

FORM 7

MONTHLY PROGRESS REPORT

Name of Listed Issuer: FSD Pharma Inc. (the "Issuer", "Company" or "FSD")

Trading Symbol: HUGE

Number of Outstanding Listed Securities: 35,835,568 Class B Subordinate Voting Shares ("Class B Shares") as of July 31, 2021

Date: November 29, 2021

This Monthly Progress Report must be posted before the opening of trading on the fifth trading day of each month. This report is not intended to replace the Issuer's obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by Exchange Policies. If material information became known and was reported during the preceding month to which this report relates, this report should refer to the material information, the news release date and the posting date on the Exchange website.

This report is intended to keep investors and the market informed of the Issuer's ongoing business and management activities that occurred during the preceding month. Do not discuss goals or future plans unless they have crystallized to the point that they are "material information" as defined in the Policies. The discussion in this report must be factual, balanced and non-promotional.

General Instructions

- (a) Prepare this Monthly Progress Report using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the items must be in narrative form. State when the answer to any item is negative or not applicable to the Issuer. The title to each item must precede the answer.
- (b) The term "Issuer" includes the Issuer and any of its subsidiaries.
- (c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

Report on Business

1. **Provide a general overview and discussion of the development of the Issuer's business and operations over the previous month. Where the Issuer was inactive disclose this fact.**

On July 27, 2021, the Company announced that the board of directors had terminated the employment of the Company's Chief Executive Officer, Dr. Raza Bokhari for cause.

As previously disclosed by the Company, Dr. Bokhari was placed on administrative leave following the Company's shareholder meeting on May 14, 2021 while a special committee (the "**Special Committee**") comprised of two independent directors investigated various concerns regarding Dr. Bokhari's actions in his capacity as the Company's Chief Executive Officer. The Special Committee retained an international law firm to act as its independent legal advisors. Following the completion of its investigation, the Special Committee made a recommendation to the Company's board of directors and the board unanimously determined to terminate Dr. Bokhari's employment with the Company for cause. Amongst several findings made by the special committee and the international law firm, only a few of the reasons for Dr. Bokhari's termination are misconduct including breaching court orders, the improper issuance of shares, and attempts to misappropriate Company funds in breach of his employment obligations. Anthony Durkacz, Zeeshan Saeed and Donal Carroll, directors who have been named by Dr. Bokhari in litigation, abstained from voting on the matter.

The Company's board of directors has appointed Anthony Durkacz as the Company's interim Chief Executive Officer and Zeeshan Saeed was reinstated as the Company's President.

Messrs. Durkacz and Saeed noted the progress the Company has made since its last shareholder meeting in working toward the goals stated by the concerned shareholders in their April 24, 2021 information circular. In particular, the Company (i) has effectively renewed its focus on acquiring biotechnology assets and is currently evaluating a number of strategic investment and acquisition opportunities, (ii) engaged a prominent biotechnology investment firm and is completing an audit of its Phase 2 Clinical Trial to determine its viability, (iii) retained an independent advisor to evaluate more broadly its principal drug compound, ultramicrosized palmitoylethanolamide (PEA), or FSD201, in order to evaluate its current commercial viability, (iv) engaged a third party to conduct a forensic audit of prior compensation and expenses, (v) effectively resolved an outstanding claim against the Company relating to a former employee and (vi) developed a more robust investor relations function by engaging KCSA, to better communicate FSD's value to the investment community.

2. Provide a general overview and discussion of the activities of management.

See Item 1 above.

3. Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law.

Not applicable.

4. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.

Not applicable.

5. **Describe any new business relationships entered into between the Issuer, the Issuer's affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.**

See Item 1 above.

6. **Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer's affiliates or third parties or cancellation of any financing arrangements that have been previously announced.**

Not applicable.

7. **Describe any acquisitions by the Issuer or dispositions of the Issuer's assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from or the disposition was to a Related Person of the Issuer and provide details of the relationship.**

Not applicable.

8. **Describe the acquisition of new customers or loss of customers.**

Not applicable.

9. **Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trade-marks.**

See Item 1 above.

10. **Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.**

Not applicable.

11. **Report on any labour disputes and resolutions of those disputes if applicable.**

Not applicable.

