

FORM 7

MONTHLY PROGRESS REPORT

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

Trading Symbol: HUGE

Number of Outstanding Listed Securities: 38,386,731 Class B Subordinate Voting Shares ("Class B Shares") as of May 31, 2022

Date: June 7, 2022

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 May 2, 2022 the Company announced that on April 15th, 2022, the Company entered into a contract with Tekkfund Capital Corp (“TCC”) for services to structure and assist with certain business development strategies (the “TCC Agreement”), pursuant to which the Company will (i) pay TCC a monthly fee of C\$12,500 plus HST; and (ii) issue, on a monthly basis, 7,000 Class B Shares of the Company (“TCC Consideration Shares”) to TCC for the duration of the TCC Agreement, in accordance with the terms of the TCC Agreement. The TCC Agreement has an initial term of 24 months and may be extended by mutual consent of the parties. The TCC Consideration Shares will be subject to a four month hold period commencing on the date of distribution in accordance with Canadian Securities Exchange (“CSE”) requirements. In addition, the Company announced that on March 9th, 2022, the Company issued 30,000 Class B Shares (“Crystal Consideration Shares”) at the closing market price of the Company’s Class B Shares on the CSE on the date of issuance to Crystal Research Associates, LLC (“Crystal”) in consideration for the preparation of the research report conducted by Crystal as previously disclosed in the Company’s press release dated March 15, 2022. The Crystal Consideration Shares are subject to a four month hold period commencing on the date of distribution in accordance with CSE requirements.

On May 6, 2022 the Company announced that the Company was successful in its motion to dismiss the derivative claim that was filed by Mr. Maheep Goyal, a shareholder (the “Plaintiff”) on July 20, 2021 in Delaware against the Company and its directors and officers (the “Claim”). In a decision dated May 5, 2022, the Delaware court dismissed the Claim without prejudice on the grounds that Mr. Maheep Goyal, the Plaintiff, lacked standing to bring his claims.

On May 10, 2022 the Company announced the closing of the sale of the Company’s former cannabis processing facility located in Cobourg, Ontario, Canada (the “Facility”) for gross proceeds of CAD\$16,400,000 in cash. The sale, completed on May 6, 2022, included a 26.1-hectare parcel of land and 50,800 squaremeter building, which FSD Pharma acquired in November 2017 for \$5,500,000. Net of commissions and fees, the sale netted approximately \$15,480,780 in non-dilutive cash that has been added to the Company’s balance sheet. The Facility was non-essential to the Company’s business model upon the decision in early 2020 to exit the crowded cannabis production market to focus as a biotech company, advancing novel drug candidates targeting lucrative areas of unmet medical needs like Muscular Sclerosis, Depression Disorders, and Inflammatory Disorders.

On May 13, 2022 the Company filed its interim financial statements and management’s discussion and analysis for the three month period ending March 31, 2022 and 2021.

On May 24, 2022 the Company announced that it has issued a management information circular in respect of the annual general meeting of shareholders to be held on June 23, 2022 (the “Circular”). The Circular is available on the Company’s profile on SEDAR at www.sedar.com. Additionally, to provide added flexibility to its executive compensation program, the Company adopted an equity incentive plan on May 16, 2022 (the “EIP”) pursuant to which it may grant shares, restricted share

units, performance share units (“PSUs”) and options to its directors, officers, employees and service-providers. The EIP provides that the maximum number of Class B Shares of the Company that may be issued pursuant to the EIP, together with all other security-based compensation arrangements of the Company, is equal to 10% of the issued and outstanding Class B Shares. Further details of the EIP are set out in the Circular and the EIP is available on the Company’s profile on SEDAR at www.sedar.com. Finally, the Company announced that on May 16, 2022 it granted PSUs to its directors and officers in the following amounts: Anthony Durkacz - 699,502; Zeeshan Saeed - 799,004; Donal Carroll - 704,801; Nitin Kaushal - 100,000; Fernando Cugliari - 100,000; Larry Latowsky - 100,000; Adnan Bashir - 100,000; and Dr. Lakshmi Kotra - 216,797. This follows an earlier cancellation of all options held by current directors and officers of the Company for nominal consideration.

On May 31, 2022 the Company announced the submission of an Investigational New Drug application with the U.S. Food and Drug Administration and Health Canada detailing a planned Phase 2 clinical trial of FSDPEA for the treatment of a yet-to-be-disclosed inflammatory disorder. FSD Pharma holds exclusive worldwide (excluding Italy and Spain) licensing rights to FSD-201 for all conditions in all regulatory categories. The Company also provided shareholders with additional insight as the Company looks ahead to the second half of 2022, as further described in the Company’s press release dated May 31, 2022.

