



FSD PHARMA INC. ANNOUNCES \$55 MILLION DOLLAR INDOOR CANNABIS GROW PARTNERSHIP EXPANSION AT ITS COBOURG FACILITY

/NOT FOR DISTRIBUTION TO U.S. NEWS WIRE SERVICES OR FOR DISSEMINATION IN THE US/

CSE: HUGE

TORONTO, July 3, 2018 /CNW/ - FSD Pharma Inc. ("FSD" or the "Company") (CSE:HUGE) is pleased to provide an update on the progress of the joint venture between its wholly-owned subsidiary, FV Pharma Inc. ("FV Pharma") and Auxly Cannabis Group Inc. (TSX.V – XLY) ("Auxly").

The first phase of the buildout of the FV Pharma facility (the "Facility") in Cobourg, Ontario has been approved in an updated construction and development budget provided by Auxly. Of the current 620,000 square feet of building space available, 220,000 square feet will be developed and fully funded. As part of this project, Auxly will contribute \$55,000,000 to buildout the Facility.

The 220,000 square feet of cultivation and ancillary space will include a research and development lab focused on advancements in LED lighting, nutrient testing, breeding and genetics research. The first phase will also contain a dedicated space for large-scale extraction capabilities. The Company expects first phase construction to be completed and ready for Health Canada approval by the end of December 2018. Pending regulatory approval, the Company expects to plant the first harvest in the first phase by the end of January 2019. FSD retains a 50.1% stream (after all operating expenses are recovered plus a ten percent profit is paid to FSD) of all cannabis and cannabis-derived products produced at the Facility, under partnership with Auxly, in perpetuity.

As part of the updated construction budget, the Facility will implement several technological advancements in order to increase energy efficiency and post-harvest process automation. These advancements are anticipated to benefit the environment and the community of Cobourg through less demand on the local electricity grid and will reduce operating expenses to the Company.

Thomas Fairfull, President and CEO of FSD Pharma commented, "We are pleased to be working in partnership with Auxly to build out our facility in Cobourg. The first phase of our expansion plans sets the foundation for the continued development of a potential 3,800,000 square feet at the former Kraft plant. We have taken a significant step forward in delivering low-cost high-quality pharmaceutical grade cannabis at scale, and to achieving our company mission to build the largest hydroponic indoor cannabis facility in the world."

"Our investment in this significant project in Cobourg demonstrates our commitment as a company to cultivating the highest quality cannabis at scale while effectively managing operating costs in a competitive marketplace" stated Chuck Rifici, Chairman and CEO of Auxly "The market opportunity in Canada is sizable and Auxly is well positioned to secure a market leader position."

About FSD Pharma Inc. (CSE:HUGE)

FSD Pharma owns, through its wholly-owned subsidiary FV Pharma Inc., a license to produce marijuana under the Access to Cannabis for Medical Purposes Regulations (ACMPR) which was originally granted on October 13, 2017. Headquartered at the former Kraft plant in Cobourg, Ontario, approximately an hour's drive from Toronto, FSD Pharma's management's mission is to transform the facility into the largest hydroponic indoor cannabis facility in the world. FSD Pharma intends to target all legal aspects of the cannabis industry, including cultivation, processing, manufacturing, extracts and research and development. Please visit www.fsdpharma.com for more information.

About FV Pharma

FV Pharma is a licensed producer under the Access to Cannabis for Medical Purposes Regulations (ACMPR), having received its cultivation license on October 13, 2017. Headquartered at the former Kraft plant in Cobourg, Ontario, approximately an hour's drive from Toronto, FV Pharma management's mission is to transform the facility into the largest hydroponic indoor cannabis facility in the world. FV Pharma intends to target all legal aspects of the cannabis industry, including cultivation, processing, manufacturing, extracts and research and development.

About Auxly Cannabis Group Inc. (TSX.V: XLY)

Auxly Cannabis Group is a collective of entrepreneurs with a passion for the cannabis industry past, present and future. Our mandate is to facilitate growth for our partners by providing them with financial support and sharing our collective industry experience. Our partners all have different visions, voices and brand values, and all share a common goal—to build a world-class industry based on ethics, diversity, quality and innovation.

Forward-Looking Information

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.

Additional Information

Thomas Fairfull
Chief Executive Director, FSD Pharma Inc.
thomas.fairfull@fvpharma.com

Contact Information

Investor Relations

Email: IR@fsdpharma.com

Website: www.fsdpharma.com

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