

## FORM 9

### **NOTICE OF ISSUANCE OR PROPOSED ISSUANCE OF LISTED SECURITIES**

**(or securities convertible or exchangeable into listed securities<sup>1</sup>)**

Name of Listed Issuer:

Symbol(s):

FSD Pharma Inc. (the "Issuer").	HUGE
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Date: September 3, 2021

Is this an updating or amending Notice:  Yes  No

If yes provide date(s) of prior Notices: \_\_\_\_\_.

Issued and Outstanding Securities of Issuer Prior to Issuance: 72 Class A Multiple Voting Shares ("Class A Shares") and 35,991,846 Class B Subordinate Voting Shares ("Class B Shares").

#### **Pricing**

Date of news release announcing proposed issuance: \_\_\_\_\_ or

Date of confidential request for price protection: September 3, 2021

Closing Market Price on Day Preceding the news release: \_\_\_\_\_ or

Day preceding request for price protection: CAD\$2.26

#### **Closing**

Number of securities to be issued: 4,502,393.47, subject to adjustment

Issued and outstanding securities following issuance: 72 Class A Shares and 40,494,239.47 Class B Shares.

#### **Instructions:**

1. For private placements (including debt settlement), complete tables 1A and 1B in Part 1 of this form.
2. Complete Table 1A – Summary for all purchasers, excluding those identified in Item 8.
3. Complete Table 1B – Related Persons only for Related Persons
4. If shares are being issued in connection with an acquisition (either as consideration or to raise funds for a cash acquisition) please proceed to Part 2 of this form.
5. An issuance of non-convertible debt does not have to be reported unless it is a significant transaction as defined in Policy 7, in which case it is to be reported on Form 10 – Notice of Proposed Transaction

6. Post the completed Form 9 to the CSE website in accordance with *Policy 6 – Distributions*. In addition, the completed form must be delivered to [listings@thecse.com](mailto:listings@thecse.com) with an appendix that includes the information in Table 1B for ALL places.

**Part 1. Private Placement**

**Table 1A – Summary**

Each jurisdiction in which purchasers reside	Number of Purchasers	Price per Security	Total dollar value (CDN\$) raised in the jurisdiction
Total number of purchasers:			
Total dollar value of distribution in all jurisdictions:			

**Table 1B – Related Persons**

Full Name & Municipality of Residence of Placee	Number of Securities Purchased or to be Purchased	Purchase price per Security (CDN\$)	Conversion Price (if Applicable) (CDN\$)	Prospectus Exemption	Total Securities Previously Owned, Controlled or Directed	Payment Date(1)	Describe relationship to Issuer (2)

<sup>1</sup>An issuance of non-convertible debt does not have to be reported unless it is a significant transaction as defined in Policy 7, in which case it is to be reported on Form 10.

- Total amount of funds to be raised: \_\_\_\_\_ .
- Provide full details of the use of the proceeds. The disclosure should be sufficiently complete to enable a reader to appreciate the significance of the transaction without reference to any other material. \_\_\_\_\_ .

3. Provide particulars of any proceeds which are to be paid to Related Persons of the Issuer: \_\_\_\_\_  
\_\_\_\_\_ .
4. If securities are issued in forgiveness of indebtedness, provide details of the debt agreement(s) or and the agreement to exchange the debt for securities.
5. Description of securities to be issued:
- (a) Class \_\_\_\_\_ .
  - (b) Number \_\_\_\_\_ .
  - (c) Price per security \_\_\_\_\_ .
  - (d) Voting rights \_\_\_\_\_ .
6. Provide the following information if warrants, (options) or other convertible securities are to be issued:
- (a) Number \_\_\_\_\_ .
  - (b) Number of securities eligible to be purchased on exercise of warrants (or options) \_\_\_\_\_  
\_\_\_\_\_ .
  - (c) Exercise price \_\_\_\_\_ .
  - (d) Expiry date \_\_\_\_\_ .
7. Provide the following information if debt securities are to be issued:
- (a) Aggregate principal amount \_\_\_\_\_ .
  - (b) Maturity date \_\_\_\_\_ .
  - (c) Interest rate \_\_\_\_\_ .
  - (d) Conversion terms \_\_\_\_\_ .
  - (e) Default provisions \_\_\_\_\_ .
8. Provide the following information for any agent's fee, commission, bonus or finder's fee, or other compensation paid or to be paid in connection with the placement (including warrants, options, etc.):