Under the Company’s share repurchase program, which commenced January 4, 2022, the Company purchased 138,400 of its Class B Shares during the month of May 2022.

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.**

See Item 1 above.

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.

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.

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 hearing commenced in March 2022 and is ongoing.

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, Inc. ("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. On October 1, 2021, Defendants filed a motion seeking to have the case dismissed in its entirety or, alternatively, stayed pending the outcome of a separate proceeding in Ontario that relates to Dr. Bokhari's shares of stock in FSD Pharma. On December 2, 2021, the Court granted the motion and ordered the parties to present the dispute for binding arbitration in Ontario. The Court then placed the case in civil suspense pending resolution of the arbitration and ordered the parties to notify the Court within seven days of any final award in any arbitration proceeding. This means that no further activity will occur in this case unless and until any such arbitration concludes.

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). FSD

Pharma and FSD BioSciences removed the case to the Eastern District of Pennsylvania on August 24, 2021, and filed an Answer to the Complaint on September 13, 2021. Following a conference on October 20, 2021, the Court entered a scheduling order, and the case is now in the discovery phase. Discovery ended in April 2022. On April 22, 2022, FSD Pharma and FSD BioSciences filed a motion for partial summary judgment which, if granted, would narrow the issues for trial. Parkway responded to the motion for partial summary judgment on May 13, 2022, and the Court denied the motion on May 17, 2022. Trial is scheduled for July 11, 2022.

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. FSD Pharma and FSD BioSciences removed the case to the Eastern District of Pennsylvania on August 24, 2021 and, on September 17, 2021, filed a motion to dismiss the Complaint in its entirety. On December 13, 2021, the Court granted the motion and dismissed the case as to all of Brennan and Qamar's claims. As to Brennan, the Court ruled that he may bring his claims in Ontario, and if an Ontario court finds that the venue provision in his Employment Agreement was modified to allow him to bring claims in Pennsylvania, he could try and revive this case in the Pennsylvania federal court. As to Qamar, the Court dismissed her claims with prejudice, meaning she cannot re-file them anywhere.

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. Defendants filed a motion to dismiss the case in its entirety on September 13, 2021. On May 5, 2022, the Court granted the

motion to dismiss (without prejudice) based on Goyal's lack of standing, namely, his failure to seek and obtain Canadian court approval to proceed. The Court found that if Goyal wants to attempt to pursue the claims on behalf of either FSD Pharma or FSD BioSciences, he first needs to file an application in the Ontario Superior Court of Justice and satisfy Ontario's statutory requirements for bringing a derivative action. Goyal has 30 days from the date of the Court's Order to file an appeal.

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.

Security	Number Issued	Details of Issuance	Use of Proceeds⁽¹⁾
Class B Shares	13,393	On May 15, 2022, FSD issued Hybrid Financial Ltd. ("Hybrid") 13,393 Class B Shares (the "Issued Shares") at a deemed price of US\$1.68, as consideration for Hybrid's monthly fee of US\$22,500 for services provided to FSD. The Issued Shares are subject to the statutory hold period of four months and one day. For further details, see the Issuer's press release dated September 22, 2021.	There are no proceeds from this issuance as the Issued Shares were issued in consideration for services provided to FSD.
Class B Shares	7,000	On May 15, 2022 FSD issued Tekkfund Capital Corp. ("TCC") 7,000 Class B Shares (the "TCC Consideration Shares"), as consideration for services provided by TCC to FSD. The TCC Consideration Shares are subject to the statutory hold period of four months and one day. For further details, see the Issuer's press release dated May 2, 2022.	There are no proceeds from this issuance as the TCC Consideration Shares were issued in consideration for services provided to FSD.

(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.

Not applicable.

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, 2022 as well as the Issuer's Annual Report on Form 20-F for the year ended December 31, 2021 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 June 7, 2022.

Nathan Coyle
Name of Director or Senior
Officer

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

Issuer Details Name of Issuer FSD Pharma Inc.	For Month End May 31, 2022	Date of Report YY/MM/D 22/06/7
Issuer Address 199 Bay St., Suite 4000		
City/Province/Postal Code Toronto, ON, M5L 1A9	Issuer Fax No.	Issuer Telephone No. (416) 854-8884
Contact Name Nathan Coyle	Contact Position Chief Financial Officer	Contact Telephone No. (416) 854-8884
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