



FSD Pharma Announces Collaboration and License Agreement with World Class Extractions

CSE: HUGE
OTCQB: FSDDF
FRA: 0K9

TORONTO, Dec. 6, 2018 /CNW/ - FSD Pharma Inc. ("FSD Pharma") (CSE: HUGE) (OTCQB: FSDDF) (FRA: 0K9), which, through its wholly-owned subsidiary, FV Pharma Inc. ("FV Pharma"), is a licensed producer pursuant to the *Cannabis Act*, announced today that it has entered into a definitive Collaboration and License Agreement (the "Agreement") with World Class Extractions Inc. ("World Class"), a company that has developed a unique extraction process designed to produce quality, potent cannabis extracts. World Class is also in the process of completing its own previously announced reverse takeover of CBD Med Research Corp. (the "RTO"), and submitted its initial listing application to the Canadian Securities Exchange (the "CSE") late last week.

Under the terms of the agreement and a related lease, FSD Pharma will provide World Class with space at its 620,000 square foot facility in Cobourg, Ontario (the "FSD Facility"), assist it in obtaining an extraction license from Health Canada, and provide World Class with the raw cannabis needed to produce cannabis extracts. In return, World Class will provide FSD Pharma with certain royalty rights over the profits derived from the sale of those cannabis extracts.

FSD Pharma will provide World Class with up to 5,000 square feet of space at the FSD Facility (the "World Class Premises"). World Class will build and install, at its expense, its own manufacturing facility within the larger FSD Facility, at which it intends to extract and process CBD enriched oil and other extracts (the "World Class Products"). In addition, FSD Pharma will assist World Class in preparing an application to Health Canada under the *Cannabis Act* to obtain the necessary license (the "License") to carry out its cannabis extraction activities. In particular, FSD Pharma will assist with the following components of the application:

- a) drafting, or coordinating drafting of, all application materials;
- b) sourcing all necessary third-party consultants required to prepare the application, and;
- c) communicating with Health Canada throughout the application process.

FSD Pharma will, through FV Pharma, also provide World Class with substantial assistance in producing the World Class products. During the period prior to World Class obtaining the License, the parties will produce the World Class products under a license that FV Pharma intends to obtain. In addition, FSD Pharma will provide World Class with all of the raw cannabis needed to produce the World Class Products, both before and after World Class obtains the License.

As consideration for the significant assistance provided by FSD Pharma, there will be no capital obligations required. All considerations will be paid in the form of a tolling fee structure whereby World Class will retain 7% of the value of all World Class Products produced at the World Class Premises, which will be payable, at World Class's option, in cash or World Class Products.

Rupert Haynes, CEO of FSD Pharma commented, "FSD Pharma has entered into this agreement to take advantage of World Class's proprietary WCE Technology, which we believe provides us with a competitive advantage due to its unique benefits, such as the ability to process live and wet cannabis plants in their entirety. Under the terms of the agreement, we will have access to the highest quality CBD extracts produced from our own indoor, hydroponically-grown cannabis plants. We intend to work closely with the World Class team to help expedite the application process and the granting of the company's extraction license from Health Canada."

Michael McCombie, CEO of World Class stated, "Setting up our operations in the FSD Pharma facility ensures that we have access to both a steady supply of quality cannabis plants for processing and to a team of experts in the license application process. We expect to be listed on the CSE shortly and will be setting up our operations at the FSD Pharma facility in early 2019. This is an exciting time for World Class to be entering the cannabis marketplace with our patent-pending proprietary WCE technology and to be supplying the growing market for CBD extracts."

About FSD Pharma

FSD Pharma is focused on the development of the highest quality indoor grown, pharmaceutical grade cannabis and on the research and development of novel cannabinoid-based treatments for several central nervous system disorders, including chronic pain, fibromyalgia and irritable bowel syndrome. The Company's phase one growth plan involves the development of 25,000 square feet of indoor grow space at its Ontario facility and an additional 220,000 square feet, which pending approval by Health Canada, is expected to be operational in the first quarter 2019.

FSD facilities sit on 72 acres of land with 40 acres primed for development and an expansion capability of up to 3,896,000 square feet.

FSD's wholly-owned subsidiary, FV Pharma, is a licensed producer of cannabis having received its cultivation license under the Access to Cannabis for Medical Purposes Regulations (ACMPR) on October 13, 2017 and is now operating under the recently enacted Cannabis Act. FV Pharma vision is to transform its current headquarters in a Kraft plant in Cobourg, Ontario into the largest hydroponic indoor grow facility in the world. FV Pharma intends to cover all aspects of this exciting, new industry, including cultivation, legal, processing, manufacturing, extracts and research and development.

About World Class

World Class was incorporated under the *Business Corporations Act* (Ontario) on January 25, 2018 as a private company. World Class has developed a unique extraction process to produce quality, potent cannabis extracts. The extraction technology (the "WCE Technology") uses ultrasound to effectively produce extracts from cannabis and hemp and isolate essential compounds found in plant material. The WCE Technology has a number of advantages over conventional extraction methods, including the ability to: (i) produce higher concentrated compounds; (ii) process larger volumes of cannabis or hemp; (iii) utilize undried cannabis or hemp in the process; (iv) utilize all parts of the cannabis or hemp plants, and, (v) reduce production time.

Forward-Looking Information

Neither the Canadian Securities Exchange nor its regulation services provider accept responsibility for the adequacy or accuracy of this release.

Certain statements contained in this press release constitute forward-looking information. These statements relate to future events or future performance. The use of any of the words "could", "intend", "expect", "believe", "will", "projected", "estimated" and similar expressions and statements relating to matters that are not historical facts are intended to

identify forward-looking information and are based on the Corporation's current belief or assumptions as to the outcome and timing of such future events. Actual future results may differ materially. In particular, this release contains forward-looking information relating to the development of the Corporation's indoor cannabis facility and its business goals and objectives. The forward-looking information contained in this press release is made as of the date hereof, and the Corporation is not obligated to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by applicable securities laws. Because of the risks, uncertainties and assumptions contained herein, investors should not place undue reliance on forward looking-information. The foregoing statements expressly qualify any forward-looking information contained herein.

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