercisable for the purchase of Class B Shares, provided the applicable warrant certificate entitles the holder thereof to receive distributions substantially similar to those received by the holders of Class B Shares ("**FSD Pharma Distribution Warrants**"; together with Class A Shares and Class B Shares, "**FSD Pharma Securities**"). The Shareholders and the holders of FSD Pharma Distribution Warrants (collectively, the "**FSD Pharma Securityholders**") will each receive one (1) Celly Nu Share for each Class A Share, Class B Share or FSD Pharma Distribution Warrant held. The Corporation expects that this will result in an aggregate of approximately 45,694,621 Celly Nu Shares being distributed to the FSD Pharma Securityholders (the "**Distributed Shares**") and an aggregate of approximately 154,305,379 Celly Nu Shares retained by the Corporation, in each case assuming that the number of FSD Pharma Securities remains unchanged between October 20, 2023 and the final record date for the Plan of Arrangement.

Subject to the satisfaction of applicable closing conditions, the Plan of Arrangement is expected to close on or before November 27, 2023. There will be no change in FSD Pharma Securityholders' proportionate ownership in FSD Pharma Securities as a result of the Plan of Arrangement. In addition, holders of FSD Pharma options as at the effective date of the Plan of Arrangement will have such securities adjusted in accordance with their terms as a result of the Plan of Arrangement. The issuance of the securities under the Plan of Arrangement will be exempt from the prospectus requirements under applicable securities legislation pursuant to section 2.11 of National Instrument 45-106 – *Prospectus Exemptions*.

The meeting of the FSD Pharma Securityholders to consider and vote upon the Arrangement Resolution will be held virtually on November 20, 2023 at 1:00 p.m. (Toronto time) (the "**Meeting**"). Further information concerning the Plan of Arrangement and the Meeting will be provided in news releases and the management information circular of the Corporation dated October 20, 2023, which has been filed on SEDAR+.

Closing of the Plan of Arrangement is subject to a number of conditions, including (i) approval of the FSD Pharma Securityholders at the Meeting; (ii) court approval of the Plan of Arrangement; and (iii) certain other customary conditions as further set out in the Agreement. FSD Pharma Securityholders are cautioned that final details of the Plan of Arrangement are subject to change and that there is no certainty that the Plan of Arrangement will be completed as currently proposed or at all.

The Plan of Arrangement is a "business combination" pursuant to Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**") since (i) the FSD Pharma Securityholders' interest in the FSD Pharma Securities may be terminated without their consent as a result of the Share Capital Amendment; and (ii) Michael (Zappy) Zapolin ("**Zapolin**"), a director of the Corporation and therefore a "related party" under MI 61-101 was party to a "connected transaction" to the Plan of Arrangement. The Arrangement and the subscription by Zapolin for 28,800,000 Celly Nu Shares on August 1, 2023 is a "connected transaction" (the "**Related Party Purchase**"). Both of these transactions involve Celly Nu as a common party and the Plan of Arrangement and Related Party Purchase were arguably negotiated at approximately the same time. Zapolin owns, directly or indirectly, nil Class B Shares, nil Class A Shares, nil FSD Pharma Distribution Warrants, and 500,000 warrants, each exercisable for the purchase of one Class B Share. Any FSD Pharma Securities held by Zapolin will be treated in the same fashion under the Arrangement as FSD Pharma Securities held by every other FSD Pharma Securityholder.

The Plan of Arrangement is not a "related party transaction" pursuant to MI 61-101 as a result of it being a "business combination" pursuant to MI 61-101.

The Plan of Arrangement is not expected to have a material impact or represent a material change on the Corporation's financial performance and condition.

Receipt of Court Action

On May 12, 2023, the Corporation announced receipt of a lawsuit filed in the United States District Court for the Southern District of Florida (the "**U.S. District Court**") by GBB Drink Lab, Inc. ("**GBB**") against the Corporation,

alleging breach of a mutual non-disclosure agreement and misappropriation of trade secrets, valued, as of August 30, 2022 (prior to the misappropriation and material breach) at $53,047,000. The Corporation believes the allegations are without merit and intends to defend itself in the lawsuit. On June 23, 2023, the Corporation filed a motion to dismiss the complaint. On July 3, 2023, GBB responded in opposition to the Corporation's motion to dismiss the complaint. The Motion to Dismiss the Amended Complaint filed on June 23, 2023 has been fully briefed and is awaiting adjudication by the U.S. District Court. In the meantime, on August 24, 2023, the parties filed a proposed joint scheduling report with the U.S. District Court, which set forth various deadlines that would govern this action. Under the proposed joint schedule, which still needs to be approved by the U.S. District Court, the case would be trial-ready by November 30, 2024.

Change of Management

On July 4, 2023, the Corporation announced the appointment of Mr. Zeeshan Saaed as CEO of the Corporation, to succeed Mr. Anthony Durkacz, who served as interim CEO of the Corporation since July 2021.

At the annual general and special meeting of the Corporation's shareholders held on June 29, 2023, Messrs. Michael Zapolin and Dr. Eric Hoskins were elected as directors of the Corporation.

Investigation of Market Activity

On July 10, 2023, the Corporation announced that it had retained Christian Attar Law, a regional litigation firm located in Houston, Texas, to co-lead, along with New York City law firm, Warshaw Burstein, LLP, an investigation of any potential naked short selling or other market manipulation of the Corporation's shares. The Corporation has been advised that Christian Attar Law has completed their preliminary assessment of the predatory short selling and they anticipate that they will recommend to move the matter forward to the next stage but have yet to make a formal decision. The Corporation will provide updates in the event of any material progress on the investigation.

UNBUZZD™

On July 31, 2023, the Corporation entered into a definitive exclusive intellectual property license agreement with Celly Nu and the Corporation's wholly owned subsidiary, Lucid Psycheceuticals Inc. (the "**Celly Nu IP License Agreement**"), which grants Celly Nu the exclusive rights to the recreational applications for the Corporation's alcohol misuse technology for rapid alcohol detoxification, UNBUZZD™.

Pursuant to the Celly Nu IP License Agreement, the Corporation will receive a 7% royalty on revenue from Celly Nu, until total royalties in the amount of $250,000,000 has been paid to the Corporation, at which point the royalty rate is reduced to 3%. In addition, Celly Nu has issued the Corporation 100,000,000 common shares in the capital of the Celly Nu ("**Celly Nu Shares**") as a licence fee and has issued the Corporation an anti-dilution warrant, entitling the Corporation to exercise the warrant at any time, in whole or in part, for a period of five years from the date of issuance to increase their holdings in Celly Nu to 25% for nominal consideration. In connection with the Celly Nu IP License Agreement, the Corporation and Cely Nu entered into a loan agreement, whereby the Corporation has agreed to loan Celly Nu an aggregate of $1,000,000 on a secured basis with a term of 3 years, which will bear interest at a rate of 10% per annum, payable on each anniversary. Upon completion of the transaction with Celly Nu, the Corporation holds approximately 34.66% of the issued and outstanding Celly Nu Shares on a non-diluted basis.

The Corporation will retain all rights to medical and pharmaceutical applications under its umbrella to further develop the franchise as part of its portfolio.

Settlement of CRO Dispute

On August 2, 2023, the Corporation entered into a settlement agreement (the "**Settlement Agreement**") with Syneos Health, LLC and Syneos Health UK Limited (collectively, the "**Syneos**"), whereby it was agreed that, among other things, the Corporation shall pay to Syneos the amount of US$100,000 within five days of the execution of the Settlement Agreement and upon receipt by Syneos of such settlement payment, Syneos shall waive, release and forgive the Corporation's payment of (i) the different between the settlement payment and the damages payment (i.e. US$1,607,830.52) and (ii) interest on the damages payment ordered by the award, and any other amounts that were or

could have been sought in the arbitration. Pursuant to the Settlement Agreement, Syneos also agreed to withdraw its recognition application that was filed on June 30, 2023.

Dr. Raza Bokhari

On July 15, 2021, the Corporation's former CEO, Dr. Raza Bokhari, filed an arbitration notice seeking $30.2 million for breach of contract, severance, and damages, along with $500,000 for punitive damages and legal fees. Dr. Bokhari had been placed on administrative leave after the May 14, 2021 shareholder meeting and was terminated for cause on July 27, 2021, following an investigation by a special committee. The arbitration concluded in August 2022 with Dr. Raza Bokhari's claims dismissed. Dr. Bokhari was also ordered to repay certain funds to the Corporation and cover arbitration costs in the amount of approximately $2.8M plus interest. On December 9, 2022, Dr. Bokhari sought to set aside the award, citing unfair treatment and inadequate reasoning. On October 4, 2023, the Corporation announced that the Ontario Superior Court of Justice had dismissed Dr. Bokhari's motion to set aside the arbitration award. Dr. Bokhari was required to put up $150,000 as security for costs before the motion was heard, which he has forfeited. In addition, Dr. Bokhari was ordered to pay $175,000 to cover the Corporation's legals costs for his failed set aside motion.

Reportable Segments

The Corporation has two reportable segments, Biotechnology and Strategic Investments. The Corporation's Biotechnology segment is focused on the research and development of its pipeline of compounds and drug candidates. The Biotechnology segment is pre-revenue. Expenses incurred primarily relate to fees paid to external Contract Research Organizations for carrying out studies and clinical trials. General and administrative fees include professional fees, consulting fees, salaries and benefits, insurance, and other general and administrative costs. Depreciation and amortization expense is related to the Corporation's portfolio of acquired intangible assets, right-of-use assets and equipment.

The Corporation's Strategic Investment segment generates interest income earned on a portfolio of finance receivables, which represent loans secured by residential or commercial property, with FSD Strategic Investments having a first collateral mortgage on the secured property for a sum equal to the interest payments plus the principal amount. FSD Strategic Investments earns interest through fixed rate lending arrangements that have an average term to maturity of two years from the date of issuance.

Strategic Investments has historically not incurred any significant operating expenditures as the loans are arranged through a third-party financing intermediary, with the borrower being responsible for covering all administrative related costs.

The Corporation's board of directors has developed criteria for making investments decisions, as follows: i) the maximum loan-to-value ratio is 50%; ii) the maximum dollar value for any given secured loan is not to exceed $1,200,000; and iii) the residential property must be located in the Greater Toronto Area. Before issuing a secured loan, the Corporation undertakes extensive due diligence to ensure that adequate care is exercised in the funding of mortgage or loan transactions, including checking personal identification, verifying title documents, attending the property or conducting an on-site appraisal to satisfy as to the value of the property, and reviewing application and supporting documentation with legal counsel.

As at June 30, 2023, the Corporation has a finance receivable balance of $8,328,087 and minimum contractual payments receivable at the end of the loan terms totaling $9,070,102. The loans will begin to mature in the second quarter of fiscal 2024. 100% of the loans are secured by residential property and the blended yield rate on the entire investment portfolio is 7.173%.

The following tables summarize our total current and non-current assets and current and non-current liabilities as of June 30, 2023, and December 31, 2022, on a segmented basis:

	As at June 30, 2023			As at December 31, 2022		
	Biotechnology $	Strategic Investments $	Consolidated $	Biotechnology $	Strategic Investments $	Consolidated $
Current assets	6,784,442	2,322,368	9,106,810	17,850,174	—	17,850,174
Non-current assets	6,295,562	6,005,719	12,301,281	13,128,826	7,431,656	20,560,482
Current liabilities	5,848,912	—	5,848,912	7,830,432	—	7,830,432
Non-current liabilities	9,911	—	9,911	38,004	—	38,004

The following tables summarize our reported income, expenses and net income (loss) for the year ended December 31, 2022, and for the three and six months ended June 30, 2023, and 2022, on a segmented basis:

	For the year ended December 31, 2022		
	Biotechnology $	Strategic Investments $	Consolidated $
Interest income	184,698	183,037	367,735
Total expenses	23,963,015	11,548	23,974,563
Net income (loss)	(23,778,317)	171,489	(23,606,828)

	For the three months ended June 30, 2023			For the six months ended June 30, 2023		
	Biotechnology $	Strategic Investments $	Consolidated $	Biotechnology $	Strategic Investments $	Consolidated $
Interest income	34,787	151,376	186,163	171,303	287,201	458,504
Total expenses	5,676,397	59	5,676,456	15,906,191	135	15,906,326
Net income (loss)	(5,641,610)	151,317	(5,490,293)	(15,734,888)	287,066	(15,447,822)

	For the three months ended June 30, 2022			For the six months ended June 30, 2022		
	Biotechnology $	Strategic Investments $	Consolidated $	Biotechnology $	Strategic Investments $	Consolidated $
Interest income	—	2,218	2,218	—	2,218	2,218
Total expenses	4,426,383	—	4,426,383	10,331,720	—	10,331,720
Net income (loss)	(4,426,383)	2,218	(4,424,165)	(10,331,720)	2,218	(10,329,502)

Research and Development

As at the date of this Prospectus, the Corporation has not generated any revenue from the sale of pharmaceutical drugs or other products. The Corporation is focused on development of pharmaceutical drugs and other products, through research and development of novel chemical compounds and delivery mechanisms and the study of such compounds in preclinical studies. The Corporation's preclinical studies are conducted via the various CROs and contract manufacturers it has engaged, including Ingenu CRO (a Cannvalate Pty Ltd Company) ("**Ingenu**"), BioPharma Services Inc. ("**BioPharma**"), and Vibrant Pharma Inc. ("**Vibrant Pharma**"). Each of Ingenu, BioPharma, and Vibrant Pharma are CROs that, in the ordinary course of the Corporation's business, have entered into service agreements with the Corporation to provide services related to the Corporation's preclinical studies and/or the manufacture of its various chemical compounds. The Corporation is not dependent on third party contracts. Although each of the CROs will be involved in the synthesis, or testing thereof, for the Corporation, none of these agreements allows for the various CROs to utilize any of the Corporation's intellectual property, including its patents, formulae, trade secrets, or processes, for their own purposes. The pharmaceutical industry is a competitive and, in the event that one, or all, of these contractual relationships become unsatisfactory, the Corporation does not anticipate having difficulty retaining other services providers to perform similar services. The Corporation does not anticipate generating any revenue from any of these, or any other, service agreements.

The Corporation anticipates growing its pipeline of pharmaceutical drugs and other products through its research, development, proprietary discovery programs, mergers and acquisitions, joint ventures and collaborative development agreements. The Corporation has sought protection for the intellectual property rights generated by its research and development activities through patent applications and as trade secrets. The Corporation anticipates that as these programs mature it will file additional patent applications and details about these programs will be disclosed at such time. The Corporation further anticipates that existing patent applications will result in successful patent grants by the

respective intellectual property regulators of each jurisdiction in which the Corporation has submitted such applications.

The Corporation's research and development activities (including such activities conducted by third party contractors) are conducted in strict compliance with the regulations of federal, state, local and regulatory agencies in Canada, Australia and the United States. These regulatory authorities regulate, among other things, the research, manufacture, promotion and distribution of drugs in specific jurisdictions under applicable laws and regulations.