12. **Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.**

From time to time, the Company is named as a party to claims or involved in proceedings, including legal, regulatory and tax related, in the ordinary course of its business. While the outcome of these matters may not be estimable at period end, the Company makes provisions, where possible, for the estimated outcome of such claims or proceedings. Should a loss result from the resolution of any

claims or proceedings that differs from these estimates, the difference will be accounted for as a charge to profit or loss in that period.

Former employee

FSD hired an individual by way of employment agreement dated November 11, 2018. The individual's employment was subsequently terminated in the probationary period due to non-performance/cause on February 5, 2019. The individual retained legal counsel in or around February 15, 2019, demanding that he be provided (i) unpaid wages; (ii) unpaid holiday pay, (iii) payment for wrongful dismissal (one week) and (iv) breach of contract. On July 16, 2021, FSD and the individual entered into a settlement agreement and all related claims were subsequently withdrawn.

Auxly Cannabis Group Inc.

On March 3, 2018, FSD entered into a Definitive Strategic Alliance and Streaming Agreement (the "Auxly Agreement") with Auxly Cannabis Group Inc. ("Auxly"). On February 6, 2019, the Company sent Auxly a Notice of Default, thereby terminating the Auxly Agreement effective immediately. Later that same day, Auxly sent a Notice of Default to the Company in response. To date, neither party has taken further steps.

To fund the development of the buildout of the Company's growing operations, Auxly purchased 7,500,000 Class B shares for the aggregate of C\$7,500,000 from the Company's treasury by way of private placement, which funds were placed in trust to be spent on construction and development costs. The funds were placed in a trust account to be administered by Auxly. Due to the termination and subsequent negotiations, it is indeterminable at this point as to the amount, if any, of these funds which will be released to the Company. As a result, the Company entered a provision for loss against the funds and should any funds be released to the Company, those amounts will be recognized in future periods as gains on recovery.

Share Cancellation Application

On June 1, 2021, the Company's Board of Directors passed a resolution cancelling shares that the Company's former Board had awarded to themselves in February 2021, on the basis that the share grants had improperly been awarded for future services, contrary to the provisions of the OBCA. On July 21, 2021, the Company commenced an application before the Commercial List in Ontario seeking, amongst other relief, a declaration that the shares have been duly cancelled and an order directing the return of the cancelled shares to the Company. The application is scheduled to be heard on December 20, 2021.

Oppression Remedy Action

In the course of the proxy fight leading up to the shareholders' meeting on May 14, 2021, an oppression remedy claim was commenced by the dissident shareholder group in which the entire former Board of the Company were named as defendants, as well as the Company itself. The oppression remedy claim has been dormant since the proxy fight concluded but has not yet been formally dismissed.

Arbitration with Former CEO Raza Bokhari

The Company is involved in arbitration proceedings with its former CEO, Dr. Raza Bokhari, that began in July 2021. Dr. Bokhari claims damages based on allegations including wrongful dismissal, while the Company in a counterclaim has claimed damages based on allegations of improper expenses and other misconduct alleged against Dr. Bokhari. The arbitration is scheduled to go to a hearing in March 2022.

Bokhari v. FSD Pharma Inc. et al.; E.D. Pa. No. 2:21-cv-03136

This action was filed in the Montgomery County Court of Common Pleas in Pennsylvania on July 2, 2021, by Raza Bokhari against FSD Pharma, FSD BioSciences, Anthony Durkacz, and Zeeshan Saeed. FSD Pharma removed the action to the United States District Court for the Eastern District of Pennsylvania on July 14, 2021. In this action, Dr. Bokhari alleges that he had received shares of stock in FSD Pharma pursuant to the terms of an employment contract, and that FSD Pharma thereafter contacted his broker in a purportedly improper effort to claw back those shares after they were issued.

Parkway Clinical Laboratories, Inc. v. FSD Pharma Inc. and FSD BioSciences, Inc.; E.D. Pa. No. 2:21-cv- 03772

This action was filed in the Bucks County Court of Common Pleas in Pennsylvania on July 8, 2021, by Parkway Clinical Laboratories, Inc. (“Parkway”), against FSD Pharma and FSD BioSciences. In its Complaint, Parkway alleges that FSD Pharma and/or FSD BioSciences failed to pay for \$1,412,951.90 worth of services rendered (e.g., providing office space, personnel, and financial assistance).

