

**EARLY WARNING REPORT FILED PURSUANT TO PART 3 OF NATIONAL  
INSTRUMENT 62-103**

**Form 62-103F1**

**Required Disclosure under the Early Warning Requirements**

**Item 1 – Security and Reporting Issuer**

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

Name of Issuer: Aura Health Inc. (the "**Issuer**")  
Designation of Securities: Common Shares  
Registered Head Office: 2905 - 77 King Street West  
Toronto, Ontario M5K 1H1

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

Not applicable.

**Item 2 – Identity of the Acquiror**

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

Name of Acquiror: FSD Pharma Inc. (the "**Acquiror**")  
Address of Acquiror: 1 Rossland Road West  
Suite 202  
Ajax, Ontario L1Z 1Z2

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

On April 16, 2019, the Issuer and the Acquiror entered into a share exchange agreement, pursuant to which the Acquiror acquired 13,562,386 common shares ("**Aura Shares**") of the Issuer at a deemed price of \$0.2212 per Share for an aggregate purchase price ("**Purchase Price**") of \$3,000,000. The Purchase Price was satisfied through the issuance of Class B shares ("**Class B Shares**") of the Acquiror having an equivalent value to the Aura Shares, based on the 10-day volume weighted average price of the Class B Shares and Aura Shares on the CSE immediately before the date of execution the share exchange agreement (the "**Transaction**"). The Aura Shares were placed in escrow, and were released therefrom on May 9, 2019 upon the satisfaction of certain escrow release conditions.

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

Not applicable.

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

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

As a result of the Transaction, the Acquiror holds 13,562,386 Aura Shares, representing 16.34% of the issued and outstanding Aura Shares on an undiluted basis as of the date hereof.

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

The acquisition of Aura Shares by the Acquiror triggered the requirement to file this report.

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

Not Applicable.

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

Prior to the Transaction, the Acquiror did not directly own and/or control any Aura Shares. Immediately following the Transaction, the Acquiror holds 13,562,386 Aura Shares, representing 16.34% of the issued and outstanding Aura Shares as of the date hereof.

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

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

See section 3.1 above.

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

Not Applicable.

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

Not Applicable.

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

Not Applicable.

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

**State if the securities lending arrangement is subject to the exception provided in section 5.7 of NI 62-104.**

Not Applicable.

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

Not Applicable.

#### **Item 4 – Consideration Paid**

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

The Acquiror issued 13,181,019 Class B Shares to the Issuer at a deemed price of \$0.2276 per Class B Share, for an aggregate price of \$3,000,000, in consideration for the Aura Shares.

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

See section 4.1 above.

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

The Aura Shares were acquired pursuant to a securities exchange agreement. See section 2.2 above.

#### **Item 5 – Purpose of the Transaction**

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

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

The Aura Shares are held for investment purposes and the Acquiror may increase or decrease its beneficial ownership or control over the Aura Shares, which it may do, from time to time, depending on market or other conditions and to the extent deemed advisable in light of its general investment strategy.

Concurrent with the completion of the Transaction, the Issuer and Acquiror also entered into a supply agreement and a consulting agreement. Under the consulting agreement, a majority-owned subsidiary of the Issuer will assist the Acquiror with obtaining euGMP certification for the Acquiror's existing production facility. Under the supply agreement, the same subsidiary committed to purchasing cannabis products from FSD for sale in the German market.

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

**Describe the material terms of any agreements, arrangements, commitments or understandings between the acquiror and a joint actor and among those persons and any person with respect to securities of the class of securities to which this report relates, including but not limited to the transfer or the voting of any of the securities, finder's fees, joint ventures, loan or option arrangements, guarantees of profits, division of profits or loss, or the giving or withholding of proxies. Include such information for any of the securities that are pledged or otherwise subject to a contingency, the occurrence of which would give another person voting power or investment power over such securities, except that disclosure of standard default and similar provisions contained in loan agreements need not be included.**

Not applicable.

**Item 7 – Change in Material Fact**

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

Not applicable.

**Item 8 – Exemption**

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

Not applicable.

**Item 9 – Certification  
Certificate**

**I, Raza Bokhari on behalf of FSD Pharma Inc., certify to the best of my knowledge, information and belief, that the statements made in this report are true and complete in every respect.**

Date: June 4, 2019.

*(signed) "Raza Bokhari"*

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Raza Bokhari