- (a) Details of any dealer, agent, broker or other person receiving compensation in connection with the placement (name, and if a corporation, identify persons owning or exercising voting control over 20% or more of the voting shares if known to the Issuer): \_\_\_\_\_ .
  - (b) Cash \_\_\_\_\_ .
  - (c) Securities \_\_\_\_\_ .
  - (d) Other \_\_\_\_\_ .
  - (e) Expiry date of any options, warrants etc. \_\_\_\_\_ .
  - (f) Exercise price of any options, warrants etc. \_\_\_\_\_ .
9. State whether the sales agent, broker, dealer or other person receiving compensation in connection with the placement is Related Person or has any other relationship with the Issuer and provide details of the relationship \_\_\_\_\_  
\_\_\_\_\_ .
10. Describe any unusual particulars of the transaction (i.e. tax “flow through” shares, etc.).  
\_\_\_\_\_ .
11. State whether the private placement will result in a change of control.  
\_\_\_\_\_ .
12. Where there is a change in the control of the Issuer resulting from the issuance of the private placement shares, indicate the names of the new controlling shareholders. \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_ .
13. Each purchaser has been advised of the applicable securities legislation restricted or seasoning period. All certificates for securities issued which are subject to a hold period bear the appropriate legend restricting their transfer until the expiry of the applicable hold period required by National Instrument 45-102 Resale of Securities.

## Part 2. Acquisition

1. Provide details of the assets to be acquired by the Issuer (including the location of the assets, if applicable). The disclosure should be sufficiently complete to enable a reader to appreciate the significance of the transaction without reference to any other material:

On August 25, 2021, the Issuer announced that it had entered a definitive agreement to acquire 100% of the issued and outstanding shares Lucid Psycheceuticals Inc. (“Lucid”), a Canadian-based specialty psychedelic pharmaceutical company focused on the development of therapies to treat critical neurodegenerative diseases, for approximately US\$9 million (CAD\$11.3 million) in Class B Shares (the “Transaction”).

2. Provide details of the acquisition including the date, parties to and type of agreement (eg: sale, option, license etc.) and relationship to the Issuer. The disclosure should be sufficiently complete to enable a reader to appreciate the significance of the acquisition without reference to any other material:

The definitive agreement takes the form of a Master Agreement among Lucid, the Issuer and 2861435 Ontario Inc., a wholly-owned subsidiary of the Issuer (“Subco”). The Transaction will be effected by way of a three-cornered amalgamation between Lucid, the Issuer and Subco. The Transaction will involve the issuance of approximately 4.5 million Class B Shares as the acquisition consideration (the “Consideration Shares”), with a deemed aggregate purchase price of approximately US\$9 million (CAD\$11.3 million based on an exchange rate of US\$1 to CAD\$1.255) at a deemed price of US\$2.00 (CAD\$2.51) per Class B Share. The Consideration Shares may be adjusted slightly in the event the market price of the Class B Shares changes significantly prior to closing of the Transaction. Additionally, all of the outstanding Lucid stock options and warrants will become exercisable into Class B Shares, with the number and exercise price of such securities to be adjusted in accordance with the Transaction’s exchange ratio.

The closing of the Transaction is subject to customary closing conditions for a transaction of this nature including, among other things, Lucid obtaining the requisite shareholder approval at a special meeting of Lucid shareholders to be called to consider the Transaction (the “Lucid Meeting”). The closing of the Transaction is expected to occur in early October 2021.

The Transaction will require approval by 66 2/3% of the votes cast by Lucid shareholders at the Lucid Meeting. Lucid shareholders holding at least 66 2/3% of the shares of Lucid, have entered into support agreements with the Issuer (the “Support Agreements”) pursuant to which, among other things, they have agreed to vote all of the shares held by them in favor of the Transaction at the Lucid Meeting, on the terms and subject to the conditions set forth in the Support Agreements.

Additionally, it is a condition to closing of the Transaction that Lucid shareholders holding approximately 44% of the shares of Lucid, shall have entered into lock-up agreements with the Issuer pursuant to which: (a) 20% of the Consideration Shares received by each such locked-up shareholder will be exempt from any contractual transfer restrictions imposed by the Issuer; and (b) 80% of the Consideration Shares received by each such locked-up shareholder will be subject to contractual transfer restrictions, with such Consideration Shares to be released from such transfer restrictions over an 18 month period from the date of closing the Transaction.

Completion of the Transaction is subject to various closing conditions, including: the approval of the Nasdaq and CSE, the approval of the boards of directors of the Issuer and Lucid, the approval of the security holders of Lucid, and completion of due diligence by the parties.

Anthony Durkacz, a director and control person of the Issuer, is also a shareholder and warrant holder of Lucid, through a company he beneficially owns, and consequently the Transaction constitutes a "related party transaction" within the meaning of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("MI 61-101"). In its consideration and approval of the Transaction, the board of directors of the Issuer, with Mr. Durkacz recusing himself, determined that the Transaction will be exempt from the formal valuation and minority approval requirements of MI 61-101 on the basis of the exemptions in Sections 5.5(a) and 5.7(1)(a) of MI 61-101.

3. Provide the following information in relation to the total consideration for the acquisition (including details of all cash, securities or other consideration) and any required work commitments:
- (a) Total aggregate consideration in Canadian dollars: approximately CAD\$11.3 million.
  - (b) Cash: \_\_\_\_\_ .
  - (c) Securities (including options, warrants etc.) and dollar value: approximately CAD\$11.3 million of Class B Shares.
  - (d) Other: \_\_\_\_\_ .
  - (e) Expiry date of options, warrants, etc. if any: \_\_\_\_\_ .
  - (f) Exercise price of options, warrants, etc. if any: \_\_\_\_\_ .
  - (g) Work commitments: \_\_\_\_\_ .