Edward Brennan, Jr. and Huma Qamar v. FSD Pharma Inc. and FSD BioSciences, Inc.; E.D. Pa. No. 2:21-cv- 03771

This action was filed in the Bucks County Court of Common Pleas in Pennsylvania on July 9, 2021, by Edward Brennan, Jr., and Huma Qamar (collectively, “Plaintiffs”) against FSD Pharma and FSD BioSciences. Plaintiffs allege that Raza Bokhari, FSD Pharma’s former CEO, promised them new employment agreements which, among other things, allowed them to terminate their employment with FSD Pharma and FSD BioSciences and collect a year’s salary as severance (\$350,000 in the case of Dr. Brennan and \$250,000 in the case of Dr. Qamar) if there was a change in control of the Boards and executive leadership of FSD Pharma and FSD BioSciences. Plaintiffs allege that they terminated their employment earlier this year but did not receive any severance payments.

Maheep Goyal, derivatively on behalf of FSD BioSciences, Inc., v. Anthony Durkacz, Zeeshan Saeed, and Donal Carroll; Delaware Chancery Court No. 2021-0629

This action was filed in the Delaware Chancery Court on July 20, 2021, by Maheep Goyal, derivatively on behalf of FSD BioSciences (“Plaintiff”), against Anthony Durkacz, Zeeshan Saeed, and Donal Carroll. FSD Pharma and FSD BioSciences are identified in the Complaint as Nominal Defendants. The Complaint alleges that it is a “double derivative action” on behalf of FSD BioSciences that seeks to remedy

harm caused by FSD BioSciences' two directors (Messrs. Durkacz and Saeed) and Mr. Carroll, an officer of FSD BioSciences, all of whom are also directors of FSD Pharma. Among other things, the Complaint alleges that Defendants prematurely terminated a clinical trial of FSD-201, an anti-inflammatory drug to treat COVID-19 patients, so that they could pursue an acquisition that would benefit some or all of them personally.

13. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.

Not applicable.

14. Provide details of any securities issued and options or warrants granted.

Not applicable.

Security	Number Issued	Details of Issuance	Use of Proceeds ⁽¹⁾

(1) State aggregate proceeds and intended allocation of proceeds.

15. Provide details of any loans to or by Related Persons.

Not applicable.

16. Provide details of any changes in directors, officers or committee members.

See Item 1 above.

17. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.

See the Company's most recently filed financial statements and the corresponding management's discussion and analysis for the interim period ended March 31, 2021 as well as the Issuer's Annual Information Form for the year ended December 31, 2020 for a description of the trends, risks and uncertainties facing the Company. The trends, risks and uncertainties described in these documents are not the only ones the Company is facing. Additional trends, risks and uncertainties not presently known to the Company, or that the Company currently deems immaterial, may also impact its operations. If any of the risks of the Company materialize, the business, financial condition, liquidity and results of the Company's operations could be materially adversely affected. The risk factors described in these documents should be carefully considered by readers, including investors considering a purchase of securities of the Company, along with all other information set forth elsewhere. An investment in securities of the Company should only be made by persons who can afford a significant or total loss of their investment.

Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. As of the date hereof there were is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated November 29, 2021.

Nathan Coyle
Name of Director or Senior
Officer

(signed) "Nathan Coyle"
Signature
Chief Financial Officer
Official Capacity

Issuer Details		For Month	Date of Report
Name of Issuer		End	YY/MM/D
FSD Pharma Inc.		July 31, 2021	21/11/29
Issuer Address			
199 Bay St., Suite 4000			
City/Province/Postal Code		Issuer Fax No.	Issuer Telephone No.
Toronto, ON, M5L 1A9			(416) 854-8884
Contact Name		Contact Position	Contact Telephone No.
Nathan Coyle		Chief Financial Officer	(416) 854-8884
Contact Email Address		Web Site Address	
ncoyle@fsdpharma.com		http://www.fsdpharma.com/	