See "*Milestones*" and "*Use of Proceeds*" for further information on the Corporation's objectives and milestones.

Intellectual Property

The following tables set forth the status for each patent applicable to the Corporation's current and anticipated business activities:

Title	Jurisdiction of Filing	Application Number	Filing Date/Patent Date/Priority Date	Status	Program
Inhibitors of Peptidyl Arginine Deiminase (PAD) Enzymes and Uses Thereof	United States Patent and Trademark Office	Appl. No.: 15/753,208 Patent No.: US10,716,791 B2	Filing Date: 2016-08-15 Patent Date: 2020-07-21	Exclusive license from University Health Network (Toronto)	Lucid-MS
Inhibitors of Peptidyl Arginine Deiminase (PAD) Enzymes and Uses Thereof	European Patent Office	Appl. No.: 22187901.8	Filing Date: 2016-08-15 Priority Date: 2016-08-15	Exclusive license from University Health Network (Toronto)	Lucid-MS
Methods and Compositions Comprising a 5-HT Receptor Antagonist	United States Patent and Trademark Office	Appl. No.: 63/454,587	Filing Date: 2023-03-24	Provisional patent application (PAT 114860P-2)	Lucid-PSYCH(1)
An Ingestible Formulation and Uses Thereof	United States Patent and Trademark Office	Appl. No.: 63/497,772	Filing Date: April 24, 2023	Provisional patent application (PAT 114119P-2)	Licensed to Celly Nutrition Corp.

NOTES:

(1) The Corporation has put any future work programs relating to Lucid-PSYCH on hold.

The Corporation's wholly owned subsidiary, Lucid PsycheCeuticals Inc., has registered the trademarks set forth in the table below with the Innovation, Science and Economic Development Canada – Canadian Intellectual Property Office (Registrar of Trademarks):

Applicant	Filing Date	Reference Number	File Number	Trademark Details	Trademark Type
Lucid PsycheCeuticals Inc.	March 7, 2023	TM 150984-1	2243755	REKVRY	Standard Characters

Lucid PsycheCeuticals Inc.	March 7, 2023	TM 150985-1	2243758	DETOXIQ	Standard Characters
Lucid PsycheCeuticals Inc.	March 7, 2023	TM 150986-1	2243760	RESOBER	Standard Characters
Lucid PsycheCeuticals Inc.	March 7, 2023	TM 150958-1	2243743	ALCOHOLDEATH[(1)]	Standard Characters
Lucid PsycheCeuticals Inc.	March 7, 2023	TM 150987-1	2243761	UNBUZZD[(1)]	Standard Characters
Lucid PsycheCeuticals Inc.	March 7, 2023	TM 150959-1	2243741	DRUNQUELL	Standard Characters
Lucid PsycheCeuticals Inc.	March 7, 2023	TM 150957-1	2243742	FRESHKA	Standard Characters
Lucid PsycheCeuticals Inc.	March 7, 2023	TM 150956-1	2243736	FRESHA	Standard Characters
Lucid PsycheCeuticals Inc.	March 7, 2023	TM 150955-1	224374	ALKACLEAR	Standard Characters
Lucid PsycheCeuticals Inc.	March 7, 2023	TM 150954-1	224379	LOWBAC	Standard Characters
Lucid PsycheCeuticals Inc.	March 7, 2023	TM 150953-1	2243740	SOBRY	Standard Characters
Lucid PsycheCeuticals Inc.	March 7, 2023	TM 150952-1	2243744	BACLEAR	Standard Characters
Lucid PsycheCeuticals Inc.	March 7, 2023	TM 15951-1	2243737	READY IN 1	Standard Characters
Lucid PsycheCeuticals Inc.	March 7, 2023	TM 150950-1	2243735	QLARITY	Standard Characters
Lucid PsycheCeuticals Inc.	March 7, 2023	TM 150949-1	2243738	WAKEAID	Standard Characters

NOTES:

(1) Licensed to Celly Nutrition Corp.

The Corporation's wholly owned subsidiary, Lucid PsycheCeuticals Inc., has made the trademark applications forth in the table below with the Innovation, Science and Economic Development Canada – Canadian Intellectual Property Office (Registrar of Trademarks):

Applicant	Filing Date	Reference Number	File Number	Trademark Details	Trademark Type
Lucid PsycheCeuticals Inc.	March 7, 2023	TM 150940-1	2243726	EVERYONE MAY NEED A LITTLE IN THEIR LIFE	Standard Characters

Lucid PsycheCeuticals Inc.	March 7, 2023	TM 150825-1	2243752	THE RITUAL AFTER THE LAST CALL	Standard Characters
Lucid PsycheCeuticals Inc.	March 7, 2023	TM 150824-1	2243750	THE PROTOCOL AFTER THE LAST CALL	Standard Characters
Lucid PsycheCeuticals Inc.	March 7, 2023	TM 150823-1	2243749	HELPS REDUCE BUZZ	Standard Characters
Lucid PsycheCeuticals Inc.	March 7, 2023	TM 150822-1	2243733	A RESPONSIBLE AFTER DRINK	Standard Characters
Lucid PsycheCeuticals Inc.	March 7, 2023	TM 150821-1	2243732	THROUGH SCIENCE FIND	Standard Characters
Lucid PsycheCeuticals Inc.	March 7, 2023	TM 150820-1	2243730	THROUGH SCIENCE, FIND CLARITY	Standard Characters
Lucid PsycheCeuticals Inc.	March 7, 2023	TM 150819-1	2243729	EVERYONE MAY NEED A LITTLE	Standard Characters

As the Corporation generates new data it will continue to file or acquire additional patent applications through the Corporation's development program.

Regulatory Environment

The Corporation is currently focused on obtaining regulatory approvals in the United States, Canada and Australia for the drug candidates it is developing through FSD BioSciences, Lucid and FSD Australia. In the future, the Corporation may consider seeking approvals for these drug candidates in other countries. The following is a summary of the FDA, Health Canada and the TGA approval process that the Corporation and/or its related entities are undertaking with each of the Product Candidates in the United States, Canada and Australia. Assuming the Corporation is successful in obtaining the requisite approvals from the U.S. Food and Drug Administration ("**FDA**"), Australian Therapeutics Goods Administration ("**TGA**") or Health Canada ("**Regulatory Approvals**") pursuant to the process set out below, it may decide to seek comparable approvals in other countries, which would be subject to different and additional regulatory requirements. Obtaining Regulatory Approval often takes a number of years, involves the expenditure of substantial resources, and depends on a number of factors, including the severity of the disease in question, the availability of alternative treatments, and the risks and benefits demonstrated in clinical trials.

The Corporation will be subject to extensive regulations while it focuses on gaining Regulatory Approvals for treatments it is developing with each of the Product Candidates. The United States Food, Drug and Cosmetic Act of 1938, as amended (the "**FDC Act**"), the Public Health Service Act (United States) (the "**PHS Act**"), the Therapeutic Goods Act 1989 (Cth) (Australia) (the "**TGA Act**"), FDA Act and other federal, provincial and state statutes and regulations, govern, among other things, the research, development, testing, manufacture, storage, recordkeeping, approval, labelling, promotion and marketing, distribution, post-approval monitoring and reporting, sampling, and import and export of pharmaceutical product candidates for their respective jurisdictions. Failure to comply with applicable regulatory requirements may subject the Corporation to a variety of administrative or judicial sanctions, such as application refusals, warning or untitled letters, product candidate recalls, product candidate seizures, total or partial suspension of production or distribution, injunctions, fines, civil penalties and criminal prosecution.

Pharmaceutical product candidate development in the United States, Canada and Australia typically involves pre-clinical laboratory and animal tests, followed by a submission to commence clinical testing to, as applicable:

(a) the FDA for the United States (an investigational new drug application ("**IND**"));

(b) Health Canada for Canada (a clinical trial application ("**CTA**")); or

(c) in Australia, (i) where the Clinical Trial Notification ("**CTN**") process is utilized, to a Human Research Ethics Committee, or (ii) where the Clinical Trial Application ("**Australian CTA**") process is utilized, to the TGA.

If:

(a) there are no comments from the FDA within 30 days after the submission of the application in the United States;

(b) a "no objection letter" is received from Health Canada; or

(c) in Australia, (i) where the CTN process is utilized, the applicable Human Research Ethics Committee provides its approval and the TGA is notified by way of the due submission of a CTN, or (ii) where the Australian CTA process is utilized, the TGA provides its approval,

then clinical trials for the drug may commence in the respective jurisdiction assuming all other requirements are met (such as institution review board approval, informed consents and any additional approvals related to the use of controlled substances). The satisfaction of pre-market approval requirements typically takes many years. The actual time required may vary substantially based upon the type, complexity and novelty of the product candidate or the diseases a product candidate targets.

Before testing any compound in human patients in the U.S., Canada or Australia, a company must generate extensive preclinical data. Preclinical testing generally includes laboratory evaluation of product chemistry and formulation, as well as toxicological and pharmacological studies in several animal species to assess the toxicity and dosing of the product candidate and its potential safety and efficacy. The conduct of the pre-clinical tests must comply with government regulations and requirements, including good laboratory practices. For example in the U.S., certain animal studies must be performed in compliance with the FDA's Good Laboratory Practice regulations and the U.S. Department of Agriculture's Animal Welfare Act.

A Regulatory Approval must be in effect before human clinical trials may commence in the U.S., Canada or Australia, respectively. The results of pre-clinical testing and any previous human experience with the investigational drug are submitted to the FDA, Health Canada or TGA as part of the Regulatory Approval process in each jurisdiction, along with other information, including information about product candidate chemistry, manufacturing and controls, information about the study investigator, and a proposed clinical trial protocol.

There can be regulatory barriers to obtaining an effective Regulatory Approval based on FDA's, Health Canada's or TGA's respective review of the investigative drug and, where applicable, its classification as a known controlled substance.

Clinical trials involve the administration of the product candidate that is the subject of the Regulatory Approval to healthy volunteers or study participants with the disease or condition being studied under the supervision of a qualified investigator. Clinical trials to support an NDA for marketing approval are typically conducted in three sequential phases, but the phases may overlap.

There is a process under which clinical trials may begin and involve the administration of the product candidate that is the subject of the Regulatory Approval to healthy volunteers or patients under the supervision of a qualified investigator. Clinical trials must be conducted: (i) in compliance with applicable government regulations, (ii) in compliance with Good Clinical Practice, an international standard meant to protect the rights and health of patients and to define the roles of clinical trial sponsors, administrators and monitors, and (iii) under protocols detailing the objectives of the trial, the parameters to be used in monitoring safety and the effectiveness criteria to be evaluated. Each protocol involving testing on patients and subsequent protocol amendments must be submitted to the FDA, Health Canada and / or TGA as part of the Regulatory Approval process, as applicable.

The FDA, Health Canada or TGA may order the temporary, or permanent, discontinuation of a clinical trial at any time or impose other sanctions if it believes that the clinical trial either is not being conducted in accordance with applicable regulatory requirements or presents an unacceptable risk to the clinical trial patients. The trial protocol and informed consent information for patients in clinical trials must also be submitted to an institutional review board for approval. An institutional review board (IRB) may also require the clinical trial at the site to be halted, either temporarily or permanently, for failure to comply with the IRB's requirements or may impose other conditions. See "*Item 4.B. Business Overview — Regulatory Environment*" in the 2022 Annual Report.

If the trials for any of its Product Candidates are successful, the Corporation may pursue additional trials as required and may ultimately pursue a new drug application, which may involve applying for additional Regulatory Approvals required to market the Corporation's synthetic treatments in the United States or in other jurisdictions. There is no assurance that the Corporation will be successful in receiving the required approvals, and the clinical trials are subject to numerous risks.

See *"Caution Regarding Forward-Looking Statements"* and *"Risk Factors"* in this Prospectus and the 2022 Annual Report under the headings *"Forward-Looking Statements"* and "*Item 3. Key Information — D. Risk Factors*".

COMPLIANCE PROGRAM

The Corporation oversees and monitors compliance with applicable laws in each jurisdiction in which it operates. In addition to the Corporation's senior executives and the employees responsible for overseeing compliance, the Corporation has local counsel engaged in every jurisdiction in which it operates and has received advice in each of these jurisdictions regarding (a) compliance with applicable regulatory frameworks, and (b) potential exposure to, and implications arising from, applicable laws in jurisdictions in which the Corporation has operations or intends to operate.

The Corporation works with third parties who require regulatory licensing to handle scheduled drugs. The Corporation continuously updates its compliance and channel programs to maintain regulatory standards set for drug development. The Corporation also works with preclinical research organizations who maintain batch records and data storage for the Corporation's preclinical programs.

The Board and executive officers of the Corporation, led by Zeeshan Saeed, as Chief Executive Officer and Executive Co-Chairman, Anthony Durkacz, as Executive Co-Chairman and Dr. Lakshmi P. Kotra, as CEO of Lucid, have a wide combination of the skills, knowledge and experience that are necessary for the successful advancement of the Corporation's business plan.

In conjunction with the Corporation's human resources and operations departments, the Corporation oversees and implements training on the Corporation's protocols. The Corporation will continue to work closely with external counsel and other compliance experts, and is evaluating the engagement of one or more independent third party providers to further develop, enhance and improve its compliance and risk management and mitigation processes and procedures in furtherance of continued compliance with the laws of the jurisdictions in which the Corporation operates.

The programs currently in place include monitoring by executives of the Corporation to ensure that operations conform to and comply with required laws, regulations and operating procedures. The Corporation is currently in compliance with the laws and regulations in all jurisdictions and the related licensing framework applicable to its business activities.

Neither the Corporation nor, to the Corporation's knowledge, any of its third-party researchers, suppliers and manufacturers have received any non-compliance, citations or notices of violation which may have an impact on the Corporation's or any third-party researcher, supplier, or manufacturer's licences, business activities or operations.

The Corporation conducts due diligence on third-party researchers, contract research organization, contract manufacturers and others as applicable, with whom it engages. Such due diligence includes but is not limited to the review of necessary licenses and the regulatory framework enacted in the jurisdiction of operation. Further, the Corporation generally obtains, under its contractual arrangements, representations and warranties from such third parties pertaining to compliance with applicable licensing requirements and the regulatory framework enacted in the jurisdiction of operation.

MILESTONES

The Corporation has identified certain business milestones, which are reproduced below. The table below sets forth the status of these milestones as of the date hereof, the estimated costs and estimated timeframe for completion thereof.

The Corporation's innovative clinical development program targets multiple sclerosis, aiming to create a groundbreaking treatment. The Corporation has engaged thought leaders and conducted internal discussions on regulatory guidance to design an efficient, cost-effective program spanning chemistry, product development, and data acquisition for clinical stages.

As Lucid-MS advances from Phase-1 to Phase-2, milestone-driven investigations are planned to expedite late-stage clinical development, aligned with our chronic toxicology program. This synergy ensures enabling data for regulatory submissions for the next clinical phases, such as Phase-1b MAD cohorts, Phase-2a, and Phase-2b. To initiate Phase-2, we require data from multiple ascending dose (MAD) cohorts, at least three months of toxicology data, and any additional data requested by regulatory authorities. Long-term toxicology data is crucial for dosing extending up to six months or more, reflecting Lucid-MS's potential as a chronic treatment or disease-modifying therapy for MS patients.

The Corporation's adaptable trial planning integrates insights from clinical and non-clinical studies, regulatory guidance, and market dynamics. Our adjusted timelines, especially in 2024 and 2025, are influenced by key market regulations, ensuring efficiency and cost-effectiveness across chemistry, product development, and data acquisition.

In the Corporation's news release of February 14, 2023, the Corporation unveiled its R&D program addressing unmet needs in alcohol misuse, targeting consumer and hospital/healthcare markets. Consumer product technology is successfully licensed to Celly Nu as per the Corporation's announcement in July 2023, while the Corporation continues to develop hospital products for alcohol misuse disorders, like oral liquids and intravenous solutions, which require extensive research and clinical evidence for patient use. Consequently, the Corporation has adapted estimated time frames for these hospital-use products.

The Corporation's overarching strategy allows it to conduct studies efficiently in terms of time and cost, considering that toxicology and clinical studies can span several months to several years. It also provides flexibility to adjust or explore alternative pathways cost-effectively in case of unexpected toxicities or efficacy issues. The Lucid-MS program's ultimate goal is to conduct regulatory clinical studies, investigating its potential as a non-immunomodulatory drug to halt disease progression and neurodegeneration in multiple sclerosis.

The following are “forward-looking statements” and as such, there is no guarantee that such milestones will be achieved on the timelines indicated or at all. Forward-looking statements are based on management’s current expectations and are subject to a number of risks, uncertainties, and assumptions. See “*Caution Regarding Forward Looking Statements*” and “*Risk Factors*”. The Corporation’s ability to achieve certain of its objectives and milestones is contingent upon raising financing pursuant to an offering of its Securities under this Prospectus. See “*Use of Proceeds*”.

Objective	Milestone[(1)(2)]	Estimated Cost	Estimated Timeframe for Completion[(3)(4)]	Notes
1. MAD (Multiple Ascending Dose) Cohorts				
	Regulatory Agency Approval	$40,000	Q1, 2024	These studies are listed separately here; earlier they were a part of Clinical Studies below. Data from these studies will feed into Phase-2 clinical study designs. Timeframe is modified accordingly.
	First Participants In	$150,000	Q1, 2024	
	Last Participant In	$150,000	Q1, 2024	
	Completion of Report	$100,000	Q2, 2024	
	Sub-total	***$440,000***		
2. Chronic Toxicity to initiate phase-2 (3-month study)				
	Study design for 2-species toxicity trial	$50,000	Q2, 2024	These studies will be completed prior to Phase-2 initiation, and

	First interim report	$350,000	Q2, 2024	additional drug substances will be required. Proposed timeframe permits these activities.
	Second interim report	$350,000	Q2, 2024	
	Final Report	$250,000	Q3, 2024	
	Sub-total	***$1,000,000***		
3. Lucid-MS Program				
Non-clinical studies				
	Phase 2 enabling pharmacology studies	$150,000	Q4, 2024	These non-clinical studies will be launched few months ahead of Phase-2 studies such that continuous safety data from the non-clinical studies will advance Phase-2 dosing for chronic treatment. Reproductive toxicology and autoradiography will be required for NDA or for Phase 3 trial application submission.
	Chronic tox studies to complete phase-2 (2 species, up to 9 months)	$3,500,000	Q1-Q4, 2025	
	Reproductive toxicology and autoradiography	$2,500,000	Q3, 2026	
Drug Substance and Product Manufacturing	Synthesis of non-GMP drug substance for chronic toxicology studies	$250,000	Q4, 2024	Proposed timeline of Q1, 2024 is required to obtain the drug substance in time for toxicology studies (3 months and 9 months).
	Development of clinical and non-clinical Formulations	$450,000	Q4, 2024 - Q1, 2025	This development is required for launching chronic toxicity and Phase-2 clinical studies; thus the time frame is adjusted to fit those milestones.
	Drug Substance for Phase 2 studies	$1,500,000	Q1-Q2, 2025	Manufacturing of the drug substance for launching Phase-2 study; time frame aligns with two quarters prior to the initiation of any Phase-2 activity.
	Drug Product for Phase 2 studies	$600,000	Q2-Q3, 2025	Manufacturing of the drug substance for launching Phase-2 study; time frame aligns with one quarter prior to the initiation of any Phase-2 activity.
Clinical Studies	2nd Phase 2a clinical trial site and CRO identification and deposits	$1,300,000	Q4, 2024 - Q3, 2025	The time frame includes submission of regulatory files, discussions and approvals from the regulator, identification of potential clinical sites and contracts negotiations. The time frame is scheduled after completing 3-month chronic toxicology, development of clinical formulation and other Phase-2 enabling studies.
	Phase 2a PoC Clinical trial (launch, biomarkers, labs, clinical site, regulatory and other activities)	$6,000,000	Q3, 2025 – Q4, 2026	This time frame is after the above line item, to conduct the clinical trial.
	Phase-2b clinical trial (launch, biomarkers, biostats, labs, clinical sites, regulatory	$20,000,000	Q3, 2025 – Q4, 2026	Will be initiated after Phase 2a PoC, or can be in place of Phase 2a PoC, depending on

	and other activities)			market/regulatory strategy
Regulatory, licensing and other support costs	US FDA/Health Canada/UK MHRA regulatory activities, patents maintenance/new filings, patent licensing costs.	$5,000,000	Q4, 2024 – Q4, 2026	These are continuous activities for patents maintenance, licensing costs (to UHN), regulatory filings for early market access among others. Milestones will be based on each activity undertaken, and success of regulatory reviews. Each major milestone calls for a milestone payment to UHN.
	Sub-total	***$41,250,000***		
4. Alcohol Misuse Treatments Program				
Non-clinical activities	*In vitro* and *in vivo* toxicology studies and dose range for the oral liquid formulation	$ 1,000,000	Q4, 2024-Q1, 2025	These non-clinical activities will be undertaken as a part of our R&D program for new formulations in late 2024, that will serve the development of hospital and consumer products. Current focus is on licensed activities for consumer market, during 2023 and early 2024.
	In vitro and *in vivo* toxicology studies and dose range for the intravenous formulation	$3,000,000	Q4, 2024-Q2, 2025	These studies are aligned with the above line item for hospital product development.
Drug Substance and Product Manufacturing	Oral liquid Formulation development	$1,000,000	Q1-Q3, 2025	GMP R&D manufacturing of oral liquid formulation for hospital line product; aligned with completion of non-clinical activities above.
	Intravenous formulation development	$1,500,000	Q1, 2025 – Q1, 2026	GMP R&D manufacturing of intravenous formulation for hospital line product; aligned with completion of non-clinical activities above, and after the oral formulation development, in the above line item.
	Oral liquid formulation manufacturing for clinical study	$500,000	Q3, 2025	Manufacturing of clinical trial material (liquid oral), will commence after R&D during Q1-Q3, 2025
	GMP Sterile formulation manufacturing for clinical studies	$1,500,000	Q1-Q2, 2026	Manufacturing of clinical trial material (intravenous), will commence after R&D during Q1, 2025-Q1, 2026
Clinical Studies	Clinical study with one oral formulation	1,500,000	Q4, 2025 – Q2, 2026	Clinical study using novel oral formulation is scheduled after the completion of toxicology and clinical trial materials manufacturing.

	Clinical study with one intravenous formulation for regulatory submission	$2,500,000	Q3-Q4, 2026	Clinical study using novel intravenous formulation is scheduled after the completion of toxicology and intravenous clinical trial materials manufacturing.
Regulatory, IP and other support costs	Regulatory activities and submissions in the USA and Canada	$300,000	Q4, 2024-Q4, 2026	These are continuous activities for patents maintenance, licensing, regulatory filings for market access among others. Milestones will be based on each activity undertaken, and success of regulatory reviews.
Marketing and related activities	Medical education, pre-launch and partnership activities	$2,000,000	Q4, 2025-Q4, 2026	As the clinical studies commence, marketing, outreach and partnership activities will be undertaken; the time frame is based on the clinical studies scheduling above, and the anticipated prior work for late-stage marketing and potential pre-launch for the products.
	Sub-total	***$14,800,000***		
Operations	Team members salaries, benefits, external consultants and KOLs	$5,500,000	Q4, 2024 – Q4, 2026	These costs include additional personnel will be required for all planned clinical drug development, toxicology, project management and regulatory affairs, for all programs.
	IT, legal, tele/communications, facilities infrastructure, travel, shipping/logistics	$3,000,000	Q4, 2024 – Q4, 2026	Planned programs will incur indirect costs in order to support the R&D and clinical activities.
	Sub-total	***$8,500,000***		

NOTES:

(1) There may be circumstances where, for sound business reasons, the Corporation reallocates the funds or determines not to proceed with a milestone.
(2) Subject to receipt of all necessary approvals, including any approvals required by the academic and scientific organizations with which the Corporation is working.
(3) The total expenditure may be incurred by the Corporation after the relevant quarter that is indicated as the target timeframe for completion.
(4) Based on a calendar year-end.

The materials factors or assumptions used to develop the estimated costs disclosed above are included in the "*Caution Regarding Forward Looking Statements*" section above. The actual amount that the Corporation spends in connection with each of the intended uses of proceeds will depend on a number of factors, including those listed under "*Risk Factors*" in or incorporated by reference in this Prospectus or unforeseen events.

While the Corporation believes it has the skills and resources necessary to accomplish these business objectives, there is no guarantee that the Corporation will be able to do so within the timeframes indicated above, or at all. The Corporation will rely on third-party opinions evaluating novelty and patentability of its drug compounds, as well as data generated by tests performed by third parties indicating there is preclinical evidence of improved efficacy or safety profiles compared to currently known treatments for challenging neurodegenerative, inflammatory, and metabolic disorders based on scientifically sound preclinical studies. These tests are ongoing. While the Corporation believes its approach mitigates many risks associated with the challenges of obtaining regulatory approval for certain difficult to

treat indications, the development of potential drugs for treatment of challenging neurodegenerative, inflammatory, and metabolic disorders involves a high degree of risk and uncertainty. The Corporation is committed to funding research it believes is essential for advancing the study of drugs to treat these conditions.

Non-Revenue Generating Projects

The Corporation currently has two (2) significant programs, which are focused on the development of treatments for challenging neurodegenerative, inflammatory, and metabolic disorders. They are:

1. Lucid-MS: A potential treatment for Multiple Sclerosis with the lead candidate, Lucid-21-302
2. Novel Treatments for Alcohol Misuse and related conditions

All programs are clinical stage programs, with significant benefits to help patients, if successfully approved for clinical use. As of July 2023, the Corporation has successfully licensed UNBUZZD™ to Celly Nu, a consumer-focused product for the treatment of effects due to alcohol misuse, with global commercialization rights. Below, a brief summary on each program is provided and their corresponding status along with any partnership/licensing activities.

Lucid-MS: A potential treatment for Multiple Sclerosis with the lead candidate, Lucid-21-302

This program is focused on the development of novel drugs for multiple sclerosis. Progressive multiple sclerosis has no standard of care, and almost all available drugs are immunomodulatory, and do not address the neurodegeneration in the patients. The Corporation believes it has a solution that can significantly change the course of neurodegenerative decline in MS patients. The Corporation, through the acquisition of Lucid, acquired the multiple sclerosis program with the lead candidate, Lucid-MS (development code, Lucid-21-302). Lucid-21-302 exhibits moderate inhibition profile against peptidyl arginine deiminase 2 (PAD2) and PAD4 isozymes. There is strong evidence that hypercitrullination of myelin, mediated by increased activities of PAD2 and potentially PAD4, may contribute to demyelination and multiple sclerosis pathogenesis through two mechanisms: 1) destabilizing myelin integrity on neuronal axons, leading to demyelination and degeneration, and 2) generating antigenic neoepitopes, leading to immune activation. Lucid-21-302 reduced hypercitrullination, prevented demyelination and helped remyelination in various non-clinical animal models of multiple sclerosis, including functional recovery in the animals. Lucid-MS is being developed as a first-in-class, non-immunomodulatory drug for the treatment of progressive multiple sclerosis. Current data from preclinical and clinical development suggests that Lucid-21-302 could achieve the therapeutic dose to launch a proof-of-concept human study in a small number of patients (Phase 2a PoC clinical trial). This trial will pave way for a larger Phase 2b study, with appropriate biomarkers and endpoints for the treatment of progressive MS with multiple clinical sites. The Corporation has actively been planning a potential phase-2 clinical trial. Current patent on Lucid-21-302 are effective until 2036 (US10716791B2) and was licensed from University Health Network (Toronto, Canada) exclusively for development and commercialization.

Novel Treatments for Alcohol Misuse and Related Conditions

Excess alcohol consumption (alcohol misuse or mild acute alcohol intoxication) is clinically harmful that typically follows the ingestion of excess amount of alcohol. Clinical symptoms and manifestations are heterogeneous, and can be behavioral, cardiac, gastrointestinal, pulmonary, neurological, and metabolic effects. The Corporation is focused on treatments to reverse inebriation and to assist accelerating alcohol metabolism, in people who consumed excess alcohol and reaching blood alcohol levels around/slightly above the legal limits in various countries. Available options for the ER doctors and nurses are to provide a vitamin intravenous drip or let alcohol "wear off", until medical professionals can tend to those individuals who are inebriated, occupying expensive resources in the ER. The Corporation also identified that excess alcohol consumption is a problem in the general society (consumer market), and the commonly available remedies mostly fall in the category of "hangover remedies". Thus, there is a great need for immediate treatments that can address the challenges when one consumes excess alcohol. Medical and R&D teams at Lucid identified several natural ingredients that are dietary supplements that can function as alcohol metabolism accelerants and enhance mental alertness; the team developed several formulations that will help enhance mental alertness, replenish cofactors, and may accelerate the rate of alcohol metabolism. This formulation may be useful in treating intoxicated individuals who wish to speed up their recovery from the effects of alcohol as well as for the treatment of intoxicated patients entering emergency departments in the hospitals. The Corporation will continue its R&D program and develop products for use in emergency departments and other healthcare settings. Regulatory

activity in the United States, and other markets globally will be continued, aligned with the R&D and potential clinical trials (as needed) for commercialization, marketing, and distribution.

As of March 7, 2023, the Corporation has registered five trademarks with the Canadian Intellectual Property Office (Registrar of Trademarks) ("**CIPO**") and the United States Patent and Trademark Office ("**USPTO**") and 17 trademarks with the CIPO, relating to novel treatments for alcohol misuse and related conditions, including UNBUZZD™, which was licensed to Celly Nu pursuant to the Celly Nu IP License Agreement.

On April 24, 2023, the Corporation filed a provisional patent application with the USPTO with respect to the Corporation's alcohol misuse treatment technology, which was licensed to Celly Nu under the Celly Nu IP License Agreement.

The intellectual property rights licensed to Celly Nu provide for the global commercialization of the intellectual property rights in the recreational consumer sector, while the Corporation continues its R&D activities to develop novel formulations for alcohol misuse disorders and continues the development of such treatments for use in the healthcare sector.

CONSOLIDATED CAPITALIZATION

Other than as described in this Prospectus, there have been no material changes to the Corporation's share and loan capitalization, on a consolidated basis, since June 30, 2023. The applicable Prospectus Supplement will describe any material change, and the effect of such material change, on the share and loan capitalization that will result from the issuance of Securities pursuant to such Prospectus Supplement.

PRIOR SALES

Information regarding our Class B Shares that we issued within the previous twelve-month period, including Class B Shares that we issued upon the exercise of stock options or the settlement of share units or other awards granted under our equity incentive plans, will be provided as required in a Prospectus Supplement with respect to the issuance of Securities pursuant to such Prospectus Supplement.

TRADING PRICE AND VOLUME

The Class B Shares are listed and posted for trading on the CSE and the Nasdaq under the symbol "HUGE" and on the FSE under the symbol "0K9A". Trading price and volume information for the Corporation's Securities will be provided as required in each Prospectus Supplement to this Prospectus.

USE OF PROCEEDS

The net proceeds to the Corporation from any offering of Securities, the proposed use of those proceeds and the specific business objectives that we expect to accomplish with such proceeds will be set forth in the applicable Prospectus Supplement relating to that offering of Securities and will include reasonable detail of the principal purposes of the proposed use of net proceeds in accordance with the requirements of Section 4 of Form 44-101F1 *—Short Form Prospectus* ("**Form 44-101F1**"). All expenses relating to an offering of Securities and any compensation paid to underwriters, brokers, dealers or agents will be paid out of our general funds. From time to time, we may issue debt securities or incur additional indebtedness other than through the issue of Securities pursuant to this Prospectus. More detailed information regarding anticipated expenses associated with any underwriter, broker, dealer or agent in respect of any sales by us will be described in any applicable Prospectus Supplement.

Funds Available

As at the date of this Prospectus, the Corporation has working capital of approximately $11,600,000 for the next 12 months. As such, the Corporation will continue to be solvent and meet its near-term ongoing expenditures, objectives and milestones, regardless of the amount of net proceeds it receives from the sale of Securities under this Prospectus.

Source of Working Capital	Realization Period[(1)]	Amount
Current Cash Balance[(2)]		**$3,710,153.18**
August guaranteed investment certificate investments	August 2023	$1,000,000.00
May interest-bearing mortgage investments	May 2024	$475,000.00
June interest-bearing mortgage investments	June 2024	$2,600,000.00
July interest-bearing mortgage investments	July 2024	$1,625,000.00
August interest-bearing mortgage investments	August 2024	$800,000.00
October interest-bearing mortgage investments	October 2024	$3,257,500.00
November interest-bearing mortgage investments	November 2024	$445,000.00
Settlement of Accounts Payable	Over the next 12 months	$(2,235,000.00)
Total Working Capital Amount[(2)]:		**$11,562,653.18**

NOTES:

(1) Based on existing contractual arrangements, the Corporation anticipates receiving an additional $1,500,000 in working capital from its interest-nearing mortgage investments, to be realized by April 2025.

(2) As at November 3, 2023.

Accordingly, the Corporation has sufficient funds to carry out the existing business objectives set forth under "*Use of Proceeds with Non-Contingent Financial Resources*" below.

Use of Proceeds with Non-Contingent Financial Resources

Unless the Corporation otherwise indicates in the applicable Prospectus Supplement, the Corporation intends to use its non-contingent financial resources for the advancement of the objectives and milestones outlined below.

Category		Expense	Specific Factors and Assumptions
1. MAD (Multiple Ascending Dose) Cohorts			
	Regulatory Agency Approval	$40,000	The Corporation formally submits documents to the regulatory agencies through regulatory consultants. The expenses are based on the Corporation's contractual estimates.
	First Participants In	$150,000	Involves costs associated with protocol development, IRB submission, bioanalytical method development, database build, PK/statistical analysis, medical writing, and first participant recruitment. The expenses are based on the Corporation's contractual estimates.
	Last Participant In	$150,000	Involves costs associated with project management, clinical execution and data management. The expenses are based on the Corporation's contractual estimates.
	Completion of Report	$100,000	Involves cost associated with medical writing, PK/statistical analysis. The expenses are based on the Corporation's

			contractual estimates.
	Sub-total	***$440,000***	
2. Chronic Toxicity to initiate phase-2 (3-month study)			
	Study design for 2-species toxicity trial	$50,000	Involves cost associated with development of overall study plan, potential bioanalytical method development. The expenses are based on estimates provided by potential CROs.
	First interim report	$350,000	The expenses are based on estimates provided by potential CROs.
	Second interim report	$350,000	The expenses are based on estimates provided by potential CROs.
	Final Report	$250,000	The expenses are based on estimates provided by potential CROs.
	Sub-total	***$1,000,000***	
3. Settlement of Accounts Payable			
	R&D Support	$1,355,184.56	Based on existing contractual obligations.
	Legal	$719,110.14	Based on existing obligations.
	Accounting	$30,677.59	Based on existing obligations.
	Public company expenses	$130,027.71	Based on existing contractual obligations.
	Sub-total	***$2,235,000.00***	
	TOTAL:	**$3,675,000.00**	

By adhering to planned operating and solely focusing on milestones that use non-contingent financial resources, as set forth in the table above, the Corporation can maintain operations until November 2026. This projection relies on the current cash balance of $3.7 million and expected mortgage funds of approximately $12 million (See "*Use of Proceeds – Funds Available*", including Note 1), resulting in a comprehensive treasury of $15.7 million that can be allocated to cover expenses. The Corporation's budget for sustaining the status quo is $8.6 million for the initial 12 months and $4.8 million for each subsequent 12-month period. The Corporation employs this methodology to ensure the status quo can be sustained for approximately 36 months.

Use of Proceeds with Contingent Financial Resources

Although the Corporation intends to proceed with Phase 2 of the Lucid-MS clinical trial and advancement of its alcohol misuse treatment programs, it will require additional financing in order to be able to achieve its objectives and milestones. Unless the Corporation otherwise indicates in the applicable Prospectus Supplement, the Corporation intends to use the net proceeds rom the sale of Securities under this Prospectus for the advancement of the objectives and milestones outlined below.

Category		Expense	Specific Factors and Assumptions
1. Lucid-MS Program			
Non-clinical studies			
	Phase 2 enabling pharmacology studies	$150,000	Studies warranted by regulatory agencies before the start of Phase 2. Estimate based on industry standard costs.
	Chronic tox studies to complete phase-2 (2 species, up to 9 months)	$3,500,000	Requirement to complete Phase 2 studies. Estimate based on industry standard costs.
	Reproductive toxicology and autoradiography	$2,500,000	Studies required before the start of Phase 3. Cost estimates are based on the Corporation's previous experience in animal work and

			available contracts.
Drug Substance and Product Manufacturing	Synthesis of non-GMP drug substance for chronic toxicology studies	$250,000	Based on the R & D trials performed on the synthesis of Lucid-21-302 (Luid-MS), and its scale of manufacturing. The cost estimates are made based on these existing contracts.
	Development of clinical and non-clinical Formulations	$450,000	Before commencement of Phase 2, it is required to have a clinical formulation; the cost is estimated based on discussions with vendors for a potential clinical formulation.
	Drug Substance for Phase 2 studies	$1,500,000	Process optimization and GMP manufacturing costs estimated based on proposed contracts. Risks exist that the process development may take longer than expected time frame.
	Drug Product for Phase 2 studies	$600,000	Cost budgeted based on estimates derived from previous contracts.
Clinical Studies	2nd Phase 2a clinical trial site and CRO identification and deposits	$1,300,000	It is assumed that Lucid-21-302 will receive regulatory clearance to initiate this clinical trial with no barriers.
	Phase 2a PoC Clinical trial (launch, biomarkers, labs, clinical site, regulatory and other activities)	$6,000,000	Best estimate based on internal experience and discussions with CROs; a formal quote will be obtained at appropriate future time and it is assumed that Lucid-21-302 will receive regulatory clearance to initiate this clinical trial with no barriers. An adaptive design may be considered to transition to Phase-2b.
	Phase-2b clinical trial (launch, biomarkers, biostats, labs, clinical sites, regulatory and other activities)	$20,000,000	This is contingent on successful Phase 2a. Best estimate based on internal experience and discussions with CROs; a formal quote will be obtained at appropriate future time and it is assumed that Lucid-21-302 will receive regulatory clearance to initiate this clinical trial with no barriers. An adaptive design may be considered to transition from Phase-2a.
Regulatory, licensing and other support costs	US FDA/Health Canada/UK MHRA regulatory activities, patents maintenance/new filings, patent licensing costs.	$5,000,000	These activities are formal discussions and applications submissions to the regulators, consultant activities; assumes the development candidate (Lucid-MS) is in good standing for development.
	Sub-total	***$41,250,000.00***	
2. Alcohol Misuse Treatments Program			
Non-clinical activities	*In vitro* and *in vivo* toxicology studies and dose range for the oral liquid formulation	$ 1,000,000	It is assumed that the regulators will require non-clinical toxicology despite a non-prescription product; estimates are based on previous experience; formal quotes will be obtained at appropriate future time.
	In vitro and *in vivo* toxicology studies and dose range for the intravenous formulation	$3,000,000	Estimates are based on previous experience; formal quotes will be obtained at appropriate future time. It is expected that intravenous formulation will be different from that of oral

			liquid formulation.
Drug Substance and Product Manufacturing	Oral liquid Formulation development	$1,000,000	Process optimization and GMP manufacturing costs estimated based on discussions with CROs. Risks exist that the process development may take longer than expected time frame. The cost is estimated based on company experience for a potential clinical formulation. Formal quotes will be obtained at appropriate future time.
	Intravenous formulation development	$1,500,000	Process optimization and GMP sterile manufacturing costs estimated based on discussions with CROs. Risks exist that the process development may take longer than expected time frame. The cost is estimated based on the Corporation's experience for a potential clinical formulation. Formal quotes will be obtained at appropriate future time.
	Oral liquid formulation manufacturing for clinical study	$500,000	GMP manufacturing and packaging of the clinical trial product costs estimated based on best estimates and experience. Risks exist that the process development or shelf-life estimates may take longer than expected time frame. The cost is estimated based on the Corporation's experience for a potential clinical formulation. Formal quotes will be obtained at appropriate future time.
	GMP Sterile formulation manufacturing for clinical studies	$1,500,000	GMP sterile manufacturing and packaging of the clinical trial product costs estimated based on best estimates and experience. Risks exist that the process development or shelf-life estimates may take longer than expected time frame. The cost is estimated based on the Corporation's experience for a potential clinical formulation. Formal quotes will be obtained at appropriate future time.
Clinical Studies	Clinical study with one oral formulation	1,500,000	This is contingent on regulatory approvals for the clinical study with no barriers, and the availability of clinical trial materials. Best estimate based on internal experience and discussions with CROs; a formal quote and regulatory guidance will be obtained at appropriate future time. This study is assumed to be the pivotal study for potential market authorization.
	Clinical study with one intravenous formulation for regulatory submission	$2,500,000	This is contingent on regulatory approvals for the clinical study with no barriers, and the availability of clinical trial materials. Best estimate based on internal experience and discussions with CROs; a formal quote and regulatory guidance will be obtained at appropriate future time. This study is assumed to be the pivotal study for potential market authorization.
Regulatory, IP and other	Regulatory activities and submissions in the USA and	$300,000	Consistent with FY 2021-2022.

support costs	Canada		
Marketing and related activities	Medical education, pre-launch and partnership activities	$2,000,000	It is assumed that pre-launch marketing activities and medical education will be in partnership with sales/distribution partners; and there are no regulatory barriers for potential launch and medical education.
	Sub-total	***$14,800,000.00***	
Operations	Team members salaries, benefits, external consultants and KOLs	$5,500,000	Consistent with FY 2021-2022.
	IT, legal, tele/communications, facilities infrastructure, travel, shipping/logistics	$3,000,000	Consistent with FY 2021-2022.
	Sub-total	***$8,500,000***	
	TOTAL:	**$64,550,000**	

The Corporation has arrived at these estimated cash requirements based on the following significant, general factors and assumptions: (i) the Corporation will not generate any revenue from the sale of pharmaceutical products but will incur costs necessary to maintain and advance its various clinical development programs; (ii) the Corporation will continue to maintain its own staff that are essential to the development of its stated programs; (iii) the Corporation will be able to realize cost-savings and reduced general & administrative expenditures associated with the completion of its phase 1 MS program, the idling of its psychedelic asset (Lucid-PSYCH) and the termination of its Phase 2 PEA trial; and (iv) the Corporation will proceed to Phase 2 trials for Lucid-MS based on the timeline and anticipated costs in the table above under "*Milestones*".

As noted above, the Corporation will take the appropriate steps to prepare Lucid-MS to seek FDA and Health Canada approval for a Phase 2 clinical trial to treat patients with progressive MS. On that basis, the Corporation believes it is reasonable to assume that the commencement of a Phase 2 clinical trial will be granted and has therefore included the entire approximately $52 million estimated cost in its 25-month cash flow forecast, resulting in total minimum cash needs of approximately $52 million over the next 25 months. Although the Corporation has no contractual or other obligations to commence or expand its R&D programs, with access to additional capital (whether through one or more additional financing) and subject to favourable clinical results and ongoing FDA approvals, the Corporation may be in a position to begin by Q1 2024.

The milestones described above represent customary inflection points for financing by clinical-stage biotech companies. However, there is no assurance that the Corporation will be able to achieve these clinical milestones, nor, if successful in doing so, that the Corporation will be able to access additional financing on terms or timing acceptable to the Corporation. See "*Risk Factors*" in this Prospectus and in the 2022 Annual Report.

The Corporation intends to continue to allocate a significant portion of its available capital towards R&D efforts. One of the Corporation's main focuses is to ensure its R&D pipeline remains robust, and to capitalize on current and new initiatives including, analysis of current commercial products, ongoing preclinical and IND-enabling studies, clinical development of the pharmaceutical pipeline, and R&D dedicated to building out its product pipeline portfolio. See "*Milestones*" for a discussion on the status and actual costs to complete the Corporation's identified business milestones.

Drug development is a long, expensive and uncertain process, involving a high degree of risk. The drug development business depends heavily on the ability to complete clinical development and non-clinical studies of novel drugs to be developed by the Corporation. See "*Milestones - Non-Revenue Generating Projects*". Before obtaining regulatory approvals for the commercial sale of any product candidate, the Corporation must demonstrative through non-clinical studies and clinical trials that the product candidate is safe and effective for use in each target indication. See "*The*

Corporation – Research and Development" for a discussion on the research and development activities and an overview of the process required for commercial drug development and "*Milestones*" for details on proceeds and anticipated costs to be spent on such development. Due to the early stage of the Corporation's research and development activities, and the highly variable costs and timing associated with more advanced stages of drug development it would be misleading to provide an estimate on the anticipated costs beyond the planned studies described herein.

The Corporation does not have any exposure to the psychedelics industry and it has put any future work programs relating to Lucid-PSYCH as a drug product candidate on hold at this time and as such, none of the proceeds raised under the Prospectus will be allocated towards psychedelic substances.

The Corporation has negative cash flow from operating activities and has historically incurred net losses. To the extent that the Corporation has negative operating cash flows in future periods, it may need to deploy a portion of its existing working capital to fund such negative cash flows. See "*Risk Factors*".

The material factors or assumptions used to develop the estimated costs disclosed above are included in the "*Forward-Looking Statements*" section above. The actual amount that the Corporation spends in connection with each of the intended uses of proceeds will depend on a number of factors, including those listed under "*Risk Factors*" in, or incorporated by reference in, this Prospectus or unforeseen events.

Use of Proceeds Reconciliation

The Corporation's cash requirements for the next 12 months differ from historical amounts. Set forth below is a reconciliation of the Corporation's historical and forward-looking cash requirements, along with details of the significant factor and assumptions management use to arrive at the expected cash burn.

Expense	Three months ending June 30, 2023 ($)	Year ending December 31, 2022 ($)	Expected Cash Burn Rate (Next 12 months) ($)	Significant Factors and Assumptions
G&A	1,870,758	14,450,094	4,793,318.22	Overhead cost changes: 1. Headcount was as high as 20 in the past 24 months; however, the headcount has been reduced to 7 individuals, resulting in an annual reduction over $800,000; 2. Prior years included legal costs for 18 actions, which incurred over $6.5 million, all these actions have been completed, so this cost has been reduced to zero; 3. Advertising costs have also been cut by $1 million; and 4. Insurance was moved to a side A policy to save another $700,000. 5. Physical office locations have been reduced from 3 to 1, resulting in rental/lease savings of 500K annually.
External research and development fees	1,610,528	6,910,844	1,440,000.00	The Corporation has 4 assets, as follows: 1. FSD201- this has been terminated due to it not being a feasible revenue generating case;

				2. LUCID-Psych – all activity is on hold with this asset as it is not a top priority; 3. LUCID-MS – this has completed phase 1 and we are completing chronic toxicity and MAD cohorts before proceeding with phase 2; and 4. UNBUZZD™ – this is being developed by another entity named Celly Nutrition Corp. meaning that the Corporation does not have any additional funding requirements. Prior years included significant amounts spent on the development and FDA studies for FSD-201 and Lucid-PSYCH, which have either been terminated or on hold without additional funding.
Share-based payments	403,393	1,531,258	0	All share-based compensation has been put on hold. Note that these are non-cash items that should not be factored into the calculation to determine if the Corporation has resources to meet short-term liquidity requirements.
Depreciation and amortization	1,107,318	4,537,415	0	There are no assets to depreciate since the sale of the Cobourg Facility. Note that these are non-cash items that should not be factored into the calculation to determine if the Corporation has resources to meet short-term liquidity requirements.
Settlement of Accounts Payable			~2,350,000	This amount is based on existing contractual and other obligations. See "*Use of Proceeds - Use of Proceeds with Non-Contingent Financial Resources*".
Impairment loss	3,839,523	-	0	Losses taken in prior years are not expected to repeat, and are non-cash items that should not be factored into the calculation to determine if the Corporation has resources to meet short-term liquidity requirements.
Total operating expenses	**8,831,520**	**27,429,611**	**8,583,318.22**	
Loss from continuing operations	**(8,831,520)**	**(27,429,611)**	**0**	These losses came from the Cobourg Facility which is now sold
Comprehensive loss	**(5,723,184)**	**(23,193,839)**	**(8,583,318.22)**	
Cash used in operating activities	**(8,263,030)**	**(28,333,273)**	**(8,583,318.22)**	

Negative Operating Cash Flow

The Corporation has negative cash flow from operating activities and has historically incurred net losses. To the extent that the Corporation has negative operating cash flows in future periods, it may need to deploy a portion of its existing working capital to fund such negative cash flows. The Corporation will be required to raise additional funds through the issuance of additional equity securities, through loan financing, or other means, such as through partnerships with other pharmaceutical companies and research and development reimbursements. There is no assurance that additional capital or other types of financing will be available if needed or that these financings will be on terms at least as favourable to the Corporation as those previously obtained, or at all.

The expected use of net proceeds from an offering of the Corporation's Securities represents the Corporation's current intentions based upon its present plans and business conditions, which could change in the future as its plans and business conditions evolve. The amounts and timing of the actual use of the net proceeds will depend on multiple factors and there may be circumstances where, for sound business reasons, a reallocation of funds may be necessary in order for the Corporation to achieve its stated business objectives. The Corporation may also require additional funds in order to fulfill its expenditure requirements to meet existing and any new business objectives, and the Corporation expects to either issue additional securities or incur debt to do so. As a result, management will retain broad discretion in the application of the net proceeds, and investors will be relying on management's judgment regarding the application of the net proceeds from the offering.

Pending the use of the net proceeds from the offering, the Corporation may plan to invest the net proceeds in short- and intermediate-term, interest-bearing obligations, investment-grade instruments, certificates of deposit or government securities, or hold them as cash.

Until applied, the net proceeds will be held as cash balances in the Corporation's bank account or invested in certificates of deposit and other instruments issued by banks or obligations of or guaranteed by the Government of Canada or any province thereof or the Government of the United States or any state thereof.

The actual amount that the Corporation spends in connection with each of the intended uses of proceeds will depend on a number of factors, including those listed under "*Risk Factors*" in, or incorporated by reference in, this Prospectus or unforeseen events.

PLAN OF DISTRIBUTION

General

The Corporation may from time to time during the 25-month period that this Prospectus, including any amendments and supplements hereto, remains valid, offer for sale and sell up to an aggregate of US$50,000,000 in Securities hereunder.

The Securities may be sold by us (i) directly pursuant to applicable statutory exemptions, (ii) to or through underwriters or dealers, or (iii) through designated agents. The Prospectus Supplement relating to a particular offering of Securities will identify any underwriter, dealer or agent engaged in connection with the offering and sale of such Securities, and will set forth the terms of the offering of such Securities, including, to the extent applicable, any fees, discounts or any other compensation payable to underwriters, dealers or agents in connection with the offering, the method of distribution of the Securities, the purchase price of the Securities (or the manner of determination thereof if offered on a non-fixed price basis), the net proceeds to us and any other material terms of the plan of distribution (including sales in transactions that are deemed to be "at-the-market distributions" as defined in NI 44-102). Any initial offering price and discounts, concessions or commissions allowed or re-allowed or paid to underwriters, dealers or agents may be changed from time to time. Only underwriters named in the Prospectus Supplement are deemed to be underwriters in connection with our Securities offered by that Prospectus Supplement.

The Securities may be sold from time to time in one or more transactions at a fixed price or prices or at non-fixed prices. If offered on a non-fixed price basis, the Securities may be offered at market prices prevailing at the time of sale, at prices determined by reference to the prevailing price of a specified security in a specified market or at prices to be negotiated with purchasers including sales in transactions that are deemed to be "at-the-market" distributions,

including sales made directly on the CSE or other existing trading markets for the Securities, in which case the compensation payable to an underwriter, dealer or agent in connection with any such sale will be decreased by the amount, if any, by which the aggregate price paid for the Securities by the purchasers is less than the gross proceeds paid by the underwriter, dealer or agent to the Corporation. The price at which the Securities will be offered and sold may vary from purchaser to purchaser and during the period of distribution.

Sales of Securities under an "at-the-market distribution", if any, will be made pursuant to an accompanying Prospectus Supplement. Sales of Securities under any "at-the-market" program will be made in transactions that are "at-the-market distributions" as defined in NI 44-102. The volume and timing of any "at-the-market distributions" will be determined at the Corporation's sole discretion.

No underwriter or dealer involved in an "at-the-market distribution" under this Prospectus, no affiliate of such an underwriter or dealer and no person or company acting jointly or in concert with such an underwriter or dealer will over-allot securities in connection with such distribution or effect any other transactions that are intended to stabilize or maintain the market price of the offered Securities or securities of the same class as the Securities distributed under the "at-the-market distribution", including selling an aggregate number or principal amount of Securities that would result in the underwriter creating an over-allocation position in the Securities.

In connection with the sale of the Securities, underwriters, dealers or agents may receive compensation from the Corporation including in the form of underwriters', dealers' or agents' fees, commissions or concessions. Underwriters, dealers and agents that participate in the distribution of the Securities may be deemed to be underwriters for the purposes of applicable Canadian securities legislation and any such compensation that they receive from the Corporation and any profit that they make on the resale of the Securities, may be deemed to be underwriting commissions.

Underwriters, dealers or agents who participate in the distribution of the Securities may be entitled, under agreements to be entered into with the Corporation to indemnification by the Corporation against certain liabilities, including liabilities under Canadian securities legislation, or to contribution with respect to payments, which such underwriters, dealers or agents may be required to make in respect thereof. Such underwriters, dealers and agents may be customers of, engage in transactions with, or perform services for, the Corporation in the ordinary course of business.

In connection with any offering of Securities, subject to applicable laws and other than an "at-the-market distribution", the underwriters, dealers or agents, as the case may be, may over-allot or effect transactions which stabilize, maintain or otherwise affect the market price of the offered Securities at a level other than those which otherwise might prevail on the open market. Such transactions may be commenced, interrupted or discontinued at any time.

Unless specified in the applicable Prospectus Supplement, there is no market through which the Subscription Receipts, Warrants, Units and Debt Securities may be sold and purchasers may not be able to resell the Subscription Receipts, Warrants, Units and Debt Securities purchased under this Prospectus and the Prospectus Supplement. This may affect the pricing of the Subscription Receipts, Warrants, Units and Debt Securities in the secondary market, the transparency and availability of trading prices, the liquidity of the Subscription Receipts, Warrants, Units and Debt Securities and the extent of issuer regulation. See "*Risk Factors*".

Offerings in the United States

Unless stated to the contrary in any Prospectus Supplement, the Securities have not been registered under the U.S. Securities Act or any U.S. state securities laws, and may not be offered, sold or delivered, directly or indirectly, to, or for the account or benefit of, persons in the United States or U.S. persons, except in transactions exempt from the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. In addition, until 40 days after the commencement of an offering of Securities, an offer or sale of the Securities within the United States or to U.S. persons by any dealer, whether or not participating in the offering, may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with an exemption from the registration requirements of the U.S. Securities Act. Terms used and not defined in this paragraph shall have the meanings ascribed thereto by Regulation S under the U.S. Securities Act.

DESCRIPTION OF SHARE CAPITAL

The Class B Shares are "restricted securities" within the meaning of such term under applicable Canadian securities laws, as these Securities do not carry equal voting rights as compared with our Class A Shares. As of November 2, 2023, there were 39,358,791 Class B Shares outstanding, representing approximately 66.4% of the voting rights attached to outstanding voting securities of the Corporation. The following is a summary of the rights, privileges, restrictions and conditions attached to the Class A Shares and Class B Shares:

Meetings & Voting Rights

Holders of Class A Shares and Class B Shares are entitled to notice of and to attend all meetings of the shareholders of the Corporation, except meetings at which only holders of another particular class or series of shares of the Corporation shall have the right to vote. At each such meeting, each Class A Share shall entitle the holder thereof to 276,660 votes in respect of each Class A Share, and each Class B Share shall entitle the holder thereof to one vote, voting together as a single class, except as otherwise expressly provided herein or as provided by law. At the date hereof, there are 72 Class A Shares outstanding, together representing approximately 33.6% of outstanding voting rights. Each of Dr. Raza Bokhari, Mr. Anthony Durkacz and Mr. Zeeshan Saeed holds 24 (or one-third) of the outstanding Class A Shares.

Neither the holders of the Class A Shares nor the holders of the Class B Shares shall be entitled to vote separately as a class upon a proposal to amend the articles of the Corporation in the case of an amendment referred to in paragraph (a) or (e) of subsection 170(1) of the OBCA. Neither the holders of the Class A Shares nor the holders of the Class B Shares shall be entitled to vote separately as a class upon a proposal to amend the articles of the Corporation in the ease of an amendment referred to in paragraph (b) of subsection 170(1) or the OBCA unless such exchange, reclassification or cancellation: (a) affects only the holders of that class; or (b) affects the holders of Class A Shares and Class B Shares differently, on a per share basis, and such holders are not otherwise entitled to vote separately as a class under any applicable law or the Corporation's articles in respect of such exchange, reclassification or cancellation.

Dividends, Liquidation & Participation

The Class A Shares and Class B Shares rank *pari passu* with respect to the payment of dividends, return of capital and distribution of assets in the event of the liquidation, dissolution or winding up of the Corporation. In the event of the liquidation, dissolution or winding-up of the Corporation or any other distribution of its assets among its shareholders for the purpose of winding-up its affairs, whether voluntarily or involuntarily, the holders of Class A Shares and the holders of Class B Shares are entitled to participate equally, share for share, subject always to the rights of the holders of any class of shares ranking senior to the Class A Shares and the Class B Shares, in the remaining property and assets of the Corporation available for distribution to Shareholders, without preference or distinction among or between the Class A Shares and the Class B Shares.

Holders of Class A Shares and Class B Shares are entitled to receive, subject always to the rights of the holders of any class of shares ranking senior to the Class A Shares and Class B Shares, dividends out of the assets of the Corporation legally available for the payment of dividends at such times and in such amount and form as the Board may from time to time determine, and the Corporation will pay dividends thereon on a *pari passu* basis, if, as and when declared by the Board.

Changes

No subdivision or consolidation of the Class A Shares or the Class B Shares may be carried out unless, at the same time, the Class A Shares or the Class B Shares, as the case may be, are subdivided or consolidated in the same manner and on the same basis.

Conversion

The Class B Shares are not convertible into any other class of shares. Each outstanding Class A Share may, at any time at the option of the holder, be converted into one Class B Share. Upon the first date that any Class A Share is held other than by a permitted holder, the permitted holder which held such Class A Share until such date, without any further action, shall automatically be deemed to have exercised his, her or its rights to convert such Class A Share

into a fully paid and non-assessable Class B Share.

Future transfers by holders of Class A Shares to arm's length parties or other than to permitted holders will generally result in those shares converting to Class B Shares, which will have the effect, over time, of increasing the relative voting power of those holders of Class A Shares who retain their shares. Such holders could, in the future, control a significant percentage of the combined voting power of Class A Shares and Class B Shares.

Take-Over Bid Protections

The holders of Class B Shares are entitled to participate on an equal basis with holders of Class A Shares in the event of a "Change of Control Transaction" requiring approval of the holders of Class A Shares and Class B Shares under the OBCA, unless different treatment of the shares of each such class is approved by a majority of the votes cast by the holders of outstanding Class A Shares and by a majority of the votes cast by the holders of outstanding Class B Shares, each voting separately as a class.

Under applicable Canadian law, an offer to purchase Class A Shares would not necessarily require that an offer be made to purchase Class B Shares. In accordance with the rules of the CSE designed to ensure that, in the event of a take-over bid, the holders of Class B Shares will be entitled to participate on an equal footing with holders of Class A Shares, the holders of not less than 80% of the outstanding Class A Shares have entered into the Coattail Agreement, dated May 24, 2018 (the "**Coattail Agreement**"). The Coattail Agreement contains provisions customary for dual class, publicly-traded Ontario corporations designed to prevent transactions that otherwise would deprive the holders of Class B Shares of rights under the take-over bid provisions of applicable Canadian securities legislation to which they would have been entitled if the Class A Shares had been Class B Shares.

The undertakings in the Coattail Agreement do not apply to prevent a sale of Class A Shares by a holder of Class A Shares party to the Coattail Agreement if concurrently an offer is made to purchase Class B Shares that:

(a) offers a price per Class B Share at least as high as the highest price per share paid or required to be paid pursuant to the take-over bid for the Class A Shares;

(b) provides that the percentage of outstanding Class B Shares to be taken up (exclusive of shares owned immediately prior to the offer by the offeror or persons acting jointly or in concert with the offeror) is at least as high as the percentage of outstanding Class A Shares to be sold (exclusive of Class A Shares owned immediately prior to the offer by the offeror and persons acting jointly or in concert with the offeror);

(c) has no condition attached other than the right not to take up and pay for Class B Shares tendered if no shares are purchased pursuant to the offer for Class A Shares; and

(d) is in all other material respects identical to the offer for Class A Shares.

In addition, the Coattail Agreement does not prevent the sale of Class A Shares by a holder thereof to a permitted holder, provided such sale does not or would not constitute a take-over bid or, if so, is exempt or would be exempt from the formal bid requirements (as defined in applicable securities legislation). The conversion of Class A Shares into Class B Shares shall not, in or of itself, constitute a sale of Class A Shares for the purposes of the Coattail Agreement.

Under the Coattail Agreement, any sale of Class A Shares (including a transfer to a pledgee as security) by a holder of Class A Shares party to the Coattail Agreement is conditional upon the transferee or pledgee becoming a party to the Coattail Agreement, to the extent such transferred Class A Shares are not automatically converted into Class B Shares in accordance with the Articles of Amendment.

The Coattail Agreement contains provisions for authorizing action by the trustee to enforce the rights under the Coattail Agreement on behalf of the holders of the Class B Shares. The obligation of the trustee to take such action will be conditional on the Corporation or holders of the Class B Shares providing such funds and indemnity as the trustee may require. No holder of Class B Shares has the right, other than through the trustee, to institute any action or proceeding or to exercise any other remedy to enforce any rights arising under the Coattail Agreement unless the trustee fails to act on a request authorized by holders of not less than 10% of the outstanding Class B Shares and reasonable funds and indemnity have been provided to the trustee.

The Coattail Agreement may not be amended, and no provision thereof may be waived, unless, prior to giving effect to such amendment or waiver, the following have been obtained: (a) the consent of the CSE and any other applicable securities regulatory authority in Canada and (b) the approval of at least $66^{2}/_{3}$% of the votes cast by holders of Class B Shares represented at a meeting duly called for the purpose of considering such amendment or waiver, excluding votes attached to Class B Shares held directly or indirectly by holders of Class A Shares, their affiliates and related parties and any persons who have an agreement to purchase Class A Shares on terms which would constitute a sale for purposes of the Coattail Agreement other than as permitted thereby.

No provision of the Coattail Agreement limits the rights of any holders of Class B Shares under applicable law.

At the annual and special meeting of Shareholders of the Corporation held December 16, 2019, the Shareholders approved an amendment to the Articles to authorize certain transfers of Class A Shares. The Shareholders approved an amendment to permit the holders of Class A Shares to complete transfers of Class A Shares to a director, executive officer or founder of the Corporation, such that a founder who is no longer actively involved in the business and affairs of the Corporation could transfer that founder's Class A Shares to those individuals who remain active.

Except as otherwise provided above, Class A Shares and Class B Shares are equal in all respects and shall be treated as shares of a single class for all purposes under the OBCA.

The Corporation has complied with the requirements of Part 12 of NI 41-101 to be able to file a prospectus under which the Class B Shares or Securities that are, directly or indirectly, convertible into, or exercisable or exchangeable for, the Class B Shares are distributed, as the Corporation received the requisite prior majority approval of shareholders of the Corporation, at the annual and special meeting of shareholders held on March 15, 2018, in accordance with applicable law, including Section 12.3 of NI 41-101, for the business combination between the Corporation and FV Pharma (the "**Business Combination**"), pursuant to which FV Pharma completed a reverse takeover of the Corporation and, in connection with the Business Combination, the Corporation amended its articles of incorporation on May 24, 2018, to create the new terms of the Class A Shares and Class B Shares, which amendments constituted a "restricted security reorganization" within the meaning of such term under applicable Canadian securities laws.

See *"Exhibit 2.1 — Description of Securities"* in the 2022 Annual Report for additional details as to the description of the capital structure of the Corporation and see *"Item 4.A. History and Development of the Corporation — Corporate Structure"* in the 2022 Annual Report for additional details of the Business Combination.

DESCRIPTION OF SUBSCRIPTION RECEIPTS

The following description of the terms of Subscription Receipts sets forth certain general terms and provisions of Subscription Receipts in respect of which a Prospectus Supplement may be filed. The particular terms and provisions of Subscription Receipts offered by any Prospectus Supplement, and the extent to which the general terms and provisions described below may apply thereto, will be described in the Prospectus Supplement filed in respect of such Subscription Receipts.

Subscription Receipts may be offered separately or in combination with one or more other Securities. The Subscription

Receipts will be issued under a subscription receipt agreement. A copy of the subscription receipt agreement will be filed by us with the applicable securities commission or similar regulatory authorities after it has been entered into by us and will be available electronically at www.sedarplus.ca.

Pursuant to the subscription receipt agreement, original purchasers of Subscription Receipts may have a contractual right of rescission against the Corporation, following the issuance of the underlying Class B Shares or other Securities to such purchasers upon the surrender or deemed surrender of the Subscription Receipts, to receive the amount paid for the Subscription Receipts in the event that this Prospectus and any amendment thereto contains a misrepresentation or is not delivered to such purchaser, provided such remedy for rescission is exercised within 180 days from the closing date of the offering of Subscription Receipts.

The description of general terms and provisions of Subscription Receipts described in any Prospectus Supplement will include, where applicable:

- the number of Subscription Receipts offered;
- the price at which the Subscription Receipts will be offered;
- if other than Canadian dollars, the currency or currency unit in which the Subscription Receipts are denominated;
- the procedures for the exchange of the Subscription Receipts into Class B Shares or other Securities;
- the number of Class B Shares or other Securities that may be obtained upon exercise of each Subscription Receipt;
- the designation and terms of any other Securities with which the Subscription Receipts will be offered, if any, and the number of Subscription Receipts that will be offered with each Security;
- the terms applicable to the gross proceeds from the sale of the Subscription Receipts plus any interest earned thereon;
- the material tax consequences of owning the Subscription Receipts; and
- any other material terms, conditions and rights (or limitations on such rights) of the Subscription Receipts.

We reserve the right to set forth in a Prospectus Supplement specific terms of the Subscription Receipts that are not within the options and parameters set forth in this Prospectus. In addition, to the extent that any particular terms of the Subscription Receipts described in a Prospectus Supplement differ from any of the terms described in this Prospectus, the description of such terms set forth in this Prospectus shall be deemed to have been superseded by the description of such differing terms set forth in such Prospectus Supplement with respect to such Subscription Receipts.

DESCRIPTION OF WARRANTS

The following description of the terms of Warrants sets forth certain general terms and provisions of Warrants in respect of which a Prospectus Supplement may be filed. The particular terms and provisions of Warrants offered by any Prospectus Supplement, and the extent to which the general terms and provisions described below may apply thereto, will be described in the Prospectus Supplement filed in respect of such Warrants.

Warrants may be offered separately or in combination with one or more other Securities. Each series of Warrants will be issued under a separate warrant agreement to be entered into between us and one or more banks or trust companies acting as warrant agent. The applicable Prospectus Supplement will include details of the warrant agreements covering the Warrants being offered. The warrant agent will act solely as our agent and will not assume a relationship of agency with any holders of Warrant certificates or beneficial owners of Warrants. A copy of the warrant agreement will be filed by us with the applicable securities commission or similar regulatory authorities after it has been entered into by us and will be available electronically at www.sedarplus.ca.

Pursuant to the warrant agreement, original purchasers of Warrants may have a contractual right of rescission against the Corporation, following the issuance of the underlying Class B Shares or other securities to such purchasers upon the exercise or deemed exercise of the Warrants, to receive the amount paid for the Warrants and the amount paid upon exercise of the Warrants in the event that this Prospectus and any amendment thereto contains a misrepresentation or is not delivered to such purchaser, provided such remedy for rescission is exercised within 180 days from the closing date of the offering of Warrants.

The description of general terms and provisions of Warrants described in any Prospectus Supplement will include, where applicable:

- the designation and aggregate number of Warrants offered;
- the price at which the Warrants will be offered;
- if other than Canadian dollars, the currency or currency unit in which the Warrants are denominated;
- the designation and terms of the Class B Shares that may be acquired upon exercise of the Warrants;
- the date on which the right to exercise the Warrants will commence and the date on which the right will expire;
- the number of Class B Shares that may be purchased upon exercise of each Warrant and the price at which and currency or currencies in which that amount of securities may be purchased upon exercise of each Warrant;
- the designation and terms of any Securities with which the Warrants will be offered, if any, and the number of the Warrants that will be offered with each Security;
- the date or dates, if any, on or after which the Warrants and the related Securities will be transferable separately;
- the minimum or maximum amount, if any, of Warrants that may be exercised at any one time;
- whether the Warrants will be subject to redemption or call, and, if so, the terms of such redemption or call provisions; and
- any other material terms, conditions and rights (or limitations on such rights) of the Warrants.

We reserve the right to set forth in a Prospectus Supplement specific terms of the Warrants that are not within the options and parameters set forth in this Prospectus. In addition, to the extent that any particular terms of the Warrants described in a Prospectus Supplement differ from any of the terms described in this Prospectus, the description of such terms set forth in this Prospectus shall be deemed to have been superseded by the description of such differing terms set forth in such Prospectus Supplement with respect to such Warrants.

DESCRIPTION OF UNITS

We may issue Units comprised of one or more of the other Securities described in this Prospectus in any combination. Each Unit will be issued so that the holder of the Unit is also the holder of each Security included in the Unit. Thus, the holder of a Unit will have the rights and obligations of a holder of each included Security. The unit agreement, if any, under which a Unit is issued may provide that the Securities included in the Unit may not be held or transferred separately, at any time or at any time before a specified date.

The particular terms and provisions of Units offered by any Prospectus Supplement, and the extent to which the general terms and provisions described below may apply thereto, will be described in the Prospectus Supplement filed in respect of such Units.

The particular terms of each issue of Units will be described in the related Prospectus Supplement. This description will include, where applicable:

- the designation and aggregate number of Units offered;
- the price at which the Units will be offered;
- if other than Canadian dollars, the currency or currency unit in which the Units are denominated;
- the terms of the Units and of the Securities comprising the Units, including whether and under what circumstances those securities may be held or transferred separately;
- the number of Securities that may be purchased upon exercise of each Unit and the price at which and currency or currency unit in which that amount of Securities may be purchased upon exercise of each Unit;
- any provisions for the issuance, payment, settlement, transfer or exchange of the Units or of the Securities comprising the Units; and
- any other material terms, conditions and rights (or limitations on such rights) of the Units.

We reserve the right to set forth in a Prospectus Supplement specific terms of the Units that are not within the options and parameters set forth in this Prospectus. In addition, to the extent that any particular terms of the Units described in a Prospectus Supplement differ from any of the terms described in this Prospectus, the description of such terms set forth in this Prospectus shall be deemed to have been superseded by the description of such differing terms set forth in such Prospectus Supplement with respect to such Units.

DIRECTORS AND EXECUTIVE OFFICERS

On July 4, 2023, Mr. Zeeshan Saaed was appointed as CEO of the Corporation, to succeed Mr. Anthony Durkacz, who served as interim CEO of the Corporation from July 2021 to July 2023.

On June 29, 2023, Messrs. Michael Zapolin and Dr. Eric Hoskins were elected as directors of the Corporation.

Mr. Anthony Durkacz has been serving as director of the Corporation since June 18, 2018 and is currently serving as Co-Executive Chairman. On March 5, 2021, the Corporation was subject to a court order with respect to the Corporation's annual general and special meeting of shareholders held on May 14, 2021 (the "**2021 Annual and Special Meeting**") which, among other things, prohibited the Corporation's then CEO and directors, other than Mr. Durkacz, from voting certain of their shares at the 2021 Annual and Special Meeting. On April 9, 2021, the court ordered an injunction restraining the Corporation's then CEO and former directors, other than Mr. Durkacz, from authorizing or undertaking any transaction by the Corporation other than in the ordinary course of business, issuing any Class B Shares or authorizing the payment of any form of compensation to such former CEO and directors prior to the 2021 Annual and Special Meeting.

Mr. Nitin Kaushal served as a director of 3 Sixty from June 2019 to April 2021. On June 9, 2020, 3 Sixty announced that it was not able to file its annual financial statements and accompanying management's discussion and analysis for the financial year ended December 31, 2019 within the period prescribed for such filings. 3 Sixty made an application for a management cease trade order (the "**MCTO**") and, on June 18, 2020, the MCTO was issued by the Ontario Securities Commission (the "**OSC**") and restricted all trading in securities of 3 Sixty by its directors and officers until two business days following the completion of the required filings. On July 15, 2020, the OSC revoked the MCTO and issued a failure-to-file cease trade order (the "**FFCTO**") in replacement of it, ordering that all trading in the securities of 3 Sixty would cease, except in accordance with the conditions of the FFCTO, if any, for so long as the FFCTO remains in effect. 3 Sixty was delisted from the CSE on July 14, 2021.

Mr. Kaushal served as a director of Flower One Holdings Inc. ("**Flower One**") from December 28, 2020 to March 31, 2023. On October 17, 2022, Flower One announced that it had commenced a voluntary proceeding under the *Companies Creditors Arrangement Act* (Canada) ("**CCAA**") in the Supreme Court of British Columbia to go private.

A monitor was appointed on October 25, 2022, and Flower One obtained an order establishing a claims process. On December 31, 2022, Flower One announced the closing of the restructuring transaction pursuant to the approved plan under CCAA. Mr. Kaushal resigned from the board of Flower One on March 31, 2023.

For other information pertaining to our directors and executive officers, see *"Item 6. Directors, Senior Management and Employees"* in the 2022 Annual Report.

RISK FACTORS

Other than as discussed in this Prospectus, risk factors relating to our business are discussed in our 2022 Annual Report and FY 2022 MD&A, and certain other documents incorporated by reference or deemed to be incorporated by reference into this Prospectus, which risk factors are incorporated by reference into this Prospectus.

Absence of a public market for certain of the securities

There is no public market for the Warrants, Subscription Receipts or Units and, unless otherwise specified in the applicable Prospectus Supplement, the Corporation does not intend to apply for listing of the Warrants, Subscription Receipts or Units on any securities exchanges. If the Warrants, Subscription Receipts or Units are traded after their initial issuance, they may trade at a discount from their initial offering prices depending on prevailing interest rates (as applicable), the market for similar securities and other factors, including general economic conditions and our financial condition. There can be no assurance as to the liquidity of the trading market for the Warrants, Subscription Receipts or Units, or that a trading market for these securities will develop at all.

Dilution of the percentage ownership of the Corporation's stockholders

Future sales and issuances of the Corporation's Class B Shares or rights to purchase Class B Shares, including pursuant to the Corporation's equity incentive plans, could result in additional dilution of the percentage ownership of the Corporation's stockholders and could cause the Corporation's stock price to fall. The Corporation expects that significant additional capital may be needed in the future to continue its planned operations, including conducting clinical trials, commercialization efforts, expanded research and development activities, potential acquisitions, in-licenses, or collaborations and costs associated with operating a public company. To raise capital, the Corporation may sell Class B Shares, convertible securities or other equity securities in one or more transactions at prices and in a manner it determines from time to time. If the Corporation sells Class B Shares, convertible securities or other equity securities in more than one transaction, investors may be materially diluted by subsequent sales. Such sales may also result in material dilution to the Corporation's existing stockholders, and new investors could gain rights, preferences and privileges senior to the holders of our Class B Shares, including Class B Shares sold in this offering upon exercise of Warrants.

The Corporation has no history of revenue

To date, the Corporation has generated no product revenue and cannot predict when and if it will generate product revenue. The Corporation's ability to generate product revenue and ultimately become profitable depends upon its ability, alone or with partners, to successfully develop its product candidates, obtain regulatory approval, and commercialize products, including any of its current product candidates, or other product candidates that it may develop, in-license or acquire in the future. The Corporation expects its research and development expenses to increase in connection with its ongoing activities, particularly as it advances its product candidates through clinical trials.

Exposure to financial risk related to fluctuation of foreign exchange rates

The Corporation may be adversely affected by foreign currency fluctuations. To date, the Corporation has been primarily funded through issuances of equity and from interest income on funds available for investment, some of which are denominated in U.S. dollars. Also, a significant portion of its expenditures are in other currencies, and the Corporation is therefore subject to foreign currency fluctuations which may, from time to time, impact its financial position and results of operation.

The Corporation could be liable for fraudulent or illegal activity by its employees, contractors and consultants resulting in significant financial losses to claims against the Corporation

The Corporation is exposed to the risk that its employees, independent contractors and consultants may engage in fraudulent or other illegal activity. Misconduct by these parties could include intentional, reckless and/or negligent conduct or disclosure of unauthorized activities to the Corporation that violates: (i) government regulations; (ii) manufacturing standards; (iii) federal and provincial healthcare fraud and abuse laws and regulations; or (iv) laws that require the true, complete and accurate reporting of financial information or data. It is not always possible for the Corporation to identify and deter misconduct by its employees and other third parties, and the precautions taken by the Corporation to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting the Corporation from governmental investigations or other actions or lawsuits stemming from a failure to be in compliance with such laws or regulations. If any such actions are instituted against the Corporation, and it is not successful in defending itself or asserting its rights, those actions could have a significant impact on the Corporation's business, including the imposition of civil, criminal and administrative penalties, damages, monetary fines, contractual damages, reputational harm, diminished profits and future earnings, and curtailment of the Corporation's operations, any of which could have a material adverse effect on the Corporation's business, financial condition and results of operations.

Employee Misconduct

Notwithstanding having established an insider trading policy and code of ethics and business conduct, the Corporation is exposed to the risk of employee fraud or other misconduct. Misconduct by employees could include failures to comply with Health Canada and the FDA regulations, provide accurate information to Health Canada and the FDA, comply with manufacturing standards the Corporation has established, comply with federal and provincial healthcare fraud and abuse laws and regulations, report financial information or data accurately or disclose unauthorized activities to the Corporation. In particular, sales, marketing and business arrangements in the healthcare industry are subject to extensive laws and regulations intended to prevent fraud, kickbacks, self-dealing, and other abusive practices. These laws and regulations may restrict or prohibit a wide range of pricing, discounting, marketing and promotion, sales commission, customer incentive programs and other business arrangements. Employee misconduct could also involve the improper use of information obtained in the course of clinical trials, which could result in regulatory sanctions and serious harm to the Corporation's reputation. If any such actions are instituted against the Corporation, and the Corporation is not successful in defending itself or asserting its rights, those actions could have a substantial impact on the Corporation's business and results of operations, including the imposition of substantial fines or other sanctions.

Uninsured or uninsurable risk

The Corporation may become subject to liability for risks which are uninsurable or against which the Corporation may opt out of insuring due to the high cost of insurance premiums or other factors. The payment of any such liabilities would reduce the funds available for usual business activities. Payment of liabilities for which insurance is not carried may have a material adverse effect on the Corporation's financial position and operations.

Future Losses and Lack of Profitability

The Corporation has historically incurred losses from its operating activities. The Corporation believes that operating losses will continue as it is planning to incur significant costs associated with its research and development initiatives. The Corporation expects that losses will fluctuate from quarter to quarter and year to year, and that such fluctuations may be substantial. The Corporation cannot predict when it will become profitable, if at all.

Required Additional Financing

The Corporation anticipates requiring additional financing, including through issue and sale of equity and/or debt securities. There can be no assurance that the Corporation will be able to obtain necessary financing in a timely manner or on acceptable terms, if at all. If the Corporation is unable to obtain such additional financing, any investment in the Corporation may be lost. In such event, the probability of resale of the Securities purchased would be diminished.

Government Regulation

The processing, manufacturing, packaging, labeling, advertising and distribution of the Corporation's planned products is subject to regulation by one or more governmental authorities, and various agencies of the federal, provincial, state and localities in which our products are sold. These government authorities may attempt to regulate any of our products that fall within their jurisdiction. Such governmental authorities may determine that a particular product or product ingredient presents an unacceptable health risk and may determine that a particular statement of nutritional support that we want to use is an unacceptable claim. Such a determination would prevent the Corporation from marketing particular products or using certain statements of nutritional support on its products. The Corporation also may be unable to disseminate third-party literature that supports its products if the third-party literature fails to satisfy certain requirements. In addition, government authorities could require the Corporation to remove a particular product from the market. Any recall or removal would result in additional costs to the Corporation, including lost revenues from any products that we are required to remove from the market, any of which could be material. Any such product recalls or removals could lead to liability, substantial costs and reduced growth prospects, all of which could be material.

The Corporation may not be able to develop its products, which could prevent it from ever becoming profitable

If the Corporation cannot successfully develop, manufacture, sell and distribute its products, or if the Corporation experiences difficulties in the development process, such as capacity constraints, quality control problems or other disruptions, the Corporation may not be able to develop market-ready commercial products at acceptable costs, which would adversely affect the Corporation's ability to effectively enter the market. A failure by the Corporation to achieve a low-cost structure through economies of scale or improvements in cultivation and manufacturing processes would have a material adverse effect on the Corporation's commercialization plans and the Corporation's business, prospects, results of operations and financial condition.

Inability to complete development and commercialization of product candidates or develop new product candidates

As a research and development company, the Corporation expects to spend substantial funds to continue the research, development and testing of its product candidates and to prepare to commercialize products subject to approval of Health Canada in Canada, the FDA in the United States and similar approvals in other jurisdictions. The Corporation will also require significant additional funds if it expands the scope of its current clinical plans or if it were to acquire any new assets and advance their development. Therefore, for the foreseeable future, the Corporation will have to fund all of its operations and development expenditures from cash on hand, equity financings, through collaborations with other biotechnology or pharmaceutical companies or through financings from other sources. If it does not succeed in raising additional funds on acceptable terms, the Corporation might not be able to complete planned preclinical studies and clinical trials or pursue and obtain approval of any product candidates from Health Canada, the FDA and other regulatory authorities. It is possible that future financing will not be available or, if available, may not be on favorable terms. The availability of financing will be affected by the achievement of the Corporation's corporate goals, the results of scientific and clinical research, the ability to obtain regulatory approvals, the state of the capital markets generally and with particular reference to drug development companies, the status of strategic alliance agreements and other relevant commercial considerations. If adequate funding is not available, the Corporation may be required to delay, reduce or eliminate one or more of its product development programs, or obtain funds through corporate partners or others who may require the Corporation to relinquish significant rights to product candidates or obtain funds on less favourable terms than the Corporation would otherwise accept. To the extent that external sources of capital become limited or unavailable or available on onerous terms, the Corporation's intangible assets and its ability to continue its clinical development plans may become impaired, and the Corporation's assets, liabilities, business, financial condition and results of operations may be materially or adversely affected.

Third Party Suppliers

We outsource the manufacture of our products to third parties. Such third parties in turn source raw materials in order to produce our products. The availability of raw materials as well as variations in the price of raw materials may therefore increase the Corporation's operating costs. The resulting effect on the Corporation's operating profit margin depends on, among other things, the Corporation's ability to increase the prices of its finished products in the context of a competitive market. Fluctuations in raw material prices may therefore increase or decrease the Corporation's operating profit margin. Price increases may also result in downward pressure on sales volume. Furthermore, the Corporation's third party manufacturer(s) will be competing with other producers and manufacturers to secure raw

materials, and such producers or manufacturers may, because of a variety of factors including but not limited to their relationships with suppliers, size, and competitive position within our industry be able to secure raw materials before the Corporation's manufacturer(s) could secure such material, or may push the prices of raw materials higher because of such producers' or other manufacturers' demand for raw materials that the Corporation also requires. Potential delays in the Corporation's or any of its third-party manufacturer's ability to secure raw materials could undermine the Corporation's commitments to produce and deliver its products to distributors, which could undermine market share, revenue, and hence profitability.

Limited Number of Products

The Corporation's business is focused on the production and distribution of biopharmaceutical products. If such products do not achieve sufficient market acceptance, it will be difficult for us to achieve profitability. The Corporation's revenues are expected to derive almost exclusively from sales of biopharmaceutical products, and the Corporation expects that its biopharmaceutical products will account for substantially all of its revenue for the foreseeable future. If the biopharmaceutical market declines or biopharmaceutical products fail to achieve substantially greater market acceptance than they currently enjoy, the Corporation will not be able to grow its revenues sufficiently for it to achieve consistent profitability. Even if products to be distributed by the Corporation conform to international safety and quality standards, sales could be adversely affected if consumers in target markets lose confidence in the safety, efficacy, and quality of biopharmaceutical products. Adverse publicity about biopharmaceutical products that the Corporation sells may discourage consumers from buying products distributed by the Corporation.

Brand Awareness

The Corporation's brand is very new and brand awareness has not been achieved inside or outside Canada and the United States. There is no assurance that the Corporation will be able to achieve brand awareness in any of the regions it operates in, or anywhere else. In addition, the Corporation must develop successful marketing, promotional and sales programs in order to sell its products. If the Corporation is not able to develop successful marketing, promotional and sales programs, then such failure will have a material adverse effect on the business, financial condition and operating results.

Development of New Products

The Corporation's success will depend, in part, on its ability to develop, introduce and market new and innovative products. If there is a shift in consumer demand, the Corporation must meet such demand through new and innovative products or else its business will fail. The Corporation's ability to develop, market and produce new products is subject to it having substantial capital. There is no assurance that the Corporation will be able to develop new and innovative products or have the capital necessary to develop such products.

The Corporation's Industry is an Intensely Competitive Market

The Corporation's industry is highly competitive and composed of many domestic and foreign companies. The Corporation has experienced and expects to continue to experience, substantial competition from numerous competitors whom it expects to continue to improve their products and technologies. Competitors may announce and introduce new products, services or enhancements that better meet the needs of end-users or changing industry standards, or achieve greater market acceptance due to pricing, sales channels or other factors. Competitors may be able to respond more quickly than the Corporation to changes in end-user requirements and devote greater resources to the enhancement, promotion and sale of their products.

Commercialization and Marketing of Products

The Corporation is reliant on third-party consultants to assist in its investigating the process of developing and commercializing its biopharmaceutical products. No assurance can be given that the results of these investigations will determine that manufacturing and distribution of its products will be feasible or commercially viable. A failure to obtain satisfactory results on these investigations could have a material adverse effect on the Corporation's business and may adversely affect the Corporation's ability to begin earning revenue.

Dependence on Management and Key Personnel

The Corporation has a small management team and is dependent on certain members of its management and consultants. The loss of the services of one or more of them could adversely affect the Corporation. The Corporation's ability to maintain its competitive position is dependent upon its ability to attract and retain highly qualified managerial, specialized technical, manufacturing, sales and marketing personnel. There can be no assurance that the Corporation will be able to continue to recruit and retain such personnel. The inability of the Corporation to recruit and retain such personnel would adversely affect the Corporation's operations and product development.

Conflicts of Interest

Certain directors and officers of the Corporation are or may become associated with other companies in the same or related industries, which may give rise to conflicts of interest. Directors who have a material interest in any person who is a party to a material contract or a proposed material contract with the Corporation are required, subject to certain exceptions, to disclose that interest and generally abstain from voting on any resolution to approve the contract. In addition, the directors and the officers are required to act honestly and in good faith with a view to the best interests of the Corporation. The directors and officers of the Corporation have either other full-time employment or other business or time restrictions placed on them and accordingly, the Corporation will not be the only business enterprise of these directors and officers.

Health and Safety

Health and safety issues related to our products may arise that could lead to litigation or other action against the Corporation or to regulation of certain of its product components. The Corporation may be required to modify its recipes or packaging and may not be able to do so. It may also be required to pay damages that may reduce its profitability and adversely affect its financial condition. Even if these concerns prove to be baseless, the resulting negative publicity could affect the Corporation's ability to market certain of its products and, in turn, could harm its business and results from operations.

Damage to the Corporation's reputation may result in the failure of its business

In certain circumstances, the Corporation's reputation could be damaged. Damage to the Corporation's reputation can be the result of the actual or perceived occurrence of any number of events, and could include any negative publicity, whether true or not. The increased usage of social media and other web-based tools used to generate, publish and discuss user-generated content and to connect with other users has made it increasingly easier for individuals and groups to communicate and share opinions and views regarding the Corporation and its activities, whether true or not. Although the Corporation believes that it operates in a manner that is respectful to all stakeholders and that it takes care in protecting its image and reputation, the Corporation does not ultimately have direct control over how it is perceived by others. Reputation loss may result in decreased investor confidence, increased challenges in developing and maintaining community relations and an impediment to the Corporation's overall ability to advance its projects, thereby having a material adverse impact on financial performance, financial condition, cash flows and growth prospects.

Marketing and distribution capabilities

In order to commercialize its products, the Corporation must either acquire or develop an internal marketing and sales force with technical expertise and with supporting distribution capabilities or arrange for third parties to perform these services. In order to market any of its products, the Corporation must either acquire or develop a sales and distribution infrastructure. The acquisition or development of a sales and distribution infrastructure would require substantial resources, which may divert the attention of its management and key personnel, and defer its product development and deployment efforts. To the extent that the Corporation enters into marketing and sales arrangements with other companies, its revenues will depend on the efforts of others. These efforts may not be successful. If the Corporation fails to develop substantial sales, marketing and distribution channels, or to enter into arrangements with third parties for those purposes, it will experience delays in product sales and incur increased costs.

Intellectual Property

The Corporation relies on a combination of trademark and trade secrecy laws, confidentiality procedures and contractual provisions to protect the Corporation's intellectual property rights in the Corporation's current brand, and any additional intellectual property it may develop. Failure to protect the Corporation's intellectual property could harm the Corporation's brand and the Corporation's reputation, and adversely affect the Corporation's ability to compete effectively. Further, enforcing or defending the Corporation's intellectual property rights, including the Corporation's trademarks, patents, potential patents, copyrights and trade secrets, could result in the expenditure of significant financial and managerial resources. Although the Corporation is pursuing the registration of the Corporation's trademarks in Canada, the United States and other countries, there can be no assurance that the steps taken by it to protect these proprietary rights will be adequate or that third parties will not infringe or misappropriate the Corporation's trademarks, trade secrets (including the Corporation's blends and preparations) or similar proprietary rights. In addition, there can be no assurance that other parties will not assert infringement claims against the Corporation, and it may have to pursue litigation against other parties to assert the Corporation's rights. Any such claim or litigation could be costly. In addition, any event that would jeopardize the Corporation's proprietary rights or any claims of infringement by third parties could have a material adverse effect on the Corporation's ability to market or sell the Corporation's brands, profitably exploit the Corporation's unique products or recoup the Corporation's associated research and development costs.

Litigation

The Corporation may from time to time become party to litigation in the ordinary course of business which could adversely affect its business. Should any litigation in which the Corporation is, or becomes, involved be determined against the Corporation, such a decision could adversely affect the Corporation's ability to continue operating and the market price for the Securities and could use significant resources. Even if the Corporation is involved in litigation and wins, such litigation could redirect significant resources. Litigation may also create a negative perception of the Corporation's brand.

Future Acquisitions or Dispositions

Material acquisitions, dispositions and other strategic transactions involve a number of risks, including: (i) potential disruption of the Corporation's ongoing business; (ii) distraction of management; (iii) the Corporation may become more financially leveraged; (iv) the anticipated benefits and cost savings of those transactions may not be realized fully or at all or may take longer to realize than expected; (v) increased scope and complexity of the Corporation's operations; and (vi) loss or reduction of control over certain of the Corporation's assets. Additionally, the Corporation may issue additional Common Shares in connection with such transactions, which would dilute a shareholder's holdings in the Corporation. The presence of one or more material liabilities of an acquired company that are unknown to the Corporation at the time of acquisition could have a material adverse effect on the business, results of operations, prospects and financial condition of the Corporation. A strategic transaction may result in a significant change in the nature of the Corporation's business, operations and strategy. In addition, the Corporation may encounter unforeseen obstacles or costs in implementing a strategic transaction or integrating any acquired business into the Corporation's operations.

LEGAL PROCEEDINGS

The Corporation is engaged in certain legal proceedings and is expected to be, costly and time-consuming and could divert the attention of management and key personnel from our business operations. Although we intend to vigorously defend ourselves against any pending claims, and future claims that may occur, we cannot assure that we will succeed in defending any of these claims and that the judgments will not be upheld against us. If we are unsuccessful in our defense of these claims or unable to settle the claims in a manner satisfactory to us, we may be faced with outcomes that could have a material adverse effect on the Corporation and its financial condition. Except for as otherwise disclosed in this Prospectus and in the documents incorporated by reference herein, there are no material outstanding legal proceedings or regulatory actions to which the Corporation is party, nor, to Corporation's knowledge, are there any such proceedings or actions contemplated.

See "*The Corporation – Recent Developments*".

CERTAIN INCOME TAX CONSIDERATIONS

The applicable Prospectus Supplement may describe certain Canadian federal income tax consequences which may be applicable to a purchaser of Securities offered thereunder. Prospective investors should consult their own tax advisors prior to deciding to purchase any of the Securities.

EXEMPTION FROM FRENCH LANGUAGE REQUIREMENTS FOR ATM DISTRIBUTIONS

Pursuant to section 40.1 of the Québec *Securities Act* and section 2.2(2) of National Instrument 41-101 – *General Prospectus Requirements*, the Corporation was granted exemptive relief from the requirement that this prospectus as well as the documents incorporated by reference herein and any applicable Prospectus Supplement and the documents incorporated by reference therein to be filed in relation to an "at-the-market" distribution to be filed with the Autorité des marchés financiers (the "**AMF**") in the French language. This exemptive relief is granted on the condition that this prospectus, any applicable Prospectus Supplement (other than in relation to an "at-the-market" distribution) and the documents incorporated by reference herein and therein be filed with the AMF in the French language if the Corporation offers Securities to Québec purchasers in connection with an offering other than in relation to an "at-the-market" distribution.

LEGAL MATTERS AND INTERESTS OF EXPERTS

Unless otherwise specified in the Prospectus Supplement, certain legal matters relating to the offering of the Securities will be passed upon for us by Garfinkle Biderman LLP, Toronto, Ontario concerning matters of Canadian law.

In addition, certain legal matters in connection with any offering of securities will be passed upon for any underwriters to be designated at the time of the offering by such underwriters with respect to matters of Canadian law.

As of the date of this Prospectus, to the best of our knowledge, the partners and associates of Garfinkle Biderman LLP, as a group, beneficially own, directly or indirectly, less than 1% of our outstanding securities.

AGENT FOR SERVICE OF PROCESS

Mr. Michael Zapolin is a director of the Corporation who resides outside of Canada. Mr. Zapolin has appointed Garfinkle Biderman LLP of 1 Adelaide Street East, Suite 801, Toronto, Ontario, Canada M5C 2V9, as their agent for service of process. Prospective investors are advised that it may not be possible for investors to enforce judgements obtained in Canada against any person that resides outside of Canada, even if the party has appointed an agent for service of process.

AUDITORS

MNP LLP was appointed as auditors of the Corporation effective November 19, 2019. The FY 2022 Financial Statements are incorporated by reference into this Prospectus. The report of MNP LLP on the FY 2022 Financial Statements has been incorporated herein in reliance upon authority of said firm as experts in accounting and auditing in giving said report.

MNP LLP has confirmed, with respect to the Corporation, that they were, at all relevant times, independent within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulations and also were, at all relevant times, independent accountants with respect to the Corporation within the meaning of the applicable rules and regulations adopted by the United States Securities and Exchange Commission and the Public Company Accounting Oversight Board (United States) (PCAOB).

As of the date hereof, MNP LLP, and its partners and associates, beneficially own, directly or indirectly, as a group, less than 1% of any class of our outstanding securities.

MATERIAL CONTRACTS

Below is a list of our material contracts, together with references to the relevant sections of the 2022 Annual Report where the material terms of such contracts are described. The summaries provided below and elsewhere in the 2022 Annual Report are not meant to be exhaustive and are qualified in their entirety by the full text of the relevant agreements, copies of which are filed as exhibits to the 2022 Annual Report and on SEDAR+ at www.sedarplus.ca.

Coattail Agreement

In accordance with the rules of the CSE designed to ensure that, in the event of a take-over bid, the holders of Class B Shares will be entitled to participate on an equal footing with holders of Class A Shares, the holders of not less than 80% of the outstanding Class A Shares have entered into the Coattail Agreement. The Coattail Agreement contains provisions customary for dual class, publicly-traded Ontario corporations designed to prevent transactions that otherwise would deprive the holders of Class B Shares of rights under the take-over bid provisions of applicable Canadian securities legislation to which they would have been entitled if the Class A Shares had been Class B Shares.

See Exhibit 2.1, "*Description of Securities*" of the 2022 Annual Report for details.

Epitech License Agreement and Prismic Assignment Agreement

See "*Item 4.A. History and Development of the Corporation - General Development of the Business - Three Year History - Epitech License Agreement and Prismic Assignment Agreement*" of the 2022 Annual Report for details.

UHN License Agreement

See "*Item 4.A. History and Development of the Corporation - General Development of the Business - Three Year History - UHN License Agreement*" of the 2022 Annual Report for details.

2021 Equity Distribution Agreement

See "*Item 4.A. History and Development of the Corporation-General Development of the Business - Three Year History - Capital Markets Transactions*" of the 2022 Annual Report for details on the 2021 Equity Distribution Agreement. In addition, compensation for the Sales Agent was agreed to be 3.5% of gross offering proceeds of a certain number of Class B Shares sold through the Sales Agent, as sales agent for the Corporation.

Master Agreement

See "*Item 4.A. History and Development of the Corporation-General Development of the Business - Three Year History - Lucid Acquisition*" of the 2022 Annual Report for details.

Lucid Amalgamation Agreement

The Lucid Amalgamation Agreement is the amalgamation agreement dated September 20, 2021, entered into among the Corporation, Lucid Psycheceuticals Inc. and a wholly owned subsidiary of the Corporation ("**Subco**") in connection with the Lucid Acquisition. Pursuant to the Lucid Amalgamation Agreement, Lucid Psycheceuticals Inc. and Subco agreed to amalgamate into Lucid. See "*Item 4.A. History and Development of the Corporation-General Development of the Business - Three Year History - Lucid Acquisition*" of the 2022 Annual Report for additional details.

Celly Nu IP License Agreement

The Corporation entered into the Celly Nu IP License Agreement on July 31, 2023. See "*The Corporation – Summary of the Business – Recent Developments*" for details.

Arrangement Agreement

The Corporation entered into the Arrangement Agreement on October 4, 2023. See "*The Corporation – Summary of the Business – Recent Developments*" for details.

STATUTORY AND CONTRACTUAL RIGHTS OF WITHDRAWAL AND RESCISSION

Unless provided otherwise in a Prospectus Supplement, the following is a description of a purchaser's statutory rights. Securities legislation in certain of the provinces and territories of Canada provides purchasers of the Securities with the right to withdraw from an agreement to purchase the Securities, which right may be exercised within two business days after receipt or deemed receipt of this Prospectus, the accompanying Prospectus Supplement and any amendment relating to the Securities purchased by a purchaser. In several of the provinces and territories, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price, or damages if the prospectus, prospectus supplement, and any amendment relating to securities purchased by a purchaser contains a misrepresentation or are not sent or delivered to the purchaser, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. However, purchasers of Securities distributed under an "at-the-market distribution" do not have the right to withdraw from an agreement to purchase the Securities and do not have remedies of rescission or, in some jurisdictions, revisions of the price, or damages for non-delivery of the prospectus, prospectus supplement, and any amendment relating to Securities purchased by such purchaser because the prospectus, prospectus supplement, and any amendment relating to the Securities purchased by such purchaser will not be sent or delivered, as permitted under Part 9 of NI 44-102. Any remedies under securities legislation that a purchaser of the Securities distributed under an "at-the-market distribution" may have against the Corporation or its agents for rescission or, in some jurisdictions, revisions of the price, or damages if the prospectus, prospectus supplement, and any amendment relating to securities purchased by a purchaser contain a misrepresentation will remain unaffected by the non-delivery of the prospectus referred to above. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for the particulars of these rights or consult with a legal advisor.

Original purchasers of Securities under this Prospectus (as supplemented or amended) that are convertible, exchangeable or exercisable securities, will be granted a contractual right of rescission against the Corporation in respect of the conversion, exchange or exercise of such Securities. The contractual right of rescission will entitle such original purchasers to receive, in addition to the amount paid on original purchase of any Securities, the amount paid upon conversion, exchange or exercise, upon surrender of the underlying securities gained thereby, in the event that this Prospectus, (as supplemented or amended) contains a misrepresentation, provided that both the conversion, exchange or exercise occurs, and the right of rescission is exercised, within 180 days of the date of the purchase of the Securities under this Prospectus (as supplemented or amended). This contractual right of rescission will be consistent with the statutory right of rescission described under Section 130 of the *Securities Act* (Ontario) and is in addition to any other right or remedy available to original purchasers under Section 130 of the *Securities Act* (Ontario) or otherwise at law.

In an offering of Securities, to the extent such securities are convertible, exchangeable or exercisable securities, investors are cautioned that the statutory right of action for damages for a misrepresentation contained in the Prospectus (as supplemented or amended) is limited, in certain provincial and territorial securities legislation, to the price at which the Securities are offered to the public under the prospectus offering. This means that, under the securities legislation of certain provinces and territories of Canada, if the purchaser pays additional amounts upon conversion, exchange or exercise, as applicable, of the Security, those amounts may not be recoverable under the statutory right of action for damages that applies in those provinces and territories of Canada. The purchaser should refer to any applicable provisions of applicable provincial on for the particulars of this right of action for damages or consult with a legal advisor.

CERTIFICATE OF THE CORPORATION

November 3, 2023

This short form prospectus, together with the documents incorporated in this prospectus by reference, will, as of the date of the last supplement to this prospectus relating to the securities offered by this prospectus and the supplement(s), constitute full, true and plain disclosure of all material facts relating to the securities offered by this prospectus and the supplement(s) as required by the securities legislation of the each of the provinces and territories of Canada.

"Zeeshan Saaed" (SIGNED)	*"Nathan Coyle"* (SIGNED)
Zeeshan Saaed	Nathan Coyle
CO-EXECUTIVE CHAIRMAN AND CHIEF EXECUTIVE OFFICER	CHIEF FINANCIAL OFFICER

On behalf of the Board of Directors of FSD Pharma Inc.

"*Anthony Durkacz*" (SIGNED)	"*Nitin Kaushal*" (SIGNED)
Anthony Durkacz	Nitin Kaushal
DIRECTOR	DIRECTOR