4. State how the purchase or sale price was determined (e.g. arm's-length negotiation, independent committee of the Board, third party valuation etc). The purchase price was determined by arm's-length negotiations between the Issuer and Lucid.
5. Provide details of any appraisal or valuation of the subject of the acquisition known to management of the Issuer: N/A .
6. The names of parties receiving securities of the Issuer pursuant to the acquisition and the number of securities to be issued are described as follows:

Name of Party (If not an individual, name all insiders of the Party)	Number and Type of Securities to be Issued	Dollar value per Security (CDN\$)	Conversion price (if applicable)	Prospectus Exemption	Total Securities, Previously Owned, Controlled or Directed by Party	Describe relationship to Issuer <sup>(1)</sup>
	Final number of Consideration Shares issuable to Lucid shareholders to be determined in connection with completion of the Transaction	2.51	N/A	To be determined in connection with completion of the Transaction		

(1) Indicate if Related Person

7. Details of the steps taken by the Issuer to ensure that the vendor has good title to the assets being acquired: The Transaction is being approved by way of a shareholder-approved amalgamation.
8. Provide the following information for any agent's fee, commission, bonus or finder's fee, or other compensation paid or to be paid in connection with the acquisition (including warrants, options, etc.):
  - (a) Details of any dealer, agent, broker or other person receiving compensation in connection with the acquisition (name, and if a



corporation, identify persons owning or exercising voting control over 20% or more of the voting shares if known to the Issuer): N/A.

- (b) Cash \_\_\_\_\_ .
- (c) Securities \_\_\_\_\_ .
- (d) Other \_\_\_\_\_ .
- (e) Expiry date of any options, warrants etc. \_\_\_\_\_ .
- (f) Exercise price of any options, warrants etc. \_\_\_\_\_ .

9. State whether the sales agent, broker or other person receiving compensation in connection with the acquisition is a Related Person or has any other relationship with the Issuer and provide details of the relationship. \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

10. If applicable, indicate whether the acquisition is the acquisition of an interest in property contiguous to or otherwise related to any other asset acquired in the last 12 months. N/A \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

### **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 on behalf of the Issuer.
2. As of the date hereof there is not material information concerning the Issuer which has not been publicly disclosed.
3. the Issuer has obtained the express written consent of each applicable individual to:
  - (a) the disclosure of their information to the Exchange pursuant to this Form or otherwise pursuant to this filing; and
  - (b) the collection, use and disclosure of their information by the Exchange in the manner and for the purposes described in Appendix A or as otherwise identified by the Exchange, from time to time

4. 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 CSE Policy 1).
5. All of the information in this Form 9 Notice of Issuance of Securities is true.

Dated September 3, 2021.

Nathan Coyle  
Name of Director or Senior  
Officer

(signed) "Nathan Coyle"  
Signature

Chief Financial Officer  
Official Capacity

## Appendix A

### PERSONAL INFORMATION COLLECTION POLICY REGARDING FORM 9

The Canadian Securities Exchange and its subsidiaries, affiliates, regulators and agents (collectively, "CSE or the "Exchange") collect and use the information (which may include personal or other information) which has been provided in Form 9 for the following purposes:

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- To determine whether an individual is suitable to be associated with a Listed Issuer;
- To determine whether an issuer is suitable for listing;
- To determine whether allowing an issuer to be listed or allowing an individual to be associated with a Listed Issuer could give rise to investor protection concerns or could bring the Exchange into disrepute;
- To conduct enforcement proceedings;
- To ensure compliance with Exchange Requirements and applicable securities legislation; and
- To fulfil the Exchange's obligation to regulate its marketplace.

The CSE also collects information, including personal information, from other sources, including but not limited to securities regulatory authorities, law enforcement and self-regulatory authorities, regulation service providers and their

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subsidiaries, affiliates, regulators and agents. The Exchange may disclose personal information to these entities or otherwise as provided by law and they may use it for their own investigations.

The Exchange may use third parties to process information or provide other administrative services. Any third party will be obliged to adhere to the security and confidentiality provisions set out in this policy.

All personal information provided to or collected by or on behalf of The Exchange and that is retained by The Exchange is kept in a secure environment. Only those employees who need to know the information for the purposes listed above are permitted access to the information or any summary thereof. Employees are instructed to keep the information confidential at all times.

Information about you that is retained by the Exchange and that you have identified as inaccurate or obsolete will be corrected or removed.

If you wish to consult your file or have any questions about this policy or our practices, please write the Chief Privacy Officer, Canadian Securities Exchange, 220 Bay Street – 9th Floor, Toronto, ON, M5J 2